Fostering Change Through Effective Leadership:

A Case Study of The City of Cape Town

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Declaration

I declare that; *Fostering change through effective leadership - A case study of the City of Cape Town* is my own work and that it has not been submitted before for any degree or examination in any university and that all the sources I have used or quoted have been indicated and acknowledged as complete references.

Bradley Wayne Davids   27 May 2015

Signed: ……………………………………………………………………

Abstract

Despite the fact that local government is nothing like it was several decades ago in terms of the numerous reform changes it has undergone, within the South African context we find that many of the elements of bureaucracy still represent local government institutions. In this regard bureaucratic structures were designed to have compliant employees who make decisions according to specified behaviours and rules. This feature of bureaucracy ensures that its leaders are not encouraged to take risks. In a bureaucracy it is preferable to stick to the tried and tested habits and practices as it is against these metrics that performance is assessed and promotions awarded. Innovative, entrepreneurial leaders run the risk of losing their jobs if they endeavour to either think or step outside of the box. The notion of embedding an innovative culture therefore becomes a challenge within the constraints of the public sector. There is an uneasy tension between the need for a cultural revolution of outdated bureaucracies in order to enhance flexibility and innovation on the one hand, and the desire to maintain the standards and procedures that are necessary for quality, accountable services to a broad range of stakeholders on the other. In effect there is tension between the need to be innovative and compliant. In this regard the adaptive local government organisation might be one that is not too prominent in terms of innovative cultural characteristics. But it might be one that displays both innovative and bureaucratic organisational cultural characteristics as it strives to achieve this dual objective of innovation and compliance. The study aims to see if transformational leadership principles can be applied under the prevailing conditions of policy, laws and strict compliance within local government. This study is based on the belief that leadership can influence organisational culture as it tries to bring about change. Leaders have to be up for the challenge to create an open culture that encourages change. By developing cultures that foster innovation leaders can help their organisations become more responsive to the changes in the external environment and become more effective. In order for their organisations to become more innovative, leaders would have to change their leadership practices and approaches to shape the new culture of their organisations. In this regard the buzzword over the last few decades in public administration has been change. One of the essential elements of leadership is change. Leaders are agents of change, be it at

organisational level or at societal level. They represent the catalysts of social movements. Such a context is suitable for a transformational type of leadership. They can fulfil this role by inspiring those around them, setting an example and creating a vision of the future that is both attractive and credible. The transformational leadership theory starts from these premises. The transformational leader asks followers to transcend their own self-interest for the good of the group, organisation, or society, to consider their long-term need for self-development rather than their need of the moment and to become more aware of what is really important (Bass, 2008: 50). Schein (1997:15) reminds us that leadership and organisational culture are two sides of the same coin. The one cannot be studied without consideration for the other. Organisational culture therefore plays an important role in the effectiveness of the reform process. It is within this context of reform and change that leadership and organisational culture become relevant topics of discussion. It is against this backdrop that the study takes a look at the City of Cape Town's attempts to implement strategies that promotes the type of organisational culture that can advance transformation and change as it strives towards the objective of becoming a world-class city.

Dedication

I dedicate this work to my loving wife Charmaine and my beautiful children, Jordan and Hannah for their patience, support, understanding and above all their unconditional love. Thank you for the many sacrifices you have endured in order for me to complete this research.

To my parents Frank and Yvonne for their continuous guidance, love and for the values they have instilled in me. Thank you for helping me to achieve my full potential.

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My sincere gratitude to the City of Cape Town for the role it has played in the completion of this research.

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Abbreviations

BPR   Business Process Re-engineering

CoCT   The City of Cape Town Municipality

CoGTA   Department of Cooperative Governance and Traditional Affairs

EMT   Executive Management Team

EVP   Employers' Value Proposition

GDP   Gross Domestic Product

GEAR   Growth, Employment and Distribution

HR   Human Resources

ICT   Information and Communication Technology

IDP   Integrated Development Plan

IPM   Individual Performance Management

LPQ   Leadership Perception Questionnaire

MFA   Municipal Finance Act

MLQ   Multifactor Leadership Questionnaire

NPM   New Public Management

OCI   Organisational Culture Index

OCM   Office of the City Manager

OD&T   Organisational Development and Transformation

ORP   Organisational Realignment Process

PA   Public Administration

PDP   Personal Development Plan

QM   Quality Management

RDP   Reconstruction and Development Programme

SAP   Systems Applications Products

SHRM   Strategic Human Resource Management

TAS   City of Cape Town's turnaround strategy

TL   Transformational Leadership

UNDP   United Nations Development Programme

VOC   Vereenigde Oost-Indische Compagnie

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Definition of Key Terms

Adaptive change

Mobilising an organisation to adapt its behaviours to thrive in new business environment.

Adhocracy

A flexible, adaptable and informal form of organisation that is defined by a lack of formal structure. It operates in an opposite fashion to a bureaucracy (Wikipedia).

Allocative inefficiency

To produce only those types of goods and services that are more desirable in the society and also in high demand.

Budget maximisation

To maximise the quantity of services supplied subject to budget constraints.

City of Cape Town

It is the metropolitan municipality which governs the city of Cape Town, South Africa and its suburbs

Competition theory

Existing competitive rivalry among suppliers / organisations

Managerialism

A belief in the value of professional managers and the concepts and methods they use. It is associated with hierarchy, accountability and measurement, and a belief in the importance of tightly managed organisations, as opposed to individuals, or groups that do not resemble an organisation (Wikipedia).

Marketisation

The exposure of an industry or service to market forces.

New public management (NPM)

Denotes broadly government policies that aim to modernise and render the public sector more efficient.

Organisational culture

A pattern of shared basic assumptions that a group learned as it solved its problems of external adaptation and internal integration (Schein, (1992:12).

Public choice theory

The use of economic tools to deal with traditional problems of political science.

Principal-agent theory

    A tradition of rational choice in which the principal uses whatever actions available to provide incentives for the agent to make decisions that the principal most prefers.

Short-termism

    Concentration on short-term projects or objectives for immediate profit at the expense of long-term security.

Transaction cost economics

    The economics of an organisation based on cost incurred in making an economic exchange.

Transactional leadership

    A style of leadership in which the leader promotes compliance of his followers through both rewards and punishments.

Transformational leadership

    A style of leadership where the leader identifies the needed change, creating a vision to guide the change through inspiration, and executing the change in tandem with committed members of the group.

Transformational leadership model

    Understanding the knowledge and applying the concepts related to this type of leadership.
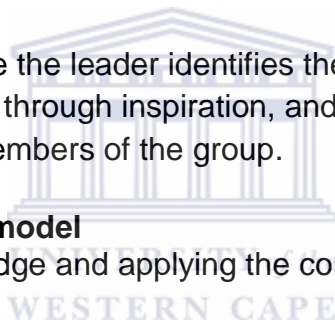
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Chapter 1: Change, Organisantional Culture and Leadership

1.1   Introduction

Managing the public sector in today's environment of constant change has become an increasingly demanding challenge for government and public managers. The functions and role of local government have been transformed substantially because the environment and context in which government and public managers operate are characterised as unstable, complex, heterogeneous and multi-faceted. Public leaders need to be able to cope with unpredictability, uncertainty and randomness. They need to have the ability to adjust to changing circumstances and to face emerging challenges, and demands. Leadership skills and strategic planning are essential for today's public leaders. In turbulent periods such as now, people must have a new vision of what it takes to be a leader. Technical expertise is no longer viewed as the key to successful leadership in government. Instead, other skills and abilities now rank as top skills needed for government leaders. This is in marked contrast to the notion that public officials have traditionally reached their positions through technical expertise (Pavlov and Katsamunska, 2004:3).
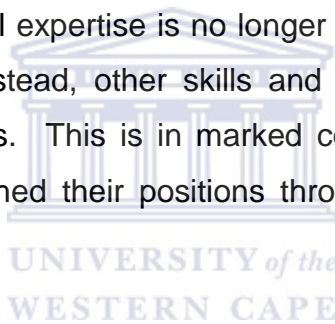
There are several municipal challenges that will require effective leadership instead of mere management expertise, they include:

- Frequent changes in policy direction due to high turnover rates in elected and appointed leadership and hyper-responsiveness of political leaders to topical issues;
- An employee distrust of transient political leaders that transfers to relationships with permanent leaders;
- Competing goals, missions and mandates;
- Chronic resource shortages; and
- Competition with the higher paying private sector for top talent (Good Governance Learning Network, 2010:6).

It seems that bureaucratic structures can no longer work effectively given the current trends and reforms that are taking place. Change and the process of reform can no longer be approached through the traditional, authoritarian and bureaucratic methods. Public sector management should seek to build on knowledge and expertise, on vision, clear mission statements, team building, participation and the empowerment of all key players. An organisation is only as effective as its people and for this reason the public sector needs to recruit and retain public servants of the highest calibre. This process requires leaders and managers to plan and direct the course together with their teams. Administrative reform focused on de-bureaucratisation and decentralisation must go in tandem with new approaches to leadership, openness, adaptability, participation, flexibility and responsiveness.

Leadership plays an important role in the implementation of reform because it involves two of the most important elements of reform namely, change and people. Changing an organisation is essentially about changing people's behaviour, and therefore organisations undergoing reform need strong and effective leadership. Leaders can help establish and maintain the new values necessary for public sector reform.

By the late 1990s the context for most governments and public organisations had been transformed so radically that their traditional structures and modes of operation had become obsolete. The need for new ways of solving governmental problems and creating opportunities for cooperation between the state, the market and the citizens led to a new way of doing business in the public sector that first swept the Anglo-American world of public administration. The concept of New Public Management (NPM), which has both followers and opponents, derives its principles mainly from a global environment characterised by competitiveness. It is based on a set of principles that provide a map for government for increasing its effectiveness (Pavlov and Katsamunska, 2004:2)

There has been a major change in perception about what it takes to be an effective government leader. Top priority is given to qualities of adaptability and flexibility when faced with change, holding oneself and one's staff accountable for achieving desired

results, and visionary, strategic thinking. The list of additional leadership attributes includes integrity, honesty, ethical and moral standards, communication skills, people skills, interpersonal skills and team building. Daft (1999:5) states, however, that although leadership has been a topic of interest to historians and philosophers since ancient times, defining leadership still remains a complex and elusive issue largely because the nature of leadership itself is complex. According to Northouse (2007:2) there are as many definitions of leadership as there are people who have tried to define it. He posits that as soon as one tries to define leadership one discovers that leadership has many different meanings. In this regard Bratton et al. (2005:5) claim that the vast amount of research done on leadership has not resulted in a consensus about the substantive phenomenon itself, stating that there is still no conclusive definition of leadership. According to Van Wart (2003:215) James McGregor Burns stated in his landmark study on leadership back in 1978, that leadership is one of the most observed and least understood phenomena. He adds that in 1980 Warren Bennis came to the same conclusion, stating that never have so many laboured so long to say so little.

Despite the fact that leadership is an elusive concept to define, it is widely accepted that leaders make a difference to organisational outcomes (Bratton et al., 2005:5). Both the private and public sector struggle with the same question, namely how do we build the leadership required to address the major leadership challenges of the 21st century? (Good Governance Learning Network, 2010:6). In this regard Byrne (2006:25) claims that the greatest challenge for leaders in the 21st century is to develop extraordinary organisations by optimising the ability and directing the needs of average people. Byrne further states that organisational culture must be receptive to new approaches. According to Byrne (2005:25) organisational culture must contain elements such as openness of thought and opinion, the empowerment of staff and the promotion of cooperation to maximise the effectiveness of human capital. Daft (1999:183) speaks about the adaptive versus the in-adaptive organisational cultures. The adaptive culture promotes openness and innovation as opposed to the conservative narrow inward focused elements of the in-adaptive culture. Schein (1997:5) speaks about developing the "right kind of culture" or a "culture of quality", implying that there are better or worse, stronger or weaker organisational cultures. Robbins (1983:170) suggests that just as individuals have personalities, so too do organisations. Robbins proposes that

organisations, like people, can be characterised in terms such as rigid, friendly, warm, innovative or conservative. Schein (1997:3) states that culture as a concept has been used by organisational researchers to indicate the climate and practices that organisations develop around the handling of people and the espoused values and credos of an organisation. A deeper understanding of cultural issues in organisations is necessary not only to decipher what goes on in organisations, but more importantly to identify the priority issues facing leadership (Schein, 1997:5).

Leadership in local government presents an interesting challenge when one considers Van Molen's (2002:156) claim that local government is an organisation where the rules restrict free and creative thinking, suggesting an in-adaptive culture. The organisation is focused on processes and structures rather than on changing individual behaviour. He refers to local government as an organisation having a prescriptive, conservative culture that places great emphasis on compliance. Parry and Thomson (2003:377) state that the public sector is fraught with the paradox of requiring flexibility and innovation in order to cope with the changing demands of the environment, while at the same time maintaining a focus on compliance and accountability to a diverse range of stakeholders, a focus which requires stability and the restraint of innovative inclinations. They go on to suggest that, for public sector organisations to survive in the future the focus of the public sector leader must be towards developing adaptive and innovative organisational cultures in order to deal with the continual environmental changes.

Parry and Thomson (2003:377) make the distinction between transformational and transactional organisational culture types to identify those organisations supportive of innovation, transformation and change (transformational culture) and those that maintain the status quo, are based on pre-established rules and structures, and inspire limited levels of commitment and motivation (transactional culture). Transformational cultures encourage and support innovation and open discussion of issues and ideas so that challenges become opportunities rather than threats. In this way they promote flexibility and adaptability. Parry and Thomson (2003:377) add that in contrast, a purely transactional culture focuses in terms of explicit and implicit contractual relationships. In such a culture, everything is worth a certain value or is quantified financially. In this type of culture, individualism is very strong and therefore a concern for self-interest, rather

than organisational aims, dominates. Furthermore, employees working in this type of culture do not identify with a mission or vision of their organisation, and thus commitment is often short-term, and limited to rewards provided by the organisation. Because a transactional culture tends to support the maintenance of the status quo, it may not provide the degree of flexibility and adaptability that public sector organisations of the future may require. This is especially so if transactional characteristics dominate an organisational culture, at the expense of transformational characteristics.

Parry and Thomson (2003:378) suggest that an organisation should have elements of both culture types, but that transformational culture is necessary to create a flexible and adaptive culture, conducive to ongoing change. Parry and Thomson (2003:393) also suggest that innovative behaviour is influenced by the leadership present in the organisation. Therefore, leadership appears to be a central factor in the development of effective culture in organisations coping with change. In this regard Bass (1985) stated that an organisation's culture develops largely through its leadership. If leaders do not become conscious of the cultures in which they operate, those cultures will manage them. Cultural understanding is desirable for all of us, but it is essential for leaders if they are to lead effectively (Schein, 1997:15). There is a constant interplay between culture and leadership. According to Schein (1997:15) culture and leadership are inter-related and cannot be understood separately. This study is based on the belief that leadership influences organisational culture as it tries to bring about change.

1.2 The Need for Effective Leadership in Municipal Government

As municipalities are increasingly being called upon to achieve better results with fewer resources, existing processes will have to be improved and new processes will have to be developed. Effective leadership has been shown to be associated with improved organisational performance (Njoku and Adinuray 2014:189). Municipalities can no longer afford to use only traditionally hierarchical and transactional leadership methods, such as contingency reward, to motivate employees and stimulate creativity. Those models will become particularly inappropriate because managers in municipal governments are running out of compensation improvements to offer their employees in return for good performance (Bass and Avolio, 1995). This thesis proposes that a transformational leadership style in local government will increasingly become a more

appropriate style of leadership because, not only does it generate the required results in terms of performance and innovation, it also appeals to public sector employees' inherent desires to serve the public. Furthermore, transformational leadership provides a framework which is more flexible and adaptable to the rapidly changing work environment to which local government employees are increasingly exposed. The fact that transformational leaders represent role models for followers, stimulate innovative thinking and motivate employees to achieve success and perform beyond their limits, is a strong argument for encouraging this type of leadership in the public sector and particularly at the local government sphere where there are so many challenges.

The transformational leadership model could be a possible answer to the challenge of public administration reform. Marginalised people are no longer willing to put up with the status quo. They are looking for a very different kind of politics and governance, and they want a very different kind of leadership. A critical analysis of transformative leadership is thus very timely at this moment in our history. What is often neglected is a focus on assessing leadership performance within the context of the organisational culture (Brookes and Grint 2007:17). Public administration reform requires a shift away from the traditional approach to public sector management, and a new way of thinking about leadership is needed. The premise of this research is that this increasing complexity can be embraced through a natural evolution of public leadership skills.

Transformational leadership offers municipalities an effective and flexible framework to address the significant and ever evolving challenges they are facing today. At staff level, however, there may be a degree of malaise with respect to the recognition of the value of leadership as an organisational competency. This attitude may have been born from differences between the expectations and perceptions of municipal employees and senior managers. While managers may expect that they should only manage, what is required of them is to be true leaders. Whatever the perceptions of the value of leadership skills among local government managers and elected officials, it is important for municipalities to recognise that leadership is a functional competency that should be operationalised. The requisite attributes and behaviours associated with transformational leadership can be measured and should be considered at various stages of a manager's development, including recruitment and promotion. Additionally

we see that transformational leaders can be trained and do not necessarily have to start with those skills intact. Training of managers in the transformational leadership framework may offer a method of re-energising and inspiring local government managers.

Research has called for organisations to be more flexible, adaptive, entrepreneurial, and innovative in order to effectively meet the changing demands of today's environment (Sarros et al., 2008:145). Appropriate leadership is needed to effect such change. Individual leadership style is an important determinant of innovation. Transformational leadership, in particular, has been shown to support and promote innovation which in turn can ensure the long-term survival of an organisation (Sarros et al., 2008:146). Sarros et al. (2008:146) add that in many instances the type of leadership required to change culture is transformational, because cultural change needs enormous energy and commitment in order to succeed. For an organisational culture to become more transformational top management must articulate the changes that are required. The behaviour and example of top level leaders become symbols of the organisation's new culture. Through transformational leadership managers can help build strong organisational culture, creating a positive climate for organisational change and innovative behaviour. What impact has the preferred leadership approach had on organisational culture within the City of Cape Town (CoCT)? Is the CoCT merely defined as a typical bureaucratic culture type organisation, or are there elements of the more progressive types of cultures? These are some of the questions this research thesis attempts to answer.

1.3 Problem Statement of the Proposed Study

There has been no lack of criticism of local government in recent years, as evidenced by numerous service delivery protests by communities (The State of Local Government Report, Cooperative Governance and Traditional Affairs, 2009:11). Leadership deficiencies seem to be a key element of these concerns. Mgwebi (2011) links these failures directly to the serious leadership deficiencies in municipalities. The State of Local Government Report (Cooperative Governance and Traditional Affairs, 2009:17) refers to a range of problems and challenges confronting local government. In particular, reference is made to serious leadership and governance issues in

municipalities. There is a lack of responsiveness and accountability to communities and municipalities are unable to deliver basic services. Naidoo (2010:94) points to the ongoing protests by communities in response to poor service delivery. In Naidoo's view the problems of poor service delivery need to be addressed through effective leadership.

A type of leadership style is needed that is not only strategic but also transformative, incorporating an innovative and passionate approach. Clause 1.4 in the White Paper on Local Government 1998 under the sub-heading of leading and learning also alludes to this new type of leadership by stating that municipalities must build the kind of leadership that is able to bring together networks of local interests that cooperate to realise a shared vision. The White Paper adds that extremely rapid changes at global, regional, national and local levels are forcing local communities to rethink the way they are organised and governed. Municipalities are required to become more strategic, visionary and ultimately influential in the way they operate. Municipal leaders therefore have a crucial role as policymakers, as thinkers and as innovators.

The White Paper on the Transformation of the Public Service (1995:22) also supports the aforementioned need for new types of leaders by stating that the public service needs managers who should not only have organisational and technical skills but also the vision and leadership skills to innovate policies. Loyalty to the government of the day should not preclude creativity and visionary thinking on the part of the public sector managers. Mokgolo et al. (2012:1) state that the South African public service leadership is a sensitive matter on the agenda of interest groups and societies today. The United Nations Development Programme (UNDP) (2003:2) highlighted that for public sector organisations to survive and succeed in today's unstable and ever changing environment they need to address leadership. Furthermore, the UNDP (2003) emphasised that the public service needs a corps of people who, while operating within the framework of the rule of law, are able to apply transformational leadership skills when tackling extraordinarily difficult challenges. Schmidt (2010:18), however, states that a particular problem is the fact that too often people in positions of leadership in the public sector, and municipalities in particular, lack the maturity and insight to function as leaders of adaptive change. The challenge is to move leaders through the process of

being merely transactional where the focus is short-term, to the transformational state that is rooted in the leadership side of management.

According to Schein (1997:15) leaders first create cultures when they create organisations. Once the culture exists, it determines the criteria for leadership and consequently who will or will not be a leader. It is important to take cognisance of the conservativeness reflected in beliefs, values and assumptions embedded in the organisational culture which can hinder efforts to bring about effective leadership development. Bass (1985) argues that in its early development, an organisational culture is the "glue" that holds the organisation together as a source of identity. Unfortunately, over time the organisational culture can also become a constraint against introducing innovative and contemporary approaches to leadership. Leaders face the challenge of leading organisations during times of substantial change. In today's changing environment maintaining the status quo will render organisations unable to respond to the demands in the environment as it is only through innovation that transformation can happen.

The challenge for local government is that it must become innovative in a very prescriptive environment, constrained by rigid rules and regulations, and an organisational culture where the rules restrict free and creative thinking. The organisational focus is on processes and structures rather than on changing individual behaviour. The bureaucratic structure was designed to have compliant employees who make decisions according to specified rules and regulations. This feature of bureaucracy ensures that its leaders and managers are not encouraged to take risks. In a bureaucracy it is preferable to stick to the tried and tested habits and practices as it is against these metrics that performance is assessed and promotions awarded. This rigid and strong emphasis on compliance creates a culture of disempowerment in terms of change and innovation.

1.4   Assumptions of the Study

This study is guided by the following assumptions:

- The CoCT, as a local government structure, is characterised by a bureaucratic culture with a transactional leadership style.

- The "hard skills" of transactional leadership are emphasised more than the "softer skills" of transformational leadership within an in-adaptive organisational culture.

- The in-adaptive organisational culture does not foster progress in terms of innovation, problem solving, and empowerment.

- The adaptive organisational culture is more suited for transformational leadership.

1.5   Objectives of the Study

The main objective of this study is to determine whether transformational leadership principles can be applied under the prevailing conditions of strict compliance in local government.

1.5.1   Secondary objectives

- To conduct a literature review of transformational leadership theories in order to understand what constitutes this type of leadership.

- To critically explore and analyse the various organisational culture constructs.

- To understand the link between transformational leadership and organisational change.

- The study sets out to explore the overall perceptions of the dominant leadership approach and the type of organisational culture within the CoCT.

- To present and critically analyse the case of the CoCT, in order to understand the nature of the organisational culture and leadership style present in the CoCT and the possible benefits of the approach it has adopted.

- To summarise and highlight the main findings and to conclude the study by adding new knowledge to the academic debate in terms of implementing transformational leadership within the confines of a bureaucratic organisational culture.
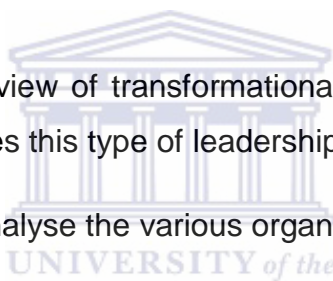
1.6 Research Questions

In view of the potential value that transformational leadership can bring to local governments in addressing the substantial and daunting challenges they are facing, this study sought to answer the following questions in the context of local government.

1. *To what extent do managers working in local government exhibit transformational leadership attributes and behaviours as perceived by their followers and themselves? Is the behaviour of the leaders in the public organisation studied transactional or transformational?*

The assumption held is that because of its characteristics transformational leadership is less likely to appear in public organisations, especially because of the typical bureaucratic structure and legal constraints that limit change and innovation. Bass (1985) suggested that transformational leaders are more likely to emerge in times of growth, change and crisis. Other scholars (Bass and Riggio, 2006; Howell, 1997; Pawar and Eastman, 1997; Wright and Pandey, 2009) see control systems typical of public bureaucracies as a natural deterrent to transformational leadership.

2. *Can transformational leadership exist within a bureaucratic organisational culture as it strives to bring about organisational change?*

The challenge is to understand how leaders living in a transactional world can be transformational leaders. In the context of local government the critical question is whether enough is being done to foster and develop principles of transformational leadership. How leaders react to problems, resolve crises, reward and punish followers are all relevant to an organisation's culture. Mokgolo et al. (2012:8) claim that transformational leadership requires an outlook that differs considerably from the public sector mind-set of compliance. Transformational leadership can play an important role in giving leaders what they need in order to ensure success. According Mokgolo et al. (2012:8) organisations that take the time to teach leadership are far ahead of their competitors. By becoming familiar with the transformational leadership approach and combining the four 'I's' (Idealised influence, Inspirational motivation, Individualised

consideration and Intellectual stimulation) managers can become effective leaders in the public service as it strives towards change and innovation.

1.7   Research Design, Methodology and Methods

This research adopted the case study design using both qualitative and quantitative techniques to critically interpret, analyse and make sense of the data collected through the administration of the survey questionnaires. More specifically the techniques employed facilitated the objective of examining and exploring transformational leadership in a bureaucratic organisational culture through descriptive statistics, in the case of quantitative techniques, and thematic analyses, in the case of qualitative techiques. Onwuegbuzie and Leech (2005: 383) state that by having a positive attitude towards both techniques, researchers are in a better position to use qualitative research to inform the quantitative portion of research studies, and vice versa. For example, the inclusion of quantitative data can help compensate for the fact that qualitative data typically cannot be generalized. Similarly, the inclusion of qualitative data can help explain relationships discovered by quantitative data.

The case study approach was chosen as it has a flexible research design, allowing the researcher to retain the holistic characteristics of real life events while investigating empirical events. The researcher was able to investigate a phenomenon in its real life context. Sandelowski (2000:338) states that quantitative research as a type of research that is explaining phenomena by collecting numerical data that are analyzed using mathematically based methods in particular statistics. Quantitative research is essentially about collecting numerical data to explain a particular phenomenon, We see that quantitative research methods are characterised by the collection of information which can be analysed numerically, the results of which are typically presented using statistics, tables and graphs. For the purpose of this thesis data was summarised in graphs and tables using descriptive statistics to analyse the findings. In this regard the use of quantitative techniques in the study was useful as it allowed the researcher to discuss the responses and differences between responses, making reference to descriptive statistics and thematic analyses.

Sandelowski (2000:337) states that qualitative descriptive studies tend to draw from the general tenets of naturalistic inquiry. Naturalistic inquiry is a generic orientation to inquiry that includes not only qualitative research, but also forms of behavioural research involving humans, such as ethological observation. Naturalistic inquiry implies a commitment to studying something in its natural state. Wiersma and Jurs (2005:203) state that qualitative researchers do not try to manipulate or intervene in the situation, but operate in a non-manipulating and un-controlling manner with openness to whatever emerges in the natural setting. This implies that the researcher adopts strategies that parallel the manner in which participants act in the course of their daily lives. The qualitative paradigm was designed to give real and stimulating meaning to the transformational leadership role within the CoCT and to ensure that the researcher was involved directly or indirectly in the process. Moreover, the fact that the researcher is an employee of the CoCT allowed for the development of personal insights and experiences on the City's trajectory of change in its natural setting over a period of time. The study therefore relied on qualitative techniques as well since it aimed at elucidating what the participants themselves had to say with regard to leadership roles and culture. The qualitative data included primary and secondary sources of data. The main primary source was the field work conducted in the form of the surveys. Secondary sources include books and journals. Government policies and documents were also used and form the basis of a documentary analysis.

The study included the administration of a survey to examine employees' perspectives on leadership and organisational culture across the directorates within the CoCT. The research instruments used were an adapted version of the Multifactor Leadership Questionnaire (MLQ) and Wallach's 24 item Organisational Culture Index (OCI). Both instruments have proved to have strong validity and have been widely used in research and commercial applications. MLQ has high reliability and has proven to be a strong predictor of leader performance across a broad range of organisations at different organisational levels and in different cultures (Bass and Avolio, 2004). Quantitative techniques informed the descriptive statistics in the study. The research instruments used to generate data were first tested in a pilot study. The pilot study was conducted among 50 participants to test reliability and to improve the measuring instrument. This

provided preliminary empirical results. The pilot study was conducted with 50 executive managers representing a cross-section of the CoCT. Based on the feedback from the respondents in the pilot sample, improvements were made to the questionnaire. This improved questionnaire was used in the actual data collection. For the purpose of this research a sample of 370 employees was selected. In order to ensure representativeness of the sample a stratified sampling approach was used. The sample was stratified according to occupational levels. An electronic mail survey was sent to the 370 senior executive managers; however only 154 questionnaires were returned. This represented a response rate of about 42 percent. This was a relatively high response rate as studies have indicated that electronic surveys produce lower response rates than traditional mail surveys, with an average response rate ranging between eight percent and 37.2 percent (Kwak and Radler, 2000:258). This is further supported by Cook et al. (2000) who state that according to their meta-analysis the average response rate for electronic surveys is 39.6 percent. Care was taken, therefore, not to generalise the findings. The general approach of the study is suggestive rather than decisive.
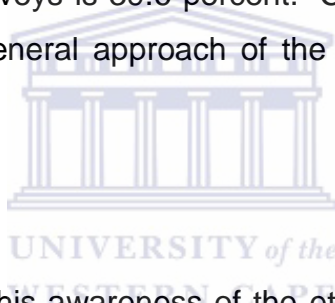
1.8   Ethics Statement

The researcher acknowledged his awareness of the ethical considerations and agreed to conduct the research in accordance with ethical procedures. As the PhD thesis is based on theoretical as well as qualitative and quantitative research methodology the following key ethical issue was considered namely, duly acknowledging all sources utilised in the compilation of this paper. Additional ethical considerations are outlined below.

1.8.1   Anonymity and confidentiality

The researcher agreed to comply with the following principles of protecting the dignity and privacy of every individual participating in the research:

- Ensuring the confidential nature of his/her replies;

- The right to abstain from participation in the research and his/her right to terminate at any time his/her participation;

- No information revealing the identity of any individual would be included in the final report or in any other communication prepared in the course of the research, unless the individual concerned consented in writing to its inclusion beforehand.

1.8.2   Gathering of information and safe-keeping of data

- Information obtained in the course of the research shall be kept safe to ensure confidentiality.
- At the conclusion of the research any information that reveals the identity of individuals who were subjects of research shall be destroyed unless the individual concerned has consented in writing to its inclusion beforehand.

1.8.3   Falsification of data

The researcher ensures that here has been no deliberate falsification of data. All sources whether primary or secondary are duly acknowledged.

1.9   Motivation for the Research

The writer's master's research paper was focused on the retention of staff within local government.   One of the key elements to come out of the research paper was that leadership played a pivotal role in both the retention of staff and the success of the organisation.   The researcher was interested in understanding what had influenced leadership in the local government context.   There is a need for new types of leaders in the 21st century, as research has shown that up to 30 percent of business results come from the climate that the leader creates.   Research also shows that 70 percent of the climate is created by the competencies of the leader.   In other words, business success today is driven by the leader's ability to create a work environment that encourages performance as well as pride, loyalty and passion (Goleman 2001:42).

The CoCT was used in this case study for a number of reasons. The CoCT's business objective is simply that Cape Town becomes a world-class city. At the centre of this lies the CoCT's human resource strategy that is aimed at changing the current organisational culture in such a way that the strategic theme identified in the Integrated

Development Plan (IDP) and vision can be achieved. This theme is to "move the organisation from its current state to a future state". The underlying principle that the CoCT has adopted is that there needs to be continuous improvement. The CoCT has taken an interesting and ambitious approach to bringing about this continued improvement. It has acknowledged the fact that its most valued asset is its human capital. In this regard the CoCT has embarked on an approach to see what its employees' perceptions are and what it is that the staff deem important to bring about change. The CoCT has conducted employee relationship surveys since 2007. The bi-annual survey assesses the employee relationship status in order to identify barriers to effective people performance within the CoCT. The CoCT states that arguably it is the most extensive survey of its kind in South Africa and the only one known to be regularly conducted in local government. The CoCT further states that service delivery and the staff involved are taken seriously by the CoCT. The CoCT acknowledges that it needs to create an environment where employees feel engaged and motivated and it is imperative that it understands what motivates employees and what areas need improvement (IPSOS Markinor, 2013 City of Cape Town Employee Relationship Assessment). A number of priority areas were identified in order to create a loyal workforce. Various human resource interventions are put in place to bring about the desired improvements. In a continued effort to achieve the goal of becoming a world-class city, these surveys were conducted in 2007, 2009, 2011 and 2013 to track changes in the CoCT's employee force, as a result of these interventions. The results show that improved loyalty levels were recorded as a result of the interventions that were initiated. This comprehensive independent survey conducted by IPSOS indicates that the overwhelming majority of staff members share the CoCT's vision and they are extremely proud to work for the CoCT and are committed to service delivery. (IPSOS Markinor, 2013). Table 1.2 depicts some of the latest opinions of staff.

Table 1.1: Opinions on the City of Cape Town as an employer

Opinions on the City of Cape Town as an Employer
74% of staff believe the CoCT is a leader in the local government sector
74% of staff believe the CoCT is an employer of choice in the local government sector
79% of staff believe the CoCT is one of the best run Municipalities in the local government sector
70% of staff believe the CoCT is a world-class organisation

79% of CoCT staff are prepared to put in extra work when required
76% of CoCT staff indicated that they are proud to work for the CoCT.

Source: IPSOS Markinor, 2013. City of Cape Town Employee Relationship Assessment 2013 results

This indicates that a huge number of CoCT staff are contributing positively and are committed to service delivery. It further offers an indication of their personal commitment to the CoCT's vision. This seemingly has translated into the many successes the CoCT has achieved over the years. The CoCT was rated the top municipality in South Africa for service delivery (Empowerdex survey 2009). The survey covered 231 local municipalities, 46 district municipalities and six metropolitan municipalities. It rated service delivery of housing, water, electricity, waste removal and sanitation in terms of current status and progress over time. The CoCT scored 89.5% compared to the overall municipal average of 59.7%. In a *Sunday Times* article Boyle (2011) states that Municipal IQ, which monitors South Africa's local governments, reported that 40% of South Africa's local governments had been affected by service delivery protests. The survey confirmed other polls that show that Cape Town has the best service record and the happiest population. In Cape Town dissatisfaction dropped from 42% to 39%, representing the best score in any area. Table 1.2 shows some the percentages of service delivery and household access in the various provinces.

Table 1.2: City of Cape Town service delivery

Access to electricity for lighting	Access to piped Water	Access to full and intermediate sanitation	Access to refuse removal service
W Cape (94.0%)	W Cape (98.9%)	W Cape (93.4%)	W Cape (91.1%)
N Cape (87.3%)	Gauteng (97.9%)	Gauteng (87.8%)	Gauteng (86.2%)
F State (86.6%)	F State (97.5%)	N West (81.6%)	F State (76.1%)
N West (82.3%)	N West (89.9%)	S Africa (67.6%)	S Africa (61.6%)

Source: Boyle (2011) Sunday Times article

In the 2014 SA Customer Satisfaction Index (SACSI) the CoCT came out on top in a national survey of the eight largest metros, with more than 70 percent of those surveyed

saying they are satisfied with their municipal services. Cape Town scored a significant 17.8 percent higher than the municipal average (Lewis 2014).

A final reason for using the CoCT as a case study was that the researcher is an official at the CoCT. The proximity and accessibility to relevant information pertaining to the research was an advantage. In view of the aforementioned serious leadership and governance challenges that municipalities are faced with, the model adopted by the CoCT, and the approach adopted to bring about cultural change within the organisation, is an interesting case study. The study is therefore significant as it could possibly be used as a benchmark model across other similar category A municipalities.

1.10 Preliminary Literature Review

Changes in the economy, technology and citizen expectations have been forcing organisations to transform in order to become more responsive. Leaders face the challenge of leading organisations during these times of change. In today's changing environment maintaining the status quo will render organisations unable to respond to shifts in demands in the environment. The leader must understand how to lead through the uncertainty that accompanies change. The process of change places a significant burden on leaders because now they are expected to embrace the change orientated attributes that will give them the ability to cope with uncertainty and become innovators. These change orientated attributes refer to the competencies leaders require in times of change. A reasonable deduction that can be made, therefore, is that leaders require competencies that will enable them to deal with the new world of rapid change and its unique challenges. The skills that may have worked in a more stable environment are inadequate in the new era of uncertainty and rapid change (Von Eck and Verwey, 2007:44).

Given the challenges confronting leaders in the public service today there is a need to develop new leadership skills. Technical or functional skills are no longer sufficient. Leaders are required to be strategic, to lead beyond boundaries, and most importantly to keep sight of the organisation's vision. A critical task of local government leadership is to drive the transformation of municipalities to ensure that they are representative of

the population, committed to the ideals of the South African Constitution and the vision of developmental local goverment, have the ability to drive delivery and be responsive to the needs of the people. In this regard post-apartheid South Africa faces a major challenge in ensuring that municipalities provide optimal and professional services to citizens. In post-apartheid South Africa, access to effective public services is no longer seen as an advantage enjoyed by only a privileged few in the community, but as a legitimate right of all residents, particularly those who were previously disadvantaged. This stance emphasises service to the people as a parameter for local government transformation (Pretorius and Schurink, 2007:19). During the course of the last few years the public sector has undergone a series of strong managerial reforms with the goal of improving public sector effectiveness and performance. A process of organisational change has accompanied these reforms and is aimed at the development of post-bureaucratic organisational culture. Trends in public administration have seen a shift from the traditional bureaucracy towards NPM and to the more recent public value paradigm. There is an increasing emphasis on creativity, innovation, flexibility, responsiveness, cost reduction, increased effectiveness, public value and sensitivity to citizens' needs. Leaders are often seen as initiators and catalysts for reform. Brookes (2013:13) states that the time is right to think differently about leadership in the public domain and to put the concept of relationships at its heart. He adds that leadership both begins and ends with people and relationships representing the critical success factors. He calls for an approach that favours leadership by means of trusting relationships rather than leadership through mere strict authority and control. It is within this reform context that a new way of thinking about leadership is required. Strategic and effective leadership is at the core of the complexities and challenges facing public organisations in the 21st century.

A type of leadership approach is needed that is not only strategic but also transformative, incorporating an innovative and passionate approach. Transformational leadership offers municipalities an effective and flexible framework to address today's significant and ever evolving challenges. It is important for municipalities to recognise that leadership is a functional competency that should be operationalised. The requisite attributes and behaviours associated with transformational leadership can be measured and should be considered at various stages of a manager's development, including

recruitment and promotion. Transformational leaders can be trained and do not necessarily have to be employed with the requisite skills. Training managers in the transformational leadership framework may offer a way of re-energising and inspiring local government managers. Chowdhury et al. (2000:15) sum it up best by stating that average traditional leadership will not survive the next millennium. Furthermore, they suggest that a new type of leadership is needed. They allude to a transformational approach to leadership. They refer to the need for innovative, passionate and sensational leadership. This sensational leadership thrives on unleashing imagination as well as building on emotion. These leaders have a dream as well as unique ideas that result in a true competitive advantage for organisations. Coats (2005:34) claims that it is obvious that the kind of leadership that worked in the old style organisation will not be sufficient in the new emerging organisation. He refers to an organisation that has evolved from a predictable controlled environment to an organisation that is driven by modern technology.

Leadership in the future will be about relationships. Understanding this will require that leaders change what they pay attention to within the organisation. The agenda will shift from being one that focuses on structures, tasks and controls to one where there is a fundamental focus on the things that determine and drive relationships. The new questions asked will be: do we live out our organisational values and purpose? Is innovation and collaboration honoured? In what ways are we learning from one another? (Good Governance Learning Network, 2010:6). This is a tough transition, moving from a predictable environment to one that is ever changing. The following statements draw attention to the fact that perhaps a new type of leadership is also needed within an ever changing local government arena.

> Local Government is crying out for effective leadership and highly skilled public servants (*Sunday Times*, 2007).

> The core problem with our municipal government is not only a matter of inadequate leadership. Municipal governments together accommodate more than half of the population, generate 70% of the national GDP and have a per capita spending power nearly three times that of the rest of the country. It is clearly second only to that of central government in importance. They are more important than the nine

provinces. They should therefore be run by the best managers, but they are not. Our constitution ranks them in third place, so they are run by the C team (Sparks, 2007).

Functional complexity is forcing many municipalities into distress mode, exacerbated by poor leadership. The need for a change in how leadership think and perform is also critical to success, Many municipalities have not been able to provide effective leadership in developing a common vision about what can and ought to be done in a progressive way (CoGTA 2009:86 State of Local Government in South Africa).

We need to do things differently if we want different solutions. The Constitution and other legislation spell out our responsibilities and tasks. Changing strategic orientation is not easy and it requires bold leadership (CoGTA 2014:6 The Presidential Local Government Summit).

Mafora (2009:1) claims that despite the many efforts on the part of local government to improve service delivery, local governments have experienced ongoing protest marches, riots and uprisings, arguably against the slow pace of service delivery. He adds that there have been over 500 protests relating to service delivery over the past decade in South Africa. Naidoo (2010:94) supports this opinion and describes the situation as typical of a developmental state. He further claims that the past pervades the present as redistributive efforts and expanded service delivery are still very much skewed. In Naidoo's opinion effective leadership is needed to overcome the service delivery challenges experienced at local government level. Organisational culture is therefore a key issue for local government. For example, to what extent does the local government arena lend itself to the development of leadership that will transform and improve local government service delivery? In this regard organisational culture can take on three broad forms. First, transformational leadership can be facilitated in an organisational environment that encourages innovation and collaboration within a changing political, social and economic environment. Second, transformational leadership may be stifled by an organisational culture that favours compliance over innovation. The second scenario may inhibit the implementation of transformational leadership in local government. Third, transformational leadership may possibly exist alongside transactional leadership where a blended approach to leadership is adopted. Often pertinent issues such as organisational and individual values, motivation, trust and relationship building are viewed as softer concepts of leadership and very often neglected. Instead government officials operate in a sector where organisational culture is about reinforcing accountability, compliance and maintaining the status quo.

Thus the authority, status and power associated with leadership are mainly centred on structures, tasks and controls instead of things that determine and drive relationships towards organisational change. What is missing is an organisational culture that is rich and fertile with opportunities to allow leadership growth and development and to bring about effective leadership. Schein (1997:4) states that if the dynamics of organisational culture are understood, people are less likely to be puzzled, irritated and anxious when faced with unfamiliar and seemingly irrational behaviour of people in organisations. Instead, there will be a deeper understanding, not only of why various groups of people or organisations can be so different, but also why it is so difficult to change them. Organisational culture is the social energy that drives, or fails to drive, the organisation. Most of what goes on in an organisation is guided by the cultural qualities of shared meaning, hidden assumptions and unwritten rules (Newstrom and Davis, 1989:408). Robbins (1983:173) claims that culture is the social glue that helps hold the organisation together by providing appropriate standards for what employees should say and do. It offers a conceptual map by which employees can understand which attitudes and behaviours are preferred. It imposes powerful influences on employee behaviour. Norms are created which shape the behaviour of both individuals and groups.
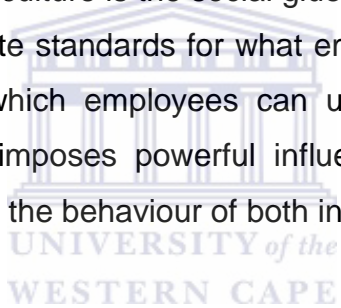
Daft (1999:183) defines organisational culture as a set of key values, assumptions, understandings and ways of thinking that is shared by members of the organisation. At its most basic, culture is a pattern of shared assumptions about how things are done in an organisation. These assumptions, over time, become so deeply embedded and less open to question that organisation members take them for granted and often are not even aware of the assumptions that guide their behaviour, language and patterns of social interaction. Newstrom and Davis (1989:408) suggest that culture has an impact on the organisation when it points behaviour in a certain direction. This not only requires an emphasis on organisational policies and regulations, but also on norms and values that may emerge through individual influences and behaviours over time. Therefore Daft (1999:186) suggests that organisational culture may very well encourage an organisation to march resolutely in the wrong direction or in the right direction. Moreover, Daft (1999:183) states that an organisation's culture may not always be in alignment with the needs of the external environment.

The values and ways of doing things may still reflect what worked in the past, thus creating what he refers to as a culture gap. He refers to adaptive versus in-adaptive organisational cultures. Table 1.3 shows that adaptive culture encourages change, risk taking and improvement. It questions the status quo and current way of doing things. The culture rewards new ideas and creative thinking, and also rewards those who fail when trying new ideas in order to learn and grow and to symbolise the importance of taking risks. The adaptive culture strives to serve the whole organisation through promoting trust among its members. The in-adaptive culture, on the other hand, is centred on meeting one's own needs and there is distrust for others. The in-adaptive culture promotes risk reducing processes at all costs (Daft 1999:221).

Table 1.3: *Adaptive and in-adaptive organisational culture*

Adaptive Organisational Culture	In-adaptive Organisational Culture
Promotes change even if it entails risks	Promotes risk reducing processes
Values people	Values order and stability
Promotes trust	Promotes distrust

Source: Adapted from Daft (1999:221)

These two different types of cultures also have a direct impact on leadership. Within the adaptive culture, leaders are concerned about people and their motivation as opposed to the in-adaptive culture that sees leadership adopting a very narrow focus. In in-adaptive cultures the emphasis is on order and stability, processes and procedures. In considering leadership in local government, the concept of organisational culture is particularly important. Parry and Thomson (2003:377) use the distinction between transformational and transactional organisational culture types to identify those organisations supportive of innovation, transformation and change (transformational culture) and those that maintain the status quo, are based on pre-established rules and structures, and inspiring limited levels of commitment and motivation (transactional culture). They go on to suggest that, for public sector organisations to survive in the future, the focus of the public sector leader must be towards developing adaptive and innovative organisational cultures. A local government culture that emphasises compliance reinforces an in-adaptive culture. Therefore, a critical question to ask is, what can be done to change the situation in order to move towards the preferred

adaptive culture that Schein refers to? Is it at all possible to bring about this change when one considers the traditional bureaucratic nature of the sector? These are some of the secondary questions that this study intends to explore. The nature of the organisational culture plays an important role in the theoretical construct of leadership and the principles and elements of successful leadership.

Leadership has been described as the ability to inspire confidence and support, influence relationships among leaders and followers, modifying human behaviour and building commitment and understanding (Dubrin, 1998; Daft, 1999; Terry, 2004). According to Yukl (2002:7) leadership is a process of influencing others to understand and agree about what needs to be done and how it can be done effectively, and the process of facilitating individual and collective efforts to accomplish shared objectives. We can only begin to identify potential leaders and train leaders if we understand what leadership is. The understanding and definition of leadership will influence the approach to leadership development. In the context of this study leadership is defined as the ability to inspire, motivate and guide people to act towards a common goal. This ability entails a combination of personality and skills as outlined in Figure 1.1.
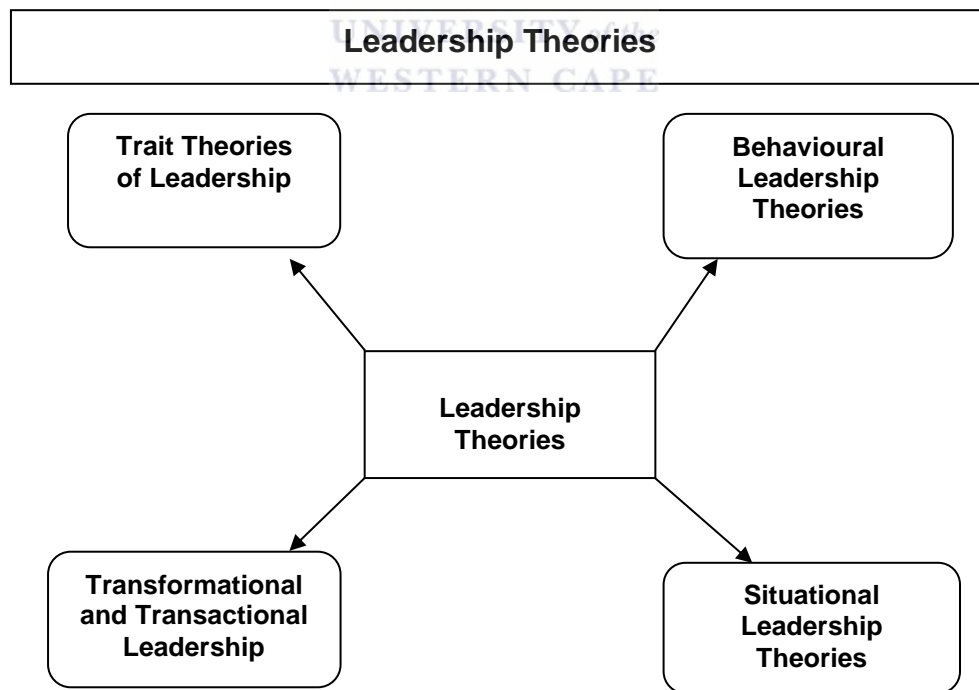
Figure 1.1: Leadership theories

Source: Researcher's own schematic to depict the flow of leadership theory

It is important to provide some perspective on the universal leadership themes that have prevailed over time in order to understand leadership within the dynamics of modern organisations. Given the vast amount of literature available on the subject of leadership, it is best understood within a theoretical framework. Figure 1.1 outlines some of the prominent leadership theories that have emerged. The underlying assumption of the trait theory approach to leadership is that people are born with inherited traits. Some traits are particularly suited to leadership. Hersey et al. (1996:101) state that this approach places an emphasis on certain characteristics that are essential for effective leadership. The vital question that this approach attempted to answer was: what characteristics or traits make a person a leader? The earliest trait theories concluded that leaders are born not made. The "great person" theory of leadership said that individuals are born with or without the necessary traits for leadership. Famous figures in history, such as Napoleon Bonaparte, were said to have the "natural" leadership abilities necessary to become great leaders (Luthans, 1998:383). The behavioural theory is different to the trait theory in that it proposes that behaviours can be learned more readily than traits. This implies that leadership is accessible to all (Daft, 1999). Theorists who adopt the behaviour perspective on leadership attempt to answer the question: What are the behaviours that make leaders most effective? (Bratton et al., 2005:16). Greenberg (1999) postulated that the possibility exists that most people can become effective leaders by emulating the behaviour of successful leaders. More recently the principles of both trait and behavioural approaches to leadership have led Grant et al. (2011:530) to focus on how leader characteristics that capture both leader traits and their behaviours affect group performance. They focus in particular on the leadership characteristic of extraversion. Their contribution by means of their research introduces employee proactivity as a boundary condition for the extraverted leader. They claim that when employees are proactive they may be more effective when their leaders are less extraverted.

Grant et al. (2011:532) suggest that extraverted leaders are prone to experience employees' proactive behaviours as threatening. Extraverted leaders tend to seek out status that allows them to maintain a hierarchy in which their assertiveness and dominance are complemented by obedience and submissiveness. When their status is

threatened, extraverted leaders may be willing to engage in conflict and to use defensive and/or unconstructive tactics. In general, extraverted leaders tend to exercise influence not by seeking ideas from others but rather by gaining dominance over their employees. Thus they may reject employees' proactive ideas in favour of their own existing practices. In contrast less extraverted leaders tend not to be as concerned with status and power and they are more receptive to employees' proactive behaviours. They embrace the introduction of new ideas and work methods in order to develop effective and efficient systems. They tend to listen more carefully to employees' ideas and suggestions as well as taking notice of employees' efforts to raise important issues that could improve group performance (Grant et al., 2011:532). This becomes relevant in our discussion on the topic of leadership and organisational culture. If leadership and organisational culture are closely interwoven, the above findings that Grant et al. have alluded to make for an interesting debate. We expect our leaders to be extraverted, confident and outspoken. We demand great things from them. We want to be inspired and led by those we have placed in positions of power and authority. Grant et al. (2011:532) point out, however, that there may be a conscious manipulation on the part of organisational leaders to create an environment or culture that suits their individual and personal preference at the cost of the group or organisation. The situational theory approach examines the relationship between leadership styles and effectiveness in specific situations. According to Daft (1999:93), for a leader to be effective there must be an appropriate fit between the leader's behaviour and style and the conditions in the situation. It therefore becomes apparent that a leadership style that works in one situation may not necessarily work in another situation. The situational leadership model was first developed by Hersey and Blanchard in 1972. They emphasised the need for leadership style to fit the particular circumstance and context. As the name of the approach implies, situational leadership focuses on leadership in different situations. The premise of this theory is that different situations demand different kinds of leadership (Northouse, 2007:91). The strength of this approach is that it emphasises leader flexibility. Situational leadership stresses that leaders cannot use a single style; they must be willing to change their style to meet the requirements of the situation (Northouse 2007:97).

Strategic leadership entails the creation of an environment that will support the achievement of organisational goals and the role of monitoring the external environment to take advantage of opportunities and to defend against threats (Gortner, Mahler and Nicholson, 1987). Hitt and Ireland (1999) believe that strategic leadership may prove to be one of the most critical issues facing organisations. They further claim that without strategic leadership, the probability that an organisation can achieve superior or even satisfactory performance when confronting the challenges of the global economy will be greatly reduced. Strategic leadership theory contends that top managers' values, cognitions and personalities affect their field of vision, their selective perception of information and their interpretation of information. These intervening information-processing steps transmit the effects of psychological constructs by affecting the options that top managers evaluate and select. Therefore, they see strategic leadership as very much a decision-making theory. Dubrin (2001:365) provides a slightly different yet equally relevant definition of strategic leadership saying that it deals with the major purposes of an organisation or an organisational unit. It is the process of providing the direction and inspiration necessary to create, or sustain an organisation.

Chowdhury et al. (2000:15) state that transactional leadership centres on getting things done. They further state that the majority of leaders are transactional, they are comfortable with this because it focuses on procedures and techniques in which they are trained. Burns (1978) stated that transactional leadership involves an exchange relationship between leaders and followers. This exchange relates to rewards for effort and good performance. It is about maintaining the rules and standards. It is leadership by exception, passive leadership, intervening only when there is a deviation from the rules and standards (Burns, 1978). Dubrin (1995:64) states that transactional leaders mostly carry on transactions with people, such as taking care of administrative work and offering rewards for good performance. Seidman et al. (2011:46) discuss the transactional world that organisations operate in. They define this transactional world as one in which all organisational processes can be analysed and converted into a series of finite, specific steps that can be consistently and easily measured. Such transactional focus has led organisations to concentrate on tactical goals (Seidman et al., 2011:46). Seidman et al. (2011:46) adds that this micro focus on transactions and the associated pressures tends to produce a narrowing of perspective and skills. Even

though transactional leaders often become highly skilled at ensuring that their staff get the job done, there are negative consequences to this narrow, measurable focus. In particular, it reduces an organisation's ability to adapt to new markets, competitors, products or systems, circumstances where transformational leadership is critical, but usually in short supply (Seidman et al., 2011:46).

Transformational leadership focuses on what should be done. Leaders are less comfortable with this aspect because it deals with values, political judgement and even community moral standards. Burns (1978) defined transformational leadership as a process in which one or more people engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality. Transformational leadership is based on leaders who are able to shift the values, beliefs and needs of their followers (Burns, 1978).

Seidman et al. (2011:47) state that transformational leadership is primarily about the intangibles required to motivate others in an organisation in order to optimise their performance. They point out that it is holistic and that it relies on stimulating the intrinsic motivations of the followers (Seidman et al., 2011). Transformational leadership therefore requires an uncommon balance of diverse skills, knowledge and experience that relatively few people have. Table 1.4 summarises the characteristics and approaches of transactional versus transformational leadership.

Table 1.4: Transactional and transformational leaders

Transactional Leaders	Transformational Leaders
Focuses on contractual agreements.	Focuses on, and provides, a vision and sense of mission. Instils pride, gains respect and trust.
Manages by exception. Intervenes only if standards are not met.	Constantly communicates high expectations. Provides intellectual stimulation through careful problem solving.
Emphasis on searching and looking out for deviations from prescribed rules in order to take corrective action.	Provides individual consideration by giving personal attention to each employee. Coaches and advises.

Source: Adapted from the work of Luthans (1998:397) Organisational Behaviour

Bass (1985) claims that transactional leaders work within their organisational cultures following existing rules, procedures and norms, whereas transformational leaders change their culture by first understanding it and then realigning the organisation's culture with a new vision and a revision of its shared assumptions, values, and norms. At one extreme the transactional leader accepts no deviation from standard operating procedures, managing by exception in a highly transactional fashion, while at the other extreme the transformational leader rewards followers when they apply rules in creative ways or if they break them when the overall mission of the organisation is best served (Bass, 1985). Organisations that think and act transformationally and not transactionally, do better in the long-term (Seidman et al., 2011:47). The challenge, however, is how can leaders living in a transactional world become more transformational. Parry and Thomson (2003:377) states that within the public sector there is an uneasy tension between the need for a cultural revolution of outdated bureaucracies in order to enhance flexibility and innovation on the one hand, and the desire to maintain the standards and just procedures that are necessary for quality service for a broad range of stakeholders on the other. In effect, there is a tension between the associated needs to be transformational and transactional at once suggesting that there may be both transformational and transactional organisational cultural characteristics displayed. They add that public sector organisations must still have levels of authorisation and contractual balances to maintain probity, but that does not exclude the encouragement of individual initiative. Transformational and transactional organisational cultures are not mutually exclusive. Bucic et al. (2010:232) argue that in a competitive environment leaders must be ambidextrous, that is they need to have the capacity to implement diverse courses of action simultaneously, including exploration, flexibility and control. In certain circumstances, leaders need to implement transactional behaviours, such as when the organisation is in a stable position and the learning objectives aim to refine and restore balance. In this case, transactional leadership, which emphasises structure and routine, is appropriate. However, when the organisation faces a dynamic, evolving situation and organisational learning is required to be adaptive and progressive, transformational leadership is more suitable. They add that rarely are organisations solely in one phase or the other (Bucic et al., 2010). In a competitive environment, they do not have the luxury of choice and must instead fluctuate between or be both simultaneously. In this realistic scenario,

leaders must adopt the most suitable approach, which in most cases demands ambidextrous leadership particularly in the context of big organisations such as the public sector or local government.

Parry and Thomson (2003:393) claim it is highly likely that the optimal combination of transformational and transactional organisational culture will be organisation-specific. They state that the best organisational culture profile will probably reflect a high demonstration of transformational characteristics, and a moderate demonstration of transactional characteristics. Hence, public sector organisations must restrain transactional culture characteristics and develop transformational leadership within and even in spite of a transactional environment. Within the context of local government, the critical question is whether enough is being done to foster and develop principles of contemporary leadership. How leaders react to problems, resolve crises, reward and punish followers are all relevant to an organisation's culture. In view of the potential value that transformational leadership can bring to local governments in terms of addressing the substantial and daunting challenges they are facing, this study sought to answer the following question in the context of local government: *"To what extent do managers working at municipalities exhibit transformational leadership attributes and behaviours as perceived by their leaders, followers, and themselves?"*

The discourse on leadership has significantly shaped leadership theories and perspectives applied in the 21st century to public and private sector organisations. Whether one subscribes to the notion of innate leadership qualities as suggested by the trait theory, or whether one leans more to the behavioural theory that advocates that leadership behaviours can be learned, it is important to understand that leadership studies is an evolving discipline and that the concept of leadership will be influenced over time by several variables. Neither leadership nor organisational culture can be studied in isolation; the two are interwoven. There is a constant interplay between culture and leadership.

In the last three decades change has been the buzzword in public administration reform. We see an increasing emphasis on creativity, innovation, flexibility, and responsiveness from public organisations, together with a focus on cost reduction, increased effectiveness and sensitivity to citizen's needs. These trends are embedded

in the public administration reform approaches of new public management and the more recent public value approaches. These reforms have a direct effect on leadership. Very different kinds of politics and governance emerge which require a different type of leadership. Here organisational culture plays an important role in the effectiveness of the reform process. Leaders, however, have to be up for the challenge to create an open culture that encourages change. One of the essential elements of leadership is change. Leaders are agents of change, be it at an organisational or societal level. They represent the catalysts of social movements. They can fulfil this role by inspiring those around them, setting an example and creating a vision of the future that is both attractive and credible as it strives to bring about change. Chapter 2 considers the various reform approaches that public administration has undergone in recent years and the consequent implications.

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Chapter 2: The Evolution of Public Administration

2.1 Introduction

Public sector reforms were initiated because the government needed a departure from its old traditional method of running administration and there was an urgent need for a renewed public sector to propel government in its quest for sustainable socio-economic, political, and technological developments. There was a need for structural re-engineering of the public sector with the infusion of new spirits, values, professionalism, accountability, responsiveness, and a focus on maximum efficiency of the economy. Public service reform is a planned intervention to raise the level of public service performance. It must have carefully defined goals and a strategy to attain these goals. The ultimate aim of the public service reform is to see significant improvement in public service outputs, such as more effective and responsive service delivery (Olufemi and David, 2010:148). Based on this premise this chapter presents a theoretical description of bureaucracy, new public management and the post new public management change paradigm. This chapter also considers the implications for leadership and organisational culture.
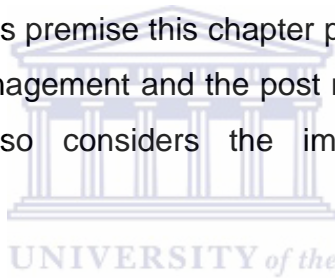
Vigoda (2003:4) states that intuitively one feels that for centuries nothing has really changed in the managerial and administrative processes of public organisations. She adds, however, that some major changes have taken place to create a totally different environment and new rules that must be adhered to. A new kind of governing approach has taken shape, in which public administration plays a central role. Despite basic similarities, the public administration of our times is entirely different from public admistration in the past. It is more complex than in the past and the complexity is growing. It has many more responsibilities to citizens, has to cope with increasing demands from people, and must adhere to standards of equity, justice, social fairness, transparency and accountability. Vigoda (2003:13) states that public administration is moving through reforms and changes that are aimed at downsizing, privatisation, de-bureaucratization, higher professional managerialism, and above all strict dedication and aspiration to become better by improving measurement tools and proceeding with empiricism. The wisdom of managing organisations in the 21st century relies on diverse

disciplines and multiple sources of knowledge. The current information era and immense technological advancement create higher levels of accessibility, availability, and transparency for the public.

Public administration reformation requires changes based on efficiency, responsiveness, honesty, fairness, openness and accountability. The steps in public administration reformation are essentially related to two fundamental aspects, a) cutting back administrative problems and b) improving government organisational ability to solve public issues and improve the quality of service. The undeclared aims of reform are an attitude change in the public sphere and a change in the organisational culture of the public sector. The evolution of public administration involves change and development (Petrescu et al., 2010:408). Over the years there has been a need for transition from the traditional bureaucratic model of public administration which was criticised for being over-regulated to more up to date approaches that are more in tune with the contemporary needs of its beneficiaries. These new paradigms are called New Public Management (NPM) and the more recent Public Value (PV) paradigm. The disparity between accountability and efficiency is evident in the contrast between traditional public administration and the new public management. The traditional model leans towards accountability. Max Weber's model leaned towards accountability in the form of bureaucracy with strict hierarchical control from the top. The new public management model favours loosening the restrictions of the traditional model to allow for more creativity and flexibility in order to achieve new efficiencies and better customer service. It proposes giving managers more flexibility to use their own information and judgement to make decisions, letting "managers manage". It encourages managers to take risks and be more entrepreneurial (Pfiffner, 2004:8). Stefanescu (2012:49) states that in this regard the management of public administration faces some major challenges. The evolution and image of public administration will depend greatly on its capacity to adapt to the 21st century. The public administration system is often criticised for its lack of flexibility and resistance to change. In addition rigidity and obstinacy in sticking to obsolete organisational behaviours generate negative effects which have serious implications on performance. Flexibility while maintaining accountability must be the main feature of public administration reform.

According to Vyas-Doorgapersad (2011:238) NPM is a reformed public sector transformation that breaks away from the repressive, autocratic and conservative paradigm of public administration that followed top down hierarchies underpinned by Weber's (1946) bureaucracy. She adds that the primary means by which public organisations can move towards the post-bureaucratic model have become well known to the public administration community, especially over the past decade. They include partnerships, empowerment, restructuring, re-engineering, information technology and continuous learning. Many public organisations around the world have undergone significant reform by moving towards this post-bureaucratic model (Kernaghan 2010:93). Kernaghan (21010) adds that a major theme in recent public service reforms has been the reduction of rules so that empowered public officials are held more accountable for results and less accountable for process, and they can be more creative, even entrepreneurial. The driving forces behind NPM and the competitive government model includes public choice theory, principal-agent theory, transaction cost economics, and competition theory. The way in which government is viewed in this context, constructed and arranged appears to be firmly rooted in an economic framework. From this perspective, policy rhetoric focuses on the notion that a smaller government was superior and that government failure must be addressed in order to maximise efficiency. This often resulted in prescriptions built on competition and contracts, and contrasts directly with the traditional bureaucratic model of government.

The last few decades of the 20th century have shown, however, that such narrowly constructed views are problematic and are unable to capture the paradoxes and complexities of the modern state (O'Flynn, 2005:1). More recently, however, cracks have appeared in these post-bureaucratic, competitive government models and the search for a new paradigm for thinking about and enacting public management practice has begun. In part this represents a response to the weaknesses of the competitive government model. O'Flynn (2005:2) states that the realisation of limitations in this approach will not likely underpin a return to the bureaucratic model, but rather may spark a paradigmatic change which attempts to redefine how we think about the state, its purpose and thus ways of functioning, operating and managing. Within this search for meaning and direction a "public value" approach is gaining considerable interest in both practitioner and academic circles (Alford, 2002; Bovaird, 2004; Bozeman, 2002;

Hefetz and Warner, 2004; Horner and Hazel, 2005; Kelly et al., 2002; Moore, 1994; Moore, 1995; Moore and Braga, 2004; Smith, 2004; Stoker, 2006). This approach may represent a post-bureaucratic, post-competitive government model of public sector management. In part this is because it provides a means for moving beyond a fairly narrow market, versus government failed approaches in thinking about the state as a collaborative effort aimed at delivering a seamless service. This post-bureaucratic approach represents a shift in emphasis away from rules which dominated the traditional model, situates public value as the core function of public managers, and focuses on the importance of results.

The public value approach provides an interesting and emerging means of trying to get beyond the restrictions of the government-market failure dichotomy. Using this perspective opens up considerable space for examining what might constitute the new post-bureaucratic, post-competitive paradigm and its implications for public sector managers. The fostering of shared values across the public service and in individual organisations can help to reduce the overall need for rules and to increase the use of the less intrusive management instrument of guidelines. Public servants are more likely to comply with the rules that remain, and to respect the intent of guidelines, if they see the connection between the content of these rules and guidelines and fundamental public service values (Kernaghan 2010:102). Mintzberg (1996:81) adds that the best accountability systems recognise that control is normative and rooted in values and beliefs.

It is unrealistic to expect that a written statement alone will be sufficient to foster shared values and high ethical standards in the public service. A statement of key values should be viewed as an essential component of a broad regime for preserving and promoting ethical behaviour. This ethics regime could include not only a statement of values but also such measures as ethics codes, rules and guidelines; ethics training and education; ethical counsellors or ombudsmen; and the evaluation of ethical performance as a basis for appointments and promotions, especially at the senior leadership level. While statements of values or codes of conduct can serve important purposes they can be severely undermined by leaders who do not model the organisation's values. Public servants are more effectively motivated by concrete

examples of values-based leadership than by lofty declarations of values (Kernaghan, 2010:102). This chapter presents a theoretical description of bureaucracy, NPM and the post new public management paradigm. This chapter also considers the implications for leadership and organisational culture. The following section will discuss the traditional bureaucratic system and its key features.

2.2 Traditional Weberian Bureaucratic Public Administration

Some decades ago it was believed that the larger an organisation the larger the economies of scale, would be produced, the more efficient and better coordinated would be the services it provided, and the greater would be the facility for distributing professional services in the public interest rather than for the sake of private gain. In particular, in the area of local administration the idea that "big is beautiful" (Weberian bureaucracy) prevailed as the desirable form of organisation for the provision of public services. It was argued that economies of scale could be gained from a given size and there was a constant ambition to create larger units through the consolidation of metropolitan areas in order to make better use of available resources. The central component in the old Weberian bureaucratic model is one of sustainable and robust action (Chipkin and Lipietz, 2012:2).

Effective bureaucracies have been widely perceived as essential for ensuring order, delivering services on a large scale and, more broadly, in underpinning the workings of a modern state. For most of the 20th century and starting in the mid-to-late 19th century such an efficient bureaucracy was equated with top-down hierarchical and rules-bound public administration staffed by permanent, neutral professional officials motivated by the public interest and directly accountable to the political leadership; in short the kind of bureaucracy described and theorised by Max Weber (Chipkin and Lipietz, 2012:2). Weber emphasised control from top to bottom in the form of a monocratic hierarchy that is a system of control in which policy is set at the top and carried out through a series of offices with each manager and worker reporting to one superior and held to account by that person. This type of culture ensures a high level of safety and prediction. The bureaucratic system is based on a set of rules and regulations flowing from public law, namely a system of control that is rational and legal. The features of Weberian bureaucracy have been criticised, stating that this

bureaucracy includes the blind and unemotional adherence to, and application of, rules. The activity and interactions of the functional sectors are controlled by means of strict procedures and by clearly defining job positions and scope of competence. The role of the bureaucrat is strictly subordinate to the next level in the hierarchy (Pfiffner, 2004:1). The hierarchy is the source of power typical for this type of culture where leverage is brought about through rules and procedures. The distance from power is big and communication is very formal. The bureaucratic leader tells people what to do and how to do it. The base of all orders or instructions is solely organisational policies, procedures and guidelines. According to Stefanescu and Panzaru (2009:92) some of the characteristics of the bureaucratic leader are:

- Leaders impose strict and systematic discipline on the followers, and demand business-like conduct in the workplace;

- Leaders are empowered via the office they hold having position power;

- Followers are promoted based on their ability to conform to the rules of the office; and

- Followers should obey leaders because authority is bestowed on the leader as part of their position in the organisation.

To the individual the bureaucracy offers security and is a favourable opportunity to acquire expertise where performing according to the standards is rewarded. Deviation from the standard is unacceptable and the role becomes more important than the person playing it. It is characterised by high stability and reduced levels of risk. This type of organisational structure satisfies the managers who prefer stability and safety and who want to be successful in performing their roles and who are interested in gaining expertise in mastering and implementing the institution accepted methodology. From the late 1970s, however, the very structure of Weberian public administration came under increasing criticism. The top-down and rule bound structure that seems based on official secrecy and permanent tenure had led more often than not to rigid, routinised and process-bound administrations unable to meet the increasingly diverse needs of fast changing societies and economic processes (Chipkin and Lipietz, 2012:2).

Large, centralised bureaucracies were criticised for their monopolistic, inefficient nature considered to be caused by the problems of coordination and control arising from their excessive size and lack of flexibility (Gomez et al., 2009:7). O'Flynn (2005:355) argues that bureaucracy leads to resource wastage and budget maximisation in the pursuit of power, status, income, ideology, patronage, discretionary power and ease of management, producing allocative inefficiency and oversupply. Enter the principles of NPM or the competitive government model which included public choice theory, principal-agent theory, transaction cost economics, and competition theory. The way in which government was viewed, constructed and arranged appeared to be firmly rooted in an economic framework. From this perspective, policy rhetoric focused on the notion that a smaller government was superior and that government failure must be addressed in order to maximise efficiency.

2.3   New Public Management Paradigm

According to Van de Walle (2011:190) NPM has a hybrid character and is generally used as an umbrella term for a collection of trends. This is also reflected in the alternative wording used to describe the changes that have occurred in public sectors in Europe and elsewhere in the 1980s and 1990s, such as managerialism (Pollitt, 1990), market-based public administration, and post-bureaucratic organisation (Barzelay, 1992), and entrepreneurial government (Hughes, 1998).

Christopher Hood's 1991 article "A Public Management for all Seasons" is widely regarded as the key work on NPM. It distinguishes between seven doctrines of NPM (Hood 1991:3):

1. hands-on and entrepreneurial management;
2. explicit standards and measures of performance;
3. output controls;
4. desegregation and decentralisation;
5. competition in the provision of public services;
6. stress on private-sector styles of management; and
7. discipline and parsimony in resource allocation.

Pollitt and Bouckaerts (2004) study focused on how public management reform is formulated, implemented and evaluated. They traced the idea of NPM and documented how governments around the world have taken steps top-down to change the structure and processes of the public sector. They developed a model of public management reform. They recognised that there were different ways to reform and termed these practices the NPM model (Greve, 2010). NPM was derived from public choice theories and new institutional economics and sought to introduce results-oriented and performance-related operating principles to keep bureaucracy lean and mean (Chipkin and Lipietz, 2012:2).

Proponents of NPM claimed that NPM styled bureaucracies would become more user-responsive (Hood, 1991; Larbi, 1999; Brett, 2009). NPM promised a new way of controlling personnel other than through internal rules and hierarchical authority. The fundamental logic of NPM is that management in the public sector is not in any meaningful way different from management in the private sector. It further proposes that the public sector has not paid sufficient attention to management and to the role of the manager, having placed excessive emphasis on the role of political leaders at the head of public organisations. If managers and their organisations can be released from the control of those political leaders, and the constraints that politics places on management and operations, then the system will perform better. By performing tasks better, this approach means performing them more efficiently (Peters, 2003: 11).

NPM recognised that public managers and other civil servants had their own interests and sought to align their interests and those of the organisation in which they worked through a system of rewards and sanctions, most notably through performance management contracts. NPM was aimed at undoing the hierarchical Weberian public administration model and its alleged shortcomings (rigidity, fixation on legal correctness, and neglect of economic efficiency) by importing private sector managerialist concepts and tools into public administration. In keeping with the temper of a neo-liberal turn, NPM has been used as a delivery mechanism for entrepreneurial government policies (Osborne and Gaebler, 1992; Du Gay, 1993, Hood, 1995, Pollitt and Bouckaert, 2000) that seek to contain public expenditure, encourage private sector management and forms of marketisation, in order to enhance public services and outcomes. According to

Gomez et al. (2009:7) the advent of public choice introduced the market perspective into the public sector. Large, centralised bureaucracies were criticised for their monopolistic, inefficient nature, considered to be caused by the problems of coordination and control arising from their excessive size and lack of flexibility. It was concluded that there is a size beyond which the economies of scale begin to disappear, leading to a lack of agility in operations and to inflexibility in decision making. In the public sector, these ideas led to the appearance of the new concept: NPM.

O'Flynn (2005:354) states that at the end of the 20th century, a post bureaucratic paradigm of public management was firmly entrenched in many countries, reflecting the outcome of a suite of reforms intended to cause a break from the traditional model of public administration underpinned by Weber's (1946) bureaucracy, Wilson's (1887) politics-administration divide and Taylor's (1911) scientific management model of work organisation. Vlk (2011:5) states that NPA, a term first coined by Christopher Hood, primarily grew out of neo-liberal economic theory and public choice theory (Lynn, 2006:107; Christensen and Laegreid, 2007:4,226). Other theories attributed to the development of NPM include principle-agent theory and new-institutionalism (Haque, 2007:180). Although no single theory encapsulates NPM, rationalism, competition, and efficiency are at the core of the reforms (Vabo, 2009:2). In part at least NPM was a reaction to perceived weaknesses of the traditional bureaucratic paradigm of public administration and it encompassed a critique of monopolistic forms of service provision and an argument for a wider range of service providers and a more market-oriented approach to management (O'Flynn, 2005; Stoker, 2006). They add that NPM successfully spread throughout government and improved government in several ways. The bureaucracy became more "customer-focused" and citizens' input became valued.

Most importantly, NPM fueled creative thinking on new ways to implement programmes and conduct public policy (Vlk, 2011:5). NPM reforms initially sought to give political leaders more control and enhance bureaucratic responsiveness while giving frontline managers more autonomy (Christensen and Laegreid, 2007:8). According to the NPM philosophy, organisations that have decentralised the services they provide get better results than those that have not, because they are more flexible and provide a closer, more personalised service (Gomez et al., 2009:7).

Within this new paradigm, the doctrinal components were associated with four reinforcing megatrends: slowing down or reversing government growth; privatisation and quasi-privatisation; automation in the production and distribution of public services; and an international agenda in public sector reforms. NPM sought to dismantle the bureaucratic pillar of the Weberian model of traditional public administration. Out with the large, multipurpose hierarchical bureaucracies and in with the lean, flat, autonomous organisations drawn from the private spheres and steered by a tight central leadership corps (O'Flynn, 2005:354). Pollitt and Bouckaert 2011 state that NPM is focused on improving efficiency, contractualisation, marketisation, a private-sector management style, explicit performance standards and output/outcome control. Under NPM politicians have a strategic, goal-setting role, and public servants are supposed to be autonomous managers held to account through performance arrangements and incentives. This approach recognises NPM as a three-level phenomenon. It has a strongly developed and coherent theory of managerial change based on importing into the public sector central concepts from modern business practices. The three chief integrating themes in NPM are desegregation, competition and incentivisation, as outlined below.

1.   **Disaggregation:** Splitting up large public sector hierarchies in the same way that large private corporations earlier moved from multi-firm structures to uniform structures achieving wider, flatter hierarchies internally and re-specifying information and managerial systems to facilitate this different pattern of control. In the public sector this theme implied a strong flexibilization of previous government-wide practices in personnel, IT, procurement, and other functions, together with the construction of management information systems needed to sustain different practices.

2.   **Competition:** The introduction of purchaser/provider separation into public structures to allow multiple forms of provision to be developed and to create competition among potential providers. Increasing internal use of competition processes to allocate resources (in place of hierarchical decision-making). The core areas of state administration and public services were shrunk, and suppliers were diversified.

3. Incentivisation: Shifting away from involving managers and staff and rewarding performance in terms of a diffuse public service or professional ethos, and moving instead towards a greater emphasis on pecuniary-based, specific performance incentives (Dunleavy and Hood, 1993).

NPM proposes that bureaucratic institutions are turned into entrepreneurial institutions, ready to kill off obsolete initiatives, willing to do more with less, and eager to absorb new ideas. It places an emphasis on innovation and ingenuity as qualities to be rewarded and encouraged, rather than to be stifled and punished. An important aspect of NPM in the reinvention of government is entrepreneurism. At the centre of the entrepreneurial spirit is the idea of flexibility, a disdain for red tape, coupled with an emphasis on getting the job done. There is also an emphasis on common sense as the solution to red tape (Suleiman, 2014:11). The NPM approach advocates a decentralised leadership approach with higher authority assigned to mid-level managers in public bureaucracies so they can make the decisions necessary to meet customer demand. According to the NPM approach, citizens should be treated as customers. In the context of public administration, the NPM approach posits that public leaders should be self-motivated, opportunistic, and innovative and they should take risks if necessary to achieve goals.

The NPM model of public leadership promotes the concept of an anticipatory, proactive, customer-oriented leadership in public administration similar to private sector leadership. A number of problems arise, however, when using the notion of an anticipatory, proactive and customer-oriented leadership approach in public administration. First, a private business often has a defined customer group for its output, whereas determining a specific customer group for a public organisation is difficult and politically risky. Second, customers of government organisations may have overlapping demands. The issue here is who the government considers to be its customers. Third, scholars such as Frederickson in 1997 maintain that government has no customers at all because citizens are not customers, they are owners. Customers are offered various outputs by a firm but citizens determine what outputs should be produced by government agencies.

The constitutional and legal basis of public administration presents another challenge to anticipatory, proactive, and customer-oriented leadership. It states that the responsibilities and duties of public administrators are determined by constitutional provisions and not by customers. Public leaders must not be motivated to take unnecessary risks and break prescribed rules and constitutional provisions by showing anticipatory, proactive and customer-oriented leadership that could jeopardise their organisations. As argued by Samier (2005:82), by the introduction of NPM principles, the three "E's" of economy, efficiency, and effectiveness have replaced the three "C's" of traditional administration; conduct, code of ethics, and culture. The primary intellectual root of the market approach to changing the public sector is the belief in the efficiency of markets as the mechanism for allocating resources within a society (Peters, 2001:25). Entrepreneurship, competition, privatisation and efficiency are keywords used within this framework. According to Dunleavy et al. (2005:484) NPM implications run throughout the public sector networks dictating new macro structures, new fine-grained reorganisations, re-evaluations of processes and fundamental changes of management styles and information systems, and new modes of responding agilely to emerging problems. In the NPM paradigm, the critical performance objectives were centred on efficiency and economy, largely reflecting the economic framing of government activity and the reconstruction of citizens as customers.

O'Flynn (2005:360) states that public managers in this paradigm had goals built around the achievement of performance targets. The pursuit of results and cost efficiency are rewarded in the NPM approach. NPM represents an attempt to make the public sector more businesslike and efficient. Critics such as Pollitt (1990), however, argued that it took no account of the distinctive properties of public sector organisations. The fundamental differences between government and business are at the root of NPM's deficiencies. Government has many more stakeholders and accountability issues than a typical corporation, and the fact that an administration has to work with the legislature in developing a budget makes government much more diffuse. In business, the primary goal is profit maximisation, while goals in government can vary depending on the organisation and its many stakeholders. Many of the standard economic principles of NPM do not fit well within the framework of government. If NPM is correct in its neo-

liberal principles of motivation by self-interest and profit maximisation, it could undermine the trustworthiness of public officials.

NPM's emphasis on fast and low-cost service is often at odds with traditional public sector principles of transparency and due process. Bureaucracy was not designed to act swiftly like a private company. Because of public accountability it is deliberative and slow (Brookes and Grint, 2007:4). The practical application of NPM, like its bureaucratic predecessor, suffered from a range of weaknesses which reflected both implementation challenges and fundamental tensions. For example, competitive regimes have been commonly adopted, although they are usually costly to implement and rarely deliver genuine competition. Furthermore, there is evidence that such approaches have resulted in increased transaction costs due to the high costs of contract preparation, monitoring and enforcement (Entwistle and Martin, 2005; O'Flynn and Alford, 2005). O'Flynn (2005) has argued that competitive government models also lead to fragmentation of relationships which may spur destructive behaviour. According to O'Flynn (2005:357) the fundamental values of public service organisations have been undermined by competition and NPM, by limited resources, conflicts between individual demands and public interest, and the erosion of accountability and responsibility due to fragmentation, and increased risk-taking.

Hambleton (2003:9) states that this market approach that treats people as consumers may at times be appropriate to treat public service users as consumers of products or customers of services, but these conceptualisations of members of the public are profoundly limiting in the context of a democratic institution. This is because they are built on the idea that government should become more like a business when in fact this is a misguided view. Most of the important decisions in government involve complex tradeoffs between competing interests and they have different impacts on different groups of citizens. Hambleton (2003:9) refers to a shift in thinking, in the worlds of both administration and management which takes thinking beyond the limiting concepts of new public management, and opens up a new set of possibilities for politicians and officers in the local goverment system. Instead of trying to redefine local people as either consumers or customers, the new approach puts democratic renewal high on the managerial and not just the political agenda. In this model, which is being pioneered by

some of the best local authorities in the world, new and constructive relationships between politicians, officers and citizens are being created. The following section considers the alternative to NPM as a possible solution to some of the problems encountered by NPM.

2.4 Neo-Weberian State

The counter model to NPM was proposed by Pollitt and Bouckaert in 2004 and is known as the Neo-Weberian State (NWS). The NWS model co-opts the positive elements of NPM, but places them on a Weberian foundation (Drechsler, 2009:12). The Weberian model continues to serve as the intellectual foundation for governing, and as the model to which most attempts to reform are directed. The characteristics that make bureaucracy what it is remain intact, namely the principles of office hierarchy, levels of graded authority, and a firmly ordered system of subordination (Weber, 1946:197) cited in Thompson and Miller (2003:338). The need for expert training remains, duties of the job continue to demand the full working capacity of the employee. General office rules must be learned and followed (Thompson and Miller, 2003:338). Bureaucratic rules and rationality still apply. Efficiency and rapid unambiguous communication remain the foremost criteria that are used to assess the technical superiority of organisational form. Thompson and Miller (2003:338) state that the fall of bureaucracy is an exaggeration. Instead performance management, outcome measurement, and results-oriented managerialism are tributes to the triumph of bureaucracy's core value, namely instrumental rationality. Indeed, the NWS model has become important as a means of understanding what is happening with government after the NWP reforms (Peters 2009:9).

After decades of discussions about reforming or eliminating the bureaucracy, Weber's principle injunctions about bureaucratic competence, bureaucratic neutrality, and an efficacious state are indispensable requirements for a democratic state (Suleiman 2014:16). Rediscovering Weber's analysis of bureaucratic organisation enriches our understanding of public administration in general. The argument is not that Weber always provides authoritative answers. Much has to be learned about the mechanisms by which public administration approaches the ideal type bureaucracy, what causes the emergence, growth, and decline of the bureaucratic organisation; and the implications

of such changes. Nevertheless, Weber calls attention to important issues and dilemmas and offers stimulating lines of thought (Olsen 2005:19). The basic logic of the NWS is to retain many of the efficiency values associated with the NPM, while recapturing some of the emphasis on probity and accountability that were more central to traditional models of the public sector. The logic of returning to at least some aspects of bureaucracy in the public sector is that the probity and predictability of bureaucracy are no less important in the contemporary public sector than they were in the past. The NWS is in essence a hybrid between the managerial and old fashioned state that may have the capacity to provide some improvements in efficiency as well as probity (Peters, 2009:11). According to Pollitt and Bouckaert (2004:99) the NWS consists of the elements outlined below.

Weberian elements

- Reaffirmation of the state as the main facilitator of solutions to the new problems of globalization, technological change, shifting demographics and environmental threat.
- Reaffirmation of the role of representative democracy (central, regional, and local) as the legitimating element within the state apparatus.
- Reaffirmation of the role of administrative law, suitably modernised, in preserving the basic principles pertaining to the citizen-state relationship, including equality before the law, legal security, and the availability of specialised legal scrutiny of state actions.
- Preservation of the idea of a public service with a distinctive status, culture, and terms and conditions.

Neo elements

- Shift away from an internal orientation to bureaucratic rules to an external orientation towards meeting citizen needs and wishes. The primary route to achieving this is not the employment of market mechanisms (although they may occasionally be useful) but the creation of a professional culture of quality and service.
- Supplementation (not replacement) of the role of representative democracy by a range of devices for consultation, and the direct representation of citizens' views.

The focus on the representative democracy of NWS is also a basis for controlling and maintaining the stability and competence of public bureaucracy.

- In the management of resources within government, a modernisation of the relevant laws to encourage a greater emphasis on the achievement of results, rather than merely following the correct procedure.

- A professionalisation of the public service, so that the 'bureaucrat' becomes not simply an expert in the law relevant to their sphere of activity, but also a professional manager, dedicated to meeting the needs of citizens.

The key is to first ensure the presence of the Weberian elements, and only then to start gradually building the neo elements by introducing individual modern management tools (Tiina Randma-Liiv, 2008:13). We are faced with a dialectical development in which the old public administration has been combined with NPM and post-NPM features to create new hybrid organisational forms. The central components in the old Weberian bureaucratic model are sustainable and robust, but in the strong modern state they have been supplemented with neo-Weberian components such as performance management and user participation, responsiveness and professional management (Pollitt and Bouckaert, 2011) and with new public governance initiatives (Christensen, 2012:7). What the NWS implies is that there is an amalgamation with the Weberian basis and the important achievements that NPM doubtlessly had. It merely brings together the best elements of these two models.

Olsen (2005:2) claims that it is worthwhile to reconsider and rediscover bureaucracy as an administrative form, an analytical concept, and a set of ideas and observations about public administration and formally organised institutions. He does not propose going back to a Weberian based public administration. Olsen (2005:1) states that bureaucratic organisation is not the answer to all challenges of public administration. The bureaucratic organisation is part of a repertoire of overlapping, supplementary, and competing forms coexisting in contemporary democracies, and so are market organisations and network organisations.

At this point it is important to mention the public value argument that advocates that public services are distinctive because they are characterised by the rights of citizens to services that have been authorised and funded through some democratic process. Simply stated, public value is the desire to maximise citizens' value in the public sector. It is designed to get public managers thinking about what is most valuable in the service that they run and to consider how effective management can make the service the best that it can be. The following section takes a closer look at this type of reform that involves a networked governance environment where the overall aim is the delivery of public value.

2.5 The Public Value Paradigm

According to Park (2010:3) post-NPM approaches seek ways to enlarge the area of discretion, to increase individual freedom and to create an open problem solving climate throughout the organisation (Denhardt and Denhardt, 2003:37; Golembiewski, 1967:305). The model recognises public servants not just as employees who crave the security and structure of a bureaucratic job (as typified by the old public administration), or as participants in a market (as they would be considered under NPM), but as people whose motivations and rewards are beyond the material or the monetary (Perry and Wise, 1990). Moore (1995) and Bozeman's (2007) conception of "public values" is defined as the desires and perceptions of individuals, and citizens' aspirations expressed through representative government. Similarly, theory that supports the post-modern participatory and humanistic approach to public administrative reforms suggests that the role of the public administrator is to act as a facilitator of discourse and communications outside the confines of institutional settings, and to prioritise equality among social groups, humanisation of the workplace, intrinsic job involvement, empowerment, and expanded political and social participation. These post-NPM values include employee empowerment, greater employee participation, and cooperative management practices. These newer perspectives raise expectations for better quality of work life in organisations, and other broad social changes.

According to Christensen (2012:8) an increasing number of scholars are arguing that the post-NPM trends are a reaction to the organisational proliferation and resulting

fragmentation induced by NPM doctrines (Pollitt, 2003; Boston and Eichbaum, 2005; Gregory, 2006; Halligan, 2006; Christensen and Laegreid, 2007; Bouckaert et al., 2010; Laegreid and Verhoest, 2010). Public value management offers a new paradigm and a different narrative of reform. Its strength lies in its redefinitions of how to meet the challenges of efficiency, accountability and equity, and in its ability to point to a motivational force that does not rely on rules or incentives to drive public service reform. It is based on a more comprehensive vision of humanity than either traditional public administration or new public management (O'Flynn, 2006:56). The public value management model encapsulates these points into a new way of thinking and forms the basis for major change and therefore represents a paradigmatic shift. According to Vlk (2011:8) public value is the latest framework for government administration and shares some similarities with NPM as it is based on economic theory and managerialism.

In response to NPM, post-NPM has sought to cut down on fragmentation through structural changes, to increase centralisation, strengthen central political and administrative capacity, examine historical and cultural factors, introduce joined-up government initiatives and create clearer expectations for roles. This has given rise to a new current in public management thinking, termed post-NPM. This approach emphasises objectives shared across organisational boundaries, as opposed to working solely within an organisation (NPM philosophy). The post-NPM philosophy encompasses the design and delivery of a wide variety of policies, programmes and services that cross organisational boundaries. Post-NPM reforms are mainly inter-organisationally oriented. They seek to improve the horizontal coordination of governmental organisations and also to enhance coordination between the government and other actors. In contrast, post-NPM implies a mixed pattern of in-house, marketised services and delivery networks, a client based, holistic management style, boundary spanning skills, joined-up targets, a procedural focus, impartiality and ethical norms and stronger centralised control. Post-NPM promotes working together in a pragmatic and intelligent way rather than through formalised collaboration (Christensen 2012:4). Collaborative efforts are aimed at delivering a seamless service. The post-NPM reforms are also culturally oriented governance efforts. They focus on cultivating a strong and unified sense of values, cultural integration, team building, the involvement of participating organisations, trust, value-based management, collaboration and

improving the training and self-development of public servants. The argument is that there is a need to re-establish a "common ethic" and a "cohesive culture" in the public sector because of the reported corrosion of loyalty and increasing mistrust brought about by NPM, which was rooted in diverse economic theories (Christensen, 2012:4). Such actors pay less heed to formal top-down authority and rely more on negotiations and mutual adjustments and on bringing together organisations to pool resources and knowledge.

Christensen (2012:4) states that this network model scores high on adaptability and flexibility, but accountability may be reduced and ambiguous, and directing may be more difficult. There is a state-centric approach to governance in which public networks are a main component. Here civil servants have networking and boundary-spanning competences allowing them to act as go-betweens and brokers across organisational boundaries both vertically and horizontally. Public networks bring civil servants from different policy areas together. They are facilitators, negotiators and diplomats rather than bureaucrats exercising hierarchical authority, and this is especially important in tackling issues that transcend traditional sectors and policy areas. The ability to further cooperate is also valued (Christensen 2012:7). He suggests that it can be argued that under NPM, the broader notions of public value were marginalised in the quest for efficiency and consequently the adoption of a public value perspective will represent a further paradigmatic change. Such change, however, would redefine the role of managers within the public sphere and present a series of challenges to the existing capabilities which have developed with the NPM paradigm. Considerable attention will need to be devoted to the development of new skills if managers are to effectively navigate the complexities that come with paradigmatic change. O'Flynn (2005:360) has highlighted a range of leadership skills that modern public managers require to operate effectively including: tolerance for ambiguity and uncertainty; recognition of omniscience (i.e. that they can never have full knowledge); maintenance of personal perspective and self-knowledge; critical reflection and distributed leadership (i.e. within and outside the immediate organisation).

These leadership skill requirements link well with notions of public value, especially when considering moves towards whole government or joined-up models of governing

and network governance forms. But they represent a challenge to existing capabilities. This partly reflects the dominance of NPM where the pursuit of results and cost efficiency were rewarded. In collaborative forms of working, which may fit better with the pursuit of public value, longer term relationship management skills that focus on conflict resolution, trust building, information sharing, and goal clarity are required. According to Hambleton (2003:9) it seems clear that local leaders should adopt an approach that, inter alia, includes developing credible leadership, keeping promises, fulfilling commitments and creating opportunities for others to exercise power. New trends in the aforementioned discussion on traditional bureaucracy, NPM and post-NPM can be summarised as follows:

- From economic efficiency challenges to a concern with broader societal challenges (including issues of sustainability) that no one organisation can solve by itself;

- From managerialism and narrow results to a focus on public value management that includes a focus on long term outcomes;

- From market-based governance to a focus on networks in the new public governance;

- From citizens as consumers to citizens as co-producers, co-innovators and co-creators; and

- From accountability for results (outputs) to a broader understanding of transparency and accountability in networks and a focus on longer term results (outcomes).

Figure 2.1 indicates that the new agenda or framework for the public sector is concerned with broader, societal, cross-boundary and even global challenges, public value management, new public management, co-creating citizens, digital-era governance, transparency and shared accountability in networks, rather than with single organisations. This agenda on public management reform ideas is more focused on capacity building than on immediate results. It is more focused on the longer time perspective, than the shorter more economic based time perspective. This agenda is more focused on process than on content (Greve, 2010:14).
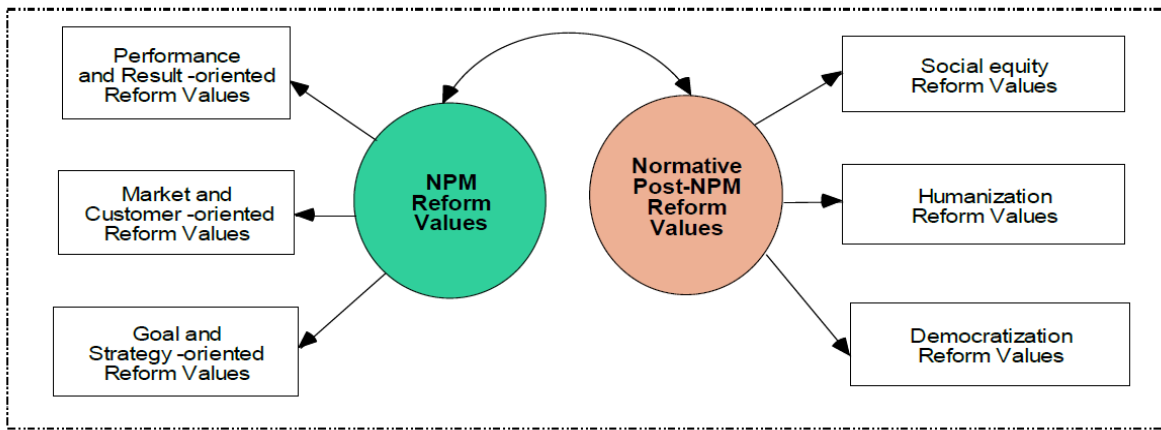
Figure 2.1: Framework for NPM and post-NPM values

Adapted from Park (2010:24)

In summary, in the new agenda there are many complex public policy challenges to deal with, including the latest account of sustainability in this complex world. Public managers must strive to produce and create public value, they must frequently organise themselves in public policy and management networks to share experiences, risks and results. Citizens are seen as allies and partners and co-innovators more than customers to be serviced or citizens to be served. The digital era makes encounters increasingly digital and makes connections easier and provides a possibility for transparency; consequently there are many sites and opportunities for accountability that extend the traditional approach. It should be clear from all that has been said so far that public sector reform demands a very different organisational culture and a very different type of leader to drive this change. The following section considers the implications for leadership and organisational culture.

2.6   The Implications for Leadership and Organisational Culture

The role played by public employees in contemporary governance is not as clear as it once was. Within the clarity and simplicity of old fashioned government there was some sense of how the system would be managed and what the role of the civil servant in that system was. This predictability was especially evident for public organisations and their routine implementation tasks seemed to be stable and predictable. The most remarkable change in the role of the public service, and for governance in general, is that there is much less predictability and there are often competing demands placed on

officials. This reduced predictability presents a number of challenges to the public sector leader (Peters, 2009:9). This change in the public administration should be seen as an improvement in organisational structures and managerial flexibility. This change depends to a great extent on the conduct of the leader, on the values and principles promoted by the leader, the manner in which such values and principles are instilled in the employees, and on the capacity of the employees to adapt to them (Stefanescu, 2012:45).

The previous sections have pointed to the principles, practices and premises of traditional bureaucracy, NPM and the post-NPM reforms. They provide the basis for developing paradigmatic ideal types, making comparisons and discussing implications for public sector leaders. This is especially important because it is through dominant paradigms that public leaders make sense of their activity. Organisational culture is particularly important when an organisation is undergoing significant transformation or is introducing major reforms that require different or new cultural or value traits from those exhibited in the past. Understanding organisational culture and cultural types assists in understanding why managerial reforms may impact differently within and between organisations. It is in this context of reform that organisational culture and leadership become important.

Organisational culture and leadership lie at the heart of the change process. The main levers for achieving change are effective leadership and how it ultimately influences organisational culture. The two activities of leadership and organisational culture are regarded as mutually dependent and reinforcing. There have been radical changes in the way organisations operate throughout the world. Globalisation has been driven by the massive production of goods and fierce competition among the producers of wealth. Computers and the internet have speeded up business communications. Information and communication technology reaches into every corner of the world, molding ideas, identities and the consumption of goods. Consequently new forms of organisations have evolved. Working patterns have changed with a growing stress on a mobile, rapidly adaptable workforce that is well educated and trained to operate in what is increasingly described as an information or knowledge economy. In this regard the public sector has been forced into becoming more responsive to these market trends.

According to Xavier (2010:6) much of the 20th century saw the public service dominated by the traditional or the progressive public administration paradigm. Under this paradigm, the public service was more procedural and compliance-based with a focus on inputs rather than outputs. Whereas NPM can be characterised as both post bureaucratic and competitive with a clear and dominant focus on results. Public leaders in this paradigm had goals built around the achievement of performance targets. In the public value paradigm, public leaders have multiple goals which, in addition to the achievement of performance targets, are more broadly concerned with aspects such as steering networks of providers in the quest for public value creation, creating and maintaining trust, and responding to the collective preferences of the citizenry in addition to those of clients. Such goals dovetail well with the idea that the dominant focus for leaders shifts from results to relationships in the public value paradigm (O'Flynn 2005:360).

Such radical paradigmatic change has important and wide-ranging implications for public sector management. In the new paradigm leaders negotiate and engage with different constituencies, they must negotiate up into their authorising environment or the political realm and out towards clients. O'Flynn (2005:360) argues that this presents public leaders with a profound challenge because they have to make a case for the value they claim to create. This requires a radical redefinition of the role of public leaders as they move beyond the constrained roles they adopted in the traditional administration paradigm (i.e. as implementers of political grand plans) and the NPM paradigm (i.e. pursuers of results and efficiency gains), to advocates in the public value paradigm. Within the post-NPM paradigm it is more readily accepted that government activity is interconnected and interdependent and as such may require more collaborative effort in the pursuit of public value. O'Flynn (2005:361) argues that public leaders need to be able to manage through networks, to be open to learning in different ways, and to draw in resources from a range of sources. O'Flynn (2005:361) adds that this will place considerable strain and pressure on public officials through increased emphasis on consultation, communication, deliberation and ultimately defining public value. He goes on to question whether governments actually have the policy and managerial capability to deal with the issues confronting them. This is because essentially it means that public officials must engage political authority, collaborate with

each other within and cross institutional boundaries, manage efficiently and effectively, engage with communities and users of services and reflectively develop their own sense of vocation and public duty.

In order to solve complex problems, public leaders have to be able to initiate concerted action not only within their own organisations but among a set of stakeholders with different and competing interests. This means that traditional models of organisational leadership have their limitations, as they may help to make public organisations more performance and customer oriented, but they are not adequate to address boundary spanning public problems in a context of fragmented authority (Broussine, 2003:175). Such interconnected problems pose challenges to public managers schooled in the virtues of competition, contracts and efficiency. This requires public managers to work across boundaries and develop new leadership skills (O'Flynn, 2005:361). The call for a new type of public leader contrasts sharply not only with the neutral, anonymous bureaucrat of the traditional model, but also with the narrow agency focused manager of the competitive model. This new public leader is one that is able to reach out beyond their boundaries and engage a much wider set of individuals, agencies and stakeholders.

Broussine (2003:175) has highlighted a range of leadership skills that modern public managers require to operate effectively including: tolerance for ambiguity and uncertainty; recognition of omniscience (i.e. that they can never have full knowledge); maintenance of personal perspective and self-knowledge; critical reflection; and distributed leadership (i.e. within and outside the immediate organisation). According to Greve (2010:16) public leaders now play an important part in co-creation, and are required to be in collaboration with a number of other role players. Key competencies are to understand and to thrive in complexity, including economics, (which implies robustness), to contribute to capacity building and process building often through institutional design, to participate in management teams, to inspire fellow collaborators and to think creatively about solutions to immediate challenges and secure results with an eye to future challenges.

We see from the preceding sections that in terms of public administration reform it is clear that recent trends, especially those related to NPM and post-NPM have seen an increasing emphasis on creativity, innovation, flexibility and responsiveness from public organisations, while at the same time emphasising cost reduction, increased effectiveness and sensitivity to citizens' needs. Change has been the buzzword in the public sector. However, public administration is a practice that does not seem to be very responsive to change (Mora and Ticlau 2012:82). Hostility to change comes from civil servants themselves because they see change as a threat to their own jobs. Olsen (2005: 12) adds that reformers tend to treat change as a master value but the challenge is twofold, first to clarify how flexible administrative organisation and practices, mentalities, cultures, and codes of conduct are, and what are the conditions are under which administrative forms can be deliberately designed and reformed, and second to balance stability and flexibility. Mora and Ticlau (2012:82) state that organisational culture plays an important role in the effectiveness of the reform process. They say that what is needed is the creation of an open culture that encourages change, and leaders who are capable of meeting the challenge. In this scenario leaders are often the ones who are seen as initiators and catalysts for such reforms, but at the same time have to bear the responsibility for any kind of stumble, be it economic, social or even political. The leader is forced to progressively create an organisational environment favourable to the success of the changes proposed by reform. In addition, the leader must transfer his/her vision to the expectation level of their followers, to motivate them through the leader's abilities and knowledge. Using the tools of sociability and adaptability, perseverance and cooperation, the leader has to transform his/her followers into a motivated group, so that members feel that the initiative of change belongs to them and that the results will be favourable. O'Flynn (2005:362) states they do however represent a challenge to existing capabilities. This partly reflects the dominance of NPM where the pursuit of results and a cost and efficiency focus were rewarded. In collaborative forms of working, which may better fit with the pursuit of public value, longer term relationship management skills focused on conflict resolution, building trust, information sharing, and goal clarity (O'Flynn 2005:362).

Table 2.1: The three models of public administration reform

	Traditional Public Administration	**New Public Management**	**Public Value Management**
Characterisation	Bureaucratic	Post-Bureaucratic, Competitive Government	Post-Competitive
Dominant focus	Rules	Results	Relationships
Managerial Goals	Respond to direction from politicians and follow rules and procedures	Achieve agreed performance targets	Multiple goals including responding to citizen/user preferences, renewing mandate and trust through quality services, steering network
Definition of the Public Interest	By politicians and experts	Individual preference are aggregated	Collective preferences are expressed
Performance Objective	Management of inputs	Management of inputs and outputs to ensure economy and responsiveness to consumers	Multiple objectives are pursued including service outputs, satisfaction, outcomes, trust and legitimacy
Dominant Model of Accountability	Upward accountability through departments to politicians and then parliament	Upward accountability via performance contracts; outwards to customers via market mechanisms	Multiple accountability systems including citizens as overseers of government, customers as users and taxpayers as funders
Preferred System of Delivery	Hierarchical department or self-regulating profession	Private sector or tightly defined arms-length public agency	Menu of alternatives selected pragmatically

Source: Models of public administration reform (O'Flynn 2005:362)

Another important managerial implication is the requirement to develop a keen sense of 'what works'. If a bureaucratic solution is best for a particular task then use it; if a market solution will work then use it. More fundamentally, it requires an ability to weigh up, for example, which governance structures will work best in which circumstances, or which relationship form is most appropriate under what conditions (O'Flynn 2005:362). From the previous discussions clear points of distinction have been set out between the post bureaucratic competitive government model (i.e. NPM) and the emerging post-

competitive model (i.e. public value management). Table 2.1 presents a range of distinctions between not only these two models, but also the traditional model of public administration. These three paradigms can be seen on a continuum from a bureaucratic model (i.e. traditional administration), to a post-bureaucratic, competitive model (i.e. the NPM approach), to a post-bureaucratic post-competitive model (i.e. public value). A range of distinctions is set out related to performance objectives, accountability models, service delivery models, and how the public interest is defined. The dominant foci have been articulated as rules, results and relationships and the key managerial goals have been delineated. It is here that issues of managerial development become critical, especially when connected to different models of accountability.

Here Daft (1999:186) draws our attention to what he defines as the adaptive corporate culture versus the in-adaptive culture. In adaptive cultures leaders are concerned with customers and those internal people, processes and procedures that bring about useful change. In in-adaptive cultures, leaders are concerned with themselves or their own special projects and their values tend to discourage risk taking and change. This is a critical observation in terms of this research. Daft is implying that within the in-adaptive culture, leadership behavioural practices promote conformity above useful change. Leadership in this context is concerned about the coordination and integration of the prescribed rules and guidelines. The researcher believes that within this type of culture, people are put into leadership positions because of their ability to comply and to toe the line, instead of their capacity to innovate and to be bold. The organisational cultural context therefore has a very real impact on the type of leadership it fosters. Schein (1992: 379) reminds us that if an organisation is to change its culture it must be led by someone who can break the tyranny of the old culture. This requires leadership with not only the insight and diagnostic skill to determine what the old culture is, but to realise what alternative assumptions are available and how to start a change process for their acceptance (Schein, 1992:379). Schein adds that if the culture has not facilitated adaptation the organisation will not survive.

Schein (1997:15) also states that leaders first create cultures when they create organisations. He emphasises, however, that once the culture exists, it determines the criteria for leadership and thus determines who will or will not be a leader. According to

Schein the leader can change the culture, but the extent of what the leader can do depends on the degree to which the culture of the organisation has enabled the group to adapt to its environmental realities. In the researcher's opinion Schein is therefore proposing that leadership is viewed within a particular cultural context. It either fits that predetermined mold or not.

For public sector reforms which aim to increase organisational performance, manipulation of culture is therefore important. This, however, points to the need for a different type of leadership. A leader is needed who can stimulate innovative thinking and motivate employees to achieve success and perform beyond their limits. It calls for a type of leadership that not only calls for a change in vision and commitment, it also emphasises the need for the leaders to follow a different set of institutional processes and behaviour. This leader makes consultation and participation a part of the organisational routine. The institutional decisions are not handed down in a bureaucratic top down manner. Instead, democratic participation by all members is emphasised. Decision making processes are open and transparent and not secretive. The leadership is responsive and accountable to the general members of the organisation. The leaders are as much committed to means as ends, setting high standards of non-corrupt behaviour. They work towards building consensus through consultation and participation even though these processes are time-consuming and challenging. Instead of manipulating and controlling people, this type of leader attempts to empower people.

As municipalities are increasingly being called upon to achieve more with fewer resources, existing processes will have to be improved and new processes will have to be developed. The construct referred to as transformational leadership is associated with increased organisational performance and improved organisational innovation. Municipalities can no longer afford to use traditionally hierarchical and transactional leadership methods, such as contingency reward, to motivate employees and stimulate creativity. Those models will become particularly inappropriate because managers in municipal governments are running out of compensation improvements to offer their employees in return for good performance (Bass and Avolio, 1995). Transformational leadership provides a framework that is more flexible and adaptable to the rapidly

changing work environment to which local government employees are increasingly exposed. The fact that transformational leaders represent role models for followers, stimulate innovative thinking and motivate employees to achieve success and perform beyond their limits, is a strong argument for encouraging this type of leadership in the public sector and particularly at the local government level where so many challenges exist. Public administration reform requires a shift away from the traditional approach to public sector management. It is within this reform that a new way of thinking about leadership is envisaged. In this context of reform within the public sector, leadership and organisational culture are important considerations.

2.7   Summary

We are reminded that according to Schein (1997:15) leadership and organisational culture cannot be understood separately. Culture and leadership are two sides of the same coin. Schein reminds us that there is a constant interplay between culture and leadership. Bates (1994:242) argues that we are in urgent need of a change in the way we think about and practice leadership. He believes the culture perspective might help us to achieve this. Organisational culture is the means by which we bring stability to the threat of change. Understanding organisational culture and cultural types also helps in understanding why managerial reforms may impact differently within organisations. Some organisational cultures are better able to adapt to these changes than others. Consequently culture can be either a driver or an obstacle affecting reform. Public administration reform requires a shift away from the traditional approach to public sector leadership to one that can foster change and innovation.

The chapter reviewed the bureaucratic, post-bureaucratic and post-NPM management paradigms. The post-NPM approach was discussed to set out the alternate paradigm. The chapter reviewed the post-bureaucratic new public management paradigms, pointing to several weakness and tensions. The main lesson is that there has not been a convergence towards bureaucratisation as argued by Max Weber or de-bureaucratization, as argued by his critics. Neither has there been a simple sequence of dominant forms. Several normative and organisational components have co-existed. Yet while the components have been fairly stable, the significance of each component

and their relationships has varied over time. Historically, bureaucratic organisation has had its ups and downs.   Different dimensions of bureaucratic organisation have developed differently and sometimes de-bureaucratisation or re-bureaucratisation has developed side by side. The discussion above has pointed to potential challenges for public sector managers in terms of public sector reform. The implications for leadership were also examined. It is clear from these discussions that the new paradigms represent a major challenge to managerial capabilities and capacities and that considerable attention will be required for the development of new skills if managers are to effectively navigate the complexity that comes with paradigmatic change.

In the last three decades, especially after the NPM movement, leadership has attracted substantial attention as an essential factor for organisational performance in the public sector (Mora and Ticlau, 2012:74). Leaders add value to their organisations in large part by giving a sense of understanding and purpose to the overall activities of the organisation. One of the essential elements of leadership is change. In this regard leaders are agents of change, be it at organisational level or at societal level. They represent the catalysts of social movements. They can fulfill this role by inspiring those around them, setting an example and creating a vision of the future that is both attractive and credible. The following chapter considers the general concept of organisational culture in the context of paradigmatic change.

Chapter 3: Organisational Culture Change as Part of the Public Administration Reform Process

3.1 Introduction

This chapter looks at the interaction between organisational culture and the change in the public sector. Understanding organisational culture is of particular interest in view of the reformation in the public sector. Wynen and Verhoest (2014:5) argue that organisational culture can sometimes impede prospective changes, noting that the strength of the culture is for the status quo to remain, and stating that culture is the means by which we bring stability to the threat of change. They add that understanding organisational culture and cultural types also helps in understanding why managerial reforms may impact differently within organisations. Some organisational cultures are better at adapting to change than others. Consequently culture can be a driver or an obstacle that affects reform. Wynen and Verhoest (2014:5) identified attributes of cultures which could obstruct public sector improvement. These include being rule driven, being bureaucratic, making inefficient use of resources and being unaccountable for results. They suggest that bureaucratic structure can lead to cultural traits that limit performance and that in such structures there is very little freedom for employees to excel beyond the structured boundaries in place.

Traditional public administration culture is focused on very strict compliance with regulations and procedures, with emphasis on the accurate application of general rules to individual decisions, a high level of attention to detail and precision as the main criteria for accountability. This compliance oriented emphasis on details causes overregulation, inflexible working attitudes, risk avoidance, poor quality work and inefficiency (Wynen and Verhoest, 2014:5). In the last decades the public sector has undergone a series of major managerial reforms that aimed at improving public sector effectiveness and performance. Public sector reforms that aim to increase organisational performance need to manipulate existing culture (Wynen and Verhoest, 2014:5). Organisational culture is particularly relevant to present day local government. An understanding of organisational culture in the public sector may help explain and assess the appropriateness and outcomes of a reform process.

In order to facilitate innovative initiatives and to create an entrepreneurial culture in the public sector, enterprising, innovative leaders should be leading the organisation. Based on the above, it would seem that the successful implementation of reforms is founded on a combination of changing structures and systems and about getting people to think and work outside of institutional boundaries. The rethinking on how organisations are structured and designed seems to be a valid argument. In order to begin to embark on this transition of organisational culture it is important to understand the various models or levels of organisational culture.

The objective of this chapter is to understand the effect of reform on organisational culture in public sector organisations. The chapter presents a conceptual analysis of organisational culture. This is done by considering the literature on the subject in order to gain some insight into the theory that has helped shape the concept of organisational culture. The chapter considers some of the formal definitions that scholars have presented over time and discusses some of the broad conceptions of organisational culture. These include a discussion on the various typologies that can exist within an organisation. The various organisational models that can be present within an organisation are considered, and lastly there is a focus on the interplay between organisational culture and leadership. The chapter proposes that new paradigms and reformed organisational cultures are needed to facilitate change.

3.2   Why is Organisational Culture an Important Issue?

Why should public service managers concern themselves with culture? Will it make any difference to know what type of culture or subculture exists in an organisation, and what cultural traits may be desired? For managers with busy schedules, is culture something they should be concerned with. It is important for managers to pay attention to culture when reacting to or planning major organisational change. Culture is particularly important when an organisation is undergoing significant transformation or when introducing major reforms which require different or new cultural or value traits from those exhibited in the past. Appreciation of organisational culture and cultural types also helps our understanding of why managerial reforms may impact differently within and between organisations. An organisation with a predominantly internal process

culture, for example, may be more resistant to reforms aimed at promoting innovation. It is to be expected that staff in high uncertainty avoidance cultures will be concerned with rule-following and more reluctant to risk changing jobs, both of which are important factors for reformers who want to deregulate bureaucracies and encourage more rapid job change in the public service.

Practitioners in both the private and public sectors have come to realise that organisational change often requires changing the organisation's culture and learning (Pollitt and Bouckaert, 2004:55). Schein (2004:362) stresses that diagnosing a culture for its own sake is not only too vast an undertaking, but could also be viewed as a boring and useless exercise. On the other hand, when the organisation has a purpose, a new strategy, a problem to be solved, a change agenda, then to determine how the culture impacts the issue is not only useful, but necessary in most cases. The issue should be related to the organisation's effectiveness and should be stated in as concrete a way as possible (Schein, 2004:362).

3.3 Distinctiveness of Organisational Culture in Public Sector Organisations

It is useful at this stage to have a closer look at the idiosyncrasies of organisational culture that exist in public sector organisations. Schraeder et al. (2004:494) note that obvious differences exist between private organisations and public sector organisations. Despite the growing similarities between the environments of public and private sector organisations, there are still a number of specific, fundamental differences at the operational and cultural levels of these organisations. These differences are largely due to the uniqueness of external environment characteristics shaping the boundaries and expectations of these organisations. Schraeder et al. (2004:494) state that recognising differences in the external environments is important since ample evidence supports the notion that differences in industrial characteristics impact the norms of an organisation. Specifically, they state the formation of organisational culture as an internal reaction to external imperatives. Today more than ever, public sector organisations are facing tremendous pressure to adapt to significant changes in the external environment (Schraeder et al., 2004:494). Schraeder et al. (2004:494) suggest that managers in public sector organisations must help their employees understand these environmental changes and the urgent need for their organisations to adapt to these changes.

Schraeder et al. (2004:494) believe that failure to modify the culture of public sector organisations to more closely match environmental exigencies could lead to a continuation or increase in management turnover within these organisations. Failure to change may also lead to inertia that could erode public and private confidence in these organisations. This could, perhaps, explain why public organisations are facing pressure to adopt management techniques used by private organisations. Table 3.1 lists some of the key functions that exist within both private and public organisations and shows how these functions differ. We see for example that decision making in a private organisation depends on organisational structure and tends to be participatory and team oriented, whereas in public organisations the same function is governed and directed at legislative and policy level. We find that private organisations are becoming less policy driven and more results driven compared to the very structured and rules oriented approaches adopted by public institutions.

Function	Private organisations	Public sector organisations
Decision making	Depends on organisation structure, but is becoming more participatory/ team oriented.	Within department: often autocratic legislative/policy level: democratic.
General policies and communication	Becoming less policy driven and more results driven.	Very structured and rules oriented.
Personnel management	Depends on organisation structure with larger organisations having certain functions centralised and others decentralised.	Hybrid of elected officials, appointed officials and employees who are hired through traditional Methods.
Materials procurement	Most successful organisations develop strong relationships with suppliers to promote lower costs and more efficient delivery. Just-in-time supply agreements are not uncommon.	Bids and contracts which often take longer and do not always result in the most efficient outcome.
Financial management	Major functions are managed at corporate level with appropriate authority to make financial decisions often delegated to division or function level.	Method may vary based on department and jurisdiction. Lack of consistency can create havoc in obtaining cross-department/cross-agency information.
Marketing	Very competitive, prompting numerous organisations to develop competitive intelligence programmes.	The presence of few or no competitors results in sparse marketing efforts. However, public organisations do have multiple stakeholders.

Table 3.1: Distinctiveness of organisational culture in public sector organisations

Source: (Schraeder et al., 2004:494)

Other differences involve personnel management in private organisations that depends on the organisation structure where certain functions are centralised and others decentralised, compared to the public arena where elected and appointed officials and employees are hired through traditional methods. Private organisations are very competitive, thus prompting numerous organisations to develop competitive intelligence programmes and methods. In the public sector the presence of few or no competitors results in sparse marketing efforts.

3.4 The Theoretical Foundation of Organisational Culture

Gibson et al. (1997:4) state that organisational behaviour is a field of study that draws on theory, methods and principles from various disciplines in order to learn about individuals' perceptions, values, learning capacities and actions while working in groups and within the total organisation. According to Gibson et al. (1997:4) the formal study of organisational behaviour began around 1948. The behavioural sciences, especially psychology, sociology and cultural anthropology, have provided the basic framework and principles for the field of organisational behaviour. Gibson et al. (1997:4) remind us that organisational behaviour has a distinctly humanistic orientation. People and their attitudes, perceptions, learning capacities, feelings and goals are important to the organisation. Each person has unique perceptions, personality and life experiences. To be effective, organisations must view each employee as a unique embodiment of all of these behavioural factors. Organisational culture is studied mostly as a research variable in the field of organisational behaviour. The focus on organisational culture has initiated the importance of building organisations around people, rather than around techniques. Organisational behaviour is the study of individuals, teams and structural characteristics that influence behaviour in organisations.

3.5 Definitions of Organisational Culture

Organisational culture began to attract widespread attention from researchers in the 1980s. Interest in organisational culture has exploded over the past 20 years. Organisational culture is an important means of eliciting greater commitment and flexibility from staff. As a result, researchers have formulated various definitions of organisational culture. Some definitions focus on elements such as assumptions, beliefs and values; others expand the concept to include the ways things are done, norms, behaviours and artefacts (Martins and Coetzee, 2007:21; Somerville and Dyke, 2008:149). Schein (1992:12) formally defines organisational culture as a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration. These patterns of shared basic assumptions have worked well enough to be considered valid and therefore to be taught to new members as the correct way to perceive, think and feel in relation to those problems. Kotter and Heskett (1992:6) support this by saying that when people talk about organisational

culture they usually mean the values and practices that are shared across all groups in an organisation.

Daft (1999:183) adds that culture can be defined as a set of values, assumptions and understandings that is shared by members of an organisation and taught to new members as correct. At its most basic level, culture is a pattern of shared assumptions about how things are done is the organisation. Bratton (2005:50) further states that culture is used to describe how people group and identify themselves, their social bonds, underlying assumptions, belief systems and values, as well as the tangible and observable characteristics of an organisation such as norms, language, behavioural rituals and myths. Bisel et al. (2009) view culture as patterns of meaning and interpretation that emerge among management or employees. The assumptions and beliefs are embedded over a long period of time as a result of continuous negotiations and what is deemed to be the proper way that things are done in a given organisation. These assumptions and expectations act as a guide to what is acceptable or unacceptable behaviour and thinking within the organisation.

Daft (1999:183) cautions, however, that some assumptions become so deeply embedded in an organisation that organisational members may not be consciously aware of them. These basic underlying assumptions are the deepest essence of organisational culture. They generally start out as expressed values but over time they become more deeply embedded and less open to question; organisational members take them for granted and often are not even aware of the assumptions that guide their behaviour, language and patterns of social interaction.

3.6 Functions of Organisational Culture

The literature describes a number of functions that culture can fulfil in an organisation. Brown (1995:57) identifies a large number of functions that can be attributed to organisational culture. Some of the most significant functions include: conflict resolution; coordination and control; motivation and competitive advantage (Brown, 1995:57, Hodge, Anthony and Gales, 1996:281). Martin and Siehl (1983) claim that it offers an interpretation of the organisation's history in order to guide employees' future behaviour. It acts, therefore, as a control mechanism encouraging or discouraging

certain forms of behaviour. Martin and Siehl (1983) add that it reduces anxiety levels caused by uncertainty as it provides a common set of rules for relating to the environment.

The appropriate organisational culture is important because it creates a competitive advantage over other organisations, thereby achieving superior performance and service delivery relative to another municipality or organisation (Hodge et al., 1996:281). Greenberg and Baron (2003: 518) claim that culture plays several important roles in an organisation. These include providing a sense of identity; generating organisational commitment; commitment to the organisation's mission; and clarifying and reinforcing standards of behaviour. Greenberg and Baron (2003:518) state that if organisations serve these important roles, then it will be clear that culture is an important force that influences employee attitudes and behaviours within organisations. This will result in the employees being more committed to their organisation, and consequently they will deliver higher standards of service (Greenberg and Baron, 2003:163). This raises the question of what type of organisational culture would be the preferred or provide the ideal cultural fit to ensure that both organisational and individual objectives are met. The following section presents and analyses the different models of organisational cultures that scholars have identified.

3.7 Models and Levels of Organisational Culture

It is essential to understand that there are different models or levels of culture as identified by various scholars over the years. The following section presents and critically analyses the four models of organisational culture. The models are listed below.

1. Schein (1992) three levels of organisational culture.
2. Kotter and Heskett (1992) two levels of organisational culture.
3. Hofstede (1980) four levels of organisational culture.
4. Denison (1990) four levels of organisational cultural traits.

3.7.1 Schein's model of organisational culture

According to Schein (1992:16) culture can be analysed at several different levels; the term level refers to the degree to which the cultural phenomenon is visible to the observer. These levels range from the very tangible overt manifestations that one can see and feel, to the deeply embedded unconscious basic assumptions. In between there are various espoused values, norms and rules or behaviour (Schein 1992:16). Schein distinguishes between three different levels of culture as illustrated in Figure 3.1.

Levels of Culture

1. Artefacts
Visible organisational structures and processes (difficult to decipher)

2. Espoused values
Strategies, goals, philosophies (espoused justifications)

3. Basic underlying assumptions
Unconscious, taken for granted beliefs, perceptions, thoughts and feelings (ultimate source of values and action)
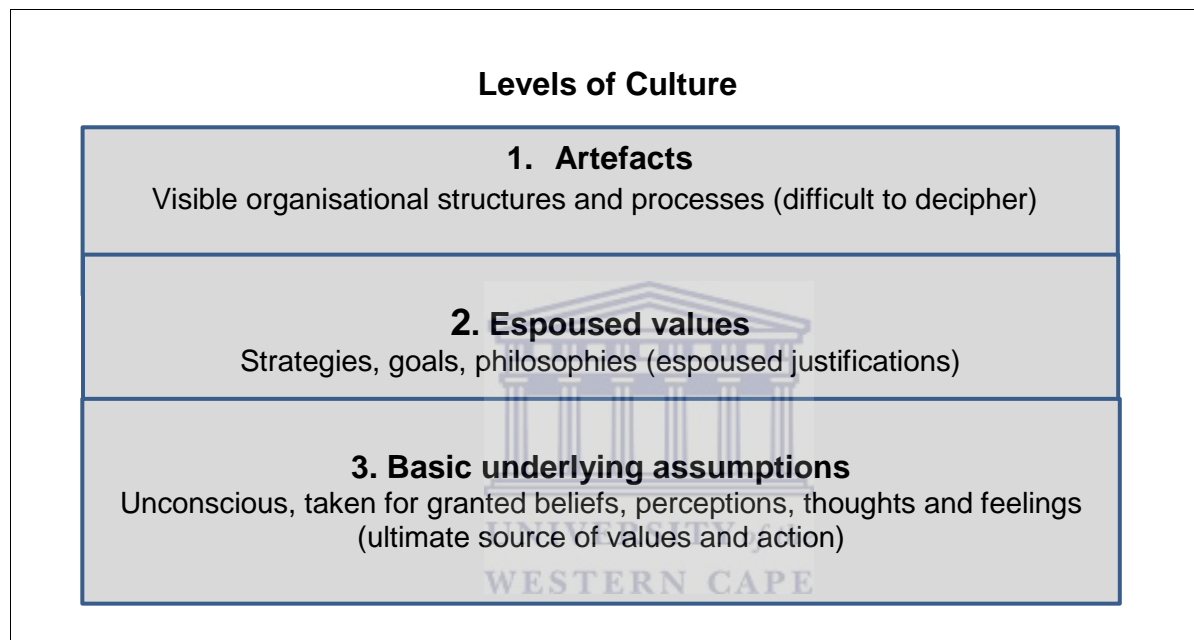
Figure 3.1: Levels of culture
Source: Different levels of culture (Schein 1992:16)

At the surface there is the level of artefacts, which includes the phenomena that one sees, hears and feels when encountering a new group with an unfamiliar culture. Artefacts include the visible products of the group, such as the architecture of its physical environment, its language, its technology, its style as embodied in clothing and manners of address. For the purpose of culture analysis this level also includes the visible behaviour of the group and the organisational processes into which such behaviour is made routine. Chand (2011:3) refers to these as the tangible elements of organisational culture. The most important points about this level of culture are that it is easy to observe but very difficult to decipher. In other words the observer can describe

what they see and feel, but cannot re-construct from that alone what those things mean in that given group or whether they even reflect important underlying assumptions.

Bate (1994:32) equates organisational culture to an iceberg, stating that most of an organisation's form or structure lies submerged and invisible to the naked eye. He says that organisational designers tend to be working only at the tip of this iceberg, chipping away at only a very small part of it, namely the surface artefact and that they will need to go much lower in order to shape and change the culture. Bisel et al. (2009:6) state that because many of the tangible, observable artefacts of an organisation are under the purview of management (e.g. company logo or physical arrangement of the office), management often believes it is responsible and in control of organisational culture.

The second level is the espoused values level. All group learning ultimately reflects someone's original values and sense of what ought to be distinctive. If the group is convinced to act on a certain belief and that the solution works, the group has a shared perception of that success. Initially it will be transformed into a shared value or belief and ultimately into a shared assumption, implying that it is in the larger sense "correct" and must reflect an accurate picture of reality (Schein, 1992:19). According to Denison (1990) the values reflect the members' preferred means of resolving the problems that the group faces. The values are the guiding principles of the group's behaviour, irrespective of whether they are right or wrong.

The third level referred to by Schein is the basic assumption level. When a solution to a problem works repeatedly, it comes to be taken for granted. What was once a hypothesis, supported only by a hunch or a value, gradually comes to be treated as a reality. Basic assumptions have become so taken for granted that one finds little variation within a cultural unit. In fact, if a basic assumption is strongly held in a group, members will find behaviour based on any other premise inconceivable. Chand (2011:4) refers to these as the intangible elements of organisational culture that are hard to grasp, but adds that it is these elements that give a better understanding of the organisation's true personality. According to Luthans (1998:549) when people join an organisation they bring with them the values and beliefs they have been taught. Quite often, however, these values and beliefs are not sufficient to help the individual succeed

in the organisation. The person needs to learn how the new organisation does things. In this regard Lynch (1995:146) states that when a person joins an organisation, they not only take on the job, but they also embrace the culture of the organisation. If an individual's values, beliefs and ideas are not the same as the organisations then the individual will have to change, or may have to leave the organisation.

Basic assumptions tend to be those we neither confront nor debate and hence are extremely difficult to change. To learn something new in this realm requires us to resurrect, re-examine and possibly change some of the more stable sections of our cognitive structure. Such learning is intrinsically difficult because the re-examination of basic assumptions temporarily destabilises our cognitive and interpersonal world releasing high levels of anxiety (Schein 1992: 22). Rather than tolerating such anxiety levels we tend to want to perceive the world around us as congruent with our assumptions, even if it means distorting, denying, projecting or in other ways falsifying to ourselves what may be going on around us. It is in this psychological process that culture has its ultimate power. It was Hofstede (1998:11) who described organisational culture as the programming of the mind which distinguishes the members of one human group from another. Culture as a set of basic assumptions defines for us what to pay attention to, what things mean, how to react emotionally to what is going on and what actions to take in different kinds of situations. Once we have developed an integrated set of such assumptions which might be called a "thought world" or "mental map" we become very comfortable with others who share the same set of assumptions and very uncomfortable and vulnerable in situations where different assumptions operate, either because we will not understand what is going on, or worse, misperceive and misinterpret the actions of others (Schein, 1992:22). An organisation's culture therefore conveys to employees the way things are done in the organisation. It is a relatively uniform assumption of the organisation that is shared by its members. It is important to differentiate between assumptions and perceptions.

3.7.2 Kotter and Heskett's model of organisational culture

Kotter and Heskett (1992) concur with Schein's model and also define culture as norms of behaviour and values shared among a group of people. The authors describe culture

as having two levels which differ in terms of their visibility and their resistance to change. The deeper, less visible level, refers to values that are shared by the people in a group and that persist over time, even when the group membership changes. At this level, culture can be difficult to change, partly because group members are unaware of the values that bind them together. These notions about what is important in life can vary greatly from company to company.   The more visible level represents the behaviour patterns or style of an organisation that new employees are automatically encouraged to follow. Kotter and Heskett's model is illustrated in Figure 3.2.

Invisible   Harder to change

Shared Values
Important concerns and goals that are shared by most of the people in a group, that tend to shape group behaviour, and that often persist over time even with changes in group membership.

Group Behaviour Norms
Common or pervasive ways of acting that are found in a group and that persist because group members tend to behave in ways that teach these practices (as well as their shared values) to new members, rewarding those that fit in and sanctioning those who do not.

Visible   Easier to change

Figure 3.2: Adapted from Kotter and Heskett's organisational culture model (1992:5)

According to Kotter and Heskett (1992) a high degree of organisational performance is related to an organisation which has a strong culture with a well integrated and effective set of values, beliefs and behaviours.   Kotter and Heskett's (1992) study of organisational culture and performance further concluded that organisations with performance enhancing cultures seem to be driven by a value system that stresses meeting the legitimate needs of all constituencies, including shareholders, customers and employees. Here we are reminded of NPM which can be characterised as both post bureaucratic and competitive with a clear and dominant focus on results. Public

managers in this paradigm had goals built around the achievement of performance targets. In the NPM paradigm, the critical performance objectives were centred on efficiency and economy, largely reflecting the economic framing of government activity and the reconstruction of citizens as customers. In the public value paradigm or post-NPM, multiple objectives are pursued by public managers including broader outcomes, and the creation and maintenance of trust and legitimacy. Such changes necessitate a shift in models of accountability away from narrow performance contracts, for example, towards the use of more complex systems. Kotter and Heskett (1992) further highlight that culture is not synonymous with a firm's strategy or structure, although the terms are sometimes used interchangeably because they play an important part in shaping people's behaviour. The beliefs and practices called for in a strategy may, or may not, be compatible with a firm's culture. Here we are reminded that organisational climate may not be in line with organisational culture.

Rose et al. (2008:51) claim that culture would only remain linked with superior performance if the culture is able to adapt to changes in environmental conditions. Rose et al. (2008:51) further state that the literature on organisational culture and performance reveals that organisations that know how to develop their cultures in an effective way most probably have the benefit of advancement in productivity and the quality of work life among the employees.   Indeed, employees must absorb the organisational culture at the maximum strength and the top management should provide a precise guideline and direction to motivate the employees to achieve the organisation's objectives.

According to Shahzad et al. (2012:982) organisational culture has a deep impact on the performance of employees and can lead to improved productivity as well as enhancing the organisational performance. Shahzad et al. (2012:982) report that more than 60 research studies were conducted between 1990 and 2007 covering more than 7600 small business units and companies. These studies sought to find out what is the impact of organisational culture on organisational performance. Results of these studies generally showed a positive association between strong culture and performance improvement. Shahzad et al. (2012:982) conclude that organisational culture has a positive impact on the employee's job performance.

3.7.3 Hofstede's model of organisational culture

Hofstede developed a cultural model for the relationship between organisational cultures and their local cultures. Hofstede classified the manifestation of culture into four categories, namely symbols, heroes, rituals and values as shown in Figure 3.3.
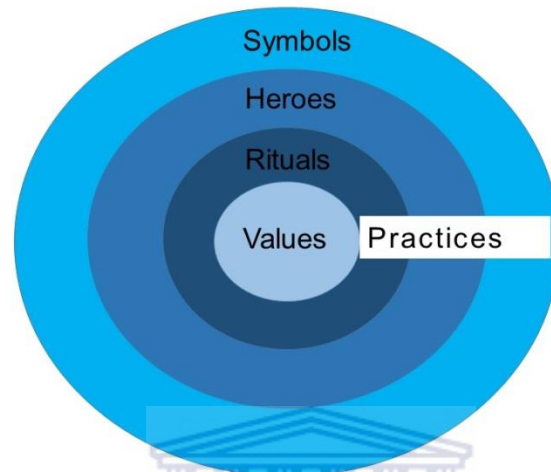
Figure 3.3: Hofstede's model of organisational culture
Source: Adapted from Hofstede (1980)

Symbols. Symbols are the most overt element of culture and are the gestures, objects or words recognised by those who are part of the same organisational culture (Denison, 1990). Symbols carry a particular meaning within a culture. Symbols are therefore words, gestures, pictures or objects that carry a particular meaning within a culture.

Heroes. Heroes are individuals who are seen to possess characteristics that are highly prized and are often the "winners" in an organisation. They serve as models of behaviour within a particular organisation (Hofstede, 1985). Heroes are people, alive or dead, real or imaginary, who possess characteristics highly prized in the culture and who thus serve as models for behaviour (Wilkins, 1984).

Rituals. Rituals are collective activities that are superfluous but are considered socially essential within a culture. Symbols, heroes and rituals can be called practices because they are visible to the observer (Hofstede, 1985). Rituals are collective activities that are

technically superfluous but are socially essential within a culture, and are carried out for their own sake.

Values. Hofstede stipulates that the core of culture is formed by values, which are broad tendencies to prefer certain states to others and are the deepest level of culture (Hofstede, 1985). Hofstede (1985) describes these layers as being similar to the successive skins of an onion: from shallow superficial symbols to deeper rituals. Symbols, heroes and rituals can be subsumed under the term practices because they are visible to an observer, although their cultural meaning lies in the way they are perceived by insiders. The core of culture, as can be seen in Figure 3.3, is formed by values, in the sense of broad, non-specific feelings of good and evil, beautiful and ugly, normal and abnormal, rational and irrational, that are often unconscious and rarely discussable. These values cannot be observed, but are manifested in modes of behaviour

3.7.4 The Denison organisational culture model

Denison's (1990) model of culture and effectiveness presents the interrelations of an organisation's culture, its management practices, its performance and its effectiveness. The model highlights the importance of linking management practices with underlying assumptions and beliefs when studying organisational culture and effectiveness. The values and beliefs of an organisation give rise to a set of management practices, which are concrete activities usually rooted in the values of the organisation. These activities stem from and reinforce the dominant values and beliefs of the organisation. There are four key cultural traits as illustrated in the Figure 3.4.

Adaptability	Mission
Involvement	Consistency
Change and Flexibility	Stability and Direction

Figure 3.4: Denison's organisational cultural model
Source: Adapted from Denison (1990:15)

Adaptability.   Adaptability is the ability to translate the demands of the business environment into action. Organisations hold a system of norms and beliefs that support the organisation's capacity to receive, interpret and translate signals from its environment into internal behaviour changes that increase its chances for survival and growth (Denison, 1990).

Involvement.   This trait consists of building human capability, ownership and responsibility.   Organisational cultures characterised as highly involved strongly encourage employee involvement and create a sense of ownership and responsibility. They rely on informal, voluntary and implied control systems, rather than formal, explicit, bureaucratic control systems (Denison, 1990).
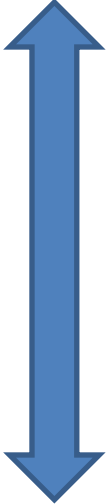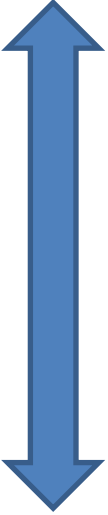
Mission.   This trait consists of the definition of a meaningful long-term direction for the organisation by defining a social role and external goals for the organisation. It provides a clear direction and goals that serve to define an appropriate course of action for an organisation and its members (Denison, 1990).   Table 3.4 shows the integration of these four traits and depicts that involvement and consistency primarily address the internal dynamics of the organisation, but do not address the interaction of the organisation with the external environment.   Adaptability and mission, in contrast, take as their focus the relationship between the organisation and its external environment. Thus the four concepts can be divided into two pairs, one with an internal focus and the other with an external focus.   The four elements can also be divided in another way. Involvement and adaptability form one pair, emphasising the organisation's capacity for flexibility and change.   Consistency and mission, in contrast, are oriented towards stability.

Consistency.   Consistency provides a central source of integration, coordination and control.   Consistent organisations develop a mindset of organisational systems that create an internal system of governance based on consensual support (Denison, 1990).

Table 3.2 presents a summary of the various organisational culture models discussed in this chapter.   It is clear that models share common values with each other and it is

acknowledged that there are deep seated assumptions and beliefs, as well as a set of more visible management practices and behaviours.

Table 3.2: Summary of organisational culture models

Visible / Conscious	Schein (1992)	Kotter & Heskett (1992)	Hofstede (1980)	Denison(1990)	Visible / Conscious
	Artefacts and creations	Group Behaviour	Symbols Heroes Rituals	Involvement Consistency Adaptability Mission	
	Values	Shared Values	Values	Values	
Invisible / Unconscious	Basic Assumptions			Beliefs and Assumptions	Invisible / Unconscious

Source: Researchers own schematic illustrating a summary of the various organisational culture models

The various models are therefore summarised in terms of their level of awareness either highly visible, such as artefacts, or invisible such as assumptions and beliefs. Furthermore, Table 3.2 indicates that there are key similarities among the various models analysed. For example Schein's (1992) observable artefacts correspond with Kotter and Heskett's (1992) group behaviour and the symbolic cultural elements of Hofstede (1980). We are able to have a closer look at the various types of organisational culture that flow from the aforementioned models.

3.8   Typologies of Organisational Culture

Following the discussion on the conceptualisation and definition of organisational culture, it is essential to explore the different types of organisational culture in order to gain a deeper understanding of organisational culture.   The literature suggests that there are various types of organisational culture. This typology of organisational culture

assists in understanding the ideological conflicts that arise within organisations and the deep-seated beliefs that exist about the way in which work should be done. According to Brown (1995:67) these typologies are useful because they provide broad overviews of the variations that exist in organisational cultures. In order to get a better understanding of the different concepts of organisational culture, some of the typologies will be critically analysed:

3.9 The Bureaucratic, Hierarchy and Role Cultural Dimensions

From the studies on culture by Wallach (1983), Quinn (1988), Daft (1999) and Charles Handy (1999) we are able to profile the bureaucratic, hierarchy and role cultural dimensions. The bureaucratic culture, hierarchy and role cultures are concerned with explicit rules and regulations in an organisation. In the hierarchical structure there is an emphasis on power, with clear lines of responsibility and authority based on control and power. Wallach (1983:32) posits that these organisations are managed with explicit rules and procedures and people work in a systematic and organised way. In these types of organisations the rules and regulations are formalised, in writing. These written rules provide an organisation and its people with clarity and enable them to perform their tasks according to the prescribed regulations. This results in the behaviour of the organisation and its members practicing conformity to ensure coordination and integration, as they are bound to the prescribed rules and guidelines. This type of culture is seen as typical of the government environment. Bureaucratic culture has an internal focus and a consistency orientation suitable for a stable environment. The culture supports a methodical, rational, orderly way of doing business. Following the rules and being thrifty are valued. The organisation succeeds by being highly integrated and efficient.

Bureaucratic culture refers to an organisation's culture that has clear lines of responsibility and authority based on control and power. The hierarchy provides legitimacy to senior officials to direct subordinates to follow orders to achieve desired objectives. In the sociological study of organisations the work of Max Weber (1946 as cited in Moerdyk and Van Aardt, 2003:112) is generally taken as the starting point. Weber developed a structural model that he argued was the most efficient means by which organisations can achieve their objectives. He called this ideal structure

bureaucracy and believed that this was the only kind of administration suitable for large organisations.

Bureaucracy tends to have negative connotations and is associated with red tape, inefficiency and wastefulness. Bureaucracy, however, is also regarded as the most efficient form of organisation because tasks are regulated by strict rules and procedures. Goals are clear and positions are arranged in a pyramidal hierarchy. Authority lies in the positions rather than in the people who occupy them. The strength of bureaucracy lies in its ability to perform standardised activities in a highly efficient way. Grouping similar specialties together in functional departments results in economies of scale and minimum duplication of personnel and equipment. Bureaucracies can manage well with less talented and less costly middle and lower level managers. The widespread use of rules and regulations replaces the need for managerial discretion in making decisions, and the answers to difficult decisions can simply be looked up in a book of rules. Standardised operations coupled with formalisation, allow decision making to be centralised. There is little need for innovative and experienced decision makers below the level of senior executives (Moerdyk and Van Aardt, 2003:112). Bureaucracy befits an organisation that concentrates on internal maintenance having a need for stability and control. According to Quinn (1988) this perspective is oriented to measurement, documentation, security and order, with an emphasis on standardisation together with analysis of the facts to determine the optimal solution. Managers are expected to "monitor and coordinate" (Quinn, 1988:39). The dominant attributes are an emphasis on hierarchy, i.e., order, rules regulations and uniformity. It is understandable that industries such as banking, finance, government corporations, and social welfare put emphasis on mechanistic processes and internal maintenance, as these are highly regulated sectors (Racelis 2005:82). Effective leaders in hierarchical cultures are those who can organise, coordinate, and monitor people and processes. Leaders strive to be good coordinators and organisers who are efficiency-minded. Management wants security and predictability.

Despite its apparent advantages the bureaucratic model does have certain disadvantages. Employee alienation is generally considered to be the major drawback within a bureaucratic system which tends to ignore human and social processes.

Employees perceive the impersonality of the organisation as creating distance between them and their work. It becomes difficult therefore to feel committed to the organisation. Weber did recognise that the new world of rationalised efficiency could turn into a monster that threatens to dehumanise its creators. He speaks of the iron cage of bureaucratic rationality. Managers in a bureaucratic organisation are good coordinators, organisers and enforcers of rules and procedures that are clearly defined. The tasks, responsibilities and authority for all the organisation's employees are also clearly stated. Hellriegel et al. (2004: 366) assert that most municipalities and government institutions have bureaucratic cultures, which can hinder their effectiveness and efficiency. The bureaucratic style is based on normative rules and adherence to lines of authority. The characteristics of the bureaucratic style include:

- Leaders impose strict and systematic discipline on their followers, and demand business like conduct in the workplace;
- Leaders are empowered via the office they hold (position power);
- Followers are promoted based on their ability to conform to the rules of the office; and
- Followers should obey leaders because authority is bestowed on the leader as part of their position in the company (Hellriegel et al., 2004: 366).

Bureaucratic leaders tell people what to do and how to do it. The leader's orders are based on organisational policies, procedures and guidelines. Rules are absolute for bureaucratic leaders. Work is done according to job description, and the manager does not accept any deviation from the rules, even in cases of special technical issues. The bureaucratic leader gives people little or no freedom (Rouzbahani et al., 2013:1293). The focus of this organisation is internal, and the formal control is stable.
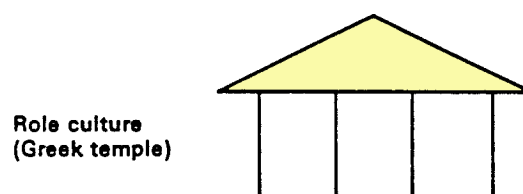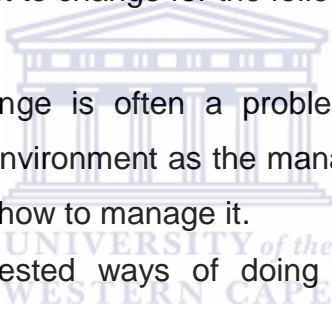
Figure 3.5: Role culture

Charles Handy's role culture can be illustrated as a building supported by columns and beams: each column and beam has a specific role to play, keeping up the building as seen in Figure 3.5. Individuals are role occupants but the role continues even if the individual leaves. This culture has a number of factors in common with Weber's description of the 'ideal-type' bureaucracy. According to Van Tonder and Roodt (2008:329) role culture is where people have clearly delegated authority within a clearly defined structure. Such an organisation depends on committees, structures, logic and analyses. In hierarchical bureaucracies the level of power is determined by the individual's position. This type of culture has been typified as a Greek temple and has often been stereotyped as portraying bureaucracy in its purest form. The apex of the temple is where the decision making takes place, the pillars of the temple reflect the functional units of the organisation which have to implement the decisions from the apex. This type of organisation is characterised by strong functional or specialised areas coordinated by a narrow band of senior management at the top and a high degree of formalisation and standardisation. The work of the functional areas and the interactions among them are controlled by rules and procedures defining the job, the authority that goes with it, the mode of communication and the settlement of disputes. Organisational culture is built around defined jobs, rules and procedures. This culture operates according to logic and rationality, and its strength lies in its functions or specialists. Top management is characterised by a small span of control and the organisation tends to operate within a stable environment where creative or innovative behaviour is discouraged. This culture type is slow to perceive the need for change and slow to change even if the need is evident.

Role cultures offer security and predictability for the individual. Employees who are orderly, punctual and detail oriented are well suited to a role culture environment. Position is the main power source in the role culture. People are selected to perform roles satisfactorily, personal power is frowned upon and expert power is tolerated only in its proper place. Rules and procedures are the chief methods of influence. The efficiency of this culture depends on the rationality of the allocation of work and responsibility rather than on individual personalities. This type of organisation is likely to be successful in a stable environment, where the market is steady, predictable or

controllable, or where the product has a long lifecycle. The role culture finds it difficult to adapt to change. It is usually slow to perceive the need for change and to respond appropriately. Such an organisation will be found where economies of scale are more important than flexibility, or where technical expertise and depth of specialisation are more important than product innovation or service cost. The role culture is typified in government departments, local authorities, public utilities and the public sector in general. Organisational life is dominated by the existence of privileges, rights, legality and legitimacy, with people having clearly delegated authorities in a highly defined structure (Harrison and Stokes, 1992). A common feature of role and power cultures is their dependence on the use of rewards and punishments to motivate members (Harrison and Stokes, 1992). Role cultures tend to develop into relatively stable environments. Importance is given to predictability, standardisation and consistency, and employees benefit from security and predictability in work patterns. However, role cultures may find it hard to adjust to change for the following reasons.

- The management of change is often a problem in this kind of organisation especially in an unstable environment as the managers often do not see the need for change or do not know how to manage it.
- Rules, procedures and tested ways of doing things may no longer fit the circumstances.
- Work in a role culture is frustrating to an employee who wants discretion and opportunity for innovation and creativity as these are discouraged in their work.
- Performance focuses on standard expectations rather than novel problem solving to achieve results.

For employees, the role culture offers security and the opportunity to acquire specialist expertise. Performance up to a required standard is rewarded on the appropriate pay scale, and possibly by promotion within the functional area. However, this culture is frustrating for ambitious people who are power orientated, want control over their work or are more interested in results than method. Such people will be content in this culture only as senior managers. The importance of Handy's role culture is that it suggests that bureaucracy itself is not culture free. Some advantages of this orientation

are that clear lines of authority reduce conflict and clear policies prevent the abuse of power (Harrison, 1993). Some disadvantages are that work is clearly defined with little room for innovation; deviation from the norm is discouraged and it is difficult to get changes approved (Harrison, 1993).

3.10 The Innovative, Adhocracy, Adaptability and Task Culture Dimensions

According to Wallach (1983:33) innovative cultures are exciting and dynamic. Entrepreneurial and ambitious people thrive in these environments. They are stimulating and creative places to work, filled with challenges and risk. Wallach warns, however, that innovative environments are not easy places to work. He warns that burnout and stress are routine occupational hazards, as may be seen in the private sector entrepreneurial business environment. The adaptability culture is characterised by strategic leaders encouraging values that support the organisations ability to interpret and translate signals from the environment into new behaviour responses. In other words, an organisation's adaptability is driven by communities from outside the organisation. Community expectations and demands often become the basis for implementing innovation in their organisations. Employees have autonomy to make decisions and act freely to meet new needs. Leaders also actively create change by encouraging and rewarding creativity, experimentation and risk taking. The achievement culture is characterised by a clear vision of organisational goals, and leaders focus on the achievement of specific targets. The organisation is concerned with securing the needs of customers in the external environment but without the need for flexibility and rapid change. This is a results oriented culture that values competiveness, aggressiveness, personal initiative and the willingness to work long and hard to achieve results. An emphasis on winning is the glue that holds the organisation together (Daft, 1999:194).

Quinn's (1988:40). adhocratic organisations value flexibility, adaptability, and thrive in what would have earlier been viewed as unmanageable chaos. High tech companies like Google are prototypical of adhocracy. Google develops innovative web tools, taking advantage of entrepreneurial software engineers and cutting-edge processes and technologies. Their ability to quickly develop new services and capture market share

has made them leaders in the market place and forced less nimble competition to play catch-up. A dynamic, entrepreneurial, and creative place to work, innovation and risk taking are embraced by employees and leaders. The entrepreneur and innovator leadership styles are dominant in adhocracy cultures. Furthermore, the bonding mechanisms stress innovation and development, while growth and the acquisition of new resources constitute the main strategic emphases.
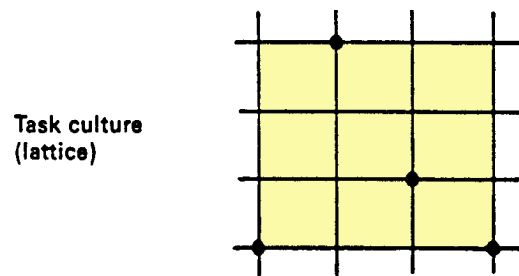
Figure 3.6: Task culture

Task culture is job or project oriented, and its accompanying structure is best represented as a net or lattice as seen in Figure 3.6. Some of the strands of the net are thicker or stronger than others, and much of the power and influence is located at the interstices of the net, at the knots.   Task cultures are often associated with organisations that adopt matrix or project-based structural designs. Van Tonder and Roodt (2008:330) state that task culture is where teams are formed for problem solving and managing projects and tasks and thrive on expert power. It can be defined as "the aligned culture that lines people up behind a common vision or purpose" (Harrison and Stokes, 1992:17).   The emphasis is on getting the job done, and the culture seeks to bring together the appropriate resources and the right people at the right level in order to assemble the relevant resources for the completion of a particular project.   A task culture depends on the unifying power of the group to improve efficiency and to help the individual identify with the objectives of the organisation. It is a team culture, where the outcome of the team's work takes precedence over individual objectives and most status and style differences. Influence is based more on expert power than on position or personal power, and influence is more widely dispersed than in other cultures.

Task culture depends on teamwork to produce results. Groups, project teams or task forces are formed for a specific purpose and can be re-formed, abandoned or

continued. The organisation can respond rapidly since each group ideally contains all the decision-making powers required. One example of a task culture is the National Aeronautics and Space Administration (NASA), the US space agency, which in the 1960s had the specific task of putting a man on the moon before the end of the decade and bringing him back safely. Individuals find that this culture offers a high degree of autonomy, judgement by results, easy working relationships within groups and mutual respect based on ability rather than on age or status. The task culture is therefore appropriate when flexibility and sensitivity to the market or environment are important, where the market is competitive, where the life of a product is short and/or where the speed of reaction is critical. Against this must be set the difficulty of managing a large organisation as a flexible group, and of producing economies of scale or great depth of expertise.

A problem with this type of culture, however, is that it is less capable of large scale work routine where the manager needs to be in control of the day to day routine details. Its control relies largely on the efficiency of the team, and top management is obliged to allow the group day-to-day autonomy. On the other hand, advantages of task cultures include that they are adaptable and flexible, they are based on expert power with some personal and positional power, influence is more widely dispersed, the team status and individual style differences are of less significance, and the group achieves synergy to harness creativity, problem solving and thus improve efficiency.

Control in these organisations can be difficult. Essential control is retained by senior managers, who concentrate on the allocation of projects, people and resources, but they exert little day-to-day control over methods of working or procedures. This works well in favourable circumstances and when resources are available for those who can justify using them. However, when resources are not freely available, senior managers begin to feel the need to control methods as well as results, and team leaders may begin to compete for resources, using political influence. Morale in the work groups tends to decline and the job becomes less satisfying in itself, so that employees begin to reveal their own objectives. This necessitates the introduction of rules and procedures, the use of position or the control of resources by managers to get the work done. The

task culture has a tendency to change to a role or power culture when resources are limited or when the whole organisation is unsuccessful.

Most managers, certainly at the middle and junior levels, prefer to work in the task culture, with its emphasis on groups, expert power, rewards for results and a merging of individual and group objectives. It is most in tune with the current trends of change and adaptation, individual freedom and low status differentials, but it may not be an appropriate culture for all circumstances. Advantages of an achievement orientation include employee enthusiasm and energy (Harrison and Stokes, 1992), rapid learning, adaptation to change and problem solving (Harrison, 1993). A disadvantage is that employees may become disillusioned if results are not sustained or may experience burnout due to the high pressure (Harrison and Stokes, 1992). Task culture is found in organisations that are focused on external positioning with a high degree of flexibility and individuality. This culture can also be termed an adaptive culture where the perspective relies on internally generated ideas to make quick decisions, but continuously gathers information from the environment in order to adapt (Quinn, 1988:36). Managers are expected to be "innovators and politically influential" (Quinn, 1988:40). The dominant attributes in this quadrant are entrepreneurship, creativity, and adaptability (Racelis, 2005:81). It seems logical that the computing, consulting, education and engineering industries take on the characteristics of entrepreneurship, creativity, and adaptability, as these sectors tend to be very dynamic (Racelis, 2005:81).

3.11 The Supportive, Clan and Person Culture Dimension

Supportive cultures are "warm and fuzzy" places to work. People are friendly, fair and helpful. They are open and harmonious environments. They are trusting, safe, equitable, sociable, encouraging, relationship orientated and collaborative (Wallach 1983:33). In this type of culture there is generally a sense of purpose and a feeling of family. A clear indication of a supportive culture is when people care and there is a high focus on the total organisation and not just on selected teams. Mohanty et al. (2012:264) add that this type of culture further enhances employee commitment to the organisation. The clan culture has an internal focus on the involvement and participation of employees to rapidly meet changing expectations from the external

environment. More than any other, this culture places value on meeting the needs of employees. The environment is friendly and employees tend to feel almost like a family.

Leaders emphasise co-operation, consideration for both employees and customers and abiding status differences. Leaders put a premium on fairness and reaching agreement with others. It represents an organisation that focuses on internal maintenance with flexibility, having concern for people and being sensitive to customers (Berrio, 2003). According to Quinn (1988:37) the clan perspective is process oriented with a focus on "affiliation and harmony" amongst individuals. Managers are expected to be "mentors and facilitators" (Quinn, 1988:41). The dominant attributes in this quadrant are cohesiveness, participation, teamwork, and sense of family (Racelis, 2005:81). In this case, it seems logical that retail entities exhibit similar characteristics, as societal expectations make certain demands in this area. (Racelis, 2005:81). Leaders are considered to be mentors or even parental figures.

Person culture
(cluster)
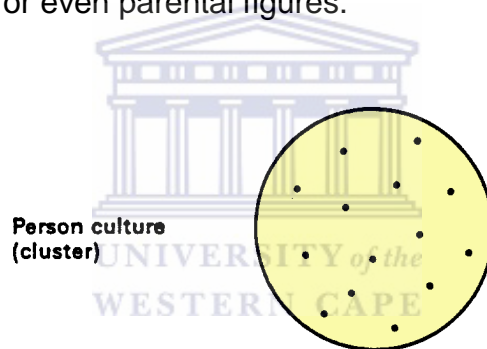
Figure 3.7: Person culture

Person culture is an unusual culture. It is not found in many organisations, yet many people espouse some of its values. This type of culture is illustrated by a loose cluster or a constellation of stars as seen in the Figure 3.7. In this culture the individual is the focal point; if there is a structure or an organisation, it exists only to serve and assist the individuals within it, to further their own interests without any overriding objective. Van Tonder and Roodt (2008:330) claim that person culture exists when each person is of the belief that he or she is superior to the organisation and works and exists entirely for himself or herself. The individual is the central point in the person culture. The organisation exists to help the individual rather than the other way around. Clearly, not many organisations can exist with this sort of culture, or produce it, since organisations tend to have some form of corporate objective over and above the personal objectives

of those who comprise them. Furthermore, control mechanisms, and even management hierarchies, are impossible in these cultures except by mutual consent. An individual can leave the organisation, but the organisation seldom has the power to evict an individual. Influence is shared and the power base, if needed, is usually expert; i.e. people do what they are good at and are listened to for their expertise.

Consultants, both within organisations and freelance workers, and architects' partnerships often have this person orientation. So do some universities. A cooperative may strive for the person culture in organisational form, but as it develops it often becomes, at best, a task culture, or often a power or role culture. Organisational life is guided by what would best satisfy the members' needs. It can be defined as being "based on mutual trust between the individual and the organisation" (Harrison and Stokes, 1992:20). According to Harrison and Stokes (1992) there is minimal formal central power, as consensus decision making is favoured. The organisational structure is a cluster where there is little hierarchy, and authority is assigned on task competence (Harrison, 1993). An advantage of person culture is that employees tend to have strong values about how they work. Although it would be rare to find an organisation in which the person culture predominated, you will often encounter people whose personal preferences are for this type of culture, but who find themselves operating in more orthodox organisations. Specialists in organisations, such as computer people in a business organisation, consultants in a hospital, architects in local government and university teachers benefit from the power of their professions. Such people are not easy to manage. Being specialists, alternative employment is often easy to obtain, and they may not acknowledge anyone as being in a position to exercise expert power greater than their own. Position power not backed up by resource power means nothing to such people, and coercive power is not usually available. They may not be influenced by group norms or relationships with colleagues, which might be expected to moderate their personal preferences. This leaves only personal power, and such people are often not easily impressed by personality. Some disadvantages of a support orientation include: (1) that people focus on relationships and neglect the work, (2) when consensus cannot be reached the group may become indecisive and (3) decisions may take a long time as they require everyone's approval (Harrison, 1993).

3.12 The Market Achievement and Power Culture Dimensions

The market typology describes an organisation that focuses on external maintenance with a need for stability and control (Berrio, 2003). This culture can also be termed a mission culture. According to Quinn (1988:36) this perspective has a focus on the achievement of goals and fast decision making. Managers are expected to "direct and produce" (Quinn, 1988:39). The dominant attributes in this quadrant are market orientation, competitiveness, and goal achievement. This could be the manufacturing industry as it needs to be adaptive to the forces acting within the industry (Racelis, 2005:82). These companies are similar to the bureaucracy in that they value stability and control; however, instead of an inward focus they have an external orientation and they value differentiation over integration. Leaders are demanding, hard-driving, and productive. The emphasis on winning unifies this kind of organisation.
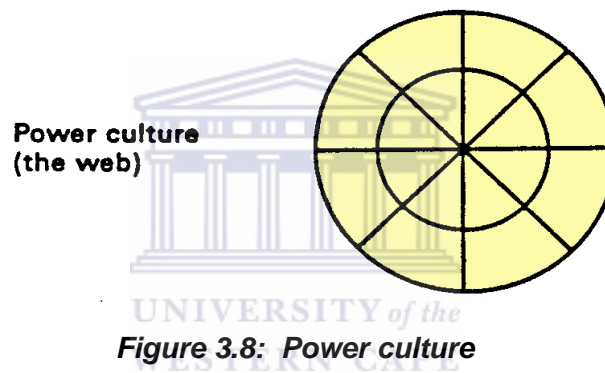
Figure 3.8: Power culture

In Figure 3.8 Handy (1999) illustrates the power culture as a spider's web with the all-important spider sitting in the centre because the key to the whole organisation sits in the centre, surrounded by ever-widening circles of associates and influence. Power culture is where power is concentrated in the hands of a few people who control the system with few rules and little bureaucracy (Van Tonder and Roodt, 2008:329). The closer you are to the spider, the more influence you have. Organisations with this type of culture can respond quickly to events, but they are heavily dependent for their continued success on the abilities of the people at the centre; succession is a critical issue. They will tend to attract people who are power orientated and politically minded, who take risks and do not rate security highly. Control of resources is the main power base in this culture, with some elements of personal power at the centre.

Some features of this orientation include a strong and charismatic leader who rewards loyal followers; the leader acts unilaterally but in the best interests of the organisation (Harrison, 1993). Van Tonder and Roodt (2008:329) and Struwig and Smith (2002) state that discussions and the majority of initiatives are referred back to the centre which then dominates work styles, beliefs and even operating procedures and practices. The advantages of this type of culture include that such organisations can be strong, proud and dynamic and react quickly to external demands. Disadvantages, however, include that power cultures may have employees who suffer from disaffection where those in the middle layers feel that they have insufficient scope. The pressure and constant need to refer to the centre may create dysfunctional competition and jostling for the support of the person in charge. The organisation is dependent on the ability and judgement of the central power. Individuals succeed as long as they are power oriented, politically minded, risk taking and have a low need for security. Size is a problem for power cultures. They find it difficult to link too many activities and retain control; they tend to succeed when they create new organisations with a lot of independence, although they usually retain central financial control. This type of culture relies heavily on individuals rather than on committees. In organisations with this culture, performance is judged on results, and such organisations tend to be tolerant of means. They can appear tough and abrasive and their successes can be accompanied by low morale and high turnover as individuals fail or opt out of the competitive atmosphere. Working in such organisations requires that employees correctly anticipate what is expected of them by the power holders and perform accordingly.

If leaders get this culture right, it can result in a happy, satisfied organisation that in turn can breed quite intense commitment to corporate goals. Anticipating wrongly can lead to intense dissatisfaction and sometimes lead to a high labour turnover as well as a general lack of effort and enthusiasm. An advantage of this orientation is that decisions can be made swiftly as there are few rules (Handy, 1985). Some disadvantages of the power orientation include: leaders are not questioned even when they may be seen to be wrong; people with power break the rules with impunity; and at worst power oriented organisations tend to rule by fear (Harrison, 1993; Harrison and Stokes, 1992).

Table 3.3: Classifications of organisational culture typologies

Dominant Attributes/ Descriptors	Wallach (1983	Quinn (19880	Daft (1999)	Charles Handy (1999)
	Culture classifications			
• Strong explicit rules, procedural. • People work in a systematic organised way. • Power orientated • Stability, predictability • Order, rules and regulations, uniformity • Built around defined jobs	Bureaucratic	Hierarchy	Bureaucratic	Role Culture
Leader Style: *Coordinator, administrator*				
• Creative places to work for • Filled with challenges and risk • The stimulation is often constant • Results orientated • Encourages and rewards creativity, experimentation and risk taking • High degree of autonomy	Innovative	Adhocracy	Adaptability	Task Culture
Leader Style: *Entrepreneur, innovator, risk-taker*				
• Open, harmonious environments • Trusting, safe, equitable, sociable • Encouraging, and collaborative • Relationship orientated • Places value on meeting the needs of employees. • These places are generally friendly places to work for • Employees feel almost like a family • A premium is placed on fairness and reaching agreement with others. • The individual is the focal point	Supportive	Clan	Clan	Person culture

Leader Style: *Mentor, facilitator, parent-figure*			
- Results oriented - Values competiveness, - Aggressiveness, personal initiative - The willingness to work long and hard to achieve results - Emphasis on winning is the glue that holds the organisation together		Market	Achievement	Power culture
Leader Style: *Decisive, achievement-oriented*			

*Source: Researcher's own schematic construction reflecting organisational
culture typologies and the associated leadership styles*

No culture is necessarily better than another. But in certain contexts some cultures might be more appropriate than others. The key to using culture to improve performance is in matching culture or attributes to organisational goals. Table 3.3 indicates that there are key similarities among the various frameworks analysed in the above paragraphs. Moerdyk and Van Aardt (2003:115) contend that the belief that a clear hierarchy of authority is the only way to run a large organisation must be questioned. They argue that the organisational pyramid is viewed as the cause of much corporate evil because the tip is too far from the base. Pyramids emphasise power, promote insecurity, distort communications, impede interaction and make it very difficult for people who plan and people who execute plans to move in the same direction. Daft (1999:195) further cautions that in today's fast changing world very few organisations operate in a stable, orderly environment and most leaders must shift away from bureaucratic cultures because of the need for greater flexibility. Organisations therefore need to overhaul themselves to become less, rather than more, hierarchical. New options need to be created to help organisations compete more effectively, to devolve decision making and flatten the traditional hierarchy (Moerdyk and Van Aardt, 2003:115).

In the search for an effective strategy for organisational renewal, the need for re-humanising the organisation is increasingly being recognised (Moerdyk and Van Aardt, 2003:120). This involves the recognition of people as the pivotal organisational resource, and a shift in focus from managing people to managing the environment

surrounding people in order to harness the performance capabilities of employees to allow them to creatively add value to the organisation. Moerdyk and Van Aardt (2003:120) observe that in the struggle for survival and prosperity many organisations trample over their people. The more organisations struggle the more they take it out on their people. In this regard we find Robbins (1996:565) postulating a departure from the traditional bureaucratic design. This type of organisation strives to link values and structural preferences. People are treated as individuals with individual needs and values rather as occupants of roles. Within this type of organisation members are valued as human beings. It is non-opportunistic as relationships are seen as having value in themselves and not just as formal means to achieve organisational goals. It offers opportunities for extensive personal growth. Rather than emphasising specialisation and the development of narrow expertise these organisations expand their members' skills and broaden their competencies by offering new learning experiences. In the traditional bureaucracy, information and decision making authority are coveted and hierarchically allocated. In the post bureaucratic typology organisational information is shared. All those who will be affected by a decision are given the opportunity to participate in that decision. Power sharing across all levels is therefore a strong characteristic of this type of organisation. We begin to see need for organisational transition that dovetails well with the modern thinking reform of post-NPM towards public value, where the emphasis is on relationships instead of only on results.

It is the responsibility of the leader to ensure that organisations do not get stuck in cultural values that worked in the past but are no longer successful (Daft, 1999:195). In this regard Robbins (1983:174) states that every organisation must satisfy the requirements of those critical constituencies in its environment and upon which it depends for support. These constituencies are different for each organisation. The environment therefore defines the organisational strategy and what it has to do to be successful.

Indirectly the environment is a significant force in shaping organisational culture. In some organisations the emphasis is on selling, in others on product or service innovation, in others cost minimisation. These differences are important because they direct emphasis to certain functions and activities within the organisation. If the

organisational culture is incompatible with its market, it is likely to fail. An organisation's culture may not always be in alignment with the needs of the external environment. The values and ways may reflect what worked in the past. The difference between desired and actual values and behaviours is called the "culture gap". Organisations can be much more effective when the culture fits the external environment (Daft, 1999:187). There needs to be a certain amount of flexibility in order to adapt to an ever changing external environment. Thus a strong culture is not enough, because a strong but unhealthy culture may encourage the organisation to march resolutely in the wrong direction. Healthy cultures help companies adapt to the external environment. Parry and Thomson (2003:377) make the distinction between transformational and transactional organisational culture types to identify those organisations supportive of innovation, transformation and change (transformational culture) and those that maintain the status quo, are based on pre-established rules and structures, and inspire limited levels of commitment and motivation (transactional culture).

Transformational cultures encourage and support innovation and open discussion of issues and ideas so that challenges become opportunities rather than threats. In this way, they promote flexibility and adaptability. In contrast a pure transactional culture focuses on explicit and implicit contractual relationships. They go on to suggest that for public sector organisations to survive in the future the focus of the public sector leader must be towards developing adaptive and innovative organisational cultures in order to cope with the implications of continual change.

3.13 Influences that Shape Organisational Culture

Robbins (2001:518) argues that an organisation's organisational culture does not pop out of thin air and, once it is established, it does not simply fade away. An organisation's current customs, traditions and general way of doing things are largely due to what it has done before and the degree of success it has had with these endeavours. In this regard Handy (1993:192) indicates a number of influences that determine the culture of an organisation, namely history and ownership, size, goals and objectives, the people and leading by example. This is discussed in more detail in the following section:

3.13.1 History and ownership

Hofstede et al. (1990) acknowledge that organisational culture has an historical basis. Organisational culture depends on the history of the organisation, as well as the key decision makers because as organisations mature they incorporate the cultures of their founders, key executives and dominant groups (Greenberg and Baron, 2003: 522; Handy, 1993:183; Rowe et al., 1994:472). Robbins (2001:518) further emphasises that the founders of an organisation have a major impact on the organisation's early culture. These founders have a vision of what the organisation should be, and they are unconstrained by previous customs and ideologies. Handy (1993:199) states that the individual orientations of key leaders in the organisation will have a significant impact in determining the dominant organisational culture, regardless of what it should be. Ownership also has an impact on the culture, with the culture differing according to the different leadership styles. According to Schein (1986) not all organisations have a culture as it requires a stable collection of people with a significant shared history to form a culture. Schein acknowledges that culture is learned and that learning models are required to understand the creation of culture. Schein states that a requirement to develop a culture is for a group to overcome various crises which leads to the formation of assumptions on how to deal with problems. If these are validated over time, they are taught to new members as the correct way of dealing with such problems. It is therefore important for organisations to develop and manage organisational culture effectively in order to fully utilise the advantages of having a strong organisational culture (O'Reilly, 1989:19). The concept of a strong culture was made popular by authors such as Deal and Kennedy (1982), Kotter and Heskett (1992) as well as Peters and Waterman (1982) who linked a strong culture to a positive impact on performance.

The advantages of a strong organisational culture include having strong norms that provide clear guidance about what is important in the organisation, providing for group reinforcement of acceptable behaviour and attitudes, as well as focusing employees' attention. O'Reilly (1989:20) has identified four mechanisms that are used to develop and manage organisational culture, and realise its advantages. O'Reilly suggests that in order to realise these advantages, it is important for organisations to understand,

develop and manage their organisational culture according to the influences discussed below.

3.13.2 Size

The organisation's size is often the most important influence on the type of organisational culture (Handy, 1993:192). In larger organisations, operations are more formalised, which basically means that the cultures of large and small organisations are different due to the natural function of the size of operations (Handy, 1993:192; Martin, 2001: 603).

3.13.3 Goals and objectives

Culture can be influenced by what the organisation sets out to achieve, yet the culture can also influence objectives that the organisation strives for (Handy, 1993:195; Martin, 2001:603). Organisational goals can change over time as the organisational culture changes (Handy, 1993:195). The government, for example, has emphasised service delivery within local municipalities, which has meant that local municipalities have had to set clear goals and objectives with regard to service delivery, which were primarily set through the local governments integrated development plan.

3.13.4 The people

Martin (2001:601) states that the organisational culture is more enduring than the employee within it, because it existed before the employee joined the organisation, and will continue to exist after the employee has left the organisation. It can be seen therefore that organisational culture is enduring. The researcher believes that although organisational culture is enduring, it is subject to the interaction of the employees that flow through the organisation. Handy (1993:199) suggests that a fit between the organisation, its culture, and its individual employees should result in a satisfied employee. Hofstede et al. (1990) also acknowledge agreement among researchers that organisational culture is socially constructed. Aswathappa (2003:481) believes that culture is essentially learned. She contends that culture is created around critical incidents; where norms and beliefs arise from the way members respond to critical incidents.

3.13.5 Participation

Systems that enable participation among employees are critical in developing or altering a culture. These are important because they encourage employees to become involved, and to send signals to other employees, thereby encouraging employees to make small choices and develop a sense of responsibility for their actions. When individuals choose of their own will to do something, they often feel responsible, and therefore the commitment of the individual is more binding. Here Schein (1992:211) reminds us that culture can also develop from new members that join an organisation and bring with them new beliefs, values and assumptions.

3.13.6 Information from others

Consistent messages from co-workers are as important a determinant of culture as clear messages from management. New employees often look to others for explanations of what to do and how to interpret events.

3.13.7 Comprehensive reward systems

A comprehensive reward system is a mechanism for promoting and altering culture. Kerr and Slocum (2005:137) believe that reward systems communicate and reinforce the values and norms of the organisational culture. A reward system could be monetary, such as bonuses for quotas achieved; or non-monetary, such as recognition and approval. Smith (2003:258) agrees that this is an important aspect when attempting to change or manage an organisation's culture because employees will be more likely to alter their own behaviours and norms if they believe that they will be rewarded.

3.13.8 Management of symbolic action

The management of symbolic actions involves clear, visible actions on the part of management, supporting organisational cultural values. Employees in organisations usually wish to know what is important, and this information is received by watching and listening to supervisors, or those above them. Consistency in these actions is also

important, because if management states that something is important, and behaves in ways that support that message, then employees begin to believe what management is saying.

3.13.9 Promoting change through leading by example

We see that public sector organisations are facing severe pressure to adjust to the new demands of their constituencies. These new demands will likely necessitate changes in the cultures of these organisations. Schraeder et al. (2004:500) state that for culture change to be successful, leaders must not only change the artifacts, but also live the changes in the things they do. According to Schraeder et al. (2004:500) change must not only involve focusing on mechanisms to change the artifacts, or the visible organisational structures and processes in the organisation, for example pictures on the walls, office setup, ceremonies, it should also focus on the underlying values, strategies, goals and philosophies which represent the deeper part of an organisation's culture. In this regard Schraeder et al. (2004:500) propose that promoting change in public sector organisations can happen through leading by example. Gordon (1991) stated that the actions of organisational leaders serve as triggers for changing an organisation's culture. This sentiment echoed in the quotation below.
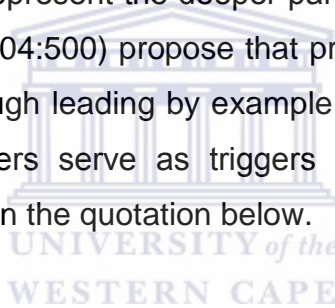
> Managerial practices are probably the most potent carriers of cultural meaning. As the proverb says, actions speak louder than words (Trice and Beyer, 1993: 365).

Schein's (1992) culture embedding mechanisms is useful when trying to change the culture of the organisation. Some of these mechanisms involve what leaders pay attention to, measure and control on a regular basis, how leaders react to critical incidents and organisational crises, and how leaders approach role modelling, teaching, and coaching. They also include observed criteria by which leaders allocate rewards and status, and recruit, select and promote employees (Schraeder et al., 2004:499).

Bates (1994:242) argues that we are in urgent need of a change in the way we think about and practice leadership. He believes that a cultural perspective might help us to

achieve this. What it does is depersonalise and decentralise the leadership concept, so that we start to perceive leadership as a cooperative or a collective enterprise spread throughout the organisation, a property of the system rather than of any single individual. Bates (1994:241) concurs with Bennis (1989) and Krantz (1990) who have said that there is a growing crisis in leadership in both society and organisations as the people who are at the very top have begun to realise that they no longer have the power to determine opinion or make things happen, at least not the way they would like. Most leadership is culture driven in the sense that shared beliefs and norms dictate how the leader acts. Leadership is better seen within rather than outside the culture of an organisation.

There is always a strong element of organisational culture determination in leadership. Promotion is often dependent on being perceived as well adapted to dominant orientations of senior managers, which means that managers typically fit into corporate culture and tend to maintain, rather than deviate from, the dominant cultural patterns (Alvesson, 2002:116). Tsai (2011:1) states that the pervasiveness of organisational culture requires that leaders recognise its underpinning dimensions and its impact on employee related variables such as job satisfaction, commitment and performance. Tsai is alluding to the fact that it is necessary to have an understanding as well as an awareness of the influence that organisational culture can exert on the behaviour of individual members. Organisational culture helps shape an organisation's design and social processes. It can be viewed as a metaphor for organisational analysis. Within the context of culture the role of leadership is seen as having great importance. Moynihan et al. (2011:5) state that leadership must encourage a more adaptive or developmental culture by emphasising employee innovation, problem solving, and empowerment. Moynihan et al. (2011) caution, however, that when considering how leadership might foster innovation, culture must be seen as a factor that can block, welcome, or re-shape reforms in ways that are consistent with organisational norms. Changing an organisation's culture involves changing in part at least, human resources practices and policies. Schein (1992:392) recommends that if the leaders of today want to create organisational cultures that will be more amenable to learning they will have to set the example by getting themselves more involved in the learning process. It is

essential that change comes from within; you cannot buy a distinctive organisational culture and you cannot copy it from someone else, you must grow it (Bates, 1994:236).

According to Bates (1994:236) the reason that there are limits on what one person can accomplish is that culture is a social not an individual phenomenon, socially created, socially maintained and socially transformed. According to Bates (1994:241) the existing pluralism within the culture of an organisation conspires to prevent leaders from taking charge. Here Bates claims that leaders are powerless in the face of the gigantic, multi-legged octopus we call culture. They are perplexed by the whole issue of how to intervene in, influence or change it. Bates adds that without the help of others, top leaders invariably end up the victims of their organisational culture. Bratton (2005:50) believes however, that leaders can play an active role in re-shaping an organisation's culture by either ignoring or attending to particular projects or problems and by changing the criteria they use for selecting, rewarding, training and developing followers. Bratton also claims, however, that it is unreasonable to expect things of a single leader that he or she cannot deliver. Bratton (2005:50) is indicating that we need to be attentive to the conservative nature reflected in beliefs, values and assumptions that are embedded in the organisational culture and that can hinder efforts to bring about effective leadership. This awareness is needed in order to foster an understanding of the interplay between leadership and organisational culture. What is needed is an understanding that will go beyond the mere tangible, visible artefacts to the deeper assumptions and values that exist within the organisation. Bisel et al. (2009:6) warned that because many of the tangible, observable artefacts of an organisation are under the purview of management, they often believe that they are responsible and in control of organisational culture. Literature indicates, however, that there is a greater chance that culture will change leadership if they are not purposefully conscious of the constraints in which they operate. Mishra and Raykundaliya (2011:840) state that focus on cultural change is the fundamental role of the leader in bringing about and solidifying the implementation of change in an organisation.

Moynihan et al. (2011:5) state that leaders can change followers' beliefs, assumptions, and behaviour by appealing to the importance of collective or organisational outcomes. Leaders can give rise to a purposeful, committed, and innovative approach to

management and outcomes. More specifically, leadership is expected to shape employee behaviour (Bass et al., 2003:208). Leaders should direct and inspire employees' efforts by raising their awareness of the importance of organisational values and outcomes. This process requires leaders to create a sense of vision, mission, and purpose among employees, instilling confidence and providing direction on the future of the organisation.

The appeal to broader goals activates the higher-order needs of employees, encouraging them to transcend their own self-interest for the sake of the organisation and its clientele. Leaders should inspire employees, function as role models, and build employee confidence and pride in the organisation. Leaders should help followers achieve the company's mission by stimulating them to challenge old assumptions about organisational problems and practices. Leaders should recognise the different desires and needs of followers and provide opportunities that enable their growth. Moynihan et al. (2011:5) claim that leaders set the scene for change because they shape key conditions related to improved goal clarity resulting in a more innovative culture that in turn shapes performance. By focusing the employee on collective outcomes rather than self-interest, on innovation rather than continuity, leadership creates a climate where employees will be more willing to endure performance management, are more cognizant of its benefits, and are creative enough to realise those benefits. Moynihan et al. (2011:5) state that this type of leader exerts influence by shaping the organisational culture.

Leadership within the new public sector paradigm of NPM must be expected to encourage a more adaptive or developmental culture by emphasising employee innovation, problem solving and empowerment. These cultures are associated with a focus on flexibility, adaptability and readiness, growth, and resource acquisition. Leadership behaviour must foster a developmental culture. Leaders should create a culture that encourages followers to think on their own, develop new ideas, and challenge the status quo (Bass and Avolio, 1990; Hater and Bass, 1988). They should reinforce the acceptance and importance of these behaviours through their own words and actions. Leaders must help employees see connections between their values and the values of the organisation. There is a strong connection between the leader and the

culture of the organisation, since leaders can influence organisational cultures and vice versa (Schein, 2010).

Leadership thus plays a pivotal role as it will focus the organisation, policies and strategies on cultivating a strong and unified sense of values, cultural integration, team building, the involvement of participating organisations, trust, value-based management, collaboration, improving the training and self-development of public servants as we move within NPM and post-NPM reformation.

NPM culture implies a mixed pattern of in-house, marketised services and delivery networks, a client based, holistic management style, boundary spanning skills, joined-up targets, a procedural focus, impartiality and ethical norms and stronger centralised control. Christensen (2012:4) points out that NPM reforms are also culturally oriented efforts. The NPM organisational culture seems generally to be more about working together in a pragmatic and intelligent way than about formalised collaboration. Collaborative efforts are aimed at delivering a seamless service. We are reminded by Mauri and Muccio (2012:52) that culture and public administration reform are closely linked. They say that there seems to be a close relationship between the difficulties in enforcing the new models of public administration reform and cultural factors. They claim that the reform stated by legislation too often remains mainly a political intention instead of a pervasive administrative reform. Due to the various levels of organisational culture there are elements of an organisational culture which can be formally changed and influenced and in which change can be achieved by influencing formal elements such as strategy, structure, and organisational capacity. There are informal processes and interactions related to culture which are informally structured and cannot be as easily directly affected by deliberate intervention. It is possible to have combinations of cultures which can be harmonious or in conflict. The undeclared aim of reform within public administration is attitude change in the public sphere, namely the alteration of the organisational culture of the public sector. The success or failure of the reform depends on how successfully the reform fits into the environment or culture of the system and how the leaders facilitate this change.

The philosophy of leaders on ways of creating, developing and running an organisation, their behaviour, attitudes, values and aspirations all contribute to creating organisational change. These fundamental values governing the activity and behaviour of leaders within an organisation are reflected in the decisions and actions they adopt and put into practice in running the organisation. The individual values of the leader take on organisational dimensions, becoming an integral part of the system. Their attitudes and expectations influence organisational behaviour. Therefore the performance of public officials within local government is highly dependent on the behaviour of the leader and the values and principles the leader promotes and the way these are inculcated in employees. Leaders set the tone for the entire organisation. Indeed, the leader's attitudes and behaviours cascade down through the entire organisation. There is a strong connection between the leader and the culture of the organisation, since leaders create organisational cultures in their own image and then those cultures reproduce leaders in that image.

The public administration system is often criticised for its lack of flexibility and resistance to change, and its incapacity to cope with the complex and serious problems that contemporary society is confronted with. Organisational flexibility that is manifested in the ability to respond to environment challenges is an essential requirement for local government institutions to be able to adapt to the economic and social realities of the community they serve and to promptly meet its needs. Leadership has to be able to develop pro-active strategies aimed at improving organisational structures and culture, enhancing the efficiency and effectiveness of government (Stefanescu and Panzaru, 2009:94). Moeryk and Van Aardt (2003:102) claim that if we do not nurture world-class organisations we will remain at the bottom of the class. There is a need for new kinds of public institutions that are more flexible and more customer and results orientated. Since culture and organisational performance are said to be inextricably linked (Denison, 1990; Kotter and Heskett, 1992; Sorensen, 2002; Cameron and Ettington, 1988) organisational reform and trying to improve performance are equally linked to organisational culture (Wynen and Verhoest, 2014:5). Leadership is at the heart of driving this change.

Organisational cultures in the public sector are likely to impede public service reform unless they themselves are changed to become aligned with the modern role of government (O'Donnell and Boyle, 2008:11). Culture is therefore key to reform in the public service. Simplistic approaches suggest that the old bureaucratic culture of the public service must be dismantled and replaced by a more private sector type of entrepreneurial culture. Such simplistic approaches will not work. A fuller understanding of culture and the reasons for particular organisational cultures in the public service are central to successful management reform (O'Donnell and Boyle, 2008:13). Culture change involves moving an organisation on from one form of culture to another, often through a cultural change programme. Managing this cultural change programme requires that attention be paid to a range of issues that must involve creating a receptive climate for change, having top leadership involvement, and commitment that includes an articulate and clear vision from the top.

Knowing that culture is important in shaping organisational practice and performance in public sector organisations is one thing. An important question, however, is to what extent managers can actually shape or influence culture. The literature on culture is ambivalent on this point. Examples can be identified where interventions can influence culture. On the other hand, however, some academics warn of the danger of attempting to influence the more superficial aspects of culture such as symbols and ceremonies, while ignoring the more pervasive and deep seated aspects of culture such as values and beliefs. These more deep seated aspects of culture are much more difficult to influence. Leadership is clearly important in determining the effectiveness of culture change. The leaders of organisations are champions at understanding and managing culture in the organisation and of rewarding or punishing sub-cultures, depending on whether or not they align with the culture espoused by the leaders. The influence of leaders in rewarding the sub-culture groups that espouse the dominant beliefs, values and underlying assumptions of the organisation cannot be underestimated. Leadership plays an important role in effectively managing and developing culture in organisations. Leaders must be committed to managing culture in terms of developing and sustaining organisational performance (O'Donnell and Boyle, 2008:72).

3.14 Summary

A different type of organisational culture is needed in the context of public sector reform. A culture that promotes innovation and collaboration is needed. The aim of the preceding sections was to conceptualise organisational culture, first by defining the concept and second by discussing different models of organisational culture. Factors affecting organisational culture were discussed, followed by discussion on how organisational culture is formed and sustained. The functions of organisational culture and the different types and models were discussed and analysed. It was pointed out that organisational culture is derived from individual experience and history, and is used to sustain the organisation's survival over the long-term. The core principles, practices, values and beliefs are what characterise the organisation. These principles and values endure because they have meaning for the members of the organisation. They are grounded in policies and strategies and management processes.

Through organisational culture individuals inside the organisation gain a common understanding of the core mission of their organisation. This in turn leads to consensus on how to achieve organisational goals. The discipline provides practitioners, employees and employers with an understanding of the dynamics that pertain to those visible and invisible elements that drive and influence organisational life. The chapter indicates that for public sector organisations to survive in the future the focus must be on developing adaptive and innovative organisational cultures in order to deal with the implications of continual environmental change.

Attention was also drawn to the interplay between leadership and culture. It was pointed out that if leaders do not become conscious of the cultures in which they are entrenched, those cultures will manage them. Cultural understanding is desirable for all of us, but it is essential for leaders if they are to lead. Leaders need to establish a common ethic and a sustainable cohesive culture in the public sector in terms of the reforms that have taken place. The chapter proposed that leadership has a direct, positive effect and influence on culture. Leaders have the ability to exert influence by shaping the organisational culture. The work of Bass (1985) and Burns (1978) defined most of the initial work in the field and laid the groundwork for Edgar Schein (1985) to

focus on culture as the fundamental role of the leader in bringing about and solidifying the implementation of change in an organisation.

It was pointed out that there have been numerous changes in public sector reform. The public sector and local government are tasked with keeping pace with these reforms and the new contemporary priorities of the 21st century. Schein (1992:379) points out that if an organisation is to change, it must be led by someone who can change the old culture.   This requires leadership with not only the insight and diagnostic skill to determine what the old culture is, but to realise what alternative assumptions are available and how to start a change process for their acceptance (Schein, 1992:379). He adds that if the culture has not facilitated adaptation, the organisation will not survive. A different type of organisational culture is needed for public sector reform. A culture that promotes innovation and collaboration is needed as leaders try to facilitate change in modern day public institutions. A different type of leader is needed with a different set of skills in order to be effective in today's public sector arena. Leaders are therefore both the architects and products of organisational culture. If our starting point is that organisational culture is a major determinant if public sector reform is to be effective, then leadership effectiveness will be congruent with the impact leaders have on facilitating change (Malby 2007:5). The following chapter considers the ideal type of leader who can facilitate this change.

Chapter 4: The Changing Face of Leadership

4.1 Introduction

Brookes and Grint (2007:12) posit that effective leadership in complex networks, such as the public sector, requires a new way of thinking about leadership. The aim of this chapter is to embrace this increasing complexity by proposing a natural evolution of public leadership skills. We see from chapters two and three that due to organisational reform new organisational cultures are replacing old cultures that were characterised by strict hierarchies, boundaries, internal focus and control. New organisational cultures in contrast are categorised by networking, external focus, empowerment, mutual trust and supportive action, and calculated risk taking. We also see that in the 21st century organisations are functioning under increasing pressure and complexity (Greyvenstein and Cilliers, 2012:1). Rashid (1999:1) states that 21st century organisations face more complex challenges than their counterparts did in the past. The environment in which the public sector operates has changed. Gill et al. (1998:46) suggest that the demands of the new millennium and the new organisational paradigms require organisational change. We see this change in the reformation that has taken place with the public sector. They further add that change is essentially the business of leaders. Rashid (1999:1) claims that the range of issues that face local authorities is far too long and complex to fit within traditional leadership. They suggest, therefore, that it is not sufficient for leaders to maintain this conventional style of leadership in the new paradigm in which local government finds itself. Ivanko (2013:182) states that constant reorganisation or continuous organisational change is needed to meet the pressures of a fast changing, turbulent environment. The challenge for leaders is not only how they respond to this change but how they actively create change.

Radmila et al. (2011:62) suggest that modern organisations have led to the mutation of the classic leader and given rise to contemporary leaders. Contemporary leaders who can successfully cope with change can lead organisations in today's turbulent environment. They further state that leadership and change are synonymous. In today's globalised society, leaders are faced with the challenges of a changed

environment and completely new issues. Organisations have to become   to survive and succeed. This in turn is placing a different emphasis on the type and style of leadership required to create innovation. Emery et al. (2007:3) state that despite the fact that in most public sector organisations public managers have been trained to improve their leadership competencies, it is still difficult to implement these new skills in a fast changing environment which is characterised by:

- management practices inspired by new philosophies, which lead to the introduction of paradoxes within public organisations;
- pressure to reduce staff and improve the efficiency of public organisations; and
- a form of hybridisation of market and civic values leading to a form of neo-bureaucracy.

In this confusing environment, the implementation of a new leadership style in the public sector can be difficult as leaders try and to make sense of their new role. It is critical at this juncture to understand the mindset of those who shape the environment, culture, structure and the system. Schmidt (2010:9) suggests that there are areas related to the largely unconscious mindset of leadership within municipalities that could be explored. He adds that a particular problem is the fact that too often people in positions of leadership in municipalities lack the maturity and insight to function as leaders of adaptive change. Terry and Boninelli (2004:93) concur when they state that a major challenge for South African organisational leaders is to retire old thinking systems and business practices, and create new practices suitable for high speed globalisation, informationalism and increasingly tighter bounded networks. In other words, South African organisations have to quickly adapt to compete in the global marketplace, while at the same time freeing themselves from past practices that are deeply entrenched in their organisational culture. Schmidt (2010:7) argues that there are ample grounds to suggest that many of the major governance and delivery challenges in local government stem not so much from technical deficiencies but from failures in the softer leadership realm where values, vision, commitment, motivation, energy, innovation, learning, relationships and trust come into play. According to Schmidt (2010:9) municipal leaders find that the different concepts of leadership compete with each other and this can require careful navigation. O'Flynn (2005:363) states that weighing up the options,

negotiating the environment, selecting the most appropriate means of managing relationships, and putting such systems in place presents an enormous challenge to existing public sector leadership. He adds that considerable attention will need to be devoted to the development of new skills if leaders are to effectively navigate the complexities that come with paradigmatic change such as that brought about by recent reforms in public administration. This new leadership paradigm requires leaders to encompass constructs of interactivity, collaborative learning and collective achievement. Leadership plays an important role in the implementation of reform because it involves two of the most important aspects of reform, namely change and people. Changing an organisation is really about changing people's behaviour, and therefore organisations undergoing reform need strong leadership.   It is important to understand the implications of these reforms for public sector managers. Consideration will be given to the various leadership theories and approaches that have emerged over the years so as to understand how leadership fits into the reformation picture.

It is against this backdrop that this chapter provides an overview of the concept of leadership. The chapter considers some of the formal definitions that scholars have presented over time. The similarities and differences between the concepts of leadership and management are discussed.   The chapter also covers some of the broader conceptions and ideas on leadership. It includes a discussion on the various types and styles of leadership that can exist within an organisation, and includes a broad descriptive analysis of the various leadership theories contained in the classic and contemporary approaches. This chapter also reflects on some of the complications that local government faces as it tries to introduce the principles of contemporary leadership in the context of a bureaucratic organisational culture.

4.2 Leadership and the Link to Organisational Reform

The previous chapters have pointed to the principles, practices and premises of the traditional bureaucracy, NPM, post-NPM or public value and provide the basis for developing paradigmatic ideal types, making comparisons and discussing implications for public sector managers. This is especially important because it is through dominant paradigms that actors, including public managers, make sense of their activity. NPM

can be characterised as both post bureaucratic and competitive with a clear and dominant focus on results. Public managers in this paradigm had goals built around the achievement of performance targets. In the public value paradigm, public managers have multiple goals which, in addition to the achievement of performance targets, are more broadly concerned with aspects such as steering networks of providers in the quest for public value creation, creating and maintaining trust, and responding to the collective preferences of the citizenry and clients. Such goals dovetail well with the idea that the dominant focus for managers shifts from results to relationships in the public value paradigm.

We see from Chapter 2 that the new public management paradigm emerged in the 1990s. It re-oriented the focus of governments to outputs and results. It exhorted them to set and achieve objectives by loosening administrative controls. The 21st century saw the responsive governance or public value paradigm emerging as post-NPM. While retaining many of the results-orientation characteristics of NPM, this paradigm exhorts the public service to be more responsive and accountable to the public. The public service must be transparent and inclusive in decision making. Their monopoly in decision making must be shared with the public. The voice of the public must now be heard in deciding public policies and programmes. This paradigm shift poses a leadership challenge in opening the public service to greater accountability and transparency. Table 4.1 summarises these paradigm trends:

Table 4.1: Paradigm shift in public management

Descriptor	Bureaucracy	New Public Management	Post New Public Management
Guiding principles	Compliance with rules and regulations	Efficiency and results	Accountability, transparency and participation
Criteria for success	Output	Outcome	Process / Value
Key attribute	Impartiality	Professionalism	Responsiveness

Source: Researcher's own illustration showing the paradigm shift in public management

In the light of the current trends and the reforms taking place in countries around the world, it would seem that bureaucratic structures can no longer work effectively.

Change and the process of reform can no longer be approached through the traditional, authoritarian and bureaucratic methods; it should seek to build on knowledge and expertise, but also on vision, mission statements, team building, participation and the empowerment of all key players. An organisation can only be as effective as its people can and for this reason they need to recruit and retain the highest calibre public servants. This process requires leaders and managers to plan and steer the course together with people. For this reason the administrative reform must focus on debureaucratization and decentralisation and go in tandem with new approaches to management such as openness, adaptability, participation, flexibility and responsiveness (Pavlov and Katsamunska, 2004:1)

According to Brookes (2013:13) the message is clear that the time is right to think differently about leadership in the public domain and to put the concept of relationships at its heart. Leadership both begins and ends with people and relationships represent the critical success factor. In the context of public administration reform the transformational approach posits that in order to achieve goals, public leaders should be self-motivated, opportunistic and innovative (Islam, 2010:136). Leaders play an important role in organisational change, acting as champions and key players. The implementation of certain leadership factors are seen to stimulate certain organisational culture characteristics, namely competitiveness and performance orientation, which in turn provide a breeding ground for organisational innovation. The main process that contributes to the establishment of a culture for innovation involves articulating a vision. Leadership behaviour, however, also involves setting high performance expectations and providing support to individual workers who are also seen to contribute to increased levels of organisational innovation. These managers who afford their subordinates more discretion to generate and experiment with new ideas and who buffer their subordinates from external pressures are more receptive to change. This creates an atmosphere that supports the generation of practical innovations, which can then be implemented across the organisation.

Leadership plays an important role in the implementation of reform because it involves two of the most important aspects of reform: change and people. Changing an organisation is really about changing people's behaviour, so organisations undergoing

reform need leadership. Leaders can help diffuse and maintain the new values necessary for public sector reform. But managing and leading are two different functions and require different sets of skills. They are complementary and not mutually exclusive. The complexities and challenges posed by the changing needs and expectations of people present a significant opportunity to understand more about leadership within the public sector. Modern public sector organisations by their very nature are complex. Organisations are moving from a traditional hierarchical structure to one which is more team based. Network based organisations are emerging as a new and innovative organisational form in the public sector, reflecting the private sector in many ways. Due to the changing nature of work, more creativity, innovation and flexibility are required and successful leaders cannot solely depend on applying the right behaviour in a given situation but should also look at the interpersonal and environmental factors

The complexities and challenges posed by the changing needs and expectations of people present a significant opportunity to understand more about leadership within the public sector. Under pressure to improve delivery, reform resource management and develop new models of governance, premised upon better collaboration and engagement with stakeholders and citizens, managers and leaders are faced with the task of lifting performance beyond the execution of traditional processes. In the significant challenges that face managers and leaders to reform and improve public services we are beginning to see a new leadership behaviour emerge that combines a different set of competencies from those that managers developed in the past. It is clearly evident to those engaged in management and leadership development that the current pressures to reform public services represent a burning platform on which managers and leaders are having to evolve and adapt or cease to exist (Wooding , 2007:42).

Wooding (2007:42) adds that during the 1990s a new public managerialism emerged in response to a decade of iterative public service reform. With its emphasis on competitive models of service delivery and business transaction, coupled with explicit measures of performance and service dis-aggregation, managers were inculcated with a set of values and behaviours that challenged the old practices. Drawing on private sector technologies to deliver public service outcomes became the modus operandi of a

new generation of managers and leaders. It is in the context of this management dialectic that a new model is emerging to challenge established beliefs and practices about what managers and leaders must do to deliver improved services. In the context of public service reform, the responsibilities placed upon managers and leaders to meet the challenge of change requires that they exceed their authority and risk their personal status to succeed where others would or have failed. This venture into unmapped territory requires a significant shift in the self-perception and awareness of managers who may have traditionally considered their role to be defined in terms of control and systems maintenance (Wooding, 2007:42). Rashid adds that local authorities all around the world are contending with major socio-economic, political, technological and environmental shifts. Noor (2010:26) adds that in the wake of a rapidly changing world and increasingly complex national challenges, the public service is hard pressed to meet ever increasing demands and expectations of stakeholders and customers. He says that the public sector must be led by leaders who are able to respond strategically and forge ahead for change. He points out that to lead the transformation process we need leaders who can inspire the people, strategise and galvanise the resources to navigate and effect the changes needed (Noor, 2010:26). Noor (2010:26) states that such leadership is rare in the public sector, not only in the South African Public Service, but also in most countries around the world.

This increasingly tests the commitment, determination and creativity of leaders. According to Gill et al. (1998:46) the development of leadership theory has paralleled the development of organisational theory. This new leadership paradigm must consist of constructs such as interactivity, collaborative learning, collective achievement and performance systems to deal with problems and to achieve organisational outcomes. The vision of a dedicated, responsive and productive public service is one that pivots on the ability of the leader to achieve a high standard of excellence amidst some daunting challenges.

According to Schmidt (2010:9) academic literature points to three primary models of governance each with an associated leadership concept, namely the more traditional bureaucracy, more market-focused NPM that became fashionable from the 1980s and the more recent focus on network and value governance where authority becomes less

important and the ability to influence across organisational boundaries is the focus. The literature also shows that these different paradigms tend to build on each other rather than replacing each other. A good leader should be able to understand the different modes and shift mode depending on the circumstances. Thus some issues require a leader to use the bureaucratic authority that he or she has to drive change, while another issue may require a more networked approach based on using his or her influence. Many people in leadership positions, however, are unable to access such multiple modes and are only able to respond to issues using a single mode. It could be argued that the predominant mode of leadership within the municipal sector has emphasised leadership as authority and is rooted in hierarchy. Such mindsets are usually largely unconscious, but guide leader's responses on a range of issues from how they view community participation to how they understand intergovernmental relationships or how they engage across the political-administrative divide. The public sector and its leaders need to transform themselves and be visionary enough to aspire to greatness and bring about sustainable transformational changes. Thus it would not be sufficient for these leaders to maintain the conventional style of leadership.

The challenges that face public services, and perhaps more importantly the managers and leaders who must deliver improvement, include breaking away from cultures that are driven by compliance, protectionism, and opacity. These facets of public service culture have generally stifled innovation, disguised weak or poor performance, encouraged short-termism and constrained diversity (Wooding, 2007:43). The challenge that lies ahead of public service managers and leaders is significant, both in relation to the level of transformation necessary to bring about public service improvement, and the skills that individuals will need to acquire to deliver such change. Becoming more effective in yesterday's management and leadership skills will not serve the purpose of sustainable public service improvement. This requires a different level of personal and professional development that addresses the need to be more engaged as a leader and manager in the transformation process. The learning components of this new engaged model of leadership include developing narrative skills to manage the meaning of change and cultivate participation; becoming effective as a thought leader, to influence through dialogue the beliefs and practices of others; connecting with communities, to broaden understanding of the needs of others and facilitate better

opportunities for co-production; and finally working collaboratively to maximise service value and improve partnership working (Wooding, 2007:51). Generating new approaches to leading and managing organisations to promote better engagement will challenge the prevailing culture of risk aversion and the sacredness of existing public service rituals and practices that act against the interests of the wider public as service users and citizens. Distinguishing between those practices that help to deliver improvement and those that hinder progress will underpin the transformation process. Demonstrating the courage and commitment to take action in the face of hostility or disaffection will hallmark its success. Ultimately, managers and leaders must act in the service of the improvement agenda, delivering insight and inspiring others to deliver (Wooding, 2007:51).

Public administration seeks the emergence of a new brand of leader to meet the challenge of change. These people take on the responsibility for revitalising an organisation. They define the need for change, create new visions, mobilise commitment to those visions, and ultimately transform an organisation. Transforming an organisation requires new vision, and a new frame of mind about strategy, structure, and people. Wooding (2007:51) suggests that the traditional leadership skills are ingredients in most organisational success stories but not sufficient for organisational transformation, stating that effective leadership is desperately needed for the strategic transformation of public administration. Whether leadership in local government is truly different to leadership in other contexts or not, this thesis argues that the pressures and constraints in this sector make the utilisation of contemporary leadership approaches an interesting study. These leaders have to assume multiple roles to navigate today's complex challenges. They have to drive change and innovation within the strict, rigid parameters of a local government organisational culture. The local government leader has a great responsibility to the community he or she serves and therefore must be well suited and equipped as a leader. South Africa is faced with tremendous development challenges. In order to begin to make inroads into these challenges critical institutional developmental issues must also be acknowledged. These issues relate to the specific leadership skills that are needed to improve service delivery in local government; skills are particularly needed to address the ever-changing demands on local authorities for improved services, and to address the inequalities of the past.

Dalglish et al. (2009:30) state that distinctive focus must be placed on handling the challenges prevalent in South Africa's present day business environment. They add that today business is conducted in an environment that differs markedly from that of the old South Africa. According to Dalglish et al. (2009:11) leaders have a variety of challenges confronting them in whatever sector they are leading. They identify some of these challenges as operating in a socially and environmentally responsible way, confronting long standing poverty and disadvantage, limited education and health infrastructure, great disparity in access to technological innovation and sophisticated communication, cultural diversity and a history of colonisation which often means that people are looking back to blame rather than looking forward to achieve. Pretorius and Schurink (2007:20) state that given the challenges confronting leaders in the public service today, a need exists to develop new leadership skills, a different type of leader is needed to drive change within modern day local government. Pretorius and Schurink (2007:20) state that technical or functional skills are no longer sufficient. Leaders are required to be strategic, to lead beyond boundaries, and importantly to keep sight of the vision ahead with their feet firmly on the ground. In short, these leadership qualities should help local government to bring about the necessary changes in terms of reform. At this point it would be helpful to take a closer look at the broader concept of leadership.

4.3 The Concept of Leadership

Literature on leadership shows a progressive pattern, which starts by focusing on the attributes and characteristics of a leader, then concentrates on behaviour and later looks at the contextualised nature of the leadership (Riaz and Haider, 2010:30). Wankhade and Brinkman (2007:2) state that leadership has been historically and typically defined and understood in terms of traits, qualities, the situation in which the leader operates and the behaviour of the leader (Bass, 1985; Bernard, 1926; Blake, et al., 1964; Fiedler, 1967; House and Mitchell, 1974; Yukl, 1994). Meyer and Boninelli (2004:3) state that not only has leadership been written about extensively in recent history from a business perspective, but the subject has fascinated philosophers, politicians, military leaders and historians throughout history. Many great works have

been written about the nature of leadership and the characteristics of great leaders. The notion of leadership has taxed the minds of many for thousands of years. It is recognised that those who have the ability to influence the hearts, minds and more importantly the behaviour of people, hold uncommon power and have the ability to change history.

Van Wart (2003:214) states that to most people the importance of leadership is self-evident no matter the setting. He suggests that in organisations, effective leadership translates into higher quality and more efficient goods and services. It provides a sense of cohesiveness, personal development and higher levels of satisfaction among those conducting the work. It provides an overarching sense of direction and vision, an alignment with the environment, a healthy mechanism for innovation and creativity and a resource for invigorating the organisational culture. Northouse (2007:1) notes that bookstore shelves are filled with popular books about leaders. Northouse (2007:1) states that people are captivated by the idea of leadership, and they seek more information on how to become effective leaders. Many people believe that leadership is a way of improving how they present themselves to others. He states that corporations want people who have leadership ability because they believe these people are a special asset to their organisation. Generally, leadership is a highly sought after and highly valued quality. Meyer and Boninelli (2004:1) claim that it is hard to think of a business subject that is more important than what it takes to lead in the 21st century. Bennis and Thomas (2002:62) therefore pose a very relevant question:

> Why is it that some people seem to naturally inspire confidence, loyalty, and hard work while others stumble again and again? It's a timeless question and there is no simple answer (Bennis and Thomas, 2002:62).

Perhaps Kotter (2001:25) and Daft (1999:5) offer some sort of answer when they claim that leadership is not mystical and mysterious. It is not the province of a chosen few, or the property of a select few chief executive officers. The qualities that make good leaders are effective whether they are leading a business or a family. We can therefore speculate that leadership is all around us every day, in all facets of our lives, our families, schools, communities, churches, social clubs and business. Leadership studies is an emerging discipline and the concept of leadership, which is both

fascinating and elusive, will continue to evolve. The following section will attempt to present the formal definition that has helped shape the concept leadership.

4.4 Leadership Defined

Defining leadership has been a complex and elusive problem largely because the nature of leadership itself is complex. Some have suggested that leadership is nothing more than a romantic myth (Daft 1999: 5). Lynch aptly puts it into perspective when he proposes that:

> Definitions of leadership exceed the number of Big Macs served in a McDonalds on a Saturday afternoon (Lynch 1995:13).

Bass and Stogdill (1990:11) support this claim by stating that there are almost as many different definitions of leadership as there are people who have attempted to define the concept. Deal (1985:47) claims, however, that definitions of leadership usually have, as a common denominator, the assumption that leadership is a group phenomenon involving the interaction between two or more people. Most definitions of leadership reflect the assumption that leadership involves an influence process, whereby intentional influence is exerted by the leader over their followers. Northouse (2007:3) offers the following definition of leadership: leadership is a process whereby an individual influences a group of individuals to achieve a common goal. Leadership therefore occurs among people; it is a people activity. Since it involves people, there must be followers. Daft (1999:5) supports this notion by adding that leadership is an influence relationship among leaders and followers who intend making real changes that reflect their shared purposes. According to Yukl (2002:7) leadership is a process of influencing others to understand and agree about what needs to be done and how it can be done effectively, and the process of facilitating individual and collective efforts to accomplish the shared objectives.

Leadership is realised in the process whereby one or more individuals succeed in attempting to frame and define reality for others. Leadership situations may be conceived as those in which there exists an obligation or a perceived right on the part of certain individuals to define the reality of others. Leadership like other social

phenomena is socially constructed through interaction. It involves complicity or a process of negotiation through which certain individuals, implicitly or explicitly, surrender their power to define the nature of their experience to others (Smircich and Morgan, 1982:258). We can extrapolate the following common components from the aforementioned definitions presented by the various scholars:

1. Leadership is a process;
2. Leadership involves influence;
3. Leadership occurs in a group context, and
4. Leadership involves goal attainment.

Despite the multitude of ways in which leadership can be conceptualised and defined, these components are central to the leadership phenomenon. Hogan and Kaiser (2005:169) state that leadership is one of the most important topics in the human sciences and historically one of the more poorly understood. They say that it is important for two reasons. First, leadership solves the problem of how to organise collective effort and consequently it is the key to organisational effectiveness. With good leadership organisations thrive and prosper. Second, and more important from a moral perspective, bad leaders perpetrate misery on those subject to their domain. Before delving any further into the concept of leadership, it is important to understand and recognise the fundamental differences between management and leadership. Although the two terms are often used interchangeably, they are not the same thing. The following section provides an understanding of how these two processes differ.

4.5 Leadership and Management

McLean and Smits (2012:3) claim that the scorecard is about even between those authors making no distinction between leadership and management and those contending that they are fundamentally different. They agree, however, with the position that distinguishes between management and leadership and accord them equal importance. They contend that leadership and management are two distinct complementary systems of action. The descriptions of management and leadership are paraphrased here. Management is about coping with complexity through planning and budgeting, organising and staffing, controlling and problem solving. Without good

management, complex enterprises tend to become chaotic in ways that threaten their very existence. Leadership is about coping with change by setting a direction, aligning people to a vision of an alternative future, and empowering and motivating them to meet the challenges created by the vision. Therefore to understand leadership it is also important to grasp the difference between leadership and management.

Dubrin (1995:3) concurs when he adds that broadly speaking leadership deals with change, inspiration, motivation and influence. In contrast, management deals more with maintaining the equilibrium or the status quo. It was Bennis and Nanus (1985:221) who said that managers are people who do things right and leaders are people who do the right thing. The point they try to convey is that managers are caught up in the detail, whereas leaders are concerned with the bigger picture. Zaleznik (1992:129) argues that leaders and managers themselves are distinct, stating that they are basically different types of people. He says that managers are reactive and prefer to work with people to solve problems, but do so with low emotional involvement. Leaders on the other hand are emotionally active and involved. They seek to shape ideas instead of responding to them and act to expand the available options to solve long standing problems. Leaders change the way people think about what is possible. The researcher agrees with Daft (1999:38) when he differs with Zaleznik (1992:129) claiming that managers and leaders are not inherently different types of people. He states that some people exhibit characteristics of both good management and good leadership. He further proposes that most managers can develop the qualities needed for effective leadership. Northouse (2007:10) adds that leadership is similar to management in many ways. Leadership involves influence, so does management, leadership entails working with people, so does management. Leadership is concerned with effective goal accomplishment and so is management. But leadership is also different, the primary functions of management are planning, organising, staffing and controlling. The overriding function of management is to provide order and consistency to organisations, whereas the primary focus of leadership is to provide change and movement. Management is about seeking order and stability; leadership is about seeking adaptive and constructive change. A distinction can be drawn between management and leadership, where management is seen to involve traditional bureaucratic processes that create stability such as planning, budgeting and directing,

while leadership is seen as a key component in driving adaptation and change. Pavlov and Katsamunska (2004:4) state that as the essence of leadership is change, while the essence of management is control, these two different functions require different sets of knowledge and behaviours. Managers must have the skills to lead and leaders to manage. The training programme for top level servants in local government must focus on mastering both managerial skills and leadership attributes to upgrade their professional competence in modern public administration, public management and public leadership. The approach used to present the specifics of the relationship between leadership and public management is based on Figure 4.1 of the organisational iceberg.
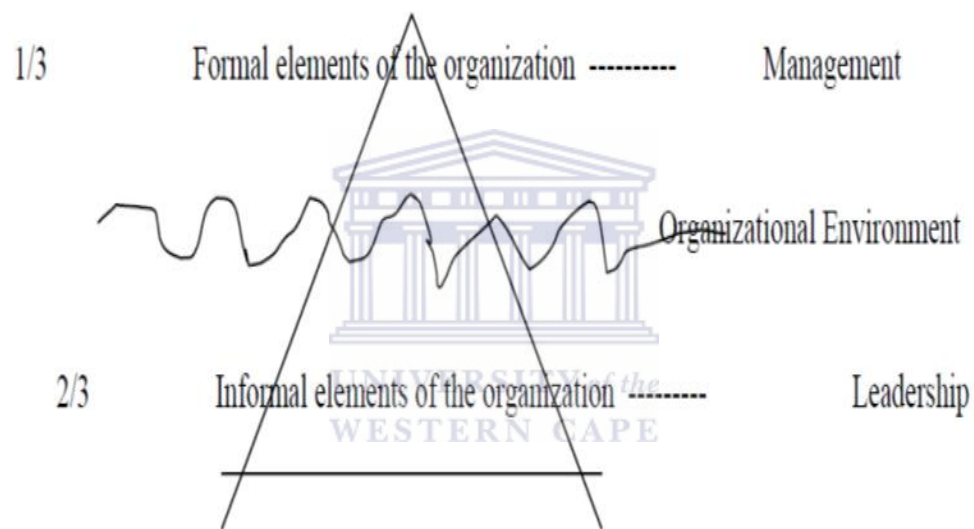
Figure 4.1: The organisational iceberg
Source: Pavlov and Katsamunska (2004)

Pavlov and Katsamunska (2004) examine the leadership/management model in terms of two elements: Public management and public leadership. The first element, public management, refers to the upper part of the organisational iceberg and it denotes exercising influence on the public organisation for achieving its public goals. This element involves the mission, goals, strategies and policies of the public organisation, together with its functions and structure. The second element, public leadership, refers to the bottom part of the iceberg and is directed at the administrative staff. Public leadership actually means the influence exerted on public servants for achieving the same goals of the organisation. It involves education and qualification, experience,

interpersonal skills, team work and necessary leadership attributes. On the other hand, leadership could be analysed as composed of two separate components: formal leadership, which is the power of the position within the administrative structure, and informal leadership, which is the power of the personality with his/her personal attributes.

Examining the public manager as a formal leader and informal leader is the basis for analysing the relationship between public management and public leadership. As a formal leader in public management there are formal requirements determining the areas of competencies that they should have to manage the organisation effectively. In the same way, the requirements for effective public leadership determine the areas of informal competencies for public leaders. They refer to a variety of personal skills and the new vision for leadership gives top priority to such qualities as the ability to lead and influence, to foresee changes, accountability and flexibility, excellent human relations skills, team building ability and moral standards (Pavlov and Katsamunska, 2004:4). To be effective, organisations need to nourish both competent management and skilled leadership. Northouse (2007:10) adds that if an organisation has strong management without leadership, the outcome can be stifling and bureaucratic. Conversely if an organisation has strong leadership without management, the outcome can be meaningless or misdirected. Bratton et al. (2005:8) argue that if organisations are to survive, managers must be able to lead and manage. Therefore, if a purely managerial mindset is adopted, useful changes in organisations via restructuring, re-strategising or re-engineering will inevitably fail, regardless of the quality of the followers (Bratton et al., 2005:8).

Zaleznik (1992:127) makes an interesting observation when he says that an organisation is a system with logic of its own, with all the weight of tradition and inertia. He states that organisations favour the tried and proven way of doing things over taking risks and striking out in new directions. Out of this conservatism and inertia, organisations provide succession to power through the development of managers rather than individual leaders. He adds that ironically it is this ethic that fosters a bureaucratic culture or a managerial culture that emphasises rationality and control. This is possibly the scenario that Schmidt (2010:7) refers to when he discusses the current state of

leadership in local government. He suggests that a managerial culture exists within municipalities that seek to address all problems through analysing them using the principles of management namely, planning, budgeting and controlling. He further adds that this approach has resulted in the issue of leadership not being a strong element or feature when issues are being analysed. Table 4.2 depicts some of the differences that Zaleznik has alluded to.

Table 4.2: Management and leadership

Management	Leadership
Produces order and consistency	Produces change and movement
Planning and budgeting	Establishes direction
Controlling and problem solving	Motivating and inspiring
Impersonal and passive to goals	Personal and active to goals
Low level of emotional involvement	Empathy with people
Regulator of the current order	Searcher for change

Source: Summary of Zaleznik's work as found in Lynch (1995:13)

This table shows that management is concerned with the attainment of organisational goals by providing effective and efficient planning, organising and controlling. Management involves defining goals and objectives, and using budgets to allocate resources by means of detailed plans.   Management also involves developing performance standards, monitoring employee activities through controlling and problem solving.   Leadership calls for creating compelling vision and developing farsighted strategies for producing the change needed to achieve that vision.   Whereas management calls for keeping an eye on the bottom line and the short-term results, leadership means keeping an eye on the horizon and the long-term future (Daft, 1999:39). We begin to see how the managerial culture that Schmidt (2010:7) earlier alluded to can easily become the predominant approach that organisations adopt. From the above distinctive differences in leadership and management it can be concluded that the easier road for organisations to embark on is the one that advocates management principles over that of the softer issues of leadership. Schmidt (2010:7), suggests, however, that the reason that there is a tendency to shy away from leadership is that leadership is an elusive concept. Stating that even if we define what we mean by

leadership, there are no simple solutions to growing better leadership. He suggests that it is a softer, more elusive concept that cannot be addressed through a training programme. It requires a more holistic, long-term process of development that is rooted in the organisational culture.

Daft (1999:17) reminds us that today's organisations more than ever need good leadership which requires that leaders develop personal qualities, and do not just learn a set of skills for planning, organising, directing and controlling. What today's organisations need most are people who can combine the "hard" skills of management with the "soft" skills of leadership. He claims that the problem for today's organisations is that there are too many people doing management, and too few providing leadership, and even fewer who have integrated the skills and qualities needed for meeting both leadership and management challenges. He posits that: "Many of today's organizations are over-managed and under-led." (Daft 1999:17).

Daft (1999:17) goes on to offer a solution to this dilemma. He says that leadership involves a complex set of factors and some people may conclude that leadership is too intangible and mysterious to be learned. He maintains that contrary to the opinion of many people, leaders are not born. Leaders are made, and they are made by effort and hard work. Almost anyone has the potential to be a leader. We all have the seeds of leadership within us. Our experiences can either kill them or help them grow. We can either invest in developing leadership qualities or allow those qualities to lay dormant (Daft, 1999:20). What we begin to see is that leadership cannot replace management. It should be in addition to management. We should also caution against the temptation to label managers as all controlling, short sighted and rigid. There should be a cultivation of both leadership and management characteristics. If we are to buy into Daft's thinking we find that leadership becomes a key element in organisational success. How then do organisations facilitate effective leadership without perpetuating the managerial culture as earlier indicated by Zaleznik? How is this organisational mindset change brought about that values both the hard skills of management and the softer skills of leadership in the contemporary world? The following section considers what leadership skills are needed in this contemporary world.

4.6 Leadership in a Contemporary World

A number of skill sets are needed for the leader to be able to manage the complexities of a modern world. Moreover, a meta-skill may be needed to achieve the most appropriate balance of focus across the various areas demanding leadership attention. Leadership skills can be considered in two broad categories. First, there are those skills concerning what happens within the organisation. These internal factors include managing and motivating people, organising staff into effective structures, communicating direction, and developing or recruiting the necessary skills required for organisation effectiveness. Second, there are the skills necessary to notice, understand and respond to the various external factors that affect the organisation. These factors may include developments in the areas of technology, government, environment, society and the economy. They are also likely to include global trends, shocks and uncertainties as well as competitor responses to the external environment. In business it is generally understood that leadership requires a multiple approach (Sieff and Carstens, 2006:52). Parker and Veldsman (2010:2), however, propose that conventional organisations suffer from a lack of leadership as a result of an undue emphasis on management. They add that world-class organisations place emphasis on and encourage transformational leadership which is well spread across all organisational levels. Organisations in the 21st century are under pressure to continuously transform themselves.

The ability to adapt quickly is achieved by transformational leaders rather than ordinary transactional leaders or even less by traditional managers. Luqman et al. (2012:202) claim that in this age of chaos and complexities, awareness about internal and external environments is essential. Luqman et al. (2012:202) emphasise that based on the contemporary perspectives of leadership, awareness is an important component and they propose that true leaders must be capable of applying psychological, philosophical, social, cultural, economic, political, ethical, technological, and organisational internal and external environment awareness to harness others toward the achievement of goals. We see the various elements of awareness needed by leadership in the modern contemporary world reflected in Figure 4.2. Awareness of all the above aspects leads to better intuition to make the right decisions at crucial movements.

Technological Awareness

Phillisophical Awareness

Organizational Political Awareness

Internal and External Environment Awareness

Leadership in Contemporary World

Organizational Economics Awareness

Cultural Awareness

Ethical Awareness

Psychological Awareness

(Source: Sum, 2010 at http://www.vichetsum.com).
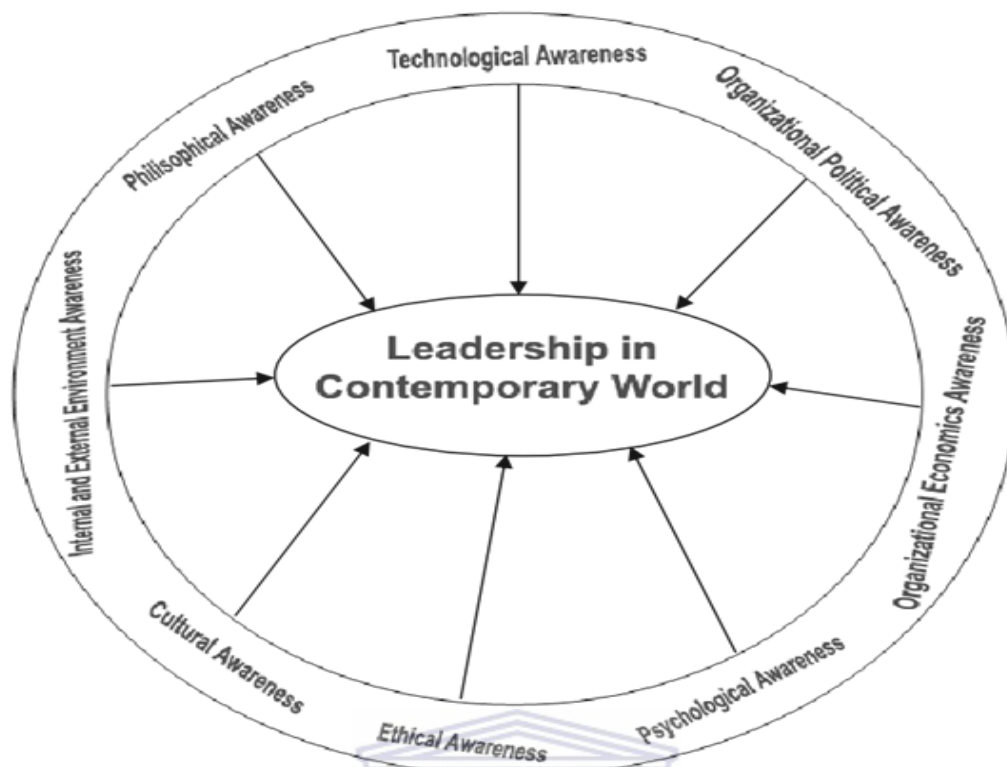
Figure 4.2: Elements of awareness for leadership in a contemporary world

Source: Luqman et al., (2012:202)

Reflective practices including critical thinking and critical reflections are one of the ways of developing intuition and being aware of the internal and external environments. There are several confrontation dilemmas and cognitive dissonance issues faced by leaders about morality and ethical issues. Globalisation and culture combined with fast growing technological development add more complexities to the scenario. Making decisions in complex situations where there is no linear relationship among the factors involved is complicated, and lots of decisions need to be made instantly. Rational decisions may not work or may not be applicable. The leader has to believe in his/her intuition alone. Luqman et al. (2012:202) propose awareness as the main component in leading. Sieff and Carstens (2006:52) add to Luqman's sentiments by stating that self-awareness and self-management, in addition to the abovementioned elements, are also important attributes for leadership success. A greater self-awareness will assist leaders to understand their behaviour preferences in addressing the complexity of decision making choices and the focusing of energy and attention. This will also assist in terms

of personal development for the leader and most importantly will help identify the organisational type that will best fit the leader. Radmila et al. (2011:66) suggest that many old theories of leadership are difficult to implement in today's changing environment, claiming that these theories cannot relate to the leaders of the modern environment. They add that there is no single formula for successful leadership, but an innovative and changing business environment requires a different kind of leader. At this point, however, it is important to consider some of the leadership theories and approaches that have emerged over the years.

4.7 Leadership Theories and Approaches

It is important to provide some perspectives on the universal leadership approaches that have prevailed over time, in order to begin to understand leadership within the dynamics of modern organisations. A focus on leadership as it has developed over time helps one understand the context of leadership in organisations at particular times. It helps to assess the appropriateness of leadership theories in different contexts. Given the vast amount of literature available on the subject of leadership, it is best understood within a theoretical framework. This framework will distinguish between the classic and contemporary approaches. Therefore the various theories of leadership provide those studying and practicing leadership with a specific guide or orientation, and a set of universal principles that can be adapted to different situations. The underlying concept of being born to lead, or to follow, was too deterministic for a culture built on concepts of equality and unlimited opportunity, so trait theories were replaced in the 1950s and 1960s by behavioural theories that postulated that one could be taught the behaviours that distinguished successful leaders from others. Since the late 1970s, the behavioural theories have been seen as too simplistic and have given way to contingency theories, the notion that circumstances play a key role in determining whether or not one will succeed as a leader. Later years have seen the emergence of the modern school of thought that has given rise to the transformational and transactional theories of leadership. Table 4.3 has been designed to depict the flow of the leadership information in this chapter; each component will be addressed separately.

Table 4.3: Different approaches to leadership

Classification	Leadership Theory	Description
Classical Approach	Trait Theory	These are theories that isolate personal characteristics that differentiate leaders from non-leaders. The list of traits or qualities associated with leadership exists in abundance.
	Behavioural Theory	This theory focuses on what leaders actually do rather than on their qualities. Different patterns of behaviour are observed and categorised as styles of leadership. These are theories that isolate behaviours that differentiate effective leaders from ineffective leaders.
	Contingency Theory	This theory focuses on identifying the situational variables that best predict the most appropriate or effective leadership style to fit the particular circumstances. The focus is on situational influences and the relationship between leadership style and effectiveness.
Contemporary Approach	Transactional Theory	This approach emphasises the importance of the relationship between leader and followers, focusing on the mutual benefits derived from a form of contract through which the leader delivers such things as rewards or recognition in return for the commitment of the followers. It refers to leaders who guide or motivate their followers toward established goals by clarifying role and task requirements.
	Transformational Theory	The central concept here is change and the role of leadership in envisioning and implementing the transformation of organisational performance. This approach is described as an approach that focuses on developing an appealing vision of the future providing strategic and motivational focus and appealing to the intrinsic motivation of followers and providing inspiration.

Source: Researcher's own diagram depicting the different approaches to leadership over the years

4.8 Classic Leadership Theories

Over the years various theories under the classic approach to leadership have emerged. The classic approach to leadership includes the following theories:

- The trait theory, these are theories that isolate personal characteristics that differentiate leaders from non-leaders.

- The behavioural theories of leadership, these are theories that isolate behaviours that differentiate effective leaders from ineffective leaders.
- The contingency theories of leadership, these theories focus on situational influences and the relationship between leadership style and effectiveness.

4.8.1 Trait theory

In an attempt to find out what makes a good leader various researchers have looked at the qualities of those who were regarded as showing excellent examples of leadership. This classic approach looked at the person, not the job he or she performed. A list could then be made of the qualities present in these effective leaders and what makes them different, enabling an organisation to choose the right person (Lynch, 1995:13). The trait approach was one of the first systematic attempts at studying leadership. In the early 20th century leadership traits were studied to determine what made certain people great leaders. The theories that were developed were called "great man" theories because they focused on identifying the innate qualities and characteristics possessed by great social, political and military leaders (Northouse, 2007:15).

The underlying assumption of the trait theory approach to leadership is that people are born with inherited traits. Some traits are particularly suited to leadership. Hersey et al. (1996:101) point out that this approach places an emphasis on certain characteristics that are essential for effective leadership. The vital question that this approach attempted to answer was: what characteristics or traits make a person a leader? The earliest trait theories concluded that leaders are born not made. The "great person" theory of leadership said that individuals are born with or without the necessary traits for leadership. Famous figures in history such as Napoleon Bonaparte were said to have the "natural" leadership abilities to become great leaders (Luthans, 1998:383). The trait approach suggests that organisations will work better if the people in managerial positions have designated leadership profiles. To find the right people it is common for organisations to use personality assessment instruments. The assumption behind these procedures is that selecting the right people will increase organisational effectiveness. Organisations can specify the characteristics or traits that are important to them for particular positions and then use personality assessments to determine whether an individual fits their needs (Northouse, 2007:15).

The trait theory is also used for personal awareness and development. By analysing their own traits, managers can gain an idea of their strengths and weaknesses and they can get a feel for how others in the organisation perceive and see them. A trait assessment can help managers determine whether they have the qualities to move up or to move to other positions within the organisation. It gives individuals a clearer picture of how they are as leaders and how they fit into the organisational hierarchy (Northouse, 2007:24). Northouse (2007:18) states that a century of research into the trait approach has resulted in an extended list of traits that individuals might hope to possess or wish to cultivate if they want to be perceived by others as leaders. Table 4.4 shows a general convergence of research regarding which traits are leadership traits:

Table 4.4: Leadership traits

Stogdill 1948	Mann 1959	Stogdill 1974	Lord, De-Vader & Alliger 1986	Kirkpatrick & Locke 1991
Intelligence	Intelligence	Achievement	Intelligence	Drive
Alertness	Masculinity	Persistence	Masculinity	Motivation
Insight	Adjustment	Insight	Dominance	Integrity
Responsibility	Dominance	Initiative		Confidence
Initiative	Extroversion	Self-confidence		Cognitive ability
Persistence	Conservatism	Responsibility		Task knowledge
Self-confidence		Cooperativeness		
Sociability		Tolerance		
		Influence		
		Sociability		

Source: Adapted from the work of Northouse (2007:18)

Table 4.4 represents just a sample of the numerous studies that have been conducted over the years. Northouse (2007:25) reminds us that one of the criticisms of this theory is that it has failed to provide a definitive list of leadership traits. It seems that the list of leadership traits that has emerged over the years is endless. In the mid 20th century the trait theory was challenged by research that questioned the universality of leadership traits. In a major review in 1948, Stogdill suggested that no consistent set of traits differentiated leaders from non-leaders across a variety of situations. An

individual with leadership traits who was a leader in one situation might not be a leader in another situation. Rather than being a quality that individuals possessed, leadership was reconceptualised as a relationship between people in a social situation (Northouse, 2007:15).

4.8.2   The behavioural theories

The style approach or behavioural theory is different to the trait theory in that it advocates that behaviours can be learnt more readily than traits. It focuses exclusively on what leaders do and how they act. This implies that leadership is accessible to all (Daft, 1999:69). Theorists who adopt the behaviour perspective on leadership seek to answer the question: What are the behaviours that make leaders most effective? (Bratton et al., 2005:16). Greenberg (1999) postulated that the possibility exists that most people can become effective leaders by emulating the behaviour of successful leaders.

According to Daft (1999:69) the first studies on leadership behaviour were conducted at the Iowa State University by Kurt Lewin. These studies concluded that an autocratic leader is one who tends to centralise authority and derive power from position, control of rewards and coercion. The democratic leader, on the other hand, delegate authority to others, encourages participation, relies on subordinates' knowledge for completion of tasks and depends on subordinates respect for influence. The early work implied that leaders were either autocratic or democratic in their approach (Daft, 1999:69). The findings of the Iowa State University studies indicated that leadership behaviour had a definite effect on outcomes such as follower performance and satisfaction. Equally important was the recognition that effective leadership was reflected in behaviour, not simply by what personality traits a leader possessed. This recognition provided a platform for subsequent studies based on the behaviour approach (Daft, 1999:69).

4.8.3   The Ohio State studies

Researchers at the Ohio State University conducted surveys to establish the dimensions of leader behaviour. They analysed how individuals acted when they were leading a group or organisation. The research based on questionnaires to leaders and

subordinates indicated two critical characteristics either of which could be high or low and were independent of each other. The resultant two dimensional approach provided measurements with the labels a) consideration and b) structure (Daft, 1999:72), (Northouse, 2007:70) and (Lynch, 1995:25)

a. Consideration

This is the degree to which leaders act in a friendly and supportive manner towards their subordinates. It describes the extent to which a leader is sensitive to subordinates. It is about how much attention a manager gives to the needs of an individual employee. Consideration behaviours were essentially relationship behaviours and included camaraderie, respect, trust and liking between leaders and followers (Daft, 1999:72); (Northouse, 2007:71); (Lynch, 1995:25).

b. Initiating structure

This is the degree to which leaders define and structure their role and the roles of the subordinates towards achieving the goals of the group. It describes the extent to which a leader is task orientated and directs subordinates work activities towards the achievement of goals. These include acts such as organising work, giving structure to the work context and scheduling work activities. It is the degree of attention that is given by the leader in order to get the job done (Daft, 1999:72; Northouse, 2007:70; Lynch, 1995:25). From this two dimensional view, four types of leaders arise. These are illustrated in Figure 4.3. According to DuBrin (1998:83) the high structure, low consideration leader emphasises structuring tasks with little consideration for employee needs. This type of leader would see production as being at a very acceptable level, but the human relations cost could be measured by the high staff turnover rate. Departures could follow on from complaints about the way staff has been treated, or employees may keep silent and just leave the organisation. The leader who is low on both consideration and structure seems to have not only a poor level of productivity but also an unhappy staff who have grievances and complaints, followed by high instances of resignations. This leader does not provide structure and has little consideration for employee needs. This leader cannot keep productivity at a reasonable level nor can he or she retain the employees (Daft, 1999:26) and (DuBrin, 1998:83).

High

Initiating Structure

| Low consideration and high structure | High structure and high consideration |
| Low structure and low consideration | High consideration and low structure |

Low   High
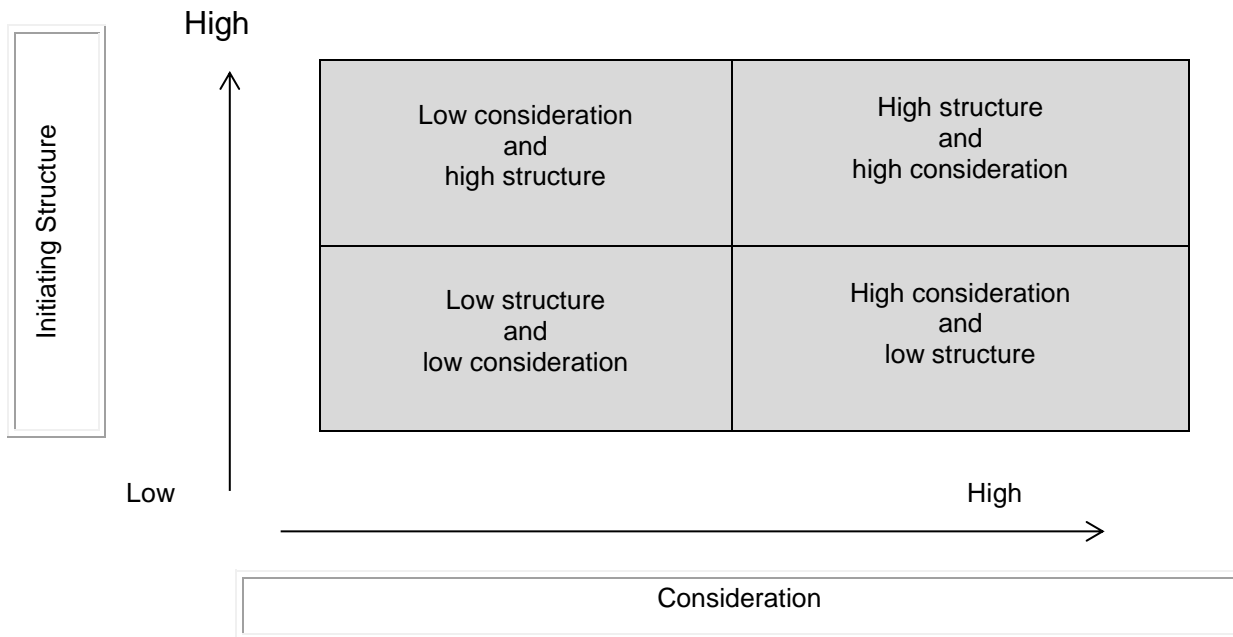
Consideration

Figure 4.3: The Ohio State studies

Source: Adapted from the work of Lynch (1995:26)

The leader whose focus is low on structure, but high on consideration has a low rate of production, but the energy devoted to attending to the employees results in a good retention rate and minor levels of complaints and grievances. There is less emphasis on employee tasks, with greater emphasis on employee needs. This results in a happy crew but not a lot of productivity to show for it (Daft, 1999:26) and (DuBrin, 1998:83). The ideal leader is the high structure, high consideration leader who expects a very good standard of work output from a contented team of employees. This leader knows the requirements of the job and the needs of the employees and acts accordingly. This leader provides guidance on tasks and cares equally about employee needs (Daft, 1999:26); (DuBrin, 1998:83).

4.8.4   The University of Michigan studies

The famous series of studies on leadership done at the University of Michigan took a different approach. It directly compared the behaviour of effective and ineffective leaders. These studies found two critical types of leadership behaviour, each consisting of two dimensions (Daft, 1999:73).

a. Employee centred leaders

Effective leaders focused on the human needs of their subordinates. The two underlying dimensions of employee centred behaviour are leader support and interaction facilitation. This meant that in addition to demonstrating support for their subordinates they also spent time facilitating positive interaction among followers and seeking to minimise conflict. This employee centred style of leadership roughly corresponds to the Ohio State concept of consideration (Daft, 1999:74).

b. Job centred leaders

The job-centred leader focused on the efficiency of activities, cost cutting and scheduling. The dimensions of this job centred approach are goal setting and work facilitation. Overall, the effective leader preferred a general hands-off form of supervision rather than close control. They set goals and provided guidelines, but then gave their subordinates plenty of latitude on how the goals would be achieved. By focusing on reaching task goals and facilitating the structure of tasks, job centred behaviour approximates that of initiating structure. However, unlike the consideration and initiating structure defined by the Ohio State studies, the Michigan researchers considered employee centred leadership and job centred leadership to be distinct styles in opposition to each another. A leader is identifiable by behaviour characteristics of one or other style, not both (Daft, 1999:74).

4.8.5   The leadership grid

Perhaps the best known model of managerial behaviour is the leadership or managerial grid. Blake and Mouton of the University of Texas proposed a two dimensional leadership theory called the leadership grid. It is a model that has been used extensively in organisational training and development. It builds on the work of the Ohio State and Michigan studies. The grid provides the opportunity to plot the style adopted by a manager or leader. It has been designed to explain how leaders help organisations to reach their goals through two factors, namely concern for production and concern for people. Concern for production refers to how a leader is concerned with achieving organisational tasks. It involves a wide range of activities, including attention to policy decisions, new product development, process issues and workload.

Not limited to things, concern for production can refer to whatever the organisation is seeking to accomplish (Northouse, 2007:73; Daft, 1999:75; Lynch, 1995:30). Concern for people refers to how a leader attends to the people in the organisation who are trying to achieve its goals. This concern includes building organisational commitment and trust, promoting the personal worth of employees, providing good working conditions, maintaining a fair salary structure and promoting good social relations (Northouse, 2007:73).

Blake and Mouton rated leaders on a scale of one to nine according to two criteria, concern for people and concern for production or results. The scores for these criteria were plotted on a grid with an axis corresponding to each concern. Team Management (9:9) is often considered the most effective style and is recommended because organisation members work together to accomplish tasks. Country Club Management (1:9) occurs when the primary emphasis is on people rather than on work outputs. Authority Compliance Management (9:1) occurs when efficiency in operations is the dominant orientation. Middle of the Road Management (5:5) reflects a midscale amount of concern for both people and production. Impoverished Management (1:1) means the absence of a leadership philosophy. Leaders exert little effort on interpersonal relationships or work accomplishment (Daft, 1999:75). By plotting scores from each of the axes various leadership styles can be illustrated.

Authority – Compliance (9.1)

The 9.1 style of leadership places heavy emphasis on task and job requirements and less emphasis on people, except to the extent that people are tools for getting the job done. Communicating with subordinates is not emphasised except for the purpose of giving instruction about the task. This style is results driven and people are regarded as tools for that purpose. The 9.1 leader is often seen as controlling, hard driving and overpowering (Northouse, 2007:73). This type of leader rates getting the task done as more important than any concern for people. They are autocratic. They use people as a tool to get the work done and ignore the psychological and social aspects of work. They suppress conflict by increasing managerial control and are followers of the techniques developed through the scientific school of management (Lynch, 1995:30).

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Country Club Management (1.9)

The 1.9 style represents a low concern for task accomplishment coupled with a high concern for interpersonal relationships. It therefore de-emphasises production. 1.9 leaders are concerned with the attitudes and feelings of people, making sure the personal and social needs of followers are met. They try to create a positive climate by being agreeable, eager to help, comforting and uncontroversial (Northouse, 2007:73). This type of leader avoids trouble and likes everyone to be happy. They consider production a poor second to keeping the staff content. Neither creativity nor conflict is encouraged as they are both seen as disturbing the happy balance of the group (Lynch, 1995:30).

Impoverished Management (1.1)

The 1.1 style is representative of a leader who is unconcerned with both the task and interpersonal relationships. This type of leader goes through the motions of being a leader but is uninvolved and withdrawn. The 1.1 leader often has little contact with followers and could be described as indifferent, non-committal, resigned and apathetic (Northouse, 2007:74). The impoverished manager will do little to enhance production or staff relations. They just cannot be bothered. This manager is present without being seen, encouraging neither creativity nor initiative. This manager aims to survive, does not want to contribute and tries to lie low until retirement. They avoid conflict at all costs (Lynch, 1995:30).

Middle of the Road Management (5.5)

The 5.5 style describes leaders who are compromisers, who have an intermediate concern for the task and an intermediate concern for the people who do the task. They find a balance between taking people into account and still emphasising the work requirements. Their compromising style relinquishes some of the push for production but also some of the attention to employee needs. To arrive at equilibrium, the 5.5 leader avoids conflict and emphasises moderate levels of production and interpersonal relationships. This type of leader is often described as one who is expedient, prefers the middle ground, soft pedals disagreements, and swallows convictions in the interest of progress (Northouse, 2007:75). This type of leader is able to maintain a moderate

concern for production and people. They desire creativity within the group as long as it is regarded as safe. Where there is conflict they will compromise (Lynch, 1995:30).

Team management (9.9)

The 9.9 style places a strong emphasis on both tasks and interpersonal relationships. It promotes a high degree of participation and teamwork in the organisation and satisfies employees' basic need to be involved, and committed to their work. The following are some of the phrases that could be used to describe the 9.9 leader: stimulates participation, acts determined, gets issues into the open, makes priorities clear, follows through, behaves open mindedly, and enjoys working (Northouse, 2007:75). This type of leader creates the situation which enables staff needs to be focused on organisational objectives. Employees are free to state their opinions. The leader views conflict as not only inevitable but also desirable. They face up to problems openly and honestly. They make their employees feel that they have a stake in, and are a valued part of, the organisation. This is the ideal leader, the one that all leaders should seek to emulate. Leaders can learn a lot about themselves and how they come across to others by trying to see their behaviours in light of task and relationship dimensions. Leaders can assess their actions and determine how they may want to change to improve their leadership style. In essence this style provides a mirror for leaders that is helpful in answering the frequently asked question: how am I doing as a leader? (Northouse, 2007:75). The leadership grid is presented in Figure 4.4.
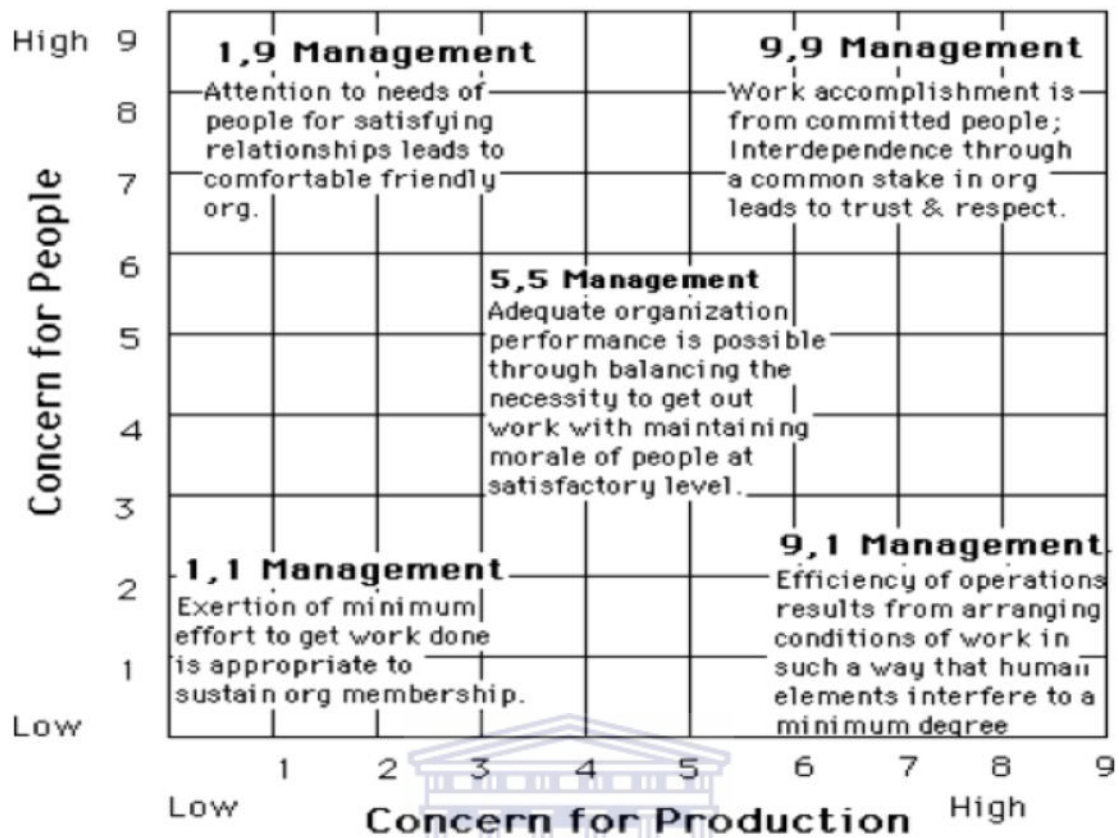
Figure 4.4: The leadership grid

Source: Northouse: 2007:75

4.8.6   Contingency leadership theory

When researchers realised that it was almost impossible to find universal traits and behaviours that could be used to determine effective leadership, it became apparent that they would have to focus their attention on the situation in which leadership occurred.   The contingency or situational theory approach therefore examines the relationship between leadership styles and effectiveness in specific situations. According to Daft (1999: 93) for a leader to be effective there must be an appropriate fit between the leader's behaviour and style and the conditions in the situation.   It becomes apparent, therefore, that a leadership style that works in one situation may not necessarily work in another situation.   The situational leadership model was first developed by Hersey and Blanchard in 1972.   They emphasised the need for leadership style to fit the particular circumstance and context.   As the name of the approach implies, situational leadership focuses on leadership situations.   The premise of this

theory is that different situations demand different kinds of leadership (Northouse, 2007:91). The strength of this approach is that it emphasises leader flexibility. Situational leadership stresses that leaders cannot use a single style, they must be willing to change their style to meet the requirements of the situation (Northouse, 2007:97). This way of looking at leaders suggests that the best person to lead a group is that person who has the knowledge, skills and perhaps qualities to deal with the particular situation or problem. People with widely different qualities, backgrounds and age have shown themselves to be excellent leaders, but in different situations (Lynch, 1995:13). Situational leadership stresses that leadership is composed of both a directive and supportive dimension and each has to be applied appropriately in a given situation. To determine what is needed in a particular situation, a leader must evaluate their employees and assess how competent and committed they are to perform a given task.

The situational approach considers how ready the followers are to perform a specific job. This approach focuses on the characteristics of the followers as the important element of the situation and consequently of determining the effectiveness of leader behaviour. The point Hersey and Blanchard try to make is that subordinates vary in readiness levels. Some people could be low in task readiness because of insecurity or lack of training. Others could be high in readiness due to confidence, skills and a willingness to work (Daft, 1999:99; Lynch, 1995:34; Northouse, 2007:91). The main function of this approach is to define the characteristics of situations and followers and to examine the leadership styles that can be used effectively. The relationship between leadership style and follower readiness is summarised in Figure 4.5. The upper part of the figure indicates the style of the leader, which is based on a combination of relationship behaviour and task behaviour. The bell shaped curve is called a prescriptive curve because it indicates when each leader style should be used. The four styles depicted in Figure 4.5 are telling (S1), selling (S2), participating (S3), and delegating (S4) (Daft, 1999:99).
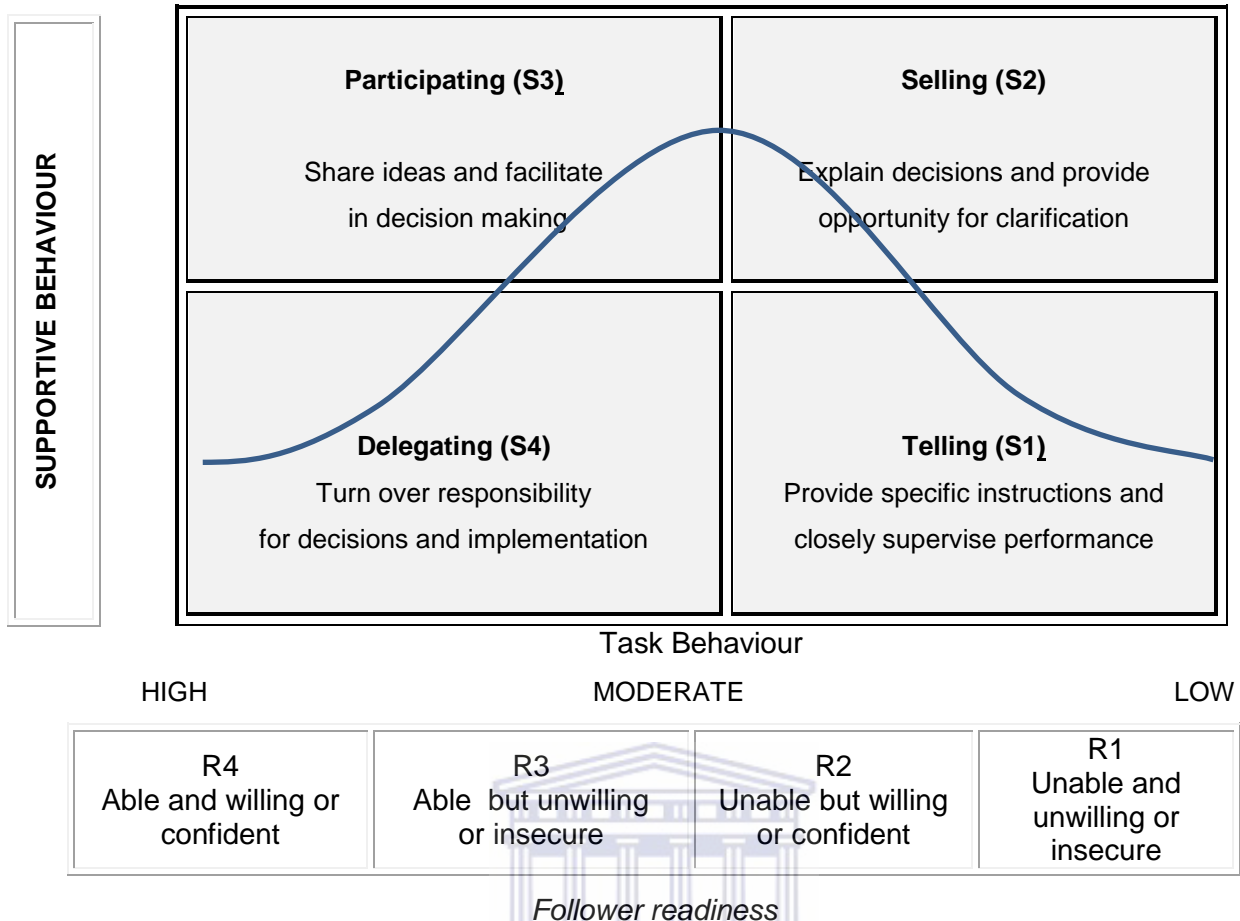
Figure 4.5: Situational Leadership

Source: Adapted from the work of Paul Hersey, Situational Selling (Daft 1999:100)

Telling (S1) is a directive style. It involves giving explicit direction about how tasks should be accomplished.

Selling (S2) involves providing direction but also includes seeking input from others before making decisions.

Participating (S3) is a style that focuses on supporting the growth and improvement of others by guiding skill development and acting as a resource for advice and information.

Delegating (S4) is a style that affords little direction and support. Under such conditions, employees assume responsibility for their work and for the success of the organisation.

The appropriate style depends on the development and readiness of followers indicated in the lower part of the figure. R1 is low readiness and R4 is high readiness. The telling style is therefore for low readiness subordinates, because people are unable or

unwilling to take responsibility for their own task behaviour. The selling and participating styles work for followers with moderate readiness, and delegating is appropriate for employees with high readiness.

The leader should evaluate subordinates and adopt whichever style is appropriate. The situational approach is constructed around the idea that employees move forward and backward along a development continuum. This represents the relative competence and commitment of subordinates. For leaders to be effective it is essential that they determine where subordinates are on the developmental continuum and adapt their leadership style so they directly match their style to that developmental level (Daft, 1999:99 and Northouse, 2007:95). The next section will focus on the contemporary theories found in the transactional and transformational leadership approaches.

4.9 Introduction to Contemporary Leadership Approaches

Contemporary literature on leadership focuses primarily on the two main dimensions of leadership i.e. transactional and transformational leadership (Riaz and Haider, 2010:30). Von Eck and Verwey (2007:45) argue that it has become increasingly clear that the demands of the 21st century call for new kinds of leaders with new skills. They suggest that the skills that may have worked in a more stable, predictable environment will be inadequate in a new era of uncertainty and rapid change where it is difficult to define the problem and even more difficult to engineer possible solutions. They propose that leaders must understand the roles they need to perform in situations of rapid change, be able to shape and change employees and understand that leadership is a strategic issue. Goleman et al. (2002:70) state that new models of leadership must encompass emotional intelligence capabilities. Goleman et al. (2002) propose that leaders use different styles of leadership which spring from different components of emotional intelligence. Emotional intelligence refers to the capacity for recognising one's own feelings and those of others, for motivating ourselves and for managing emotions in ourselves and in our relationships.

Daft (1999:11) reminds us that most of our existing ideas about organisations and leadership are based on an industrial age that treats the world as a machine that can be

taken apart and examined piece by piece. Every object can be identified, described and measured. Broken parts can be fixed or replaced so that everything keeps running smoothly. This paradigm has translated into a view of organisations as a conglomeration of "things". The new paradigm, however, tells us that some phenomena can be understood only in relation to other phenomena, and that everything is connected. In this view the world is perceived as a complex, dynamic system, where reality lies not in discrete parts, but in the relationships among those parts. Leaders will therefore have to look at their reality in a whole new light. Rather than operating on a yes or no, black or white basis, they will need to learn how to deal with the grey areas, the nuances, subtleties and possibilities inherent in relationships. It is within this context that the contemporary approach of transformational leadership can offer real value. It presents the idea that leadership is not the prerogative of a chosen few, but can be viewed as a process that can be acquired and developed by all. As we begin to understand the various types of leadership theories and approaches that have emerged over the years, we also begin to see that there are numerous possibilities and opportunities available to those who seek to forge ahead in leadership. The following sections will focus on the contemporary approach of transformational leadership and its counterpart, the transactional dimension of leadership.
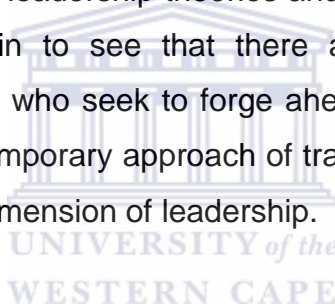
4.10 Transformational and Transactional Leadership Theories

Parker and Veldsman (2010:2) state that organisations in the 21st century are under pressure to continuously transform themselves. They suggest that those who fail to make the changes do not stay around to tell their tale. They add that this ability to adapt quickly is brought about by transformational leaders and not by ordinary transactional leaders and even less by traditional managers. They claim that world-class organisations emphasise and encourage transformational leadership that is well spread across all organisational levels. Parker and Veldsman are alluding to the fact that leaders must understand the roles they need to perform in situations of rapid change. They should be able to shape and change employees and understand that leadership is a strategic issue. Von Eck and Verwey (2007:45) argue that it has become increasingly clear that the new century demands new kinds of leaders with new skills. They suggest that the skills that may have worked in a more stable, predictable

environment will be inadequate in the new era of uncertainty and rapid change. This new era is one where it is difficult to define the problems and even more difficult to engineer possible solutions. Shokane et al. (2004:2) offer some hope when they say that the most successful leaders are those who consider both productivity and the employees' well-being. They posit that harnessing the two dimensions provides the organisation with a task oriented dimension of leadership, while embracing the interpersonal aspect of leadership. They add that the complexity of the changing working environment, accompanied by globalisation and fierce competition, requires the harnessing of both transactional and transformational leadership dimensions. Bass (1996:2) stated that a new paradigm of leadership has begun to capture attention. He says that leadership is conceived to be transactional and/or transformational. According to Bass there is evidence that transformational leadership can move followers to exceed expected performance. Bass (1996:2) proposes that transformational leaders motivate others to do more than they originally intended, and often even more than they thought possible Bass (1996). We see this illustrated in the following quotation by Whittington, Pitts, Kageler and Goodwin:

> When a leader is authentic and genuinely concerned about the well-being of his or her followers/subordinates and demonstrates an active commitment to the development of these subordinates, people are changed. (Whittington, Pitts, Kageler & Goodwin, 2005:602) taken out of Mokgolo et al. (2012:8)

Chipunza and Gwarinda (2010:8) claim that a leader should stimulate and provide opportunities for employees' personal growth and development. The leader must pay special attention to individual needs, achievements and the growth of followers by providing challenges that suit individuals. Mokgolo et al. (2012:2) propose that transformational leadership is a relationship between a leader and followers based on a set of leader behaviours that are perceived by subordinates. Van Aswegen and Engelbrecht (2009:1) state that leaders are truly transformational when they increase awareness of what is right, good and important, and when they raise followers who go beyond their self-interest for the good of the organisation. The aforementioned scholars are saying that the style of leadership required in any organisation depends on what the organisation ultimately wishes to achieve. Most modern organisations need to focus their attention on employees in an attempt to increase productivity. It would seem that a

more transformational leadership style is essential for the survival of any organisation today, because it is a more democratic leadership style. In this regard transformational leadership allows employees to be more involved in the decision-making process. It nurtures organisational relationships and achieves results for the organisation through committed people, and interdependence through a common stake in the organisation's purpose. Shokane et al. (2004:2) state that organisations in pursuit of world-class status depend on the availability of the right kind of leadership practices. They also state that transformational and transactional leaderships augment each other, offsetting any individual inherent weaknesses. The following section considers the dimensions of transformational and transactional leadership in closer detail.

What is meant by transformative leadership? How can transformative leaders be identified? Two terms are critical to illuminate the concept e.g. "transformation" and "leadership". Transformation implies a fundamental change. Webster's dictionary defines transformation as changing the "form", "condition", "character", or "function". Leadership is defined in different ways but the elements commonly emphasised are to "guide", "direct" and "influence". Leadership thus connotes not simply having power or authority but having a vision and a sense of purpose. Who then are the transformative leaders? A transformative leader is simply defined is a person who can guide, direct, and influence others to bring about a fundamental change, change not only in the external world, but also in internal processes. As mentioned earlier however organisational context can influence the style and type of leadership. When considering public sector organisations such as local government perhaps a balance between transformational and transactional leadership may be useful in addressing the problems that are peculiar to this sector.

4.11 Transformational versus Transactional Leadership

Chowdhury et al. (2000:15) state that transactional leadership centres on getting things done, and that the majority of leaders are transactional; they are comfortable with this because it focuses on procedures and techniques in which they are trained. Burns (1978) stated that transactional leadership involves an exchange relationship between leaders and followers. This exchange relates to rewards for effort and good

performance. It is about maintaining the rules and standards. It is leadership by exception; passive leadership only intervening when there is a deviation from the rules and standards. Dubrin (1995:64) states that transactional leaders mainly carry on transactions with people, such as taking care of administrative work and offering rewards for good performance. Transformational leadership, on the other hand, focuses on what should be done. Leaders are less comfortable with this aspect because it deals with values, political judgement and even community moral standards. Burns (1978) defined transformational leadership as a process in which one or more people engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality. Transformational leadership is based on leaders who are able to shift the values, beliefs and needs of their followers. Table 4.5 summarises the characteristics and approaches of transactional versus transformational leadership.

Table 4.5: Transactional versus transformational leaders

Transactional Leader	Transformational Leader
Focuses on contractual agreements.	Focuses on and provides a vision and sense of mission. Instils pride, gains respect and trust.
Manages by exception. Intervenes only if standards are not met.	Constantly communicates high expectations. Provides intellectual stimulation through careful problem solving.
Emphasis on searching and looking out for deviations from prescribed rules in order to take corrective action.	Provides individual consideration by giving personal attention to each employee. Coaches and advises.

Source: Adapted from the work of Luthans (1998:397) Organisational Behaviour

Bass (1985) claim that transactional leaders work within their organisational cultures following existing rules, procedures, and norms. Transformational leaders change their culture by first understanding it and then realigning the organisation's culture with a new vision and a revision of its shared assumptions, values, and norms. At one extreme the transactional leader accepts no deviation from standard operating procedures, managing by exception in a highly transactional fashion, while at the other extreme the transformational leader rewards followers when they apply rules in creative ways in order to ensure that the overall mission of the organisation is best served. Bass (1996:2) reminds us, however, that how leaders react to problems, resolve crises,

reward and punish followers are all relevant to an organisation's culture, as well as how the leader is viewed both internally by followers and externally by clients and customers. Moynihan et al. (2011:5) state that transformational leadership is centred on the assumption that leaders can change followers' beliefs, assumptions, and behaviour by appealing to the importance of collective or organisational outcomes.

Seidman and McCauley (2011:46) point out, however, that most leaders operate in a transactional world. They define the transactional world as one that places an overwhelming emphasis on tactical goals. They refer to a world or organisational culture that has detailed checklists, a constant drive for excellence, precision forecasts on results and a belief that all work must be a measurable transaction. They then pose a very relevant question when they ask how a leader who lives in a transactional world or culture can be a transformational leader. This question is particularly relevant to the primary objective of this study. The objective sets out to evaluate the relationship between organisational culture and leadership at local government level. Viinamäki (2012:29) states that we should actively introduce the notion of organisational and stakeholder values into leadership, and that organisations should develop a value based perspective. Viinamäki (2012:29) claims that values are seen as the underlying attitudes and beliefs that help determine individual behaviour both for personnel and leaders. He adds that values are a means of influencing behaviours without the need to resort to formal structures, systems, strategies, or control mechanisms. Viinamäki is offering a possible solution to the aforementioned question posed by Seidman and McCauley, when they state that values provide a means of directing the organisation in a desired way without having to resort to authoritarianism or using tight or confusing rules. The transformational leader can therefore exist within a transactional world that places an overwhelming emphasis on tactical goals. This implies that value based leaders should not only draw attention to ethics and make it salient in the organisational environment, but that they should also engage stakeholders and subordinates interpersonally in the process. There has been a multitude of approaches and theories applicable to the practice of management and leadership. Table 4.6 summarises these approaches, including their strengths and weaknesses.

Table 4.6: Leadership strengths and weaknesses

Leadership Approach	Strengths	Weaknesses
Trait Approach	Is intuitively appealing, well researched, focuses on the role of leader, provides us with assessment material.	List of traits is endless, does not consider situation, highly subjective determination of what is "most important", not useful for training up and coming leaders.
Behavioural Approach	Expanded our understanding of leadership by researching what leaders actually do in various situations, substantiated by a multitude of studies offering a viable approach to the leadership process.	Research does not link style with performance outcome, failed to identify a universal style that could be effective in every situation, and implies most effective style as high task, high relationship. This remains questionable and unclear.
Situational Approach	Accepted and used by practitioners as a credible model for training up and coming leaders, practical and easy to use and understand, prescriptive value, and emphasises the concept of leader flexibility.	Lack of strong body of research, four levels of subordinate development ambiguous and without theoretical basis, concern with how subordinate commitment is composed. Not clear how confidence and motivation combine to define commitment.
Contingency Theory	Supported by much empirical research, shifts emphasis from leader to leadership context and the link between the two, predictive and useful in predicting type of leadership that will be most effective in certain situations, does not demand that the leader fit every situation, and provides data on leaders' styles that could help develop leadership profiles.	Unclear as to why certain leadership styles are more effective in some situations than other, some question the validity of LPC scale. Fails to explain what organisations should do when there is a mismatch between the leader and situation.
Transformational	Widely researched from many different perspectives, intuitively appealing in that leader provides vision, treats leadership as a process between leaders and followers, expands picture of leadership by moving beyond transactional elements, strong emphasis on needs and values.	Too broad, lacks conceptual clarity, questions around how transformational leadership is measured. Some claim this model treats leadership as a personality trait or someone with special qualities which makes it difficult to teach, can be perceived as elitist and anti-democratic as leaders act independently as heroes, based largely on qualitative data collected from leaders at the top of organisations questioning its use with lower level leaders, and it may have a tendency to be abused if the leadership is not challenged on values and vision.

Adapted from Northouse 2004

The outlined approaches to leadership and management have provided an understanding of the history of the concept. Leadership has undoubtedly become a key factor in our understanding of organisations and whether they succeed or fail. This is evident from the large amount of leadership literature and research on the topic. Horton et al. (2002:92) go as far as to state that leadership is seen as the one and only solution, a pre-condition to bringing about success in organisations. Von Eck and Verwey (2007:44) concur by stating that experts agree that leadership could be the number one strategic concern of businesses in the 21st century. A powerful assumption underlying this marked focus on leadership is that the leader therefore has a major impact on what happens in the organisation. The leader in essence can direct and control the outcomes within any given scenario. We see, however, that the challenges which organisations are facing are happening at an ever increasing pace. These rapid changes inevitably have implications for leadership. What constituted effective leadership in the past may not be appropriate practice in present day organisations.

The preceding sections aimed to present some of the important theories of leadership that have developed over time. The theories discussed under the classical approach were the trait, behavioural and contingency theories. This allowed for some insight into how the conception of leadership has changed over the years. The understanding of leadership has evolved as core themes like motivation, performance and human interaction have developed and become more sophisticated. Over time "Great man" or trait theories have been replaced by more complex, behaviour based theories of leadership. Transformational leadership is based on the premise that people will follow a person who inspires them by injecting enthusiasm and energy into the workplace. Suggesting that a person with vision and passion can achieve great things, these leaders show by their values, attitudes and actions how everyone else should behave. What characterised leadership in the past contrasts with emerging, contemporary organisational priorities of the 21st century. These priorities incorporate aspects of interdependence, complexity, convergence, cosmopolitanism and connectedness. All of these are unfolding in a fast paced and ever changing environment. It will be useful to consider in more detail some of the transformational leadership factors that give effect to this value based approach.

4.12 Transformational Leadership Factors and the Associated Follower Reactions

According to Northouse (2007:175) transformational leadership fits the needs of today's work groups who want to be inspired and empowered to succeed in times of uncertainty. As the name implies, transformational leadership is a process that changes and transforms people. It is concerned with emotions, values, ethics, standards and long-term goals. Northouse (2007:181) and Nwadike (2011:7) state that these leaders behave in ways that achieve superior results by employing one or more of the following factors or behaviours, known as the four "I's": i) Idealised influence; i) Inspirational stimulation; iii) Intellectual stimulation; and iv) Individualised consideration.

i)   Idealised influence

Transformational leaders become role models for their followers. They can be counted on to do the right thing, demonstrating high standards of ethical and moral conduct. The transformational leader avoids using power for personal gain, using power only when needed. Idealised influence involves the creation of an ethical vision, and the setting of high ethical standards for imitation in order to achieve this vision. Aswegen and Engelbrecht (2009:1) add that transformational leaders propose the highest ethical standards to their followers, and these standards are implemented both publicly and privately in their lifetime. Idealised influence will only result in followers emulating the leader and buying into their vision if these ethical standards are implemented in their own life. This display of integrity in the leader's behaviour can lead to building the trust and respect of the followers. Transformational leaders go beyond self-interest and consider the moral and ethical consequences of their actions. It is behaviour that encourages followers to see their leader as a role model. These leaders are admired, respected and trusted. Such leaders also consider the needs of others over their own personal needs. It arouses followers to feel a strong pathos, a powerful identification that magnifies the group. Inspirational influence includes the leaders' values, beliefs, moral considerations, moral behaviour and selfless acts. Establishing a common vision is an integral part of idealism. A transformational leader plays a role in helping others consider the future. This happens when inspiration is produced through conformity of personal values with the group's interests (Ibraheem et al., 2011:37).

Reactions of followers to idealised influence

There is a willingness on the part of the follower to trust and emulate the leader. It shows the employee's view of the leader in terms of power and their influence, self-confidence, and trust in others, their consistency and ideals which people make an effort to imitate. Thus, the leaders become a target of admiration, respect, sense of responsibility, confidence, growing optimism and the talk of the followers. Accordingly, followers show a high level of confidence in their leader (Ibraheem et al., 2011:37).

ii) Inspirational stimulation

These leaders behave in ways that motivate and inspire those around them by providing meaning and challenge to their followers' work. Aswegen and Engelbrecht (2009:1) add that the leader challenges followers to participate in shared goals in an ethical manner, and to achieve the organisation's vision through personal sacrifice and trust. Shokane et al. (2004:2) add that inspirational stimulation means the ability of a leader to clearly articulate an appealing future state of the company. This includes communicating the vision, mission, and values of the organisation. It is a behaviour that results in leaders setting high standards, communicating their ideas and vision to their followers and encouraging them to develop beyond the norm. It is about having a vision, a sense of belonging and love.

Reactions of followers to Inspirational motivation

There is a willingness on the part of the follower to excel as the leader creates a crystal clear vision of the future for his followers through realisation of expectations and demonstrating commitment to goals and common vision.

iii) Intellectual stimulation

Followers' efforts are stimulated to be innovative and creative by questioning assumptions, reframing problems, and approaching old situations in new ways. Creativity is encouraged and followers are encouraged to try new approaches, and their ideas are not criticised if they differ from the leader's ideas. Followers may perceive a leader who allows them freedom to decide between right and wrong as providing intellectual stimulation. Naidu and Van Der Walt (2005:2) state that the leader provides

intellectual stimulation for his followers by encouraging them to see solutions to problems from different perspectives and to be creative when completing tasks. The leader places emphasis on values, beliefs, morals and trust in working towards a common mission. Intellectual stimulation causes leaders to stimulate followers' efforts to be creative and innovative by questioning assumptions, reframing problems and challenging the status quo; and exposes the group to possible problems, awareness and innovative solutions.

Reactions of followers to intellectual stimulation

There is a willingness on the part of the follower to think innovatively as transformational leadership implies being tolerant in terms of risk-sharing with followers. Transformational leaders try to build relations with their followers via interactive contact which serves as a cultural link between them. This leads to a change in the values of both parties towards a common understanding

iv   Individualised consideration

Leaders pay special attention to each individual's needs for achievement and growth by acting as coach or mentor. Shokane et al. (2004:2) state that individualised consideration refers to the leader's ability to see and treat individual employees as important assets that contribute to productivity in the workplace. According to Mokgolo et al. (2012:2) individualised consideration makes employees feel that their organisations value them and need to understand and resolve their personal uncertainties. Transformational leaders make subordinates feel that they have a calling to work towards a valuable purpose, like building new and larger entities. The effect of these transformational behaviours is that employees will be more satisfied with their jobs because they believe that they are doing important work for leaders who value their contributions. Mokgolo et al. (2012:4) therefore point to the fact that leadership affects employees' job satisfaction, which in turn has an effect on productivity, performance and retention. Individualised consideration relates to leaders who pay special attention to the individual's needs. They develop people to higher levels of potential, and are prepared to act as coaches and mentors. The leader supports, coaches and encourages followers at all levels. Individualised consideration must not exclude dealing with the individual's insecurity and potential redundancy or with intrinsic conflicts

between their personal needs and the goals of their organisation that no amount of visioning, empowering and inspiring will resolve. Individualised consideration can, for example, be reflected in the individualisation of employment contracts to meet individuals' unique needs and preferences. These include variable compensation policies and performance related pay, thus signaling the end of the age of entitlement.

Reactions of followers to individualised consideration

There is a willingness on the part of the follower to develop as the leader displays an interest in the followers' needs for development and growth. The leader is careful to train and guide them.   This dimension is measured by the leader's ability and confidence in his/her values and vision to bring about the positive effect of individualised consideration.
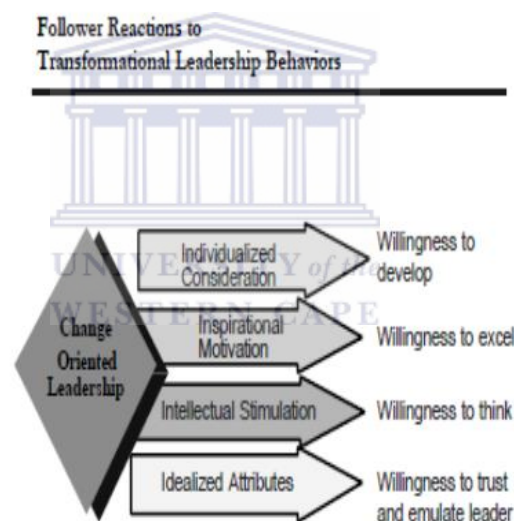
Figure 4.6: Follower reactions to transformational behaviours
Source: http://www.mindgarden.com/Documents/MLQ

The traits or characteristics of transformational leadership (the four Is) as discussed above are depicted in Figure 4.6, together with the associated follower reactions or perceptions of the leader. We see from the above figure and the definitions of the traits that transformational leaders are known as agents of change. They are people to be emulated. They are leaders of others not followers. Transformational leaders influence

followers by serving as a mentors, coaches, and teachers to empower and elevate others to a higher level. Transformational leadership, through a combination of intellectual stimulation and inspirational motivation, encourages individuals to take the initiative and constantly invent improvements. In this regard Gill et al. (1998:55) suggest that the inherently empowering force of transformational leadership will inspire the workforce that has been disenchanted with the transactional behaviour associated with the old organisational paradigm. They add that compliance to command and control in bureaucratic organisations is replaced in the new organisation by commitment based on a shared vision, empowerment and inspiration. The bureaucratic organisation with its artificial rigidities and discipline will be replaced by one characterised by responsibility, autonomy, risk and uncertainty, a very human organisation with all its satisfactions and frustrations. Perhaps the most visible change is the shift in emphasis from management to leadership. Gill et al. (1998:55) propose that the new imperative is to lead the people, but let them manage themselves. What is needed is a universalist philosophy that translates into satisfying employees' psychological needs both through their pursuit and fulfilment of the organisation's vision and objectives and through their self-management.
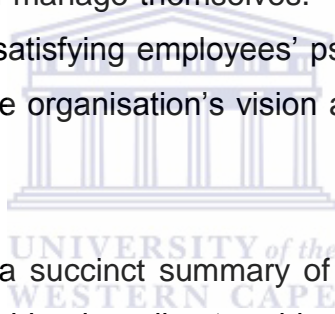
Moynihan et al. (2011:5) offer a succinct summary of the abovementioned factors by stating that first, transformational leaders direct and inspire employees' effort by raising their awareness of the importance of organisational values and outcomes. This process requires leaders to create a sense of vision, mission, and purpose among employees, providing confidence and direction about the future of the organisation. The appeal to broader goals activates the higher-order needs of employees, encouraging them to transcend their own self-interest for the sake of the organisation. Second, transformational leaders inspire employees as a source of idealised influence, functioning as role models, and building employee confidence and pride in the organisation. Third, transformational leaders help followers achieve the mission by intellectually stimulating them to challenge old assumptions about organisational problems and practices. Moynihan et al. (2011:5) propose that transformational leaders set the stage for performance management because the aforementioned psychological processes of transformational leadership shape key conditions, namely improved goal clarity which in turn shape performance. They add that employees are oriented towards

collective outcomes rather than self-interest and on innovation rather than continuity. It would seem, therefore, that the above description of transformational leadership suggests that a large part of the effectiveness of transformational leaders is due to their ability to articulate a clear and compelling vision for the organisation. This, in turn, is likely to foster organisational goal clarity, which Moynihan et al. (2011:5) propose facilitates performance management. Here Moynihan et al. (2011:5) state that as organisations succeed in clarifying their goals, leaders will have a better sense of which tasks are critical, their relative importance, and how they can be achieved. Moynihan et al. (2011:7) caution, however, that setting a vision, mission, and goals is easier in some contexts than others. They say that there are few government organisations that have the luxury of pursuing simple organisational goals. They emphasise that several scholars have argued that public organisations must, of necessity, pursue multiple, conflicting, and vague goals.

A key aspect of goal clarification relates to the ability of leaders to emphasise the salience of organisational goals at the expense of narrower individual goals. In this regard Moynihan et al. (2011:7) claim that transformational leaders are better able to communicate the strategic goals of the organisation. Transformational leadership recognises that leaders are not mere technicians, they should inspire, stimulate, and act as role models. But in practice, effective transformational leadership must pull the levers of formal organisational systems. There should be a collaboration of both transactional and transformational leadership at any given moment within the organisation. At this juncture it is appropriate to interrogate the transactional leadership factors that are in contrast to the aforementioned list of transformational leadership factors.

4.13 Transactional Leadership Factors

Northouse (2007:185) and Daft (1999:427) state that transactional leadership differs from transformational leadership in that the transactional leader does not individualise the needs of subordinates or focus on their personal development. It is a transaction or exchange process between leader and follower. Transactional leaders exchange things of value with subordinates to advance their own and their subordinates' agendas. They

add that transactional leaders are influential because it is in the best interest of the subordinates to do what the leader wants. Shokane et al. (2004:3) state that transactional leadership can be defined as the day-to-day exchange relations between the employers and employees. They add that transactional leadership means that the leader engages in constructive transactions for rewards for accomplishment of organisational goals. Northouse (2007:185) distinguishes between two factors when looking at transactional leadership namely, contingent reward and management by exception.

Contingent reward

With this kind of leadership the leader tries to get agreement from followers on what must be done and what the payoffs will be for doing a task. It is therefore an exchange process in which efforts by followers are exchanged for specific rewards.

Management by exception

This is leadership that involves corrective criticism, negative feedback and negative reinforcement. Management by exception takes two forms namely, active and passive. A leader using the active form of management by exception watches followers closely for mistakes or rule violations and then takes corrective action. Shokane et al. (2004:3) agree when they state that management by exception means the leader puts in place measures of performance and actively monitors performance. A leader who uses the passive form intervenes only after the standards have not been met or problems arise. This passive management by exception means the leader rarely puts in place measures of performance, and only passively monitors performance for corrective actions (Shokane et al., 2004:3). According to Naidu and Van Der Walt (2005:2) transactional leaders are often seen as traditional leaders who reward their followers for task completion and compliance. Followers are made aware of what their leader regards as acceptable standards of performance and the rewards they will receive should they achieve these acceptable standards of performance. This type of leadership is based on a rational exchange approach, namely the exchange of rewards for work performed. The primary focus is on goals and rewards. In this type of leadership style the leaders' power stems from their ability to provide rewards. Naidu and Van Der Walt (2005:2) conclude that the following focus areas are key for transactional leaders, namely

rewards and incentives to motivate followers, close monitoring of followers to identify mistakes made by followers, and taking corrective action where necessary.

Figure 4.7 proposes that transformational leadership produces greater effects than transactional leadership.
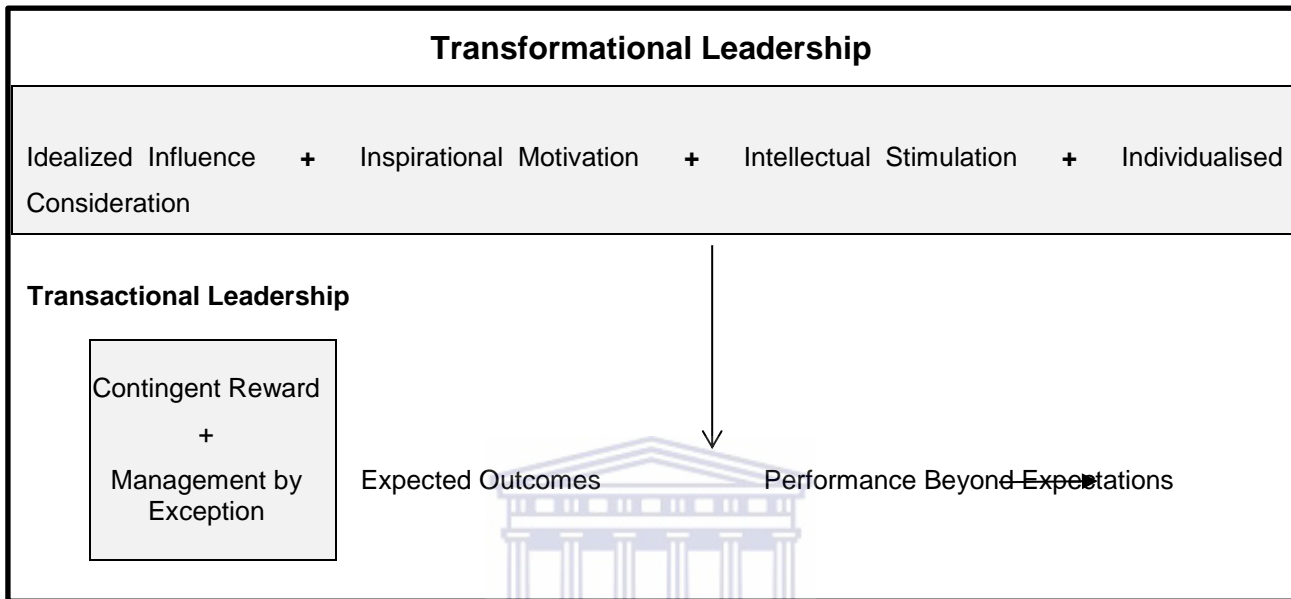
Figure 4.7: Transformational leadership

Source: Adapted from "The implications of transactional and transformational leadership for individual, team and organisational development" by B. M. Bass and B. J. Avolio, 1990, Research in Organisational Change and Development,4,231-272.(Northouse 2007:184)

Whereas transactional leadership results in expected outcomes, transformational leadership results in performance that goes well beyond what is expected. As previously mentioned, transformational leaders motivate people to do more than what was originally expected (Northouse, 2007:184; Daft, 1999:428). Shokane et al. (2004:2) add that transformational leadership is a higher order form of leadership characterised by the leader's ability to display conviction of right values, beliefs and shared purpose that lead to long term positive implications for an organisation. By contrast, transactional leadership is concerned with achievement of short term goals grounded in resources, systems, and structures.

4.14 The Blended Leadership Approach

Reform in the work environment will require changes in the type of leadership needed with implications for selection, training, development and organisational policies. We see that increasingly leaders are being encouraged to empower their followers by developing them into high involvement teams. We have seen that conceptually transformational leadership is distinguished from models of transactional leadership that rely on self-interest as the primary motivating factor among followers. By contrast, transformational leadership appeals to higher-order needs among followers, asking them to look beyond self-interest and focus on the needs of the organisation. The two concepts, however, are intertwined as there is a case to be made for displaying both elements of transactional and transformational leadership qualities.

Fisher et al. (2014:26) suggest that transformational leadership has largely been favoured over transactional leadership in the leadership discourse to the detriment of an understanding of effective leadership. They state that for many years the distinction between transactional and transformational leadership has been firmly embedded as a cornerstone of the discourse in leadership studies. They suggest that a blended approach of the two styles offers something more attainable and more recognisable by followers. They argue that transformational and transactional leadership are interconnected and intertwined. They posit that there is a place for blended leadership in which the charismatic and transformative energies of a transformational leader are combined with transactional leadership qualities. Fisher et al. (2014:26) use the term blended leadership here to mean a form of behaviour that has elements of contrasting styles blended, or mixed together. They seek not to distinguish one element from the other, transactional from the transformational, or to maintain these distinctions, but to consider the leadership behaviours holistically. Bucic et al. (2010:232) suggest that transformational leadership actually is an extension of transactional leadership, and therefore, a leader can simultaneously be both or neither. The underlying premise is that all leaders reward performance, but some go beyond basic leader – subordinate exchanges. They propose the term ambidextrous leadership. Bucic et al. (2010:232) argue that in a competitive environment leaders must be ambidextrous, that is they need to have the capacity to implement diverse courses of action simultaneously,

including exploration, flexibility and control. In certain circumstances, leaders need to implement transactional behaviours, such as when the organisation is in a stable position and the learning objectives aim to refine and restore balance. In this case, transactional leadership, which emphasises structure and routine, is appropriate. However, when the organisation faces a dynamic, evolving situation and organisational learning is required to be adaptive and progressive, transformational leadership is more suitable. They add that rarely are organisations solely in one phase or the other. In a competitive environment, they do not have the luxury of choice and must instead fluctuate between or be both simultaneously. The changing context of public sector organisations, the ongoing focus on improving service delivery and the access to constitutional entitlements are all factors that call for an approach that draws on more than one leadership theory. In this realistic scenario, leaders must adopt the most suitable approach, which in most cases demands ambidextrous leadership.

Schmidt (2010:18) however states that a particular problem is the fact that too often people in positions of leadership in the public sector, and municipalities in particular, lack the maturity and insight to function as leaders of adaptive change where they are able to effectively navigate between different types of leadership styles and approaches to best facilitate change. The challenge then is to move leaders through the process of being merely transactional, where the focus is short term, to the transformational state that is rooted in the personal side of management. It is therefore essential that emphasis be placed on the development of appropriate leadership skills. Leadership development processes are needed to develop these required leadership skills in order to effectively execute leadership roles within the ever changing work environment. Organisations in the 21st century face more complex challenges than their counterparts did in past years. These challenges result from, among other things, the impact of globalisation, societal changes and technological advancements. These challenges have both direct and indirect influence on the roles and tasks that leadership now has to fulfil. It is within this context that a fresh view on leadership in complex organisations is needed. So we find that the contemporary approach consists of a higher order type of leadership that incorporates concepts such as interactivity, collaborative learning, collective achievement and performance systems to deal with problems and to achieve organisational outcomes. With the arrival of new organisational reform new leadership

paradigms are needed. We see innovation, openness and eagerness, resulting in a need for non-traditional sources of leadership.

According to Woyach (1993:179) it is vital to see if leadership approaches are in tune with the demands of modern day organisational needs. In this regard Mokgolo et al. (2012:8) claim that current day leadership requires an outlook that differs considerably from the old traditional public sector mindset. According Mokgolo et al. organisations that take the time to teach new, current leadership approaches are far ahead of their competitors. By becoming familiar with the transformational leadership approach and combining the four 'Is' (Idealised influence, Inspirational motivation, Individualised consideration and Intellectual stimulation) managers can become effective leaders in the public service, not forgetting that there are times when the transactional elements are indeed the required approach in the given situation. Moynihan et al. (2011:17) state that the reframing of leadership in local government may be a hard sell for leaders who face intense pressure to operate within strict parameters of accountability where they are more comfortable in the transactional elements of leadership. Moynihan is alluding to the fact that to achieve both short-term and long-term goals, a higher order type of leadership is needed that is both accountable and inspirational to employees. The blended approach is one that could offer leadership a set of tools to equip the leader with the necessary effective behaviours across a variety of scenarios. Public sector leadership therefore needs to engage with a different set of leadership competencies.

4.15 Leadership Competencies to Drive Change

While many studies have documented that the presence of leadership qualities in an organisation's members can translate into organisational success, one must ask if transformational leadership skills are inherent in individuals or can these skills be developed? Gabris (2004) examines the question of whether or not public managers can be trained to become something more than maintainers of the status quo. He suggests that this is possible through the following measured and practiced approach:

- Invest training in changes that can be reasonably incorporated into a leaders daily routine; and

- Leaders should attempt to make small practical changes in their application of transformational leadership methods, maintained over time rather than making a few big changes.

In addition, Warrick (2011) advocates a number of guidelines to design programmes for developing transformational leaders, including the following:

- Assure top level support and involvement;
- Appoint a design team to plan the training and develop a transformational leadership model to be used in the training;
- View the programme design as an intervention and not an event;
- Make sure the programme is designed to change the way people think and provide opportunities to practice new behaviours and develop new habits;
- Plan follow up actions to apply what has been learned;
- Provide coaching and help in applying the course;
- Evaluate and improve the process and plan future actions (Gabris 2004).

Parker and Veldsman (2010:13) state that to stay ahead in the race, leadership in world-class organisations has to continually bring the new into being and transform what exists into something new. Leadership is therefore continually striving to achieve goals. Leadership is continually mobilising its followers in pursuance of possible, desirable futures. World-class leaders know that to win and keep the hearts and minds of their customers, they have to drive continual innovation and change in order to stay ahead of their competition. Leaders face the challenge of having to deal with the complexity of change, the uncertainty it produces as well the unpredictability that accompanies it. The empowering leader or the transformational leader represents a paradigm shift. Naidu and Van Der Walt (2005:3) state that this is the kind of leader who leads others to lead themselves. Naidu and Van Der Walt (2005:3) see transformational leadership in terms of leaders clarifying their values, developing new strategies and mobilising their workforce to do work that is different from what they were used to. Transformation is seen by Naidu and Van Der Walt as a total metamorphosis, as something totally different. Transformation is creating something new. They add that the transformation of leadership is a process through which the leader must actively pass. This is the

maturing of a dynamic leader progressing from a transactional, bureaucratic approach to the transformational approach. How can this progression then occur? Here Bass (1996:92) reminds us that unless it is already predominantly transformational, the overall amount of transformational leadership in an organisation can be increased substantially by suitable organisational and human resources policies. Bass (1996:92) state that transformational leadership presents opportunities for improving the organisation's image, recruitment, selection, promotion, management of diversity, teamwork, training, development, and education.

Problems, rapid changes, and uncertainties call for determined leaders who can inspire employees to participate enthusiastically in team efforts and share in organisational goals. In short, charisma, attention to individualised development and the ability and willingness to provide intellectual stimulation are critical in leaders whose organisations are faced with demands for renewal and change. At these organisations, fostering transformational leadership through policies of recruitment, selection, promotion, training, and development are likely to pay off in the health, well-being, and effective performance of the organisation. These training approaches are designed to operationalise the adoption of the transformational leadership framework in an organisation struggling to adapt to changing environmental circumstances. Transformational leadership capabilities can be nurtured in individuals if training programmes are structured and delivered in a way that operationalises the key tenets of transformational leadership.

We have seen from previous chapters that there has been a change in public sector management. This reform has introduced a different approach to management within the public sector as it tries to bring about change. So too by implication should leadership competencies be adapted in terms of this change. Taylor and Morse (2011:5) claim that the study of leadership and leadership competencies is often considered to span all organisations and sectors. They add that one only has to peruse literature to realise that dozens if not hundreds of leadership competencies are described. It is impractical, if not impossible, to focus on dozens of leadership competencies. How can we understand leadership competencies in the organisational world of today and tomorrow? Terry et al. suggest that there are several key indicators

that can be used to pin down which of the leadership competencies are the most critical to the organisation. A review of the strategic plan of the organisation will reveal the key drivers for achieving desired results in the future. Often a skills audit will reveal that there is a significant gap in certain key competencies required to deliver future success (Terry and Boninelli, 2004:93).

This is simply because success in the future may require a different set of skills and competencies than in the past. They add that nothing remains static in a fast changing environment. The balanced scorecard can often provide clues to the competencies needed to deliver success. Aligning the choice of leadership competencies closely to the desired outputs contained in the balanced scorecard can act as a guide to which leadership competencies are the most critical to the organisation. The values of a company should provide clues as to what is important in the leadership competencies. Terry and Boninelli (2004:93) also warn however, that we should be careful that the values being expressed are not the product of an old organisational culture which has not aligned itself to a new strategy or way of thinking. He proposes that to start off with organisations need to create and grow a mindset that views the identification and development of leadership potential as an essential management responsibility. Working effectively today requires new paradigms, reformed cultures, and training. We find from the previous section that leadership must adapt to changing mandates, expectations, and climates. We see that the reforms in the public sector have brought with them a new way of doing business. Leaders are therefore expected to embrace a very different approach to modern day organisations, necessitating a different set of competencies. Jones et al. (2012:10) state that leaders emerge in organisations regardless of job title. Leaders may be managers, managers may be leaders, but it is clear that the competencies associated with management as opposed to leadership can be very different.

The model in Table 4.7 provides a balanced view of both transactional and transformational competencies. It distinguishes between leaders who inspire, promoting change and business success (e.g., transformational) and those who excel at operational management, maintaining a steady-state environment (e.g. transactional). According to Jones et al. (2012:10) both types of talent are necessary at different times

and in different areas. Some leaders are strong on both traits and some are not. HR professionals will need to ascertain the current capabilities and potential of the leaders in their talent pipelines. Each function is comprised of a transformational and a transactional competency. For example, to develop a vision, transformational leaders rely on their creativity and strategic thinking capabilities, whereas transactional managers analyse information and apply their expertise.

Table 4.7: Competency model - Factors for management versus leadership focus

Leadership Function	Definition	Competencies	
		Management Focus (Transactional)	Leadership Focus (Transformational)
Developing the Vision	This involves the critical analysis of the current situation, and the generation of ideas to move forward (Strategy).	**Analyzing & Interpreting** Analyzing complex information and applying expertise.	**Creating & Conceptualizing** Producing innovative ideas and thinking strategically.
Sharing the Goals	This involves persuasively communicating the vision to others, as well as personally adapting to the changes that the new strategy brings (Communication).	**Adapting & Coping** Responding and adapting well to change and pressure.	**Interacting & Presenting** Communicating with, persuading and influencing others.
Gaining Support	This involves gaining other people's support by motivating and empowering them to implement the actions needed to deliver the strategy (People).	**Supporting & Co-operating** Supporting other and working effectively with people.	**Leading & Deciding** Initiating action, giving direction and taking responsibility.
Delivering Success	This involves using operational efficiency and commercial acumen to effectively implement the strategy (Operations).	**Organizing & Executing** Planning, working in an organized manner and focusing on delivery.	**Enterprising & Performing** Focusing on results and on achieving goals.

Source: Competency Model – Factors for Management versus Leadership Focus
(Jones et al. 2012)

We see that the demands on leadership are both transactionally focused on operations and execution and transformationally focused on inspiring and setting direction. Competencies to address both sets of demands are needed, yet they are not often balanced in individuals or across leadership teams. Jones et al. (2012:10) state that a winning corporate strategy has to include both skills sets in its leadership ranks in order to be successful. Balance is key; lopsided skill clusters do not lead to success. Bringing some of the thoughts around the modern schools of leadership together, Sanders et al. (2003) in Von Eck and Verwey (2007:45) developed a model that suggests that there are three structural levels of leadership accomplishment that are

linked together along a hierarchical continuum namely transactional, transformational and transcendental. Figure 4.8 illustrates this.
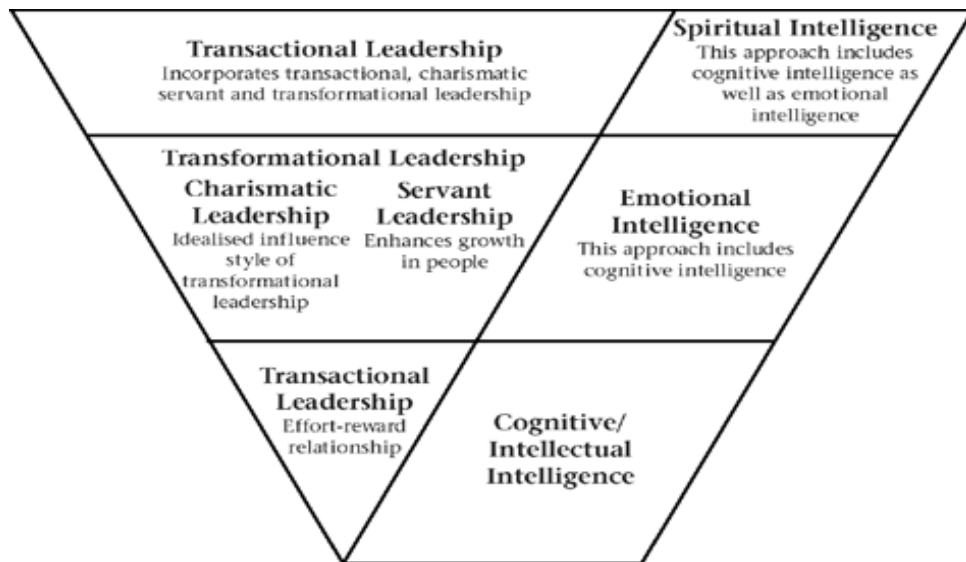
Figure 4.8: Change dynamics and related leadership competencies
Source: Von Eck, C. Verwey, A. (2007:45)

The continuum stretches from the lower positioning of the transactional leadership theory which is likely to be associated with a relatively low sense of divine awareness, to the higher positioning of transcendental leadership that is associated with a higher level of spirituality which mobilises the individual toward meaningful or transcendental accomplishment and incorporates the leadership theories on the lower positions in the continuum. It can be argued therefore that transformational leadership incorporates cognition and emotional intelligence while transcendental leadership incorporates cognition, emotional intelligence and spiritual intelligence. The above definitions and schools of leadership thought suggest that leaders must understand the roles they need to perform in situations of rapid change, be able to shape agile employees and understand that leadership is a strategic issue. It has become increasingly clear that the 21st century demands new kinds of leaders with new competencies. The competencies that may have worked in a more stable, predictable environment will be inadequate in the new era of uncertainty and rapid change where it is difficult to define the problem and even more difficult to engineer possible solutions. Taylor and Morse (2011:5) state that while traditional models of leadership development help clarify the challenges of leading within organisational boundaries, the demands associated with working across organisational and sectoral boundaries to address shared challenges

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requires new leadership paradigms. Connected to this are the ways in which we define public leaders and associated leadership competencies. Taylor and Morse (2011:5) claim that the transformation of government centred problem solving to boundary spanning collaborative governance illustrates the challenge of leading in the 21st century. Complex problems and resource interdependence highlight the inadequacies of antiquated organisational structures and also the need for new forms of leadership. Von Eck and Verwey (2007:47) illustrate the relationship between leadership, change and competencies in the Figure 4.9.
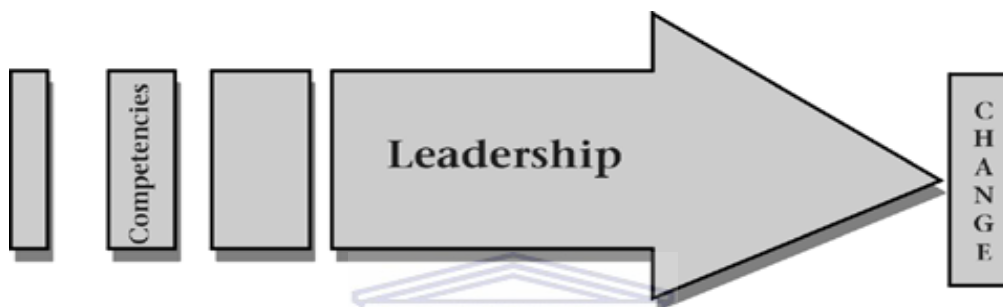
Figure 4.9: Relationship between leadership, change and competencies
Source: Von Eck, C. Verwey, A. (2007:47)

As public managers work across boundaries to solve complex public problems, the ways in which they lead will be influenced by this changing context. Conflict resolution, engaging the public, and balancing ethical priorities will all be influenced by the new landscape of public leadership. Working effectively today requires new paradigms, reformed culture and training to support these goals. The changing and emergent perspectives of leadership, however, profoundly affected the thinking of leadership development to be inherently collaborative, social and relational processes.

According to Rashid (1999:164) competencies are the relevant qualities, skills and abilities that lead to effective performance. According to Abdullah and Sentosa (2012:13) and Von Eck and Verwey (2007:46) competencies may be expressed as behaviours that an individual needs to demonstrate. It can also be expressed as the minimum standards of performance. For the purpose of this section the term competency, as applied to leadership, essentially refers to the observable behaviour that a leader displays. Rashid (1999:164) adds that competencies provide a tool for

assessing how organisations, teams and individuals are behaving compared to the behaviour that is desired or required. The comparison can then affect staff development and personal development. He claims that the main benefit of competency profiling is establishing clear, measurable standards that are used to improve the performance of the organisation. There are challenges, however, as organisations try and embrace the transformational leadership approach.

4.16 Implementation Challenges

According to Bass (1999:25) an organisation that is permeated with the four transformational leadership principles conveys to its own personnel as well as to its consumers, suppliers and the community at large that it has its eye on the future, is confident and has personnel who are pulling together for the common good. Related to the shift in the public administration paradigm is the move from transactional to transformational management. The public service, while retaining the operational aspects of management has to become increasingly transformational in its management approach. Seidman and McCauley (2011:46) state, however, that most leaders operate in a transactional world. They define the transactional world as one that places an overwhelming emphasis on tactical goals. They refer to a world or organisational culture that has detailed checklists, a constant drive for excellence, precision forecasts on results and a belief that all work must be a measurable transaction. They then pose a very relevant question when they ask how can leaders who live in a transactional world or culture be transformational leaders? Does the current regulatory regime with its emphasis on compliance not reinforce a culture of dependency and disempowerment at municipal level? Strongly held views must be questioned. Often employees wanting to be more transformational experience feelings of frustration as their attempts are blocked. Political and administrative leadership needs to acknowledge these differences and respect them in negotiations over decisions. There is an urgent need for transformational and visionary leadership that employs unconventional and a more collaborative approach which involves a major mindset change among key players in how they view and deal with these complex problems.

Noor (2010:21) states that public service leaders are often unable to lead effectively because the industry in which they operate fails to give them the necessary freedom, support systems and resources. It seems that organisations have not fully empowered heads of departments to manage their financial and human resources. According to Jones et al. (2012:31) conservative companies are likely to breed conservative, operational behaviour, especially in industries in which risk mitigation is highly prized. For example, fiscal responsibility and regulations impact governmental organisations. They are less likely therefore to reward highly innovative, risk-taking leaders. Technology companies such as Apple and Google, on the other hand, go out of their way to foster creative, innovative behaviour.   Bass (1999:30) reminds us that transformational leadership principles are not a panacea in all cases.   In many situations they are inappropriate. In general organisations that are functioning in stable markets can afford to depend on their transactional leaders to provide the day-to-day leadership. If, however, the organisation is faced with change, transformational leadership needs to be fostered at all levels of the organisation. In order to succeed the organisation needs to have flexibility to forecast and meet new demands and changes as they occur. This may include adopting a blended approach to leadership.

Rapid changes and uncertainties call for a flexible organisation with determined leaders who can inspire employees to participate enthusiastically in efforts to meet organisational goals.   They can include simplifying bureaucracy and outsourcing services that are transactional and repetitive in nature so that decisions are made and services delivered quickly.   In short, attention to individualised consideration and development and the willingness to provide intellectual stimulation are critical in leaders whose organisations are faced with demands for renewal and change.

4.17 Summary

The chapter discussed leadership approaches under the traditional and contemporary approaches. Transformational and transactional leadership were identified as the two main contemporary approaches to leadership. The chapter drew our attention to the fact that in today's modern public organisations providing leadership is no longer a matter of command and control, and leaders who are still concerned with telling people what to

do have already ceased to lead. The emphasis is now on co-operation, collaboration and communication as we move within NPM and the public value reform. The emphasis shifts from mere bottom line results to maintaining and fostering relationships. The chapter aimed to provide a holistic view in terms of some of the challenges that leadership is faced with when trying to adopt a more contemporary approach within a complex organisation. The purpose was therefore to create an understanding of the leadership tasks in such an organisation. Leaders are tasked with an array of responsibilities amidst limited resources and in the constant scrutiny of the public domain. The complex challenges necessitate that local government leadership is equipped with the necessary foresight, responsiveness and vision to effectively deal with the issues at hand. The traditional approach to leadership is no longer sufficient to address present day challenges.

Leaders and potential leaders have the opportunity to evaluate themselves against the principles of transformation in order to bring about the necessary progression from transactional to the more contemporary transformational approach within the context of reform. The model of transactional leadership explained the old paradigm of the bureaucratic organisation. The bureaucratic organisation was analysed in terms of the transactional leadership elements of management-by-exception and contingent reward. The new post bureaucratic organisation was analysed in terms of the four 'I's of transformational leadership: Individualised consideration, Intellectual stimulation, Inspirational motivation, and Idealised influence. Rashid further argued that the new local government leadership context is about the fertilisation of ideas, thinking, tools and techniques from across the public, private and community sectors. There is a need for rich collaboration that will contribute to a new combination of leadership philosophies. Noor (2010:26) stated that bold, decisive and transformational initiatives by the public sector and its leaders are necessary to meet the complex present and future challenges of the country. This chapter has demonstrated that the transformational leader gives personal attention, treats each employee individually and coaches and advises, giving individual consideration to employees. The chapter proposed that a new set of leadership competencies is needed to foster the principles of transformational leadership. The chapter proposed an approach that extends beyond training sessions, to networking, action learning and mentoring. Organisations need to rethink how they

approach leadership amidst the rapid change in technological innovation and globalisation. The chapter alluded to the blended approach to leadership where leaders tap into both the elements of transformational and transactional leadership as an appropriate approach. Leaders here must function as leaders of adaptive change where they are able to effectively navigate between different types of leadership styles and approaches to best facilitate change. The chapter indicated that the challenge then is to move leaders through the process of being merely transactional, where the focus is short term, to the transformational state that is rooted in the personal side of management.

Against this backdrop the chapter attempted to highlight the challenges leaders encounter when they try to implement a new approach. Leaders need to hone a completely different range of leadership competencies. In this new millennium leadership either manages people well or fails. Technical skills which were the brick and mortar of the past century are no longer sufficient. The challenge for local government leaders is whether they can unlearn old habits and take on a whole new set of skills and behaviours that will boost their success. The following chapter will consider the approach the CoCT has adopted as it strives to bring about organisational change in line with public sector reform.
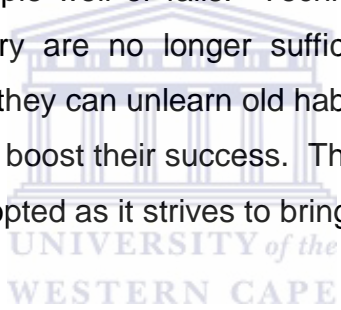
Chapter 5: A Context for Examining

the City of Cape Town's Change Strategies

5.1 Introduction

According to Koma (2010:111) meeting the basic needs of citizens is the fundamental objective of local government. Local government plays a critical role in building an improved life for the citizens of South Africa and a key part in the transformation of the country. The aims of democratising South African society and growing the economy inclusively is primarily realised through a responsive, accountable, effective and efficient local government system that is part of a developmental state. The establishment of a South African developmental state is grounded in a vision of the state and society working together at all levels to advance social justice and economic growth and development. Developmental local government is central to building the developmental state. An ideal municipality will therefore strive to contribute to building the developmental state in South Africa, drawing from the constitutional and legal frameworks. The 1998 White Paper on Local Government development emphasises the central role that local government plays in service delivery. The White Paper offers a new vision of a post-apartheid society, embodied in the concept of developmental local government. In this regard there has been a process of reform of local government in recent years. As referred to in Chapter 2 of this thesis, the NPM and post-NPM reforms are largely aimed at increasing organisational performance and to some degree require the manipulation of the traditionally bureaucratic organisational culture. For example, Parry and Thomson (2003:377) state that within the public sector there is an uneasy tension between the need for a cultural revolution of outdated bureaucracies in order to enhance flexibility and innovation, and the desire to maintain the standards and procedures that are necessary for quality service. In effect, there seems to be a tension between the need to be transformational and transactional. They add that public sector organisations must maintain levels of authorisation and contractual balances while at the same time encouraging individual initiative and innovation. Therefore presenting the transformational and transactional paradigms as mutually interrelated as opposed to

mutually exclusive. Within this environment leaders must have the capacity to implement diverse courses of action that may include exploration and flexibility within a relatively controlled public sector environment. This requires that, in certain circumstances, leaders need to implement transactional behaviours, such as when the organisation is in a stable position and the learning objectives aim to refine and restore balance. In this case, transactional leadership, which emphasises structure and routine, is appropriate. However, when the organisation faces a dynamic, evolving situation and organisational learning is required to be adaptive and progressive, transformational leadership is more suitable. The post-1994 political reforms in South Africa require organisations to be dynamic when dealing with challenges stemming from the oppressive past. In addition, the nature and size of public sector organisations demand more control and regulation than private sector organisations. Instead of viewing the transformational and transactional paradigms as competing paradigms, the interrelatedness of these paradigms could yield significant positive outcomes for public sector organisations.

Against this background, this chapter considers the effect of reform on local government with specific reference to the experiences of the CoCT. In 2010 a report produced by CoGTA recognised the CoCT for its commitment to change and reform, and to improving service delivery and related local government responsibilities. The CoCT is regarded as one of the few municipalities in South Africa demonstrating best practice in service delivery, and in human resources strategy and practice (CoGTA 2010). This highlights the interrelatedness between the nature of human resources practices and organisational outcomes. Before we explore the experiences of the CoCT let us briefly consider the regulatory framework for change at local government level.

5.2 The Regulatory Framework for Change in Local Government

Local government is defined as a sphere of government located within communities and well placed to respond appropriately to the local needs, interests and expectations of communities (Koma 2010:112). Koma adds that local government is at the forefront of public service delivery. This view is also articulated by Thornhill (2008:492) when he states that local government is often the first point of contact between an individual and a government institution. It is often said that local government is the government closest

to the people. It is to be expected, therefore, that a core function of municipalities is the rendering of a variety of basic but essential services to the community within its jurisdiction. The provision of services by municipalities is a constitutional obligation. Part B of Schedule 5 of the Constitution concerning functions falling concurrently within the national and provincial competence constituent units identifies the following services as falling within the ambit of local government and its municipalities. They are: water; electricity; town and city planning; road and storm water drainage; waste management; emergency services such as firefighting; licenses; fresh produce market; parks and recreation; security; libraries; economic planning; air pollution; building regulations; child care facilities; electricity and gas reticulation; local tourism; municipal airports; municipal planning; municipal health services; municipal public transport; and municipal public works (Koma 2010:113).

5.2.1   The Constitution of South Africa

Section 152(1) of the Constitution states that the objective of local government is to provide democratic and accountable government for local communities; to ensure the provision of services to communities in a sustainable manner; to promote social and economic development; to promote a safe and healthy environment and to encourage the involvement of communities and community organisations in matters of local government. The Constitution further states that a municipality must strive within its financial and administrative capacity to achieve the objects set out in subsection 152(1).

5.2.2   The White Paper on Local Government

The emphasis in the White Paper is on a developmental local government, as mentioned earlier, that requires municipalities to become more strategic, visionary and ultimately influential in the way they operate (South Africa 1998). A developmental municipality should play a strategic policy making and visionary role, and seek to mobilise a range of resources to meet basic needs and achieve developmental goals. This introduces a different approach to how local government institutions functioned in the past. Not only does it emphasise the importance of being strategic, but it requires that the employer consider and link resources (financial, human or infrastructural) to

specific outcomes. Clearly, this approach stems from the NPM and post-NPM reform initiatives.

To meet this objective, leadership in local government must adopt new approaches as it strives to bring about these desired changes. These approaches require different relationships between leaders and their followers as well as the local government and the communities it serves. In this regard, the Municipal Systems Act (No 32 of 2000) is an important basis for facilitating new relationships aimed at improved service delivery.

5.2.3 The Municipal Systems Act

Chapter 4 of the Local Government Municipal Systems Act, 32 of 2000 provides for the development of a culture of participatory governance. Municipalities are encouraged to create conditions for the local communities to participate in their affairs. This includes the preparation and review of the municipalities' IDPs. The Municipal Systems Act (No 32 of 2000) provides for the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities, and ensure universal access to essential services that are affordable to all. It also defines the legal nature of a municipality as including the local community within the municipal area, working in partnership with the municipality's political and administrative structures. It provides for the manner in which municipal powers and functions are exercised and performed, and provides for community participation in order to establish a simple and enabling framework for the core processes of planning, performance management, resource mobilisation and organisational change which underpin the notion of developmental local government and provide a framework for local public administration and human resource development.

5.2.4 The White Paper on Improving Service Delivery

More specifically the White Paper on Transforming Service Delivery, 1998 (Batho Pele) brings the post-competitive or public value approach to bear on the business of local

municipalities. It provides a practical framework for the transformation of service delivery for the benefit of the recipients of services.

In the South African context this customer focus is commonly referred to as Batho Pele. It focuses on how services are provided, allows customers or citizens to complain and advocates a continuous improvement strategy in the quantity and quality of services (Mudzamba and Sibanda, 2012:15). Batho Pele demands a new approach to dealing with customers and citizens. Public servants often see complaints as an irritation and intrusion in their working lives. Where complaints procedures do not exist, public servants may tend to defend or justify a department's failure to deliver. By offering redress, Batho Pele not only appeases irate or unhappy customers, but aims to change the mindset of service providers from a preoccupation with the processes of service delivery to a focus on deliverables and outcomes. It thus puts in motion a process of improving service delivery and ultimately continuous improvement and quality service delivery.

5.2.5 The Intergovernmental Relations Framework Act (13/2005)

The Intergovernmental Relations Framework establishes a framework to facilitate cooperation across the spheres of government in the hope of improving basic service delivery and other related constitutional entitlements. It provides for mechanisms and procedures to facilitate settlement of intergovernmental disputes and to provide for matters connected therewith with the ultimate aim of improved service delivery. The Intergovernmental Relations Framework is underpinned by collective responsibility of all spheres of government for the needs and interests of the citizens of South Africa.

These aforementioned regulatory frameworks inform the nature that underpin organisational change and ensure that services rendered to local communities should be provided in a sustainable and equitable manner. The emphasis on being strategic, innovative and influential highlights a departure from old beliefs, traditions and practices that influenced public sector organisations of the past. Moreover, the nature of the regulatory framework and its emphasis on outcomes and value requires new thinking on (i) the relationship between government and its citizens; and (ii) how public sector

organisations view and commit to human capital. The concept of NPM has been an important source of inspiration for local government reforms (Reitan et al., 2012:3). The focus on more managerial autonomy, privatisation, marketisation and other measures of increasing consumer choice represents some of the reform strategies. NPM includes tools for strengthening the role of the local council vis-à-vis the local administration, for integrating citizens' interests into administrative decision processes, thereby increasing the democratic aspect of local politics (Reitan et al., 2012:5). Monitoring quality assurance is a popular NPM tool used to track, evaluate and review service delivery performance. Accountability ensures that simple, robust information is used to demonstrate performance. Transparency requires decisions to be open, with evidence of clear reasoning. Service delivery ownership permits anyone with an interest in local authority services to be involved; it further denotes a reciprocal relationship between public service delivery and its stakeholders. Not discounting the importance of having sound laws and policies in place, the past oppressive regime continues to obscure, for many local government institutions, the potential gains inherent in the regulatory frameworks.

5.3   Events Leading up to the Local Government Turnaround Strategy

The advent of democracy in South Africa in 1994 heralded a new era for the local sphere of government informed by the with imperatives to fast-track service delivery to local communities, enhancement of the financial performance of municipalities, the strengthening of human resource capacity and broad consolidation of institutional capacity for municipalities (Mogale 2003:227). The territory of the country was divided into municipalities, each governed by an elected municipal council. Municipalities integrated racially divided group areas under a single local authority and a common tax base. Local development plans guide programmes of national reconstruction and development. Citizens partner with municipalities to build non-racial communities. Municipalities are authorised to redistribute expenditure to service delivery in poor communities. The December 2000 local government elections marked the end of South Africa's transition period and reduced the number of municipalities from 843 to 278 after the May 2011 local government elections. Good progress has been made in extending access to free basic services to poor households. Table 5.1 shows that municipalities

have contributed significantly to reducing infrastructure backlogs and delivering services.

Table 5.1: Municipalities contribution to reducing backlogs and delivering services

Access to electricity for lighting	Access to piped Water	Access to full and intermediate sanitation	Access to refuse removal service
W Cape (94.0%)	W Cape (98.9%)	W Cape (93.4%)	W Cape (91.1%)
N Cape (87.3%)	Gauteng (97.9%)	Gauteng (87.8%)	Gauteng (86.2%)
F State (86.6%)	F State (97.5%)	N West (81.6%)	F State (76.1%)
N West (82.3%)	N West (89.9%)	S Africa (67.6%)	S Africa (61.6%)

Source: Local Government Turnaround Strategy 2009

Despite this progress there remain significant constraints to accelerated service delivery. These relate to municipal capacity and the ability of the state to provide adequate infrastructure, particularly in areas of rapid growth. In 2009 the Department of Cooperative Governance and Traditional Affairs (CoGTA) conducted an investigation into the state of local government. The report found that while local government had made progress, there were still major problems (CoGTA TAS, 2009:2). These included huge service delivery backlogs, a breakdown in council communication with and accountability to citizens, political interference in administration, corruption, fraud, bad management, increasingly violent service delivery protests, factionalism in parties, and depleted municipal capacity (CoGTA TAS, 2009:13). In some cases accountable government and the rule of law had collapsed or were collapsing due to corruption, profiteering and mismanagement. The Local Government Turnaround Strategy (TAS) emerged from CoGTA's assessment. The report was the most forthright admission yet by government that local government was in a state of crisis. All municipalities were expected to adopt turnaround strategies as part of their IDPs. Three key priorities for TAS were: improving access to basic services; deepening participatory democracy; and improving financial management and administrative capacity. The over-arching aims of the TAS are first to restore the confidence of the majority of South Africans in the municipalities, and second to re-build and improve the basic requirements for a functional, responsive, accountable, effective, and efficient developmental local government. The TAS is aimed at reinforcing best practices in municipalities. The TAS

aims to address the root causes of problems impacting on municipal performance and to ensure that these are confronted effectively. Root causes for some of these problems include: systemic factors, i.e. linked to the model of local government, policy and legislative factors, political factors, weaknesses in accountability systems, incapacity and lack of skills, weak inter-governmental support and oversight, and problems associated with the inter-governmental fiscal system. The TAS acknowledges that there are serious leadership challenges in municipalities. In order to turn this around the TAS states that performance and professionalism in municipalities must be improved (CoGTA TAS, 2009:19).

Let us now turn our attention to the experiences of the City of Cape Town in trying to understand how it responded to the imperative to reform and change. In this regard, (i) we present the case for choosing the City as the context for examining transformational leadership in a transactional culture setting; and (ii) consider the specific strategies that the CoCT has implemented in the context of public administration reform and leadership.

5.4   The City of Cape Town as the Locus of the Study

Governments' goal is to achieve universal access to basic services for all households. As mentioned elsewhere, transformation and change at local government level have been challenging. Government reports, media briefings and anecdotal evidence suggest that local municipalities are still finding it difficult to perform efficiently and effectively, despite efforts to commit to public administration reforms. The Local Government Turnaround Strategy of 2009, for example, refers to the root cause of poor performance as the lack of internal controls and governance principles, and to mismanagement in municipalities (Local Government Turnaround Strategy (CoGTA, 2009:11). National state of local government assessments (State of Local Government in South Africa overview report, 2009:10) were conducted and revealed that the difficulties in municipalities pointed, among other things, to poor compliance with legislative and regulatory frameworks. In addition to the issue of poor or non-compliance, the historical context continues to pervade reform initiatives. There are considerable inter-provincial disparities, with provinces that absorbed former homelands and rural areas well below

the national average for most services. The backlogs in bulk infrastructure are huge; outstanding municipal debt had grown, and dependency on grants had increased even in the metros. The Municipal Finance Management Act (MFMA) sets high standards for financial reporting and accounting that few municipalities meet in practice. The Auditor General's report for 2009/2010 showed the extent of the management and financial problems, with only seven of the 237 municipalities receiving clean audits. Drawing on comparable findings, the Auditor General's state of local government report noted the poor state of municipal financial management: 54 percent of municipalities received qualified, disclaimer or adverse audit opinions and in 45 percent of cases unauthorised, fruitless and wasteful expenditure had led to the qualifications.

Amidst this gloomy background the CoCT has embarked on a process of organisational change through the implementation of strategies and programmes designed to move towards an organisational culture of top performance and excellence. It further recognises that strong leadership must influence and drive this change to keep both the employees and the organisation focused. The CoCT developed an institutional development, transformation and realignment plan, closely linked to its skills and talent base. In addition, it administered numerous surveys to assess the leader/follower dynamic in the organisation (IPSOS 2007, 2009, 2011, 2013) and further developed its HR strategies and programmes based on these survey outcomes. This offers a unique approach in terms of how the CoCT has embarked on changing organisational culture.

The CoCT's human resources strategy is essentially managed through three programmes: talent management; business improvement; and an integrated SAP computer based human resources system. The CoCT acknowledges that leadership is critical to the success of these programmes. Consequently, it has identified the development of its leadership as a priority area that should be aligned and integrated with other human resources management initiatives, including coaching and mentoring, succession planning and performance management, in order to foster growth of the individual and the CoCT. The CoCT further states that like any other investment, leadership development must be evaluated to show results. The CoCT aims to measure return on investment of leadership development against organisational outcomes. The CoCT acknowledges that leadership is important in facilitating and championing change

initiatives. However, despite the successes the CoCT states that significant challenges, gaps and needs remain. It further states that there is no room for complacency, and a partnership approach between the council and the administration is essential (City of Cape Town Council Overview, 2015).

5.4.1   The City of Cape Town

The CoCT as a metro municipality is fairly young. It became a metro municipality on 4 December 2000. The CoCT is responsible for ensuring that it provides the best infrastructure, and delivers services and economic opportunities to Cape Town's 3.7 million residents. The CoCT is a large, complex and diversified organisation, with a budget of R31.5 billion. It has more than 220 councilors and 25000 staff serving 3.7 million residents across a sprawling and diverse metro of 2500 square kilometres (City of Cape Town Budget Book 2013/2014). The administration delivers services such as water, electricity, waste removal, sanitation, new infrastructure, roads, public spaces, facilities, housing developments, the upgrade of informal settlements and existing infrastructure and clinics. The CoCT relies heavily on team work between its elected councilors and the staff in its administration. Understanding the CoCT's role and how it works is essential for successful service delivery.

In this regard the the Community Satisfaction Survey is a survey of a representative sample of residents undertaken annually since 2007. It is intended to monitor the performance of the CoCT as viewed through the eyes of Cape Town residents. It provides the CoCT with information about its residents' perceptions, priorities and views. Sixty-nine percent of residents said that, overall, the CoCT's performance had been good, very good or excellent. This is up from 63 percent in 2011/12, 62 percent in 2010/11, 57 percent in 2009/10 and 54 percent in 2008/9 (City of Cape Town integrated annual report 2014).

The CoCT acknowledges that a city that runs smoothly contributes to economic growth and job opportunities by attracting businesses and investments, and here Cape Town has been particularly successful. For example, it successfully hosted the 2010 FIFA World Cup, and in doing so built more than R13 billion worth of new infrastructure. The

CoCT is also lauded for sound financial management as it has again been rated at the high end of the six metropolitan municipalities by an international credit agency for its sound fiscal position and prudent financial management (City of Cape Town 20 March 2015). The City has received ten consecutive unqualified audits from the Auditor-General. The CoCT was also lauded as the runaway winner in the new Local Municipalities category for 2012 for promoting a sustainable environment through the efficient use of resources. Cape Town has also been named second best city in the world and best city in Africa (Condé Nast Traveller 2012). Table Mountain was also named a one of the new Seven Natural Wonders of the World, and Cape Town was named World Design Capital 2014. Arguably, Cape Town has achieved these accolades by adopting a vision that is geared towards innovative strategies and practices.

5.4.2 A city with a vision

The CoCT's business objective is to establish itself as a world class city. In order to give effect to this and to facilitate organisational change the CoCT has adopted a vision that emphasises the importance of change and subsequently the role of leadership in driving attitudes and behaviours, skills and talents towards the achievement of goals and objectives. The vision is to establish an enabling environment geared towards growth and development, as indicated below.

- To be a prosperous city that creates an enabling environment for shared economic growth and development.
- To achieve effective and equitable service delivery.
- To serve the citizens of Cape Town as a well-governed and effectively run administration (City of Cape Town Annual Report 2010/2011).

To achieve this vision, the CoCT strives at all times to contribute actively to the development of Cape Town's environmental, human and social capital, to offer high quality services to all who live in, do business in, or visit Cape Town as tourists; and to be known for its efficient, effective and caring government (City of Cape Town Annual Report 2010/2011). Mandated by the Municipal Systems Act (No 32 of 2000) and other

legislation, the CoCT's IDP provides the strategic framework that guides the municipality's planning and budgeting in order to give impetus to its strategic vision. Essentially it envisages a more inclusive society by working towards greater economic freedom for all people of the city. Evidently, this requires an increase in opportunities by creating an economically enabling environment in which investment can grow and jobs can be created (City of Cape Town Annual Report 2010/2011). Consequently, the IDP is based on five key pillars listed below:-

1. the opportunity city;
2. the safe city;
3. the caring city;
4. the inclusive city; and
5. the well-run city.

The pie chart shows the respective priorities of the five pillars.
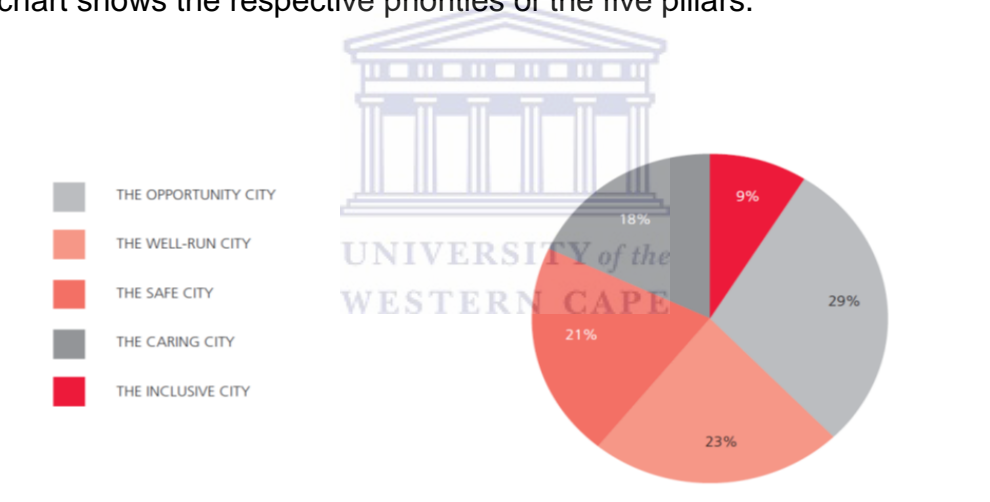
Figure 5.1: Five key pillars of Cape Town
Source: City of Cape Town IDP 2013

Notwithstanding the above stated ambitions, the need to change the current organisational culture to facilitate progress towards the achievement of these five key pillars is acknowledged.

5.5 The City of Cape Town's Approach to Changing Organisational Culture

As indicated in previous chapters there has been a general shift in public sector reform. Public administration is moving through reforms and changes that are aimed at the competitive or post competitive context. The NPM and post-NPM models favour more creativity and flexibility in order to achieve new efficiencies and better customer service. Inherent in the NPM and post-NPM approaches is the development of a management culture that emphasises the centrality of the customer and accountability for results. A cultural change is therefore needed for these reforms to become embedded and yield organisational gains. At the heart of the CoCT's reform strategy is its Organisational Development and Transformation Plan (OD&T) aimed at creating a sustainable and high performing organisation. The OD&T plan drives strategies to bring about organisational cultural change in line with some of the core tenets of NPM. The principles behind these strategies are the development of institutional frameworks and business systems to ensure that greater efficiencies are achieved through new ways of working, thereby giving impetus to a type of culture that favours innovative thinking. The CoCT acknowledges that the implementation of human capital management systems and processes to enhance staff alignment with business needs and improving staff morale and performance are crucial to bring about the desired organisational change. The CoCT further states that ongoing improvement underpins high performance as it strives towards efficiency gains.

The focus of the transformation plan is how to shift the culture and managerial practice of the organisation in order to ensure effective service delivery. The plan spells out the expected outcomes and the key performance indicators to ensure successful implementation in terms of bringing about cultural change within the organisation. The key goals are to improve community satisfaction, operational efficiency, employee satisfaction and governance (City of Cape Town Council Overview, 2011:16).

5.6 HR Philosophy to Support Organisational Culture Change

The CoCT has embarked on implementing a number of innovative HR strategies aimed at bringing about the culture shift. The strategic intent of the CoCT through its HR strategies is to create a better workplace for all employees by providing maximum

opportunities for personal and professional growth and development, through integrated HR interventions and HR services, and in so doing to retain, motivate, grow and attract top talent to the CoCT.   The CoCT's HR Service Delivery Model is depicted in Figure 5.2. The vision of the CoCT's HR department is to be recognised as the business partner of choice within the organisation and the HR benchmark for local government in South Africa. The CoCT value proposition of operational excellence is underpinned by multiple HR roles such as strategic partner, change agent, employee champion and administrative expert, and it drives how the CoCT does the following:

- ▪ **Engage** and partner with business to plan and set strategic direction to ensure that the CoCT is effective in its delivery against its strategic objectives;
- ▪ **Energise** the CoCT's   human resources to effect change and enable transformation into a world class city;
- ▪ **Empower** the CoCT's human resources by providing comprehensive HR tools and methods to better manage human capital; and
- ▪ **Enable** service delivery through process optimisation and efficiency
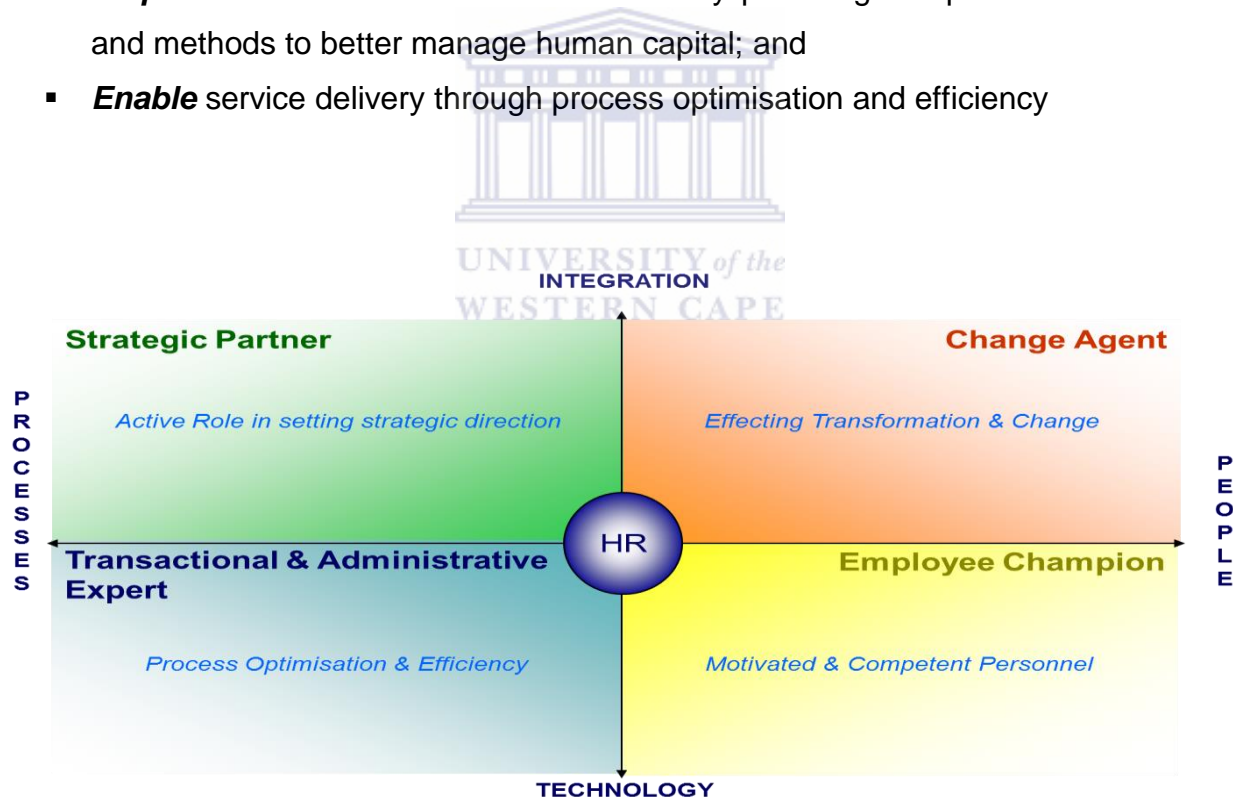
Figure 5.2: The CoCT's HR Service Delivery Model

Source: City of Cape Town HR Service Delivery Model

The service delivery model is based on the philosophy of "Kaizen" ("kai" meaning "change" and "zen" meaning "for the good"). In this regard it drives efforts for continuous business improvement and organisational change. The CoCT's intensive Strategic Human Resources (HR) programmes are focused on offering maximum opportunities for employee growth, creating a fair work environment that allows recognition and reward, and making all HR processes electronic. Some of the key innovative strategies that have been implemented to bring about this culture change are discussed below.

Integrated Talent Management Strategy

Salopek (2008:44) state that talent management is no longer just a matter of identifying high potential employees and developing them, and defines talent management as an organisational approach to leading people by building an organisational culture through integrated talent acquisition and development processes that are aligned to organisational goals. In this regard, the CoCT has embarked on an ambitious transformation plan that includes talent management. This strategy is premised on an integrated approach to managing and developing employees. Specifically, the strategy of talent management is integrated into the functions of attracting, appointing, training, developing, retaining and managing employees for the purposes of optimising the organisational performance of the CoCT. The CoCT's influence on this approach furthermore recognises that talent management must be part of the organisational culture rather than just another HR function, programme or intervention. In this regard the CoCT commits to retain and develop the talent it has, in order to provide service excellence. To achieve this goal it recognises that it has to improve human resources services to staff, grow talent within the organisation, and ensure that all employees have opportunities for personal and professional growth and development (City of Cape Town Talent Management Strategy 2015). At the same time however new talent needs to be introduced into the organisation. Through merely committing to retain and grow existing talent, the organisation may risk missing opportunities inherent in attracting new talent and much needed scarce skills.

Leadership Development and Competency Framework

The CoCT believes that optimising growth opportunities for staff is premised on information related to career specific competencies and career models. The career models highlight required skills, attributes, qualifications and experience needed in the CoCT's career streams. This means that staff members who wish to develop their careers have a very clear picture of what is required of them in terms of a career path as well as the competencies that can be developed to meet this requirement in a particular organisational setting. The competency framework shows the benchmark requirements at the different tiers of management. In reflecting on the leadership competencies identified by the CoCT it seems that both elements of transformational and transactional leadership are emphasised. The CoCT identifies the leadership competencies as strategic capability; impact and influence; coaching and mentoring; change management; planning and controlling; accountability; service delivery orientation; interpersonal relationships; communication; financial management; people management; organisational awareness; action and outcome and resilience.

More specifically and in the context of this study, the development of leadership competencies are of significant importance to the CoCT. Accordingly, the CoCT's aim to transform the culture and managerial practice of the organisation is largely influenced by first investing in the development of the right kind of leader. In this regard the CoCT identified critical success factors for the development of leadership competencies. It maintains that leadership development must be anchored to the business strategy and driven by it. Leadership development as viewed by the CoCT is therefore embedded in its practices, and not just regarded as a nice to have instead the right leadership is crucial to its success. It realises that executive management must sponsor leadership development and be visible in its implementation in the role of teacher, mentor and coach. The CoCT further states that multi-dimensional learning approaches should be adopted that are stratified by levels of management. In an attempt to ensure that leadership behaviours are aligned with new strategies aimed at organisational change, the CoCT has introduced a focused leadership development programme. The CoCT further states that there needs to be an alignment and integration of the core leadership

competencies to the talent management strategy. This suggests that leadership development is an on-going process influenced by a dynamic organisational environment vulnerable to change. In this way contemporary leaders are able to define and re-define the organisational culture as the need arises. The CoCT's leadership development approach and framework are shown in Figure 5.3.

Figure 5.3: City of Cape Town leadership development framework

Source: Leadership Development framework within the City of Cape Town (2010)

The CoCT has engaged tertiary institutions to develop specific programmes and modules to address the learning needs of leaders. These programmes and modules are aligned to the competency frameworks so that the outcomes achieved can meet the requirements of the different management tiers. The curriculum provides a theoretical base together with practical application to the work situation. As part of leadership development a workplace-learning programme has been introduced beyond classroom

training to facilitate on-going learning and development. Specifically, candidates are exposed to different areas of business within the CoCT and rotated through different functions within directorates. Similarly, on-the-job training, with an element of self-paced learning and its application, is seen as critical to the ongoing development of management candidates. In order to develop real world skills the CoCT assigns mentors and coaches to specific individuals. The purpose is to guide and advise individuals within the work environment. These mentors and coaches are able to apply their own knowledge and experience to issues at hand and guide candidates in finding appropriate solutions or reflect behaviour that is most likely to result in success. Like any other investment, leadership development must be evaluated and show results. Most organisations measure their leadership development outcomes informally and anecdotally. The CoCT measures return on investment of leadership development against organisational outcomes. To this end the CoCT has embarked on a tailored, modular, programme to address developmental needs. A quality assurance process is also applied to the interventions, assessing whether the content actively contributes to successful results. This means that the CoCT, as an active participant, can alter the content to ensure that key objectives are met. The CoCT leadership development is aligned and integrated with other talent management initiatives, including coaching and mentoring, in order to foster the growth of the individual and the CoCT (City of Cape Town Talent Management Strategy 2015). If one considers the top performance status of the CoCT one could infer that considerable strides have been taken to achieve the desired level of competence in terms of the development of the type of leader that fits into the modern day public sector.

Increasing investment in staff development through skills assessment

The CoCT has conducted a competency or skills assessment of staff. The information derived from this assessment provides data to establish a baseline populated Personal Development Plan (PDP). As part of the CoCT's commitment to staff development it has undertaken to develop and provide each and every employee with a Personal Development Plan. The Personal Development Plan highlights areas of strength and any areas for development, as well as an action plan to address these. The content of the PDP is discussed between the individual and the manager for the purposes of

engaging on the results of the assessment, identification of interventions and timelines for implementation. PDP's which are personalised career development plans help identify areas of strength and any skills gaps that staff might have. They are viewed as enabling, as opposed to punitive, tools. The content of the PDP also feeds into the CoCT's workplace skills plan so as to ensure that it addresses the CoCT's developmental needs appropriately. This gives effect to the component of empowering the CoCT's human resources by providing comprehensive HR tools and methods to better manage human capital as envisioned in its HR Service Delivery Model in order to foster a more supportive type of organisational culture.

Individual Performance Management

Individual Performance Management (IPM) is the process and opportunity for employees to be assessed, have their performance reviewed and their development requirements considered. Employees are informed of their current level of performance and the gap between the current and desired performance levels. They are also recognised and acknowledged for high performance. In doing so, IPM creates the opportunity to recognise and manage high performers. In essence, performance management aims to link employees' outputs and performance with the business and organisational unit's strategic goals. IPM measures deliverables against key performance indicators in the service delivery business improvement programme and job descriptions as well as development requirements captured against specific competencies. It allows employees the opportunity to enhance their skills, further their development and achieve the optimal levels of performance.

Performance management aims to further employees' contributions in the workplace and ultimately improve service delivery. IPM presents the CoCT with an opportunity to identify and recognise individual performance and contributions, while providing the mechanism to monitor and measure productivity and performance. The Municipal Systems Act (No 32 of 2000) (MSA) and Municipal Finance Act (No 56 of 2003) (MFA) jointly provide a detailed framework for the management of organisational performance. In this context the purpose of Performance Management is to provide guidelines and standards for monitoring, measuring and rewarding performance of employees

ultimately directed at enhancing efficient and effective service delivery as it strives towards bringing about a more competitive type of organisational culture.

Rewards Strategy

The CoCT commits to competing nationally and globally in attracting and retaining scarce and critical skills. The CoCT's rewards strategy integrates four financial and non-financial components, including remuneration, benefits, performance and recognition, development and career opportunities. The principle of reward and recognition is implemented throughout the CoCT through its performance management framework that rewards employees for the achievement of specific agreed outputs or objectives. The framework allows for both financial and non-financial rewards. This framework facilitates timeous and positive feedback in order to encourage and motivate employees. It also seems to fall within the more transactional type of culture where employees are bound by agreements that involve the exchange of one for another.

The SAP eHR system

The SAP eHR system is aimed at providing staff and management with cutting-edge computer-based systems and tools, increasing efficiency, saving costs and improving morale. eHR is based on the single largest rollout of SAP functionality in local government in the world. The CoCT believes that this service will create a friendly, hassle free environment for employees to view and maintain data, such as leave applications, and time and attendance statements. This gives staff ownership of their personal information, and the ability to check their records and keep their personal details up to date. Employees have access to HR policy documents. This is a very useful feature, providing employees with direct access to policy documents as anyone can look up and read policies, and no longer need to rely on someone else providing information. It also means that any changes in policy are immediately reflected and accessible to everyone. The SAP system enables management to manage their staff with increased flexibility and responsiveness. The system provides managers with up-to-date information on leave records and leave balances for each staff member; staff availability and leave requests for teams as a whole, and the ability to speedily

authorise leave requests received via the system. This strategy embeds elements of the innovative organisational culture as the CoCT makes strides towards being a more technologically advanced type of organisation.

Bi-annual employee relationship surveys

The CoCT acknowledges that it does not presume to know what issues are most important to its employees. It introduced the bi-annual employee relationship surveys in order to obtain a clearer picture of what staff want and need from their jobs and their employer. The survey acts as a key measurement of what the CoCT has attempted to achieve in respect of outcomes. A comprehensive independent survey conducted by IPSOS in 2013, has once again indicated that the overwhelming majority of staff share the CoCT's vision, are extremely proud to work for the CoCT and are committed to service delivery. This is the fourth survey conducted among CoCT staff. It is the most extensive survey of its kind in South Africa and the only one known to be regularly conducted in local government. The CoCT states that service delivery and the staff involved are taken seriously. The CoCT states that it needs to create an environment where staff members feel engaged and motivated. The CoCT recognises that it is imperative that it understands what motivates their employees and what needs attention for improvement. The survey also revealed that:

- 74 percent of staff believe the CoCT is a leader in the local government sector;
- 74 percent of staff believe the CoCT is an employer of choice in the local government sector;
- 79 percent of staff believe the CoCT is one of the best run municipalities in the local government sector;
- 70 percent of staff believe the CoCT is a world-class CoCT;
- 79 percent of CoCT staff are prepared to put in extra work when required;
- 76 percent of CoCT staff indicated that they are proud to work for the CoCT.

The responses reflect the personal commitment of employees to the CoCT's vision, which has increased consistently over the past three surveys. The survey results show that a large portion of the workforce exhibit positive attitudes towards the CoCT. This

survey highlights staff commitment to delivering services and provides important insights as to where the CoCT's leadership can ensure a positive work experience for all. The CoCT acknowledges that it cannot achieve its vision without the committed efforts of its staff. The comprehensive independent survey conducted by IPSOS in 2013 has once again indicated that the majority of employees shares the CoCT vision; are extremely proud to work for the CoCT; and are committed to service delivery. Changes in CoCT staff perceptions have been influenced by numerous factors, not least the various innovative human resources interventions.

An examination of some of the most important HR strategies within the CoCT seems to reflect its commitment to change the current organisational culture towards improved service delivery and related organisational objectives. The commitment to the development of leadership competencies; the introduction of a talent management strategy; and various initiatives to monitor, evaluate and reward performance are some of the indicators of the CoCT's commitment to reform and change. In addition, the priority awarded to leadership development seems to suggest that the CoCT acknowledges the influence of leadership on organisational culture. In addition, the emphasis placed on the achievement of predetermined outcomes, responding to the needs of citizens through collaborative partnerships, and innovative ways of doing business, further reflects the CoCT's commitment to public administration reforms.

5.7 Summary

Local government is a key part of the transformation effort in South Africa. Local government is central in terms of improving the daily lives of South African citizens. It is apparent, however, that local government is faced with critical challenges and problems pertaining to the effective and sustainable provision of basic services, administrative capacity and institutional performance. Local government reform as envisaged in the White Paper has not been easy, and the transition has not been ideal. This presents the local government transformation process as a complex one, but one that is dependent on the right kind of leadership and new organisational culture.

This chapter highlighted the various HR innovations introduced by the CoCT in attempting to transform itself to enable the achievement of goals and objectives of modern-day local government municipalities. The chapter reflected the CoCT as an organisation that has adapted to contemporary realities through the introduction of strategic and innovative human resources practices and strategies. Strategies such as the Talent Management Strategy, the Leadership Development and Competency frameworks and Performance Management are innovations relatively unique to the context of public sector organisations and more particularly in the context of emerging democracies such as South Africa. Of particular interest, in the context of this chapter is the two-fold approach that the CoCT has embarked on in implementing its performance management strategy. In the first instance, the chapter referred to the introduction of personal development plans directed towards identifying areas for future development and skills training. In the second instance, the value of individual performance reviews in the acknowledgement of good and/or outstanding performance was highlighted. Of additional importance was the CoCT's focus on a committed and loyal workforce in the achievement of its goals and objectives. To this end, the CoCT has invested in various approaches to gain insight into the perceptions of its staff, and consequently, developed strategies to improve efficiencies and effectiveness. This approach appears to digress from approaches where organisations first identify new initiatives and then try to obtain buy-in from their staff.

Notwithstanding the experiences presented in this chapter, the relationship between transformational leadership and the bureaucratic culture will be explored in more detail in Chapter 7 of this thesis. The next chapter presents the methodological approach adopted to examine whether transformational leadership exists within a historically bureaucratic culture.

Chapter 6: Research, Methodology and Design

6.1 Introduction

This chapter focuses on the theoretical and practical aspects of the research methodology and the research design. The main objective of the study was to explore whether transformational leadership is present within a bureaucratic local government organisational culture setting. The study set out to explore the overall perception of the dominant leadership approach and the type of organisational culture within the CoCT. The methodology used to conduct this research at the CoCT will be discussed. This chapter provides insights into the research paradigm, sampling, measuring instruments, pilot study and preliminary empirical results on the reliability and validity of the measuring instruments. Aspects of the design of the study together with the underpinning methodology are discussed in order to justify the quality and significance of the procedures that were applied.

6.2 The Research Design Process

Prior to describing the detail of the research methodology that was applied in this study, it is necessary to consider the following question: What is research methodology? Punch (2005:8) broadly defines research as the collection of data, building theories to explain the data, and then testing those theories against further data. Bless and Higson-Smith (2004:3) define research as a systematic investigation of a question, phenomenon, or problem using certain principles. They qualify their definition by describing the characteristics of research as follows: research is *empirical* since the aim is to know reality. Each step is based on observation, whether it involves collecting the facts, explaining or assessing the prediction. It is *systematic* and *logical*. Observations must therefore be done systematically and follow a logical sequence. For example, an analysis of the different variables involved must be undertaken prior to the formulation of the questions to be answered by the respondents. It is *replicable* and *transmittable*. This implies that given the same set of conditions the study can be repeated yielding the same explanation or conclusion. It also implies that the steps

followed in the study can be described and communicated to transmit the acquired knowledge and, the research is *reductive*. In order to deal with the main focus of the study, the complexity of reality is reduced. Therefore, all details that have little or no influence on the study are omitted.

Research design. A further important distinction has to be made between research design and research methodology. Bless and Higson-Smith (2004:3) and Babbie, Mouton, Vorster and Prozesky (2001:74) assert that there is a tendency to confuse research design with research methodology. They outline the differences between research design and research methodology as follows: research design focuses on the end product and outlines the type of study and results that are sought. The research problem or question represents the point of departure. Research design therefore focuses on the logic of the research and considers the evidence required to address the research question.

Research methodology. Research methodology, on the other hand, focuses on the research process and the kind of tools and procedures to be used. Specific tasks such as data collection techniques or sampling questionnaires represent the point of departure. Research methodology according to Babbie et al. (2001:75) focuses on the individual steps in the research process and the most objective procedures to be used. Leedy (1997:5) outlines the process of research methodology in eight steps, as listed below.

1. Research originates with a question or problem.
2. Research requires clear articulation of a goal.
3. Research follows a specific plan or procedure.
4. Research usually divides the principal problem into more manageable sub-problems.
5. Research is guided by the specific research problem, question, or hypothesis.
6. Research accepts certain critical assumptions.
7. Research requires the collection and interpretation of data in attempting to resolve the problem that initiated the research.
8. Research is cyclical, or more exactly, helical.

From the eight steps outlined above Leedy (1997:9) concludes that research methodology controls the study, dictates the acquisition of data, and arranges them in logical relationships. The raw data are then redefined via appropriate approaches that derive meaning from the data, which culminates in drawing conclusions that add to the expansion of knowledge. Leedy (1997:9) summarises the two primary functions of research methodology as follows:

- It controls and dictates the acquisition of data; and
- It allows for the grouping of data after the acquisition thereof and allows for meaningful extractions.

The research design process is represented graphically in the Figure 6.1 below.
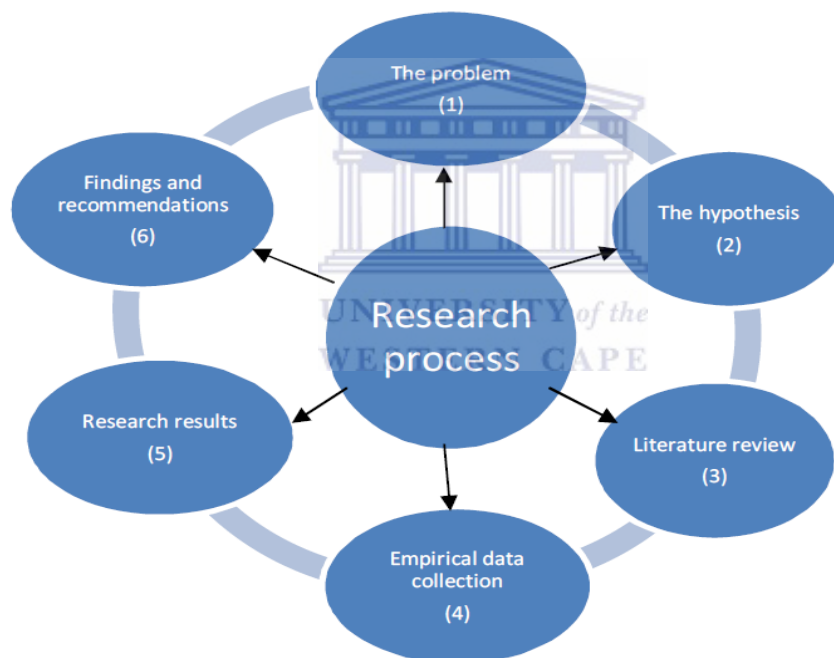
Figure 6.1: The research design process

Source: The research process (Adapted from Leedy, 1989:9)

The research effort can be broken down into a number of tasks or components which must be handled as sub-units of the research project so that by dealing with each task, the researcher ends up with a complete research report that meets the general requirements of the research methodology (Leedy 1989:9). The choice of a research

design for this study was influenced by the purposes and circumstances of the researcher as well as the strengths and limitations of the approach. The research design of this study is grounded in the qualitative descriptive paradigm.

6.3 The Research Approach

There are two main approaches to research, namely the positivistic and the phenomenological approaches (Collis and Hussey, 2003). In the positivistic or quantitative approach, clearly constructed hypotheses are formulated about the relationship between two or more variables. Data about these variables are collected through methods such as questionnaires, focus groups, interviews, case studies and experiments. The relationships among the variables are measured by means of statistical methods such as multiple regression analysis, structural equation analysis and the Pearson product-moment correlational analysis. The phenomenological or qualitative research paradigm suggests that social reality is within the unit of research and that the act of investigating the reality has an effect on that reality. This paradigm pays considerable regard to the subjective state of the individual. Researchers applying the phenomenological approach focus on the meaning rather than the measurement of social problems. Qualitative research concerns itself with approaches such as ecological psychology, symbolic interactionism and postmodernism and employs methods such as observation, archival source analysis, interviews, focus groups and content analysis.

Elliott (1999:216) states that the aim of qualitative research is to understand and represent the experiences and actions of people as they encounter, engage in and live through situations. In qualitative research the researcher attempts to develop understandings of the phenomena under study based as much as possible on the perspective of those being studied. Golafshani (2003:600) states that qualitative research uses a naturalistic approach that seeks to understand phenomena in context-specific settings, such as real world settings where the researcher does not attempt to manipulate the phenomenon of interest. Golafshani adds that qualitative research broadly defined means any kind of research that produces findings not arrived at by means of statistical procedures or other means of quantification.

The research objective of this study was to examine and explore whether transformational leadership can exist within a bureaucratic organizational culture. Two research paradigms were considered namely, the *positivistic or quantitative approach* and the *phenomenological or qualitative approach.* The researcher studied phenomena in their natural settings and attempted to make sense of and interpret phenomena in terms of meanings people bring to them. The qualitative techniques were designed to give real and stimulating meaning to the transformational leadership role within the CoCT and to ensure that the researcher was involved directly or indirectly in the process. The study used qualitative techniques since it aimed at elucidating what the participants themselves had to say about the leadership roles and culture in the CoCT.

Although it has been claimed that quantitative researchers attempt to disassociate themselves as much as possible from the research process, qualitative researchers have come to embrace their involvement and role in the research (Golafshani, 2003:600). In this regard Mertens (2005:229) adds that qualitative research is a situational activity that locates the researcher in the real world. Wiersma and Jurs (2005:203) state that qualitative researchers do not try to manipulate or intervene in the situation, but operate in a non-manipulating and non-controlling manner with openness to whatever emerges in the natural setting. This implies that the researcher adopts strategies that parallel the manner in which participants act in the course of their daily lives. As the researcher is an employee of the CoCT he was able to spend considerable time learning about the prevailing leadership and organisational culture dynamics as they unfolded in their natural setting on a daily basis. Qualitative research is viewed by Suter (2006:41) as research aimed at explaining complex phenomena through verbal descriptions rather than testing hypotheses with numerical values. Mason (2006:3) notes that qualitative research is characterised by holistic forms of analysis and explanations. The qualitative techniques informed the various thematic conclusions that were drawn as part of the study. Mays and Pope (1995:110) state that as in quantitative research the basic strategy to ensure rigour in qualitative research is systematic and a self-conscious research design, data collection, interpretation, and communication. Beyond this, there are two goals that qualitative researchers should seek to achieve: one is to create an account of method and data which can stand

independently so that another trained researcher could analyse the same data in the same way and come to essentially the same conclusions; and two is to produce a plausible and coherent explanation of the phenomenon under scrutiny.   Qualitative descriptive designs are typically an eclectic but reasonable and well-considered combination of sampling, and data collection, analysis, and representational techniques. The description in qualitative descriptive studies entails the presentation of the facts of the case in everyday language. Mays and Pope (1995:110) state that although it is not normally appropriate to write up qualitative research in the conventional format of the scientific paper, with a rigid distinction between the results and discussion sections of the account, it is important that the presentation of the research allows the reader as far as possible to distinguish the data, the analytic framework used, and the interpretation. In quantitative research these distinctions are conventionally and neatly presented in the methods section, numerical tables and the accompanying commentary.

Qualitative research depends to a great extent on producing a convincing account. In trying to do this it is all too easy to construct a narrative that relies on the reader's trust in the integrity and fairness of the researcher. The equivalent in quantitative research is to present tables of data setting out the statistical relationships between operational definitions of variables without giving any idea of how the phenomena they represent present themselves in naturally occurring settings. The problem with presenting qualitative analyses objectively is the sheer volume of data normally available and the difficulty of summarising qualitative data. Another option is to combine a qualitative analysis with some quantitative summary of the results. The quantification is used merely to condense the results to make them easily intelligible. Mays and Pope (1995:112), state, however, that the approach to the analysis remains qualitative since naturally occurring events identified on theoretical grounds are being counted.

Sandelowski (2000:338) states that quantitative research as a type of research that is explaining phenomena by collecting numerical data that are analyzed using mathematically based methods in particular statistics. Quantitative research is essentially about collecting numerical data to explain a particular phenomenon, We see that quantitative research methods are characterised by the collection of information which can be analysed numerically, the results of which are typically presented using

statistics, tables and graphs. In this regard the use of quantitative techniques in the study as well was useful as it allowed the researcher to discuss the responses and differences between responses, making reference to descriptive statistics and thematic analyses. For the purpose of this thesis data were summarised in graphs and tables using descriptive statistics to analyse the findings.

The study made use of both quantitative and qualitative techniques to examine and explore transformational leadership in a bureaucratic organisational culture where quantitative techiques informed the descriptive statistics in the study and the qualitative techniques informed the thematic conclusions. The research findings are suggestive and not conclusive in this regard. Onwuegbuzie and Leech (2005: 377) articulated that because both approaches have inherent strengths and weaknesses, researchers should utilize the strengths of both techniques in order to understand better social phenomena.

6.4   The Sampling Strategy

Was the sampling strategy clearly described and justified? (Mays and Pope, 1995:112). According to Huysamen (1994:26) and Punch (2005:103) a research problem usually has a bearing on some population. Wiersma (1986:455) defines population as the totality of all members that possess a special set of one or more common characteristics that define it. As a result of the size of the population it is usually not practically and economically feasible to involve all its members in a research project. Consequently researchers have to rely on the data obtained from a sample of the population. Members or elements of the population are referred to as the units of analysis. Before a sample is drawn for analysis the researcher should first get clarity about the population of units of analysis to which the research hypotheses apply. Next, the sampling frame has to be a complete list on which each unit of analysis is listed once they have been compiled. Unless such a sampling frame is compiled it may be impossible to judge the representativeness of the sample obtained.   To be representative it should be representative of something and the latter is the sampling frame. For the purpose of this study before the researcher decided on a sampling

method that was best suited to the research, various other methods were considered. This is discussed in the following paragraphs.

6.4.1 Sampling method

Although various sampling methods can be distinguished Punch (2005:102) recommends that the sampling method that will ensure the highest degree of representativeness of the sample should be selected. According to Huysamen (1994:26) and Punch (2005:102) random sampling is conceptually the most attractive sampling method. They emphasise that although various strategies have been developed to ensure representativeness none are as successful in ensuring representativeness as the random sampling method. According to Mays and Pope (1995:110) much social science is concerned with classifying different types of behaviour and distinguishing the typical from the atypical. In quantitative research this concern with similarity and difference leads to the use of statistical sampling so as to maximise external validity or generalisability. They add that statistical representativeness is not a prime requirement when the objective is to understand social processes. An alternative approach, often found in qualitative research and often misunderstood, is to use systematic, non-probabilistic sampling. The purpose is not to establish a random or representative sample drawn from a population but rather to identify specific groups of people who either possess characteristics or live in circumstances relevant to the social phenomenon being studied. Informants are identified because they will enable exploration of a particular aspect of behaviour relevant to the research.

This approach to sampling allows the researcher deliberately to include a wide range of informants and also to select key informants with access to important sources of knowledge. Theoretical sampling is a specific type of nonprobability sampling in which the objective of developing theory or explanation guides the process of sampling and data collection. The relation between sampling and explanation is iterative and theoretically led. Virtually any of the purposeful sampling techniques may be used in qualitative descriptive studies (Sandelowski, 2000:336). As in any qualitative study, the ultimate goal of purposeful sampling is to obtain cases deemed information-rich for the purposes of study. The obligation of researchers is to show that their sampling strategies suit their purposes. The sampling method used for this research study is

stratified random sampling which falls within the probability category of sampling techniques. The population of this study consisted of staff in management positions in the CoCT. It included top level leaders who are executive directors, directors and the middle level leaders who are managers to the lower level leaders who are heads of departments. A further consideration that underscores sampling technique is sample size.

6.4.2 Sample size

According to Huysamen (1994:48) the desired sample size does not depend on the size of the population only but also on the variance (heterogeneity) of the variable. As a general rule the larger the variance of the variable, the larger the sample required. In determining sample size researchers should bear in mind that the number of subjects for whom usable data will eventually be obtained may be much smaller than the number which was drawn originally. It may not be possible to trace some individuals, others may refuse to participate in the research, while others may not provide all the necessary information or may not complete their questionnaires with the result that information has to be discarded. Huysamen (1994:48) states that it is therefore advisable to draw a large sample at the outset. Salkind (2000:96) recommends that the sample size be increased when the variability within a group is greater and the difference between two groups gets smaller. He advises that when groups are formulated the ideal size of the group should be 30 percent, thus allowing for meaningful statistical analysis. A further suggestion pertaining to the use of surveys and questionnaires is to increase the sample size to 40 or 50 percent to allow for lost mail and uncooperative subjects.

Random sampling was used to select managers from the targeted population for this study. The following occupational levels were identified: Executive Directors; Directors; Managers; and Heads. This constitutes the CoCT's management structure tasked with leading and guiding the CoCT. The sampling frame consisted of 738 senior managers and a sample of 300 was drawn randomly. The population size was (N=738) and the sample size (N=370). In keeping with Salkind's recommendation for surveys and questionnaires the sample therefore represented 50% of the total population. This is reflected in Table 6.1. In order to obtain a holistic view of the overall leadership style the modified Multi-Leadership Questionnaire (MLQ) (Bass and Avolio) was administered in order to gauge the leadership style from both leader and subordinate.

Table 6.1: Sampling sizes

Occupational Level	Designation	Total Population Size	Sample Size (N)	Measurement Tool
Level 1	Executive Directors	13	7	• Modified Multi-Leadership Questionnaire (MLQ) (Bass and Avolio) • Organisational Culture Index (OCI)
Level 2	Directors	68	34	• Modified Multi-Leadership Questionnaire (MLQ) (Bass and Avolio) • Organisational Culture Index (OCI)
Level 3	Managers	231	116	• Modified Multi-Leadership Questionnaire (MLQ) (Bass and Avolio) • Organisational Culture Index (OCI)
Level 4	Heads	426	213	• Modified Multi-Leadership Questionnaire (MLQ) (Bass and Avolio) • Organisational Culture Index (OCI)
	Total	**738**	**370**	

Source: Researcher's depiction of sampling size

6.5   The Empirical Data collection Strategy

How was the fieldwork undertaken? Was it described in detail? (Mays and Pope 1995:112).

Data collection techniques may include observations of targeted events or experiences and the examination of documents and artefacts.   Data collection in qualitative descriptive studies is typically directed towards discovering the who, what, and where of experiences or their basic nature (Sandelowski, 2000:336).   After reviewing the related literature, the next stage of the research process is to design and collect the empirical data that will be used to confirm or reject the hypothesis that was proposed as an answer to the problem.   According to Huysamen (1994:26) the type of research the survey questionnaire used in this study is categorised as non-experimental or qualitative descriptive research.   Leedy (1997:190) describes the purpose of descriptive research as comprising two major components.   First, the population stipulated in the research parameters is closely observed and second, careful record is kept of the data so that inferences may be drawn.

6.6 The Research Methodology

The research methodology used in conducting this research is described in the following paragraphs.

6.6.1 The measuring instrument

This section focuses on the actual research methodology that was adopted by this study and the main research instrument, namely the electronic questionnaires. Huysamen (1994:128) states that survey questionnaires may be used to obtain the following kinds of information from respondents: biographical particulars (their age, educational qualifications etc.); typical behaviour; opinions; beliefs and convictions about any topic or issue; and attitudes. The empirical study was conducted via an electronic questionnaire. The reason for using an electronic survey method was because of the low cost of administering the survey, and the rapid deployment and return times associated with electronic surveys. The disadvantage was that there was no trained interviewer present to clarify questions, if needed. Babbie et al. (2001:260) state that e-mailed electronic surveys are becoming more popular and are proving to be more efficient than conventional mailed questionnaires. The questionnaires were selected in order to draw information on the following research questions:

- To what extent do managers working in local government exhibit transformational leadership attributes and behaviours as perceived by their followers and themselves?
- Is the behaviour of the leaders in the public organisation studied transactional or transformational? and
- Can transformational leadership exist within a bureaucratic organisational culture as it strives to bring about organisational change?

The statements in the questionnaire therefore covered the main themes of this study namely:
- Leadership (transactional and transformational); and
- Organisational culture.

The questionnaires were chosen and adapted in terms of the aforementioned research questions. The two questionnaires that were used in this research to obtain information were:

1. A Leadership Perception Questionnaire (LPQ) derived from modifying the Bass and Avolio multifactor leadership questionnaire (MLQ), and

2. Wallach's (1983) organisational culture index (OCI).

6.6.2 Leadership perception questionnaire (LPQ)

The questionnaire was adapted using Bass and Avolio's multifactor leadership questionnaire (MLQ). The MLQ has proven to be a strong indicator of leadership style across a broad range of organisations at different organisational levels and in different cultures (Bass and Avolio, 2004). MLQ has strong reliability and has proven to be the benchmark measure of transformational leadership across a broad range of organisations in different cultures (Bass and Avolio, 2004).

The leadership questionnaire took the form of a number of statements about the leadership style of the individual being tested. The self-assessment form explored self-perception of leadership behaviours. It was designed to describe the leader's leadership style as they perceived it. The perception form was used to explore leadership as perceived by people at a higher level, same level, or lower level in the organisation than the leader. The leader form served to provide a contrast between how leaders perceived themselves and how others perceived them. The questionnaire sought responses therefore from both leaders and followers in terms of the leader self-assessment questionnaire as well as the follower assessment.

6.6.3 Organisational culture index (OCI)

Although a number of instruments for measuring organisational culture exist, there is little agreement on which ones are better or more appropriate in particular circumstances. For the purpose of this thesis the researcher opted to use the popular Wallach 24 item OCI. Wallach (1983) classified organisational culture profiles as bureaucratic, innovative or supportive. Respondents were asked about how they perceive their organisation's culture. A four-point Likert scale was used, ranging from

"does not describe my organisation" valued as a "1" to "describes my organisation most of the time" valued as a "4". The scores were added up for every profile, and an observation was assigned to the profile with the highest mean score. The dominant cultural dimension can be identified using this survey. In this regard the questionnaires were formatted as follows:

- six demographic questions asked in Section 1;

- nine statements in Section 2 aimed at defining leadership, management and organisational culture;

- 41 statements asked in Section 3 aimed at understanding the self-assessment of individual leadership styles and behaviour;

- 41 statements in Section 4 aimed at understanding the perception of leadership styles and behaviour of the immediate manager; and

- 24 statements in Section 5 aimed at understanding perceptions of organisational culture.

6.6.4 Correlation of survey questions and statements to the research objectives

The logic that links the data collected using the questionnaire to the research objectives is described in Table 6.2 as well as the measurement instrument that was used. Table 6.2 indicates which questions were directed at the particular research theme that was being explored.

Table 6.2: Data Interpretation Strategy

Question No	Main Theoretical Themes		Measurement Instrument
	Leadership - (Transactional or Transformational)	Organisational Culture	
Section 1 Questions 1-6	Demographical Questions		
Section 2 Statements 1-9	Leadership and management	Organisational Culture	Chand(2011) Northouse(2007) Daft(1999) Bratton(2005)
Section 3 Statements 1-41	Leadership - (Transactional or Transformational)		(LPQ) - Modified Multi-Leadership Questionnaire (MLQ) (Bass and Avolio)

Section 4 Statements 1-41	Leadership - (Transactional or Transformational)		(LPQ) - Modified Multi- Leadership Questionnaire (MLQ) (Bass and Avolio)
Section 5 Statements 1-24		Organisational Culture	Organisational Culture Index (OCI) (Wallach)

Source: Researcher's depiction of data interpretation strategy

Examples of the questions probing the transformational or transactional leadership styles are listed in the following table.

Table 6.3: Questions probing transformational or transactional leadership styles

Transformational Leadership – Main Theme		
Sub Themes	*Sample Questions*	*Question No.*
Idealised influence (attributed)	I instil pride in others for being associated with me.	5,8,12,16,19, 21,23,30
Inspirational motivation	I talk optimistically about the future.	7,11,24,32
Individualised consideration	I spend time teaching and coaching.	13,17,26,28
Intellectual stimulation	I re-examine critical assumptions to question whether they are appropriate.	2,6,27,29
Transactional Leadership – Main Theme		
Sub Themes	*Sample Questions*	*Question No.*
Contingent rewards	I provide others with assistance in exchange for their efforts.	1,9,14,31
Management-by-exception-active	I focus attention on irregularities, mistakes, exceptions and deviations from standards.	4,20,22,25
Management-by-exception-passive	I fail to interfere until problems become serious.	3,10,15,18

Source: Researcher's depiction of questionnaire breakdown

In order to determine the most dominant culture the results obtained from the OCI questionnaire were categorised and added together. A Likert scale was used where (0) indicates the statement does not describe the organisation and a score of (3) indicates that the statement describes the organisation most of the time. The Likert scale below reflects the scale.

0	1	2	3
Does not describe my organisation	Describes my organisation a little	Describes my organisation a fair amount	Describes my organisation most of the time

Table 6.4 depicts the logical sequence and categorisation of the questionnaires into the different culture types identified by Wallach.

Table 6.4: Organisational Culture Index questionnaire breakdown

Question No:		Question No:		Question No:	
Innovative Culture		***Bureaucratic Culture***		***Supportive Culture***	
1	Risk taking	3	Hierarchical	2	Collaborative
6	Results orientated	4	Procedural	5	Relationship orientated
7	Creative	10	Structured	8	Encouraging
11	Pressurised	12	Ordered	9	Sociable
13	Stimulating	14	Regulated	15	Personal freedom
18	Challenging	20	Established, solid	16	Equitable
19	Enterprising	21	Cautious	17	Safe
23	Driving	24	Power orientated	22	Trusting

Source: Researcher's depiction of Organisational Culture Index questionnaire breakdown

The culture with the highest score was regarded as the most dominant culture. This correlation displays how the data was clearly described and theoretically justified in terms of relating to the original research questions and how the themes and concepts were identified using the data.   Sandelowski (2000:339) states that the expected outcomes of qualitative descriptive studies is a straight descriptive summary of the informational contents of data organised in a way that best fits the data. There is no mandate to produce anything other than a descriptive summary organised in a way that best contains the data collected and that will be most relevant to the audience for whom it was written. Sandelowski (2000:339) further stated that such summaries must themselves yield the working concepts, hypotheses, and the thematic focus.

6.6.5 Participant observation

The research data collection techniques also included qualitative observations techniques to some extent.   This included direct observations and analysis. As the researcher was working within the organisation the study was carried out in a

naturalistic setting, allowing the researcher to observe the social phenomenon as the study unfolded. It was possible to observe the participants in order to develop a deeper and fuller understanding of the actual social context. Conrad and Serlin (2006:381) view this technique as a systematic, purposeful and selective way of watching and listening to the phenomenon as it occurs. This qualitative research approach placed the researcher in a better position to take note of the behaviour as it unfolded daily. The researcher was able to interact with the population, gain rapport with them and develop a better understanding of their challenges and experiences. As an official in the CoCT the researcher's insights and experiences about the change trajectory that the City has embarked upon has influenced his views. It is therefore not strictly participant observation as such and not recorded as such but merely allowed the researcher to witness how leadership and organisational culture unfolded in its natural state through observation techniques.

6.7 Pilot Study

Pre-testing of questionnaires was necessary in order to remove ambiguity and correct design flaws. By making use of pre-testing, the researcher was able to ascertain how respondents interpreted, understood and reacted to the questions. Feedback from respondents could then be used to revise questions that might cause ambiguity or lead to misinterpretation. Parasuraman et al. (2004:334) point out that there is no standard specification for the number and nature of pre-tests that should be conducted. However, they suggest that the following guidelines in structuring pre-tests be followed.

- One pre-test, regardless of the administration method, should be conducted using a personal interview. A face-to-face interview may reveal areas of confusion that would otherwise go unnoticed.
- Pre-testing should be conducted on a small sample of respondents who are familiar with the subject matter. The emphasis is on quality rather than quantity.
- Pre-testing the questionnaire on colleagues can be extremely useful, since they are likely to view it more critically than survey respondents.

The approach used to pilot the questionnaire in this study is described below.

The initial hard copy questionnaire was given to 11 managers to elicit their responses and understanding of the survey. They recommended some minor changes that were mostly grammatical. Other than that the content and general feel of the survey was clear to them. The amended questionnaire was then e-mailed to test for difficulties that might be experienced in administration to 50 randomly selected respondents who were representative of the population used in the empirical study. They were asked to complete and evaluate the questionnaire with special reference to the following: the time it took to complete the questionnaire; clarity of instructions and language usage; topics that may have been omitted; layout and ambiguity of questions.

In response to the initial pilot a response rate of 36% was achieved, 18 out of the 50 questionnaires sent were returned. A personal interview was also arranged with four of the managers to get first hand feedback on the administration and interpretation of the questionnaire. Finally, comments received were used to further refine the questionnaire before it was distributed to the actual sample. The comments related to minor grammatical amendments. The research instruments used to generate data were therefore first tested in a pilot study. The completed questionnaires used in the pilot did not form part of the final analysis.

6.8   The Data Interpretation Strategy

Were the procedures for data analysis clearly described and theoretically justified? Did they relate to the original research questions? How were themes and concepts identified from the data? (Mays and Pope, 1995:112).

The purpose of this section is to explain the methods that were used in this study to interpret the empirical data. It also attempts to answer the above question developed by Mays and Pope. Qualitative content analysis is the analysis strategy of choice in qualitative descriptive studies. Qualitative content analysis is a dynamic form of analysis of verbal and visual data that is oriented toward summarising the informational content of that data. Qualitative content analysis is similarly reflexive and interactive. Both quantitative and qualitative content analyses entail counting responses and the numbers of participants in each response category, but in qualitative content analysis,

counting is a means to an end, not the end itself. Researchers may use a quasi-statistical analysis style (Sandelowski, 2000:338) by summarising their data numerically with descriptive statistics. But the end result of counting is not a quasi-statistical rendering of the data, but rather a description of the patterns or regularities in the data. Qualitative content analysis moves further into the domain of interpretation. For the purpose of this thesis data were summarised in graphs and tables using descriptive statistics to analyse the findings.

6.9   Issues of Reliability and Validity

Was sufficient evidence presented systematically in the written account to satisfy the sceptical reader of the relation between the interpretation and the evidence? (Mays and Pope, 1995:112).

Issues of validity are vital in establishing the truthfulness, or credibility of findings. It stands to reason that when one measures a construct of a particular instrument it should yield comparable measurements for the same individuals irrespective for example of when the instrument is administered, which particular version is being used or who is applying it. These requirements relate to the reliability of the scores obtained (Neuman, 2000:164; Huysamen, 1994:118). According to Mays and Pope (1995:110) the main ways in which qualitative researchers ensure the reliability of their analyses is by maintaining meticulous records of interviews and observations and by documenting the process of analysis in detail.

6.10 Validity of the Questionnaire

Mays and Pope (1995:110) state that alongside issues of reliability, qualitative researchers give attention to the validity of their findings. They add that triangulation refers to an approach to data collection in which evidence is deliberately sought from a wide range of different, independent sources and often by different means. Golafshani (2003:600) supports the use of triangulation by stating that triangulation strengthens a study by combining methods. This can mean using several kinds of methods or data, including using both quantitative and qualitative approaches. According to Aroni et al.

(1999) rigour is the means by which integrity and competence are demonstrated in the research, regardless of the paradigm. This is referred to as triangulation. Triangulation is a validity procedure whereby researchers search for convergence among multiple and different sources of information to form themes or categories in a study. The Leadership Perception Questionnaire (LPQ) was adopted from the MLQ developed by Bass and Avolio (2004) which has high validity and has been reliably used in research and commercial applications. Rigour was established in this study through the systematic analysis and comparison of various data sources. Validity in terms of a research instrument addresses the question of whether or not the particular instrument truly measures what it purports to measure.

The major issue around validity is the extent to which the empirical data reveal the truth about what was measured so that the conclusions made cannot lead to a situation where readers of the research begin to doubt the inferences being presented. The aforementioned test on the validity of the questionnaire is important because the reader should now be in a position to evaluate the arguments provided by the questionnaires used in this study, namely the LPQ adapted from the MLQ (Bass and Avolio) and the OCI, (Wallach).

In this regard the questionnaire was adapted using Bass and Avolio's multifactor leadership questionnaire (MLQ). The MLQ has proven to be a strong indicator of leadership style across a broad range of organisations at different organisational levels and in different cultures (Bass and Avolio, 2004). MLQ has strong reliability and has proven to be the benchmark measure of transformational leadership across a broad range of organisations in different cultures (Bass and Avolio, 2004). Although a number of instruments for measuring organisational culture exist, there is little agreement on which ones are better or more appropriate in particular circumstances. For the purpose of this thesis the researcher opted to use the popular Wallach 24 item OCI.

What the researcher wanted to establish is the extent of the validity of these questionnaires that seek to provide credible information on leadership behaviour and organisational culture in the sample being investigated. To increase the validity the

researcher compared the findings with what the literature has to say. The research instruments were analysed with respect to a literature review to ensure reliability.

6.11 Ethical Considerations when Gathering the Data

The purpose of this section is to explain how ethical issues were handled in the study, in particular those ethical issues that involve the collection and use of data from participants. The first requirement was to obtain approval from the university to conduct the research. Second, written permission from the appropriate authority within the CoCT had to be obtained in order to conduct the survey. Once the authority was granted for the survey, the electronic survey was circulated to the participants. A covering letter was attached to the questionnaire and sent to all potential participants using the CoCT internal electronic mailing system. The covering letter informed the sample group about the intended study. It explained the aims and objectives of the study. It was also explained that the information solicited from participants would be treated as highly confidential. It was important that the covering letter set the scene and addressed crucial concerns of respondents as it was the first contact respondents had with the questionnaire. Leedy (1997:192) emphasises the importance of covering letters and states that their primary functions are to address respondents' concerns and convey a sense of authority for the research project. Leedy (1997:192) states that the covering letter should state the purpose of the questionnaire and the importance of the study. Confidentiality should be assured, and the respondents should be offered a copy of the results, as this will further enhance their importance to the study. The name of a contact person should be included and contact details for both the researcher and supervisor must be on the covering letter. The supervisor's credentials and commitment provide credibility and authority for the research project. The covering letter should thank respondents for their participation in the survey. The researcher made use of an electronic covering letter and survey and also incorporated the abovementioned elements.

The research ensured that the survey complied with the principles of protecting the dignity and privacy of every individual participating in the research by doing the following: ensuring the confidential nature of responses; ensuring that respondents had

the right to abstain from participation in the research and the right to end their participation at any time; and ensuring that no information revealing the identity of any individual would be included in the final report or in any other communication prepared in the course of the research, unless the individual concerned consented in writing to its inclusion beforehand. The researcher guaranteed the safe keeping of data obtained in the course of the research. The researcher also ensured that there would be no deliberate falsification of data. All sources whether primary or secondary were duly acknowledged.

6.12 Summary

The purpose of this chapter was to discuss two issues, the research design and the research methodology. The chapter showed that the research effort can be broken down into a number of tasks or components which need to be handled as sub-units of the research project so that by dealing with each task, the researcher ends up with a complete research report which meets the general requirements of the research methodology. The choice of a research design for this study was influenced by the purposes and circumstances of the researcher as well as the strengths and limitations of the approach. The research design of this study makes use of both quantitative and qualitative techniques. It was pointed out that the research process must consist of the following sequential stages: identification of the problem to be resolved by the study; the provision of an hypothesis; a literature review that is related to the subject being investigated; a strategy or method that will guide the researcher during the data collection stage; and the collected data must be processed and analysed so that findings, conclusions and recommendations can be inferred.

The chapter discussed the research instrument that was used to collect data. It was pointed out that the questionnaire would be the instrument used for data collection for this study. A brief discussion on the questionnaire as a data collection instrument was provided, and the validity and reliability of the questionnaire as a data collection instrument were discussed. The chapter introduced the LPI and OCI questionnaires as the preferred measurement instruments for this study. The reasons for this choice were validated and justified. The following chapter provides the presentation and analysis of the empirical data.

Chapter 7: Presentation and Analysis of the Research Results

7.1   Introduction

This chapter provides the presentation and analysis of the research results. It focuses on the responses to the surveys that assess the leadership approach and organisational culture. The main objective of the study was to explore whether transformational leadership is present within a local government organisational culture setting. In this regard the study set out to explore the overall perception of the dominant leadership approach and the type of organisational culture within the CoCT as it embarks on change brought about in light of recent reformation trends within local government. The raw data has been presented to assess the general responses to the questionnaire statements on organisational culture and leadership in terms of the identified variables defined for this study. These variables were identified as organisational culture and leadership.The findings of this research study are therefore given along these aforementioned objectives. In this regard the chapter presents the themes which emerged. These themes relate to how contemporary leadership approaches facilitate change and ultimately change the organisational culture.

The elements of transformational and transactional leadership are discussed as per the categorised questions in the survey. These questions were grouped together in order to identify the themes and elements associated with factors such as idealised influence, inspirational motivation, intellectual stimulation, individualised consideration as well as the elements relating to contingent rewards, management by exception (active) and management by exception (passive).   Using the measurement tool designed by Wallach, the chapter presents the findings regarding the organisational culture within the CoCT.

7.2   The Response Rate

For the purpose of this research the population size was 738 senior managers and the sample frame consisted of 370 employees. A random sampling method was used to

draw the sample. Table 7.1 below shows the response rate that was achieved in the various occupational levels. An electronic mail survey was conducted of 370 senior executive managers; 154 questionnaires were returned. This represented a response rate of about 42 percent.

Table 7.1: Response rate percentage breakdown

Occupational Level	Designation	Total Population Size	Total Sample Size 50% of Population	Actual Responses Received	Percentage of Sample
Level 1	Executive Directors	13	7	1	14%
Level 2	Directors	68	34	9	26%
Level 3	Managers	231	116	55	47%
Level 4	Heads	426	213	89	42%
	Total	**738**	**370**	**154**	**42%**

Source: Response rate percentage breakdown

Studies have indicated that electronic surveys produce lower response rates than traditional mail surveys with the average response rate ranging between eight percent and 37.2 percent (Kwak and Radler, 2000:258). This is further supported by Cook et al., (2000) who state that meta-analysis done determined the average response rate for electronic surveys to be 39.6 percent. Powell and Herman (2000:17) state that despite careful planning and implementation researchers sometimes still get a poor response rate. They further state that in these cases you may still use your results but need to interpret them with caution. They outline the following guidelines when working with a low response rate.

- When analysing and interpreting data use simple descriptive statistics (counts, percentages and averages). Do not attempt more complex statistical analyses like correlations when response rates are low.

- Use language that is suggestive rather than decisive. For example, use phrases like "it seems it", "it appears" and "the data suggests" rather than "these data show" and "we can conclude".

- Do not generalise the findings to the entire group. Report results in terms of these respondents rather than general terms like "all parents in this country" or all "managers in this organisation".

- Clearly describe who the results represent. Give as much specific information about the demographic and other characteristics of respondents as you have available.

A total response rate of 42 percent was achieved for this study, which is not a low response rate if one considers the aforementioned norms. The aforementioned guidelines have however been considered when interpreting the data.

7.3 The Demographic Composition of the Sample

One hundred and twenty three males completed the questionnaires compared to 31 females; 79.87 percent of the sample therefore comprised males and 20.13 percent females. Most of the respondents were aged between 47 and 56 years representing 46.10 percent of the sample, with 30.52 percent in the 36 to 46 age bracket and 19.48 percent in the 56 and over age bracket. Fifty percent of the sample group in terms of the racial demographic were white. This was followed by 35.71 percent in the coloured racial group, 5.84 percent black and 4.55 percent Indian. Most of the sample group (65.58 percent) had job tenure at the CoCT ranging from 11 years and above. This was followed by 18.83 percent of the respondents who had job tenure of between one and five years, while 11.69 percent had job tenure of six to ten years. The smallest percentage of the group had less than one year service (1.95 percent).

7.4 Results of the Leadership Questionnaire

The results of the leadership self-assessment and follower assessment are presented in the following paragraphs. The main objective of the study was to explore whether transformational leadership was present within a local government organisational culture setting. In this regard the study set out to explore the overall perception of the dominant leadership approach and the type of organisational culture in the CoCT as its embraces reformation within local government. The chapter begins by presenting the perceptions of the prevalence of transformational leadership approaches within the CoCT. The findings are presented in terms of the transformational leadership elements that Bass and Avolio (1993 and 1994) in Northouse (2007:181) have identified namely *1) idealised influence, 2) inspirational motivation, 3) intellectual stimulation and 4)*

individualised consideration. Examples of the questions probing the transformational leadership styles regarding of the aforementioned elements are listed in Table 7.2.

Table 7.2: Transformational leadership – main themes

<table>
<tr><th colspan="3">Transformational Leadership – Main Theme</th></tr>
<tr><th><i>Sub-themes</i></th><th><i>Sample Questions</i></th><th><i>Question no:</i></th></tr>
<tr><td>Idealised influence (attributed)</td><td>I instill pride in others for being associated with me.</td><td>5,8,12,16,19, 21,23,30</td></tr>
<tr><td>Inspirational motivation</td><td>I talk optimistically about the future.</td><td>7,11,24,32</td></tr>
<tr><td>Individualised consideration</td><td>I spend time teaching and coaching.</td><td>13,17,26,28</td></tr>
<tr><td>Intellectual stimulation</td><td>I re-examine critical assumptions to question whether they are appropriate.</td><td>2,6,27,29</td></tr>
</table>

7.5 Transformational Leadership Themes

7.5.1 Leading by example

Bass and Avolio (1993 and 1994) in Northouse (2007:181) state that transformational leaders behave in ways intended to achieve superior results by employing idealised influence. They become role models for their followers. Questions 5, 8, 12, 16, 19, 21, 23 and 30 in the survey emphasised the idealised influence factors of transformational leadership.

Graph 7.1: Idealised influence
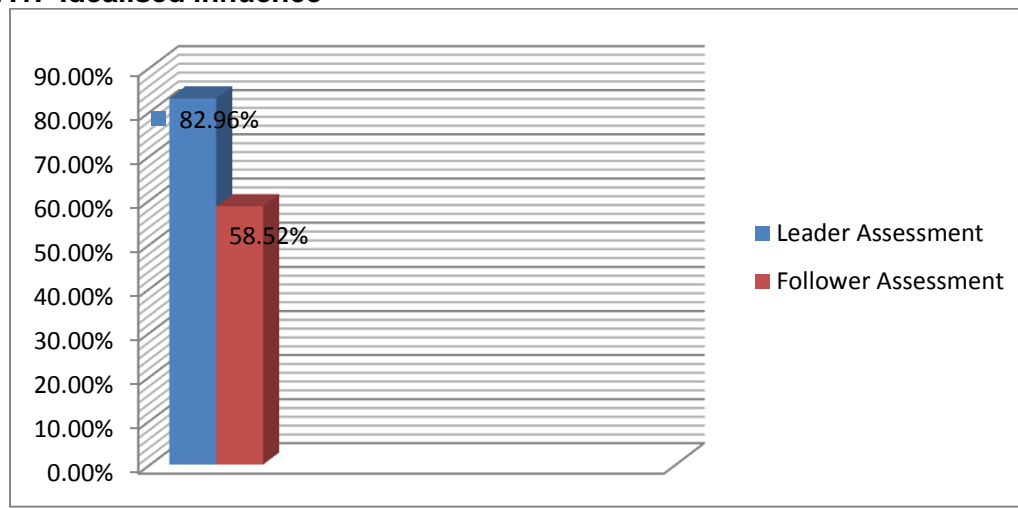
	Leader Self-Assessment	Follower Assessment
Idealised influence	82.96%	58.52%

Source: Comparison data – Idealised influence

"I specify the importance of having a strong sense of purpose", "I go beyond self-interest for the good of the group" and "I consider the morale and ethical consequences of decisions" were some of statements that respondents were asked to rate themselves against. In response to these questions on average 82.96 percent of the sample viewed themselves as exhibiting high levels of idealised influence. Leaders in CoCT therefore perceived themselves as demonstrating this element of transformational leadership more frequently. In response to the same questions, but from a different perspective, on average 58.52 percent agreed that their leader displayed idealised influence. Leaders within the CoCT have rated themselves higher compared to the actual perception of their immediate subordinates for the element of idealised influence.

Dunning et al. (2004:86) state that typically the views of other people, such as subordinates or peers, agree with each other more often than with self views. Dunning et al. (2004:86) state that a meta-analysis of 30 years of academic research comparing the self-ratings of individuals with the ratings of their peers reveals the ratings of self are normally higher in correlation with peers or subordinates ratings of their job performance that is normally lower. There is a natural tendency to inflate one's own rating so as not to imply any weakness. This attempts to explain the lack of agreement between self-ratings and outside ratings. Dunning adds that in organisational life the biggest surprises generated by lack of self-knowledge may be those that are produced when self evaluations are not echoed by one's peers. Dunning et al. (2004:87) add that for a number of reasons individuals may find it difficult to learn about how well they are performing. First, the environment may be difficult. Organisational standards of performance may be shifting, complex, or subject to disagreement. Second, individuals may avoid seeking feedback because getting feedback requires them to balance the potential benefits of improvement against the knowledge of learning something that would be a blow to their self-esteem. Also, individuals may resist seeking feedback even if they might like to have it, because asking for feedback might make them appear insecure or needy.

The data suggests, however, that from the overall results management regarded themselves as leaders who acted as role models and who showed determination in the

pursuit of goals, displaying high standards of moral and ethical conduct, and also that they were willing to sacrifice self-gain for the good of others. More than 58 percent of the subordinates also held the perception that their leaders displayed elements of idealised influence. By implication these leaders were honoured, appreciated, trusted; the followers admired them and they identified with them and tried to imitate them. They represented role models for their followers; they did the right things, demonstrating high moral and ethical behaviour. They did not use their position to further personal interests, but they used the potential of their followers to achieve the aims of organisations.

Northouse (2007:181) reminds us that transformational leaders behave in ways intended to achieve superior results by employing elements of idealised influence. They become role models for their followers. They can be counted on to do the right thing, demonstrating high standards of ethical and moral conduct. The transformational leader avoids using power for personal gain. Idealised influence involves the creation of an ethical vision, and setting high ethical standards to be emulated in order to achieve this vision. Aswegen and Engelbrecht (2009:1) add that the leader proposes the highest ethical standards to his or her followers, which are implemented in his or her own life, both publicly and privately. Idealised influence will result only in followers emulating the leader and buying into his or her vision if these ethical standards are implemented in his or her own life. This display of integrity in the leader's behaviour can lead to building the trust and respect of the followers. Transformational leaders go beyond self-interest and consider the moral and ethical consequences of their actions. Transformational leaders formulate a set of essential values which need to be achieved, and show behaviour which is in accordance with those values (Simic, 1998:51).

The idealised influence element of transformational leadership promotes leaders who act as role models with high ethical behavior. They instill pride, they gain the respect and trust of their followers. Idealised influence represents confidence in the leader and appreciation of the leader by his/her followers, and forms the basis for accepting radical change in an organisation. Without such confidence in the motives and aims of the leader, an attempt to redirect the organisation could meet with great resistance (Simic 1998:52). With idealised influence the followers try to imitate the leaders. Hence the

greatest success for a leader who has gained a high level of confidence and appreciation with his followers is that his/her followers begin to imitate him or her. In this way the leader's efforts to conduct radical change in the organisation are supported by the employees. Sarros, et al. (2008:154) remind us that a leader with vision creates a culture of change that facilitates the adoption of innovation and continuous improvement. They further state (2008:148) that as a component of leadership, vision both augments organisational processes and culture and contributes to innovative workplaces. They claim that change is accomplished through the leader's implementation of a unique vision for the organisation designed to change internal organisational cultural forms. This leadership element therefore becomes an important skill when leaders need to drive change within local government.

Leaders within the CoCT have a responsibility to drive public sector reform that sees the bureaucracy becoming more customer-focused, where citizens inputs are valued. These leaders need to drive change that sees the implementation of explicit standards and clear measures of performance. They need to embed this new vision and new way of doing business by creating an enabling and flexible organisational culture conducive to change and innovation. The element of idealised influence equips the modern day leader in this regard. The results seem to indicate that leaders within the CoCT displayed this trait. This leadership trait also means the promotion of loyalty to the organisation amongst employees. The employee loyalty statistics as seen in the employee relationship surveys conducted by the CoCT supported this notion that leadership within the CoCT was able to foster loyalty through paying attention to the needs of the people who are being led. It would seem that leaders within the CoCT have created a compelling vision that inspired employees to work for the good of the organisation as evidenced in its loyalty survey. In the 2013 survey 76 percent of CoCT staff indicated that they were proud to work for the CoCT. It would seem that leaders have managed to get followers onto another stage because followers displayed personal commitment to the vision and objectives of the CoCT.

7.5.2   Mapping the road ahead by means of setting a compelling vision

Leaders who display inspirational motivation behave in ways that motivate and inspire those around them by providing meaning and challenge to their followers' work. Questions 7, 11, 24 and 32 in the survey emphasised the inspirational motivation factors of transformational leadership. Statements such as; "I talk optimistically about the future", "I talk enthusiastically about what needs to be accomplished", "I articulate a compelling vision of the future" and "I express confidence that goals will be achieved" were aimed at probing the element of inspirational motivation. In response to these questions on average 72.40 percent of the sample viewed themselves as exhibiting high levels of inspirational motivation on a frequent basis. Leaders in the CoCT therefore perceived themselves as relatively high scoring in this element of transformational leadership. In response to the same questions, but from a different perspective, on average 59.25 percent of the sample viewed their immediate manager as exhibiting inspirational motivation. Graph 7.2 depicts the overall responses to the categorised questions.

Graph 7.2: Inspirational motivation
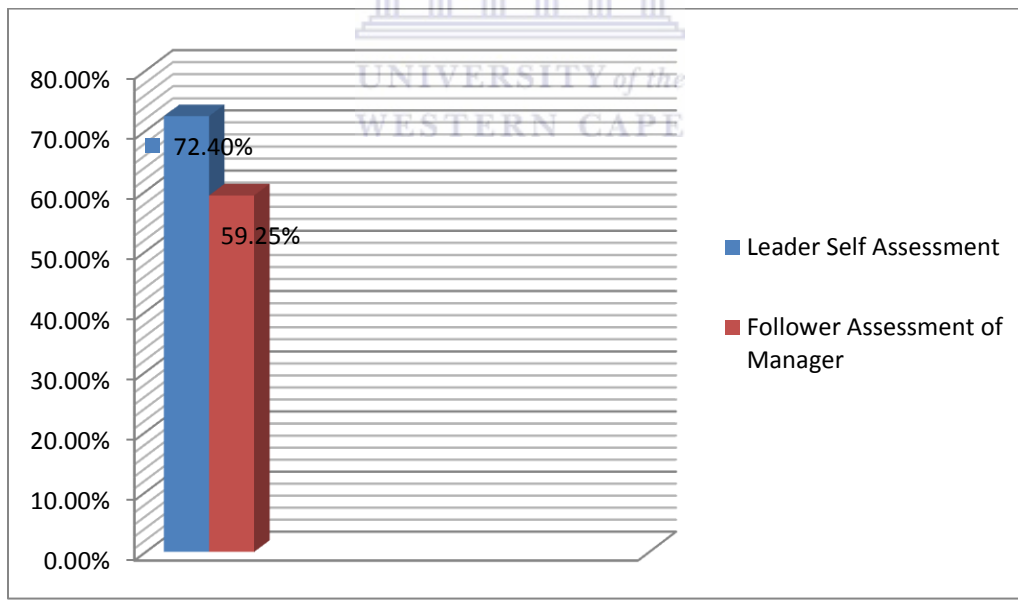
	Leader Self-Assessment	Follower Assessment
Inspirational motivation	72.40%	59.25%

Source: Comparison data - Inspirational motivation

Notwithstanding the differences in perceptions, it would seem that the management level within the CoCT regarded themselves as leaders who inspire and motivate their followers to reach ambitious goals by elevating their expectations and instilling confidence in them that the goals are attainable. If change is being conducted in an organisation the leader has the task of clearly and continuously stimulating others to follow a new idea. Leaders should therefore behave in a way that motivates and inspires followers (Simic 1998:52). Such behaviour implicitly includes showing enthusiasm and optimism to followers, stimulating teamwork, pointing out positive results and advantages, emphasising aims, and stimulating followers. Leaders who display inspirational motivation behave in ways that motivate and inspire those around them by providing meaning and challenge to their followers' work. Followers need to have a strong sense of purpose if they are to be motivated to act. This purpose and meaning provides the energy that drives a group forward. The leader gets the followers to invest more effort in their tasks, inspires them to believe in their own abilities, so that they are encouraged and optimistic about the future. Aswegen and Engelbrecht (2009:1) add that the leader challenges followers to participate in shared goals in an ethical manner, and to achieve the vision through personal sacrifice and trust.

Shokane et al. (2004:2) add that inspirational motivation means the ability of a leader to clearly articulate an appealing future state of the company. This includes communicating the vision, mission and values of the organisation. Here transformational leadership refers to behaviours of leaders who motivate followers to perform and identify with organisational goals and interests and who have the capacity to motivate employees beyond expected levels of work performance. As a result, employees feel engaged and personally rewarded through work, and work outcomes such as satisfaction and extra effort are enhanced (Sarros, et al., 2008:146).

Aydogdu and Asikgil (2011:72) state that one of the most important factors to make a difference to the working conditions of the business environment in the 21st century is a committed, productive, highly motivated and innovative human resource. With the emphasis on performance targets and performance assessments in terms of reformation within local government, there is need to address employee satisfaction, organisational commitment, work itself and organisational culture. They add that the

success, survival and competing power of organisations depend on the commitment of their members, supporting their individual development, ensuring their participation, and creating an organisational culture where all the members in the organisation share common values and norms. This can be achieved with a leader who inspires and motivates their followers. Transformational leadership refers to the behaviour of leaders who motivate followers to perform and identify with organisational goals and interests and who have the capacity to motivate employees beyond expected levels of work performance. As a result, employees feel engaged and personally rewarded through work, and work outcomes such as satisfaction and extra effort are enhanced (Sarros, et al., 2008:146).

The results seemed to indicate that leaders in the CoCT placed a premium on ensuring that their staff members were motivated in terms of achieving a common goal as the organisatioin strives towards change within the organisation. Despite operating under difficult conditions the CoCT has earned high credibility as evidenced in the many accolades it has achieved. It would therefore seem that the presence of the long-term vision has kept everybody moving and determined to achieve their objectives despite the challenging local government context. Employees seemed committed to delivering excellent service by going the extra mile as 79 percent of CoCT staff were prepared to put in extra work when required as depicted in the 2013 loyalty survey. This can be linked to the fact that leaders within the CoCT displayed elements of inspirational motivation whereby they were possibly creating a sense of excitement and commitment amongst their followers.

7.5.3   Creating a climate of open dialogue

Naidu and Van Der Walt (2005:2) state that leaders who provide intellectual stimulation for their followers do this by encouraging them to see solutions to problems from different perspectives and to be creative when completing tasks. Questions 2, 6, 27 and 29 in the survey emphasised the intellectual stimulation factors of transformational leadership. "I seek differing perspectives when solving problems.", "I get others to look at problems from many different angles." and "I suggest new ways of looking at how to complete assignments." were statements aimed at probing the elements of intellectual

stimulation. In response to these questions on average 90.91 percent of the sample viewed themselves as exhibiting high levels of intellectual stimulation. In comparison 60.55 percent of the sample viewed their immediate manager as exhibiting the elements of intellectual stimulation. The followers therefore perceived the leader as displaying a lesser degree of this element compared to the self-assessment.

Graph 7.3: Intellectual stimulation
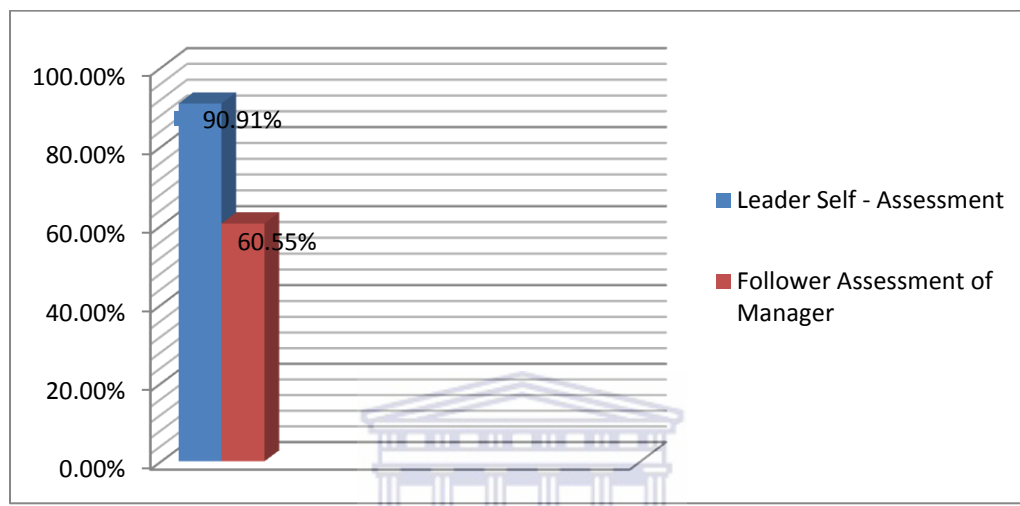
	Leader Self-Assessment	Follower Assessment of Manager
Intellectual stimulation	90.91%	60.55%

Source: Comparison data - Intellectual stimulation

Although they hold a lesser perception, the overall results indicated that 60 percent of the followers were of the opinion that their leaders were indeed practicing elements of intellectual stimulation. Naidu and Van Der Walt (2005:2) state that the leader who displays intellectual stimulation places emphasis on values, beliefs, morals and trust in working towards a common mission. They also state that through intellectual stimulation followers' efforts are stimulated to be innovative and creative by questioning assumptions, reframing problems, and approaching old situations in new ways. Creativity is encouraged and followers are encouraged to try new approaches, and their ideas are not criticised because they differ from the leader's ideas. If the ideas and the solutions to problems suggested by followers differ from the ideas presented by leaders the followers are not criticised nor are the leaders' ideas imposed at any cost. The scene is set for open and honest dialogue in order to obtain the best possible solutions

or approach. For such a leader, learning is a value and unexpected situations are seen as opportunities to learn (Simic 1998:52).

Management within the CoCT viewed themselves as leaders who encourage their followers to use their imagination and to question the status quo in an attempt to achieve the best possible outcomes. It would seem that they nurtured and developed people who think independently, that they encouraged their followers to ask questions, to think about things and figure out better ways of executing their tasks. Intellectual stimulation and the capacity to constantly challenge workers encourages innovation. Similarly, a leader's intellectual stimulation leads to new ideas and experimentation that are integral to the process of innovation (Sarros et al., 2008:147).   Sarros et al. (2008:147) further state that individual leadership style is an important determinant of innovation. In particular, transformational leadership has been shown to support and promote innovation, which in turn can ensure the long term survival of an organisation. Participation in the emerging global economy requires, in fact demands, innovation and entrepreneurial risk taking. This type of leader can generate employee commitment to innovation by stressing core values and promoting group loyalty. They can set the tone and atmosphere for innovation through the use of organisational symbols, logos, slogans, and other cultural expressions. They can motivate employees to pursue goals that otherwise may not have been attempted, alter employees' values through changes in the psychological contracts (unwritten commitments made between employees and employers) and encourage the need for change (Jaskyte, 2004:154).   This type of approach is particularly relevant in the arena of NPM where the emphasis is on innovation and ingenuity, where new ideas are to be rewarded and encouraged, rather than stifled and punished. These leadership practices are characterised by risk taking, looking ahead to the future, being creative, providing recognition for creative ideas, searching for innovation and potential influence, experimenting with new concepts and procedures, studying emerging social and economic trends, committing to vision-supporting innovation, and pursuing unconventional action plans promoting innovation (Jaskyte 2004:163). By displaying the element of intellectual stimulation leaders are able to develop cultures that foster innovation. They can help their organisations become more responsive to changes in the external environment and become more effective. This element seems to be present in the CoCT based on the overall results.

The CoCT has engaged with employees to provide guidance and discuss problems, including communicating with them directly in order to instill a passion for the organisation. We see this is evident in the employee relationship surveys that the CoCT embarks on in order to illicit responses from employees in terms of how things are being perceived and what can be done to address the issues and problems. The surveys reveal a steady trend of improvement in terms of staff engagement indicating that staff members are afforded opportunities to raise their problems and solutions by means of open dialogue.

7.5.4   Nurturing the human element

Shokane et al. (2004:2) state that individualised consideration means the leader's ability to see and treat individual employees as important assets who contribute to productivity in the workplace.   Questions 13, 17, 26 and 28 in the survey emphasised the individualised consideration factors of transformational leadership.   "I spend time teaching and coaching.", "I treat others as individuals rather than just as a member of a group", "I consider an individual as having different needs, abilities, and aspirations from others" and "I help others to develop their strengths" were statements aimed at probing the elements of individualised consideration.   In response to these statements on average 89.77 percent viewed themselves as exhibiting high levels of individualised consideration.   The response to rating their immediate manager was lower.   Only 49.51 percent on average of the sample viewed their managers as exhibiting high levels of individualised consideration.   Again it is a natural tendency to rate yourself slightly higher in the self assessment.   Although half of the followers are supporting the notion that their leaders displayed individualised consideration, the concern was that the other half are in disagreement.   This shifting away from the elements of individual consideration leans more to the elements of transactional leadership where the relationship is purely based on the exchange for services.   Simic (1998:52) states that the individualised consideration component of transformational leaders is the ability of the leader to analyse individual followers, namely the ability of the leader to diagnose his/her followers' wishes, needs, values and abilities in order to know what motivates followers individually.   Individualised consideration will result in employees who will be more satisfied with their jobs because they believe that the leader is taking a personal

interest in their well-being, and that they are seen as doing important work for leaders who value their contributions. Mokgolo et al. (2012:4) point to the fact that this leadership element affects employees' job satisfaction which in turn has an effect on productivity, performance and retention. Mokgolo et al. further state that this element is important to achieve increased organisational and individual performance as it places a clear focus on nurturing the human element and not merely a strong and rigid focus on the bottom line. It recognises that demeaning human resources is counter-productive. Individuals must be valued for the unique contribution they bring to the work environment. The literature reviewed highlighted a shift towards leadership that focuses more on people than mere processes. This type of leadership is able to develop their followers by fostering a relationship that focuses on the individual needs of employees.

Graph 7.4: Individualised consideration
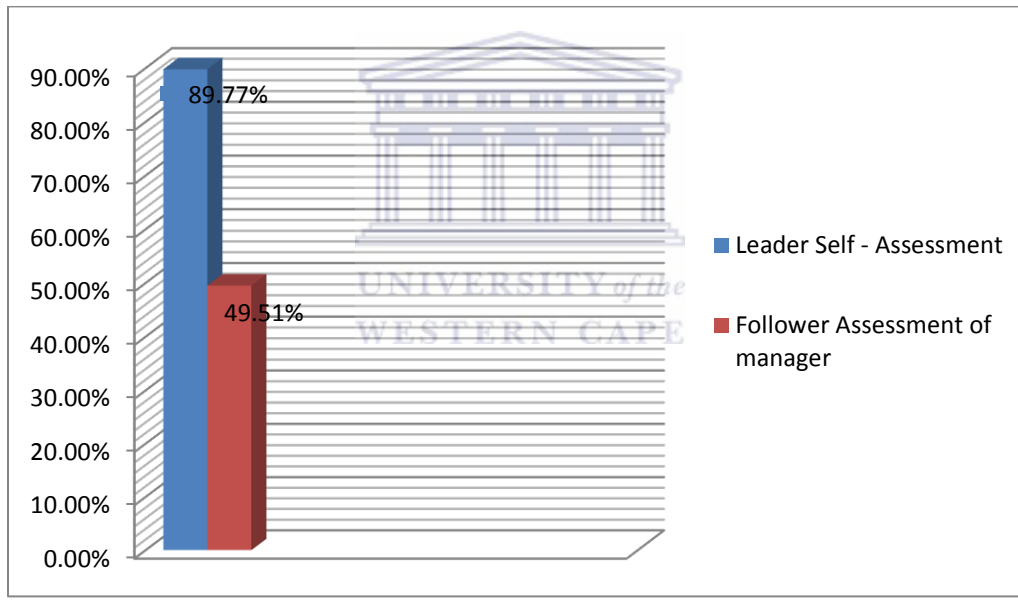
	Leader Self-Assessment	Follower Assessment of Manager
Individualised consideration	89.77%	49.51%

Source: Comparison data - Intellectual consideration

Shokane et al. (2004:2) state that individualised consideration means the leader's ability to see and treat individual employees as important assets who contribute to productivity in the workplace. According to Mokgolo et al. (2012:2) individualised consideration

makes employees feel that their organisations value them and have an interest in understanding and resolving their personal uncertainties. These leaders make subordinates feel that they have a calling to work towards a valuable purpose, like building new and larger entities. The overall view is that leaders see themselves as giving personal attention to each individual's needs for achievement and growth by performing the role of coach or mentor.

It would seem that the CoCT has acknowledged the importance of its human capital as it has actively implemented human capital management systems and processes to enhance staff alignment with business needs, and improve staff morale and performance. This is evident in the CoCT's HR Service Delivery Model that sets out to energise its human resources to effect change and enable transformation into a world-class city. It further aims to empower the CoCT's human resources by providing comprehensive HR tools and methods to better manage human capital. These tools are embedded in programmes such as the CoCT's talent management approach, business improvement and its SAP based human resources system. We see from Chapter 5 that the CoCT acknowledges that it cannot achieve its vision without the committed efforts of its staff. We also saw that the comprehensive independent survey conducted by IPSOS in 2013 once again indicated that the overwhelming majority of staff members share the CoCT's vision, and are extremely proud to work for the CoCT and are committed to service delivery. The CoCT's leadership states that service delivery and the staff involved are taken seriously, acknowledging the need to create an environment where followers feel engaged and motivated. Thus the CoCT's leadership has recognised that it is imperative to understand what motivates their followers. The survey conducted by IPSOS in 2013 revealed that 76 percent of CoCT staff indicated that they were proud to work for the City. Seventy-nine percent of the CoCT staff were prepared to put in extra work when required. This indicates a strong sense of loyalty and motivation that could possible be as a result of the City's leadership embracing the elements of individualised consideration.

7.6   Transactional Leadership Themes

The foregoing sections considered the elements of transformational leadership and provided the research findings in terms of on the perceptions held by both leaders and followers as they compare themselves against these elements.   The surveys also probed the elements of transactional leadership to see to what extent this was present within the CoCT.   The following section presents the findings in terms of the transactional leadership elements that Bass and Avolio (1993 and 1994) in Northouse (2007:181) have identified namely *1) contingent rewards, 2) management by-exception (active) and 3) management by exception (passive).* Examples of the questions in the questionnaire designed to probe the transactional leadership styles are listed in Table 7.3.

Table 7.3: Transactional leadership – main themes

Transactional I Leadership – Main Theme		
	Sample Questions	*Question no:*
Contingent rewards	I provide others with assistance in exchange for their efforts.	1,9,14,31
Management-by-exception-active	I focus attention on irregularities, mistakes, exceptions and deviations from standards.	4,20,22,25
Management-by-exception-passive	I fail to interfere until problems become serious.	3,10,15,18

7.7   Defining the Agreement

Northouse (2007:185) states that with this kind of leadership the leader tries to get agreement from followers on what must be done and what the payoffs will be for doing the task. It is therefore an exchange process or agreement in which efforts by followers are exchanged for specific rewards.   Questions 1, 9, 14 and 31 in the survey emphasised the contingent rewards factors of transactional leadership. In response to these questions on average 77.76 percent viewed themselves as exhibiting elements relating to contingent rewards.

Graph 7.5: Contingent rewards
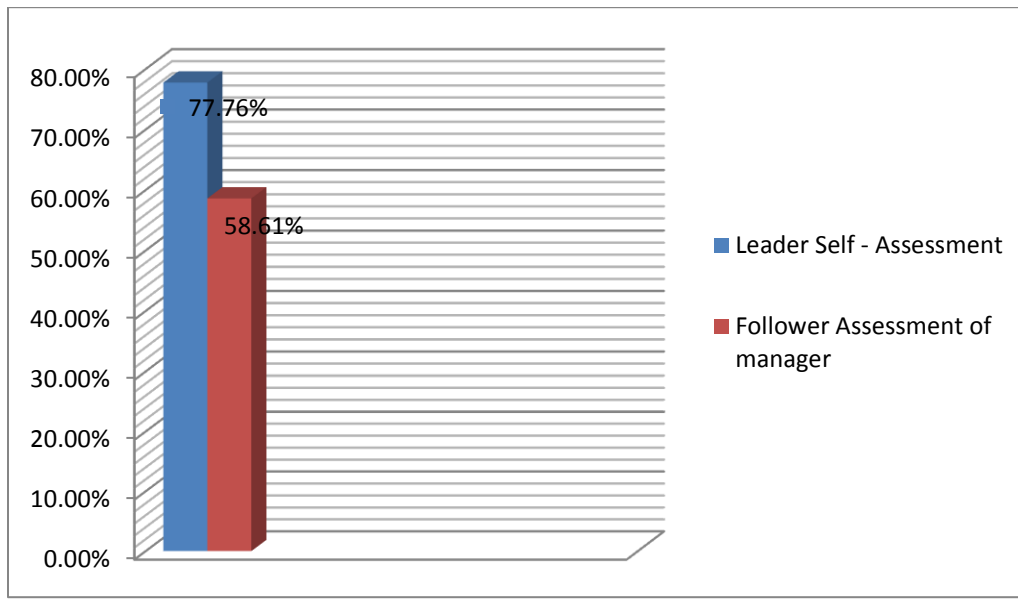
	Leader Self-Assessment	Follower Assessment of Manager
Contingent rewards	77.76%	58.61%

Source: Comparison data - Contingent rewards

Leaders in the CoCT perceived themselves as relatively high scoring in this element of transactional leadership. The response to this element in terms of the perception held by followers' within the CoCT was 58.61 percent. It would seem, therefore, that leadership were under the impression that contingent rewards were clearly defined within the CoCT. We see that subordinates believed that their management were not always making clear what one could expect to receive when performance goals were achieved. This also seemed to tie in with the difference in perception relating to individualised consideration. Followers seemed to be saying that leaders must pay closer attention to their needs and rewards must be better quantified. Here followers seemed to be saying that leaders must set up and define agreements in order to achieve specific goals; they must clarify expectations and provide rewards for the successful completion of tasks.

7.8 Creating a Sense of Ownership

This particular element of leadership involves corrective criticism, negative feedback and negative reinforcement. Management by exception takes two forms namely, active and passive. A leader using the active form of management by exception watches followers closely for mistakes or rule violations and then takes corrective action. Questions 4, 20, 22 and 25 in the survey emphasised the management by exception (active) factors of transactional leadership. Statements such as, "I focus attention on irregularities, mistakes, exceptions, and deviations from standards" and "I keep track of all mistakes" were used to define this category of leadership. In response to these questions on average 35.07 percent of the sample viewed themselves as exhibiting elements relating to management by exception (active). The average response to this element of leadership from a follower perspective was 37.17 percent. Leaders in the CoCT therefore perceived themselves as relatively low scoring in this element of transactional leadership. From Graph 7.6 we see that the difference is marginal. Leadership within the CoCT therefore seemed to place a low emphasis on the management by exception (active) factors of transactional leadership. The elements of leadership that involved corrective criticism, negative feedback and negative reinforcement were not overtly evident in the data extracted from the sample. The results seemed to indicate a shift away from the traditional leadership approach where compliance at all costs was the only way to lead to a more collaborative approach.

Graph 7.6: Management-by-exception (active)
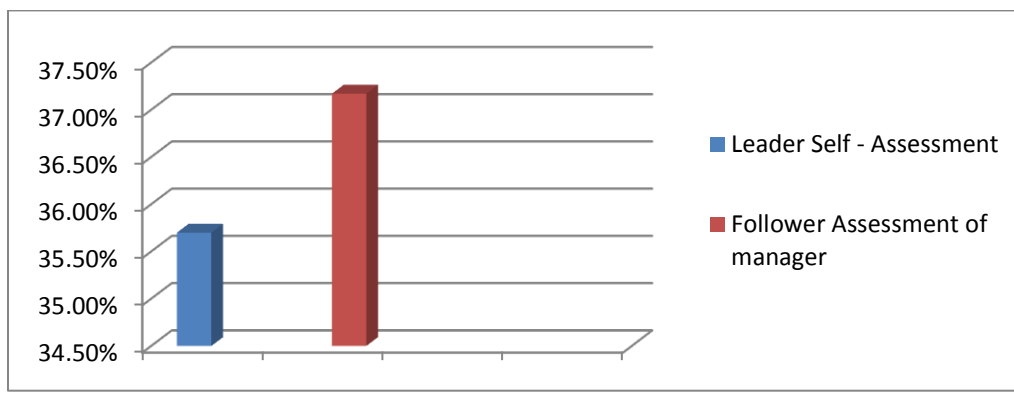
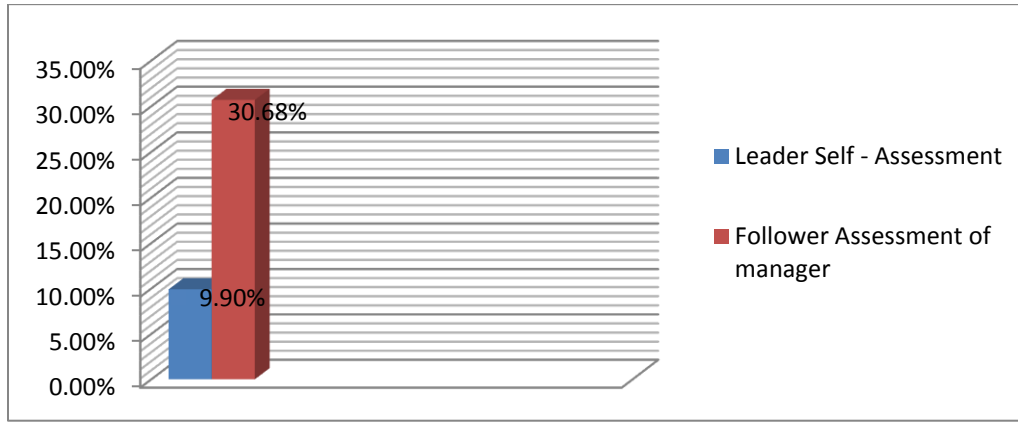|	Leader Self-Assessment	Follower Assessment of Manager
Management-by-exception (active)	35.7%	37.17%

Source: Comparison data - Management-by-exception (active)

Shokane et al. (2004:3) state that the leader should put in place measures of performance and should actively monitor performance for corrective actions. Followers are then able to take ownership of their respective functions as they are ultimately responsible. They are measured against predetermined standards in order to ensure performance. The leader is not necessarily involved in the day to day decision making, he/she merely wants to see the overall performance. These leaders are in essence promoting adaptive cultures where they are concerned with processes and procedures that bring about useful change. The results seemed to indicate that the CoCT's leadership was embracing this, steering away from mere compliance and strict rules to results and outputs where flexibility was encouraged.

Shokane et al. (2004:3) state that a leader who uses the passive form only intervenes after the standards have not been met or problems arise. Statements such as "I fail to interfere until problems become serious" and "I wait for things to go wrong before taking action" were used to define this category. In response to these statements on average 9.90 percent of the sample viewed themselves as exhibiting elements relating to management by exception (passive). The results of the survey indicated, however, that 30.68 percent compared to the 9.90 percent in terms of the self-assessment felt that their leaders were keen on practising management by exception (passive). The data seemed to suggest that leadership in the CoCT therefore perceived themselves as relatively low scoring in this element of transactional leadership, suggesting that they were under the impression that the necessary corrective actions and measures were in place to ensure that agreed upon standards were maintained. Graph 7.7 illustrates the comparison. Although the percentages were relatively low from the leader perspective, the follower perspective however seemed to indicate that this particular transactional leadership element was to some extent present within the CoCT. Followers were therefore saying that their leaders did not always provide the necessary guidance needed to ensure that tasks were carried out. This could possibly be due to the fact that leadership was adopting this passive approach in order to give their followers enough freedom to correct their mistakes on their own. Leaders seemed to be advocating that followers take ownership and accountability. This again highlights the tension between facilitating an innovative approach whereby you want followers to take ownership of

their areas of responsibility but you also need to ensure compliance. Hence the need for leaders to intervene at the last minute if all else fails.

Graph 7.7: Management by exception (passive)

	Leader Self-Assessment	Follower Assessment of Manager
Management-by-exception (passive)	9.90%	30.68%

Source: Comparison data - Management-by-exception (passive)

7.9   The Overall Picture – Transformational versus Transactional Leadership within the City of Cape Town

Graph 7.8 depicts the overall perception of the elements of transformational leadership compared to that of transactional leadership.   The elements of transformational leadership have scored relatively high compared to those of transactional leadership. From the data presented it would seem that both elements of transformational leadership and transactional leadership exist within the CoCT. Fisher et al. (2014:26) suggest that transformational and transactional leadership are interconnected and intertwined.   They posit that there is a place for blended leadership in which the charismatic and transformative energies of a transformational leader are combined with the transactional leadership qualities. Fisher et al. (2014:26) use the term "blended leadership" here to mean a form of behaviour that has elements of contrasting styles blended, or mixed thoroughly together. Leaders are therefore able to navigate between the various elements in order to have an approach that is best suited for the particular situation.

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Graph 7.8: Data comparison of leader self-percention versus follower perceptions

Source: Data comparison in terms of leader self-perception versus follower perceptions

The transformational leader element does seem to come across as the stronger emphasis in the CoCT if one considers the overall perceptions held by both leaders and followers in the research results. By implication it would seem that management within the CoCT see themselves as placing a high emphasis on the transformational elements of leadership by reaching for ambitious goals and by elevating their expectations and instilling confidence in their subordinates that the goals are attainable, and also communicating the vision, mission, and values of the organisation. Graph 7.8 indicates that leaders within the CoCT have rated themselves the strongest in the categories of intellectual stimulation and individual consideration, respectively. The results revealed that 90.91 percent of the leaders viewed themselves as encouraging their followers to use their imagination and to question the status quo in an attempt to achieve the best possible outcomes. The perceptions from a follower perspective were a bit lower but still give an indication that leaders were practicing the elements of intellectual stimulation. The results revealed that 60.55 percent of followers believed that their leaders valued their input in terms of seeking different perspectives for solving problems. They agreed that their leaders placed emphasis on reframing problems in an attempt to encourage creativity and innovation. They agreed that leaders offered

opportunities to question the status quo in an attempt to achieve the best possible outcomes.

The results revealed that 89.77 percent of the leaders within the CoCT regarded themselves as paying special attention to each individual's needs for achievement and growth by acting as coach or mentor. In response 49.51 percent of the followers agreed that their leaders were indeed displaying the elements of individual consideration. These followers supported the fact that leaders within the CoCT appreciated that each individual has different needs, wishes, aspirations and abilities. These followers agreed that their leaders were able to tap into the respective strengths of individual employees in order to gain the best for both the individual and the organisation. The overall results revealed that 72.40 percent of leaders within the CoCT held the opinion that they displayed inspirational motivation and behaved in ways that motivated and inspired those around them by providing meaning and challenges to their followers. The results revealed that 59.25 percent of the followers believed that their leaders were indeed displaying elements of inspirational motivation. Although lower in response, the overall indication was that these followers held the perception that their leaders were capable of articulating a compelling and enthusiastic vision of the future. They perceived their leaders as behaving in ways that inspired them. Their leaders were able to energise them and keep them focused on the common vision and objectives. The overall results revealed that 62.99 percent of the leaders within the CoCT held the opinion that they practiced the elements of idealised influence that involved the creation of an ethical vision, and setting an example of high ethical standards in order to achieve this vision. The results indicated that 58.52 percent of the followers agreed that their leaders displayed elements that encompassed factors such as that they can be counted on to do the right thing, they demonstrated high standards of ethical and moral conduct and considered the ethical consequences of their decisions. The perceptions were that leaders avoided using power for personal gain. The followers indicated that their leaders went beyond self-interest for the good of the group.

On the transactional elements of leadership the results of the survey indicated that 77.76 percent of leaders held the perception that they displayed elements of contingent reward. They believed that they made clear to followers what can be expected in return

for reaching performance targets. The results indicated that 58.61 percent of the followers believed that their leaders practiced this element of transactional leadership. They believed that there was a clear exchange process in place where their efforts were exchanged for specific rewards. The results also indicated that 35.7 percent and 37.17 percent of leaders and followers respectively, held the perception that the management by exception (active) element of transactional leadership was present with the CoCT. This type of leader watches followers closely for any mistakes or rule violations and then takes corrective action. The results also indicated that 9.90 percent and 30.68 percent of leaders and followers respectively held the perception that the management by exception (passive) element of transactional leadership was present in the CoCT. This type of leader only intervenes after the standards have not been met. This type of leader rarely puts in place measures of performance and corrective actions. The elements of leadership that involve negative feedback and negative reinforcement were not overtly evident in the data extracted from the sample.

From the responses presented it would seem that both elements of transformational leadership and transactional leadership exist within the CoCT. It would seem that transformational and transactional leadership co-exist within the CoCT. It would seem that there is a place for the blended leadership of transformational and transactional leadership qualities that Fisher et al. (2014:26) allude to. Bucic et al. (2010:232) remind us that in a changing environment leaders' must be ambidextrous; that is, they need to have the capacity to implement diverse courses of action simultaneously. In certain circumstances, leaders need to implement transactional behaviours such as when the organisation is in a stable position and the learning objectives aim to refine and restore balance. In this case, transactional leadership, which emphasises structure and routine, is appropriate. However, when the organisation faces a dynamic, evolving situation and organisational learning is required to be adaptive and progressive, transformational leadership is more suitable. But rarely are organisations solely in one phase or the other. In a changing environment, they do not have the luxury of choice and must instead fluctuate between the two. In this realistic scenario, leaders must adopt the most suitable approach, which in most cases demands this blended leadership approach.

Simic (1998:49) reminds us that the success in realising organisational changes means that the key people in an organisation, namely its leaders, must develop a set of appropriate skills and attributes that will enable the desired changes. The skills are found in the contemporary leadership approaches suited to modern organisations. The findings suggested that the preferred leadership approach within the CoCT points to the transformational paradigm, but that, to a lesser degree, it also incorporates elements of transactional leadership. Sarros, et al. (2008:154) remind us that a leader with a vision creates a culture of change that facilitates the adoption of innovation and continuous improvement. If the CoCT has indeed adopted the transformational leadership approach that encourages individual attention, motivation and intellectual stimulation, the research findings should hopefully offer some indication that strides have been taken to move the organisational culture from being purely bureaucratic with an emphasis on just the transactional, to one that is more supportive and innovative with elements of NPM embedded in today's local government.

This research thesis has now profiled the CoCT in terms of what seems to be the preferred leadership approach. The findings on organisational culture will now be considered. Individual leadership style is an important determinant of innovation. In particular, transformational leadership has been shown to support and promote innovation which in turn can ensure the long-term survival of an organisation (Sarros et al., 2008:146). They add that in many instances, the type of leadership required to change culture is transformational because culture change needs enormous energy and commitment to achieve outcomes. Through transformational leadership managers can help build a strong organisational culture and thereby contribute to a positive climate for organisational change and consequently influence innovative behaviour. What impact has the preferred leadership approach had on organisational culture within the CoCT? Is the CoCT merely defined as a typical bureaucratic culture type organisation, or are there elements of the more progressive type of cultures linked to public sector reform? The following section focuses on the organisational culture findings in order to answer these questions.

7.10 The Prevailing Organisational Culture within the City of Cape Town

This section presents the research findings on the organisational culture profile of the CoCT. Table 7.4 reflects the characteristics of the bureaucratic, innovative or supportive organisational culture using Wallach's (1983) organisational culture index. Using the index we are able to profile the three types of culture.

Table 7.4: Wallach's cultural dimensions

Wallach's Cultural Dimensions			
Element	**Bureaucratic**	**Innovative**	**Supportive**
Workplace	Hierarchical and compartmentalised	Exciting and dynamic	Warm
Type of employees	Unimaginative	Entrepreneurial and ambitious	Friendly and people focused
Orientation	Power orientated	Results orientated	Relationship orientated
Type of company	Large market share in a stable market, efficient systems and procedures	Creative	Highly supportive environment

Source: Adapted from Wallach (1983:32)

Each culture is defined according to the type of workplace, type of employees, orientation and type of company. In order to determine the most dominant organisational culture within the CoCT the statements were grouped together as reflected in the table below. Respondents were asked how they perceived their organisation's culture. A four-point Likert scale was used, ranging from "does not describe my organisation" valued as a "1" to "describes my organisation most of the time" valued as a "4". The scores were added up for every profile, and an observation was assigned to the profile with the highest mean score. The results of the OCI survey were then added together according to the Likert scale in order to determine a value. The dominant cultural dimension within the CoCT was determined using this survey.

Table 7.5: Classification of the organisational culture index

Question No.	Innovative Culture	Question No.	Bureaucratic Culture	Question No:	Supportive Culture
1	Risk taking	3	Hierarchical	2	Collaborative
6	Results orientated	4	Procedural	5	Relationship orientated
7	Creative	10	Structured	8	Encouraging
11	Pressurized	12	Ordered	9	Sociable
13	Stimulating	14	Regulated	15	Personal freedom
18	Challenging	20	Established, solid	16	Equitable
19	Enterprising	21	Cautious	17	Safe
23	Driving	24	Power orientated	22	Trusting

Source: The classification of the organisational culture index

7.11 Results Pertaining to the Bureaucratic Culture within the City of Cape Town

Statements 3, 4, 10, 12, 14, 20, 21 and 24 were grouped together in order to determine the elements of the bureaucratic culture. In response to words such as 'hierarchical', 'procedural', 'structured', 'ordered' and 'regulated', respondents rated this as high in terms of the overall score. All responses to these questions were added together to get a total value. The overall score for this type of culture was 2777. In the findings this type of culture came across as the dominant culture type within the CoCT. According to Quinn (1988:39) this type of culture is oriented to measurement, documentation, security and order with an emphasis on standardisation, together with an analysis of the facts to determine the optimal solution. Leaders are expected to monitor and coordinate. The dominant attributes in this quadrant are an emphasis on hierarchy, i.e. order, rules and regulations, and uniformity. Within this type of culture there is a dependence on the use of rewards and punishments to motivate members (Harrison and Stokes, 1992). This further supports the findings of this thesis that have revealed that transactional leadership elements were present within the CoCT. These elements of transactional leadership flourish within this type of rigid culture.

7.12 Results Pertaining to the Innovative Culture within the City of Cape Town

In order to identify the elements of an innovative culture statements 1, 6, 7, 11, 13, 18, 19 and 23 were grouped together and an accumulative value was assigned to the results. All responses to these questions were added together to get a total value. The overall value for this type of culture was 1785. The respondents to the survey therefore felt that there are elements of creativity, being enterprising, results orientated, and a challenging environment within the CoCT. This type of culture supports Quinn's (1988:36) organisation that is focussed on a high degree of flexibility in order to remain adaptive. This culture relies on internally generated ideas to make quick decisions, but continuously gathers information from the environment in order to adapt. This type of culture is driven by leaders that are results orientated, that offer constant stimulation and ensure that there are new and exciting challenges. This culture is characterised by leaders who have a clear vision of organisation goals and focus on the achievement of specific targets (Wallach 1983:33). The findings of this research seem to support this as the transformational elements of idealised influence and intellectual stimulation have been found to be present within the CoCT. These elements are key to driving change and bringing about the adaptability associated with the innovative culture. The innovative or transformational cultures encourage and support innovation and open discussion of issues and ideas so that challenges become opportunities rather than threats. In this way, they promote flexibility and adaptability.

7.13 Results pertaining to the supportive culture within the City of Cape Town

Words such as 'collaborative', 'relationship orientated', 'encouraging' and 'sociable' were used to profile the supportive organisational culture. The response to this is reflected in Graph 7.9. This particular category got the lowest score (1581) out of the three culture types identified by Wallach. Wallach (1983:33) states that supportive cultures are warm, fuzzy places to work. They are open and harmonious environments. They are relationship orientated and collaborative. In this type of culture there is generally a sense of purpose and a feeling of family. Leaders emphasise co-operation and consideration for both employees and customers. Leaders put a premium on fairness and reaching agreement with others. The results of the survey suggest that

leadership behaviours are to some extent reflective of those behaviours found more in the supportive organisational culture. The results revealed that 89.77 percent of the leaders within the CoCT regarded themselves as paying special attention to each individual's needs for achievement and growth by acting as coach or mentor, thus encouraging this type of culture. We saw, however, that in the response 49.51 percent of the followers agreed that their leaders were indeed displaying the elements of individual consideration. These followers supported the fact that leaders within the CoCT appreciated that each individual has different needs, wishes, aspirations and abilities, but that there was a need for further engagement which could possibly explain why this type of supportive culture was rated the lowest within the CoCT. From the integration of the data and the scores, as well the literature described in previous chapters Graph 7.9 illustrates the perceived culture within the CoCT.

Graph 7.9: Identification of dominant organisational culture within the City of Cape
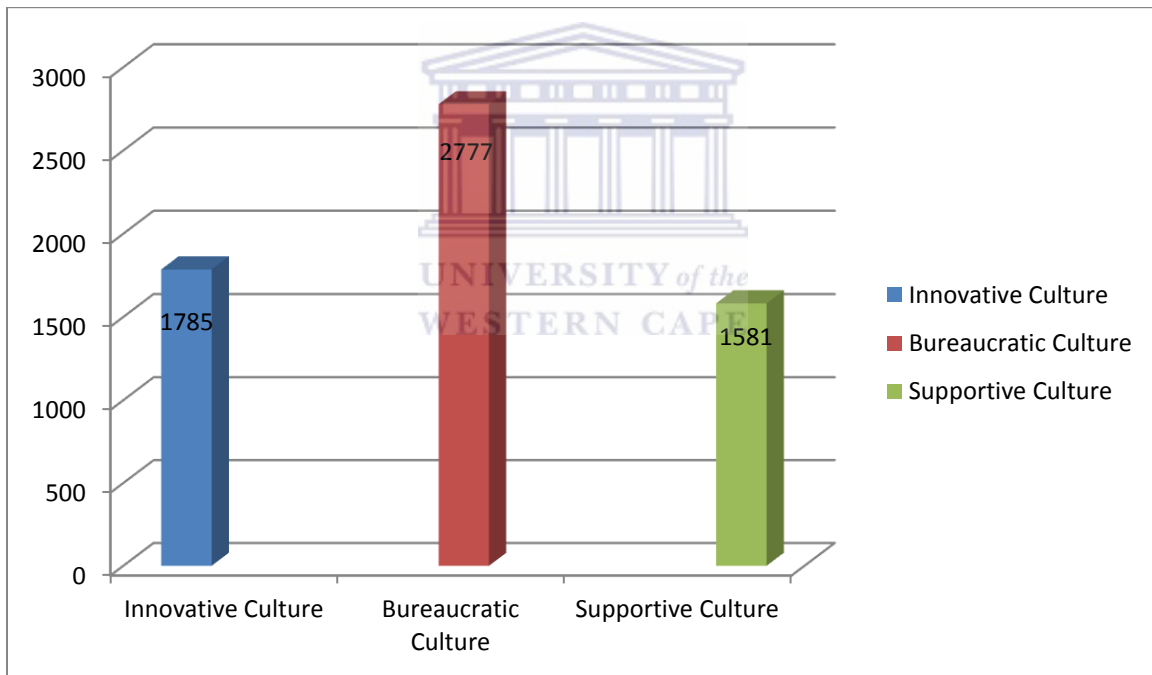
Source: Identification of dominant organisational culture with the CoCT

The data suggests that the bureaucratic culture was the dominant culture within the CoCT, followed by the innovative organisational and supportive cultures. The results of these findings give support to Lok and Crawford (1999:371) who state that it is possible for the elements of different cultures to be present within an organisation. They state that there will be a dominant culture followed by the lesser subcultures. If leaders

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regard culture as a variable that can be controlled it implies that it can be changed. It is possible, therefore, that the dominant culture can be changed from the bureaucratic to the innovative or supportive culture if facilitated through a particular type of leadership.

7.14   Organisational Culture Change and Leadership

Change is accomplished through the leader's implementation of a unique vision of the organisation designed to change internal organisational cultural forms (Sarros, et al., 2008:148).   Furthermore, as a component of leadership, vision both augments organisational processes and culture and contributes to innovative workplaces. Leader behaviour must stimulate employee participation and esteem and encourage new ideas as integral to the innovation process.   These leadership behaviours, namely individualised consideration and motivation, derive from a leader's vision and values and contribute to a culture that facilitates organisational innovation. A leader with vision creates a culture of change that facilitates the adoption of innovation. Sarros, et al. (2008:148) remind us that transformational leadership can help build a strong organisational culture and thereby contribute to a positive climate for organisational innovation, and subsequently influence innovative behaviour. Sarros, et al. (2008:148) add that organisations must be more flexible, adaptive, entrepreneurial, and innovative to effectively meet the changing demands of today's environment. The results of this thesis seem to support this, as seemingly the transformational elements displayed by the leadership within the CoCT is making strides towards becoming an innovative culture by driving change. The CoCT has therefore adopted a blended approach to leadership that sees it balancing the uneasy tension between the need for changes in the outdated bureaucracies in order to enhance flexibility and innovation on the one hand and the desire to maintain the standards of compliance. There seems to be a combination of the innovative / transformational and bureaucratic / transactional organisational culture profile within the CoCT.

This seems to support Parry and Thomson's (2003:393) view that public sector organisations must still have levels of authorisation and contractual balances to maintain integrity; but that does not exclude the encouragement of individual initiative and they state that transformational and transactional organisational culture are not

mutually exclusive. It is highly likely that the optimal combination of transformational and transactional organisational culture will be organisation specific. The best organisational culture profile will probably reflect high evidence of transformational characteristics, and moderate evidence of transactional characteristics. Hence, public sector organisations must restrain transactional culture characteristics and develop individual leadership within and even in spite of a transactional environment. The effects of the transformational factors coupled with elements of transactional leadership on organisational culture seem to suggest that the CoCT is doing well as the results reflect clear strides taken towards this optimal organisational culture.

7.15   Summary of Findings

The purpose of the chapter was to present, analyse and discuss the results of the survey administered to senior management within the CoCT. The surveys set out to explore the overall perceptions of leaders and followers on the dominant leadership approach and the type of organisational culture within the CoCT. Management completed a self-assessment questionnaire reflecting on their leadership style and that of those who they directly report to.

The responses highlighted the presence of a blended approach to leadership that encompassed principles of both transformational and transactional leadership. On organisational culture, an interesting finding emerged. In spite of earlier impressions of the CoCT as essentially bureaucratic, the responses seem to suggest a shift towards a more innovative and increasingly flexible culture. In particular, the articulation of the CoCT's vision; consideration of individual issues, motivation and people orientation; creativity and innovativeness, are some of the indicators that illuminate this shift in approach.

The organisational culture index results does highlight the dominance of bureaucratic elements, but reveals the emergence of principles describing supportive and innovative organisation cultures. Based on the belief that leaders influence culture, one could infer that the CoCT, through its leadership approach, is moving towards a culture shift that embraces the reform processes of modern-day local government.

The next chapter concludes the study by highlighting the key findings as they relate to thematic issues arising from the leadership and organisational culture change discourse. In addition, it proposes recommendations for consideration by other similar local government municipalities confronted with change in 21st century South Africa. Finally, it suggests areas for future research.

Chapter 8: Main Findings and Conclusions

8.1 Introduction

The purpose of this final chapter is to present the main findings and to summarise and conclude the study. In drawing conclusions, the researcher considers the findings in the context of leadership theory and organisational culture change. This chapter also presents areas for future research.

8.2 Fulfilment of the Research Objectives

The main objective of the study was to explore whether transformational leadership was present within a local government organisational culture setting. The study set out to explore the overall perception of the dominant leadership approach and the type of organisational culture within the CoCT. More specifically the secondary objectives included:

- To conduct a literature review of transformational leadership theories in order to understand what constitutes this type of leadership;

- To critically explore and analyse the various organisational culture constructs;

- To understand the link between transformational leadership and organisational change;

- To present and critically analyse the case of the CoCT, in order to understand the nature of the organisational culture and leadership style present in the CoCT and the possible benefits of the approach it has adopted.

- To summarise and highlight the main findings and to conclude the study by adding new knowledge to the academic debate in terms of implementing transformational leadership within the confines of a bureaucratic organisational culture.

8.3 Assumptions of the Study

Against this background the study was guided by the following assumptions:

- The "hard skills" of transactional leadership are emphasised more than the "softer skills" of transformational leadership within an in-adaptive organisational culture;

- The in-adaptive organisational culture does not foster progress in terms of innovation, problem solving, and empowerment;

- The adaptive organisational culture is more suited for transformational leadership;

- The CoCT, as a local government structure, is characterised by a bureaucratic culture and transactional leadership style.

Flowing from the aforementioned objectives and assumptions two main questions guided the study:

1. *To what extent do managers working in local government exhibit transformational leadership attributes and behaviours as perceived by their followers and themselves? Is the behaviour of the leaders in the public organisation studied transactional or transformational?*

2. *Can transformational leadership exist within a bureaucratic organisational culture as it strives to bring about organisational change?*

8.4 Summary of Chapters

Before discussing the main findings, let us turn our attention to a summary of the key issues emanating from the various chapters.

Chapter 1 focused on the research problem, preliminary assumptions, objectives and research methodology to be employed. In considering the problems experienced by local municipalities the fundamental role of leadership in facilitating and driving change interventions was emphasised. The preliminary literature review emphasised the need for a different kind of leadership to drive change in public sector organisations.

Historically, public sector organisations such as local government have been characterised by transactional leadership styles that operate in an in-adaptive culture reflecting lethargy, unresponsiveness to citizens' needs and interests, and an over-emphasis on systems, processes and practices. More and more, organisational experiences seem to highlight the need for transformative leadership that incorporates innovation and flexibility as part of its approach to bring about culture change. This was the primary reason for focusing on the CoCT as a municipality that has experimented with contemporary approaches to leadership in the hope of fostering organisational culture change.

Chapter 2 provided a contextual background to the need for a different kind of leadership required to foster organisational culture change. The chapter examined and discussed the various public sector reforms embarked upon since the early 1980s. Public sector reforms can be categorised as competitive and post-competitive. Of particular importance therefore, were the reforms advocating managerialism and public value as approaches to addressing the problems of poor performance of public sector organisations. The discussion pointed to potential challenges and implications for public sector managers in terms of these kinds of reforms. It was evident that these new paradigms represented challenges to current managerial capabilities and capacities. The typical bureaucratic or in-adaptive culture was highlighted as one that focused on averting risk by strictly adhering to rules and procedures; respecting the views of politicians as the experts; and managing inputs into the bureaucracy. Therefore, public sector managers would have difficulty adopting and embracing new paradigms of thinking about their environment and how to address the problems of service delivery, amongst others, in the 21st century. Approaches such as encouraging managerial discretion, accountability through the management of outputs, engagement with stakeholders in decision making, are significant departures from the traditional approaches to public service delivery.

In Chapter 3 public sector reform and organisational culture were discussed. The scholarly debates examined, highlighted the effect of organisational culture on change. It was argued that the nature of culture is such that it works to maintain the status quo as opposed to facilitating change. In this context, organisational culture is viewed as an

obstacle to reform. In the case of the bureaucratic culture therefore it was argued that individual performance was limited to structurally imposed boundaries that discourage innovation and flexibility. However, it was observed that innovative and collaborative cultures are promoted through first understanding the organisational culture type present and then introducing deliberate efforts to transform undesirable cultures. Against this background, the chapter presented a conceptual analysis of organisational culture. To this end some of the major scholarly definitions, conceptions and typologies were critically examined and discussed. Moreover, the chapter referred to the distinctiveness of the public sector organisational culture and its lack of consideration for, up until recently, the external environment and its effect on shaping policies and laws. The appropriateness of organisational culture was another aspect referred to in this chapter. In particular, appropriate organisational culture was considered to add to an organisation's competitive advantage. Naturally, 'competitive advantage' in a profit based private sector context differs from the non-profit public sector context. Nonetheless, in the context of local government municipalities where access to and quality of services form the basis of electoral manifestos, 'competitive advantage' becomes an important consideration. In essence, the chapter highlighted the dissonance between elements inherent in the in-adaptive culture type vis-à-vis the adaptive culture type. In reflecting on the nature of reforms to public administration therefore, the need for a more adaptive culture that encourages and rewards creativity, risk taking and experimentation appears to have emerged.

Chapter 4 drew attention to the fact that today's modern organisations require a different type of leadership to drive change. The emphasis is now on cooperation, collaboration and creativity. The chapter aimed at critically examining and analysing some of the important theories of leadership that have developed over time. The primary theories discussed under the classical approach included the trait, behavioural and contingency theories. Over time the "Great man" or trait theories have been replaced by more complex, behaviour-based theories of leadership, described as contemporary leadership. The transformational leadership style, for example, is increasingly being elevated above others because of its ability to influence individuals to perform optimally in a context of ongoing change. In this regard, the transformational leader was identified as exhibiting idealised influence, inspirational stimulation,

intellectual stimulation, and individualised consideration. On the other hand, the transactional leadership type was considered to be as important and appropriate for the public sector context. More specifically, its focus on an exchange of things of value was highlighted as encouraging individual performance in the achievement of organisational goals and objectives. In reflecting on the public sector context, and more particularly, local government, a leadership approach that embraces principles inherent in both transformational and transactional leadership appeared to be more effective than selecting one over the other, marking a shift from the traditional thinking about appropriate leadership types.

In Chapter 5 the need for changing the way in which local government functions and operates was contextualised. As reflected in the chapter, local government has undergone considerable reform in post-1994 South Africa. While the role of local government as a sphere responsible for the provision of basic services and related constitutional entitlements is emphasised through numerous policies and laws, many municipalities continue to be severely challenged insofar as infrastructure and capacity are concerned. In fact, various audits conducted on local government, have highlighted the primary challenges affecting the ability of municipalities to deliver basic services. The CoCT, however, has made significant progress since the advent of democracy. In particular and as was discussed in the chapter, various HR policies and practices have been introduced to emphasise the CoCT's commitment to the development of its staff across various functional areas. In particular, the CoCT introduced a leadership strategy that focuses on developing specific leadership competencies towards driving organisational culture change. Its overall Organisational Development and Transformation Plan was highlighted as encompassing strategies key to the development of leadership competencies. Among other things, the CoCT's integrated Talent Management Strategy, Leadership Development and Competency Framework, and Performance Management Systems, are but some of the interventions introduced to foster an adaptive culture that incorporates innovation, flexibility and increased stakeholder engagement. Particularly noteworthy is the fact that the CoCT employed a two-fold approach to reform and development. In the first place, it gauged the perceptions of staff towards the CoCT as an employer. In the second place, it conducted a skills assessment of all individuals in the CoCT.

Chapter 6 focused on the methodological approach to investigating the problem of leadership type and organisational culture change. The research design of this study was grounded in qualitative as well as quantitative techniques. The qualitative techniques was identified as appropriate since it enabled the study of phenomena in their natural settings and allowed the researcher to make sense of and interpret phenomena in terms of meanings people bring to them. In other words, the approach facilitated a deeper understanding of the type of leadership and organisational culture present through probing the perceptions of different individuals across a broad spectrum of principles, scenarios and values. Effectively, questionnaires were the main instruments used for data collection for this study. In particular, Avolio's multifactor leadership questionnaire and Wallach's 24-item Organisation Culture Index were modified to gather information on the type of leadership and organisational culture present in the CoCT. Quantitatve techniques were also incorporated into the study to present and interpret the various responses. The response rate, considering the electronic nature of survey administration, was considered fairly high. Consideration of the findings cannot necessarily be generalised across all municipalities in South Africa, however, but is limited to similar municipalities and contexts.
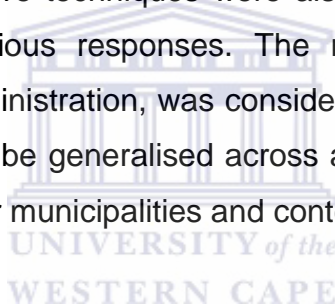
In Chapter 7 the findings emanating from the surveys were analysed and critically discussed. The discussion and analysis of the findings were presented in terms of the transformational leadership elements that Bass and Avolio (1993 and 1994) in Northouse (2007:181) identified namely *1) idealised influence 2) inspirational motivation, 3) intellectual stimulation and 4) individualised consideration,* and the themes that have emerged were discussed. Using the measurement tool designed by Wallach, the chapter also analysed the findings regarding the organisational culture within the CoCT. Some responses clearly reflected a dissonance in perceptions of leaders and followers on the leadership type. For example, in the case of idealised influence, leaders' responses were much higher than those of followers. Again, when contrasting responses of leaders and followers on the former convincing the latter of the organisation's vision, the followers' responses were lower than those of the leaders. The elements of idealised influence and inspirational motivation are key to the leadership vis-à-vis organisational culture change debate. Yet followers' responses seemed to

suggest less influence of the leaders on their behaviour in this regard. Nevertheless, the responses of both leaders and followers seem to lean more towards principles of transformational leadership in the CoCT.

In the case of the responses to transactional leadership principles, there seemed to be less dissonance between responses of leaders and followers. For example, the responses to questions on active management by exception revealed that leaders in the CoCT generally do not focus on mistakes, irregularities or deviation from standards. In addition, leaders seemed to steer away from negative reinforcement and feedback or corrective criticism. The responses of the followers were more or less similar in number. In the case of passive management, very few leaders responded that they only interfered when problems became serious. On the other hand, more than three times this number of followers responded that their leaders only dealt with problems when these became serious. As indicated in the chapter, the natural tendency to rate oneself higher should be taken into account when reflecting on survey responses that include self-reporting and peer reporting. In considering the responses to the leadership type survey, it seemed to embrace principles of both transformational and transactional leadership types. As mentioned in the chapter, the blended approach to leadership in public sector organisation contexts is probably more appropriate than striving to pursue one over the other.

8.5   Main Findings

The study succeeded in identifying that managers working in local government exhibit transformational leadership attributes and behaviours as perceived by their followers and themselves. The study also revealed, however, that the behaviours of the leaders studied are both transactional and transformational. There would seem to be a mixed or blended approach present within the CoCT. The study succeeded in identifying the bureaucratic organisational culture as dominant in the CoCT. This profile is supported by literature that generally identifies government institutions as bureaucratic in nature. Despite the fact that this type of culture favours transactional leadership the study revealed that apparently transformational leadership can flourish within these constraints. The study further indicated that there are also very strong elements of both

the innovative and supportive cultures present within the CoCT. It would seem, therefore, that in driving change the CoCT has been able to foster the softer issues of transformational leadership without foregoing the necessary hard skills of transactional leadership. It would seem, therefore, that transformational leadership can exist within a bureaucratic organisational culture.

More specifically, let us turn to the findings on the leadership approach and organisational culture type in more detail.

8.5.1 The leadership approach within the City of Cape Town

Bass and Avolio (1994) stated that we can find a leadership continuum where a leader can display different leadership styles. These could be either transactional or transformational. Bass and Avolio (1994) recommend that the ideal leader should generally behave as a transformational leader. Fisher et al. (2014:26) stated, however, that there is a place for blended leadership in which the charismatic and transformative energies of a transformational leader are combined with the transactional leadership qualities. Fisher et al. (2014:26) use the term "blended leadership" here to mean a type of behaviour that has elements of contrasting styles blended, or mixed together. We see that a leader can be both transactional and transformational. In consideration of this stance, the research study seems to show that there is indeed this blended type of leadership present within the CoCT. The results of the survey suggest that the perceptions held by leaders and followers mostly point to the transformational paradigm of leadership. This is further demonstrated in the principles underlying the CoCT's HR strategies that acknowledge that employees have their own ideas, and offer opportunities for staff development and growth.

Although the leadership style in the CoCT seemed to be transformational, there were also very strong transactional elements present. The findings revealed that both leaders and followers agreed that there was an emphasis on goal setting, giving clear instructions, setting targets and measuring performance standards. There was either positive or negative reinforcement depending on performance. All these were achieved through the components of transactional leadership. Therefore in the context of reformation and change within local government where the emphasis is on outputs and

value for money, transactional leadership can be beneficial as organisations strive to meet predetermined targets and objectives. Organisations are able to rely on transactional leadership to maintain a stable environment where the exchange for tasks and rewards is clearly defined and the status quo is guaranteed. The CoCT seemed to complement this transactional approach with the transformational approach as it aims to bring about a new vision that sees it move in a more contemporary and innovative direction. Fisher et al. (2014:17) state that transformational leaders lead through changing the organisation, its structures, processes, systems, and people in order to align the organisation with its environments. This blended approach sees transformational leadership setting the organisation on new paths, whereas transactional leaders are essentially super-managers, operationalising and enacting the visions and systems by linking job performance to rewards. As a collective the CoCT seemed to have a combination of the transformational and transactional paradigms of leadership as the elements of idealised influence, inspirational motivation, intellectual stimulation and individualised consideration, as well as the transactional elements of contingent reward. It would seem that both transformational and transactional leadership were equally important for facilitating organisational success within the CoCT. Leaders should focus on developing both types of leadership, depending on the situation. They should build respect and trust from followers by defining agreements in order to achieve specific goals, clarifying expectations, and providing rewards for the successful completion of tasks. When they have built these transactional foundations they proceed by adding the transformational behaviours that inspire followers to go beyond their self-interest to achieve the shared vision of becoming a world-class organisation. The study allowed certain characteristics to emerge. Table 8.1 depicts some of the descriptors that have emanated from both the literature review and the research findings.

Table 8.1: Descriptors of transformational leadership and the corresponding behaviour

Transformational Element	Descriptors	Associated Leadership behaviour
Individualised consideration	Caring Concern Empathy	Alert to individual needs Provides appropriate challenges Provides learning opportunities
Intellectual Stimulation	Value the intellect of subordinates Encourages imagination Challenges old ways of doing things	Questions the status quo Generates simpler solutions Uses reasoning as well as emotion
Inspirational Motivation	Clarifies the future Elevation of expectations	Provides appealing symbols Clarifies the mission and vision Aligns individual and organisational objectives
Idealised Influence	Displays confidence in the vision Takes full responsibility for actions Sense of purpose and trust Identification with the leader	Emphasises accomplishments Sets high moral standards Acts as a role model
Transformational Element	Descriptors	Associated Leadership behaviour
Contingent Reward	Shows satisfaction if expectations are realised	Clearly formulates expectations Offers support
Management by exception (active)	Pays special attention to the breaking of rules and deviation from set standards	Draws attention to mistakes Consistently pursues mistakes
Management by exception (passive)	Only intervenes when problems have arisen	Only reacts to problems if it is absolutely necessary

Source: Central descriptors of transformational leadership and the corresponding behaviour

Table 8.1 acts as a quick reference guide whereby leaders can assess their strengths and weaknesses in terms of transformational and transactional leadership qualities. In today's changing environment maintaining the status quo will render the organisation unable to respond to shifts in demands in the environment. We see this change grounded in the reformation of local government. It is recommended that within this context of leading organisations during times of change a different approach to leadership is crucial. Judging from the literature review and the findings of the research study it would seem that the CoCT has embraced the elements of transformational leadership alongside transactional leadership. Furthermore, it would seem that this fusing of the two approaches has had significant impact on organisational culture as the CoCT seems to be displaying very strong elements of the innovative and supportive cultures referred to in literature, while maintaining the key principles of accountability.

These serve as valuable lessons and recommendations that other similar municipalities could possibly tap into as a means to embracing a different approach to leadership.

8.5.2   Redefining the organisational culture within the City of Cape Town

Robbins, (1983:173) posits that every organisation has its own unique culture. This typology of organisational culture assists in understanding the ideological conflicts that arise within organisations and the deep-seated beliefs about the way in which work should be done. According to Brown (1995: 67) these typologies are useful because they provide broad overviews of the variations that exist among organisational cultures. From the integration of the data and the scores, as well the literature described in previous chapters, it would appear that the dominant culture within the CoCT is still a bureaucratic culture, as one would expect in a typical local government organisation. Wallach (1983:32) argues that organisations that fit the bureaucratic culture profile are managed with strong explicit rules, are procedural, and people work in systematic and organised ways. In these types of organisations the rules and regulations are formalised, which means they are written. These written rules provide an organisation and its people with clarity and enable them to perform their tasks according to the prescribed regulations. The roles that leaders take on in these cultures are mostly defined as coordinator and administrator. This fits the description of the transactional leader. The study revealed that the transactional leadership elements are indeed in place in the CoCT, thereby further explaining the bureaucratic culture profile. The literature has also indicated that transformational leadership encourages the supportive and innovative cultures. These cultures embrace relationship-orientated principles; the individual is the focal point and it is encouraging and collaborative. Leaders in these cultures are entrepreneurs, innovators, risk-takers, mentors, facilitators and parent figures. It would seem that the new leadership paradigm must consist of constructs such as interactivity, collaborative learning, collective achievement and performance systems in order to deal with problems and to achieve organisational outcomes.

The study indicated that a large portion of the sample has attached elements of the innovative and supportive cultures to the CoCT. The innovative culture represents an organisation that is focused on external positioning with a high degree of flexibility and individuality. In this type of culture there is generally a sense of purpose and a feeling of

family. A clear indication of a supportive culture is when people care and there is a high focus on the total organisation and not just on selected teams. The literature has indicated that the best organisational culture profile will probably reflect a high demonstration of innovative/transformational characteristics, and a moderate demonstration of bureaucratic/transactional characteristics. The literature further indicated that the combination of transformational and transactional organisational culture will be organisation specific. Parry and Thomson (2003:393) also stated that public sector organisations must restrain transactional culture characteristics and develop individual leadership within, and even in spite of, a transactional environment. In this regard leaders within the CoCT realised that the culture of an organisation was crucial to the success of the organisation. This is evidenced in their transformation plan where we see a determined effort to change the culture within the CoCT to facilitate and move towards its vision of becoming a world-class city. Scholars remind us that the traditional approach to leadership is no longer sufficient for addressing present day challenges. Organisations need to rethink how they approach leadership practices amidst the rapid changes in technological innovation and globalisation.

As mentioned elsewhere, leadership and organisational culture are intertwined and can be described as two sides of the same coin. Leaders can transmit and embed organisational culture through mechanisms such as deliberate teaching, coaching, role modeling, reward allocation, recruitment, selection, and promotion. They can generate employee commitment to change by stressing core values and promoting loyalty. They set the tone for change through the use of organisational symbols, logos, slogans, and other cultural expressions. They motivate employees to pursue goals that may not have otherwise been attempted, alter employees' values through changes, unwritten and written. Jaskyte (2004:154) states that this demonstrates the importance of considering the relationship between leadership and change and the impact on organisational culture. Jaskyte adds that in order for their organisations to become more innovative, leaders would have to change their leadership practices to shape the culture of their organisations. These practices would have to support new values that were shown to foster organisational innovativeness, such as: innovation; aggressiveness; outcome orientation; people orientation; and detail orientation. For change to succeed, it is essential to shift employees' perceptions so they internalise the new organisational

reality and identify with it (Jaskyte, 2004:164). The CoCT has made a concerted effort to engage with its workforce by first eliciting their perceptions and inputs and subsequently developing strategies and programmes to foster change within the organisation. This context brings to the fore the importance of getting buy-in from staff when introducing reforms and organisational change. It is proposed that leaders, in the creation of a new vision, empower employees through encouraging their participation in the development of the new vision. In this way employees' through actively engaging in the change process and by being acknowledged for their views, experiences and inputs, are motivated in the workplace. It would seem that the CoCT has made some progress in the context of a new kind of leadership and its emerging organisational culture. These experiences could provide a sound basis for similar municipalities to embark on their processes of change.

8.6   Limitations of the study

A limitation of the research endeavour was that, due to financial and time constraints, it focused only on the top leadership level of the CoCT, not taking into account the perceptions of those further down the reporting line. This may have rendered an even more interesting perspective of the CoCT in terms of its leadership and organisational culture. The researcher was unable to review a more comprehensive sample considering that there are about 24000 staff members in the CoCT. Notwithstanding this limitation, the premise of the study was based on top leadership driving change. Therefore probing the perceptions of those in senior management positions was appropriate for the purpose of exploring leadership and organisational culture types from two broad categories, namely leaders and followers.

The high number of neutral responses to some of the questions presented another limitation, as some respondents chose not to express an opinion. This could be related to sensitivity issues.   It could possibly be due to the fact that respondents were assessing themselves as well as assessing their immediate superior. The fact that the researcher worked for HR could possibly have been a further reason for the high number of neutral responses. The relatively high self-assessment scores were also a possible limitation as individuals are prone to embellish their perception of self. Dunning

et al. (2004:86) stated that typically the views of other people, such as subordinates or peers, agree with each other more often than with self views. Dunning et al. (2004:86) stated that there is a natural tendency to inflate one's own rating so as not to imply any weakness.

It would not be prudent therefore to make generalisations from the research findings but instead to limit the findings to the group that was surveyed. The interpretation of the final data therefore involved simple descriptive statistics (counts, percentages and averages) and not complex statistical analyses like correlations. The general approach of the study was therefore suggestive rather than decisive.

8.7   Unique contribution of the study

First, the CoCT and its leadership as the locus for the study will benefit in the sense that the study has successfully identified the perceived leadership approach as well as the organisational culture that is prevalent. This is relevant in the face of driving change within local government. Municipalities are tasked with becoming more responsive to citizens' needs by offering a service that is both effective and accountable as it strives to embrace the elements of service standards and value for money. Targets and performance measurements are the order of the day and leaders need to be in a position to ensure that they have the necessary skills to drive this change. There is an uneasy tension between the need for a cultural revolution of outdated bureaucracies in order to enhance flexibility and innovation on the one hand, and the desire to maintain the standards and procedures that are necessary for quality, accountable service to a range of stakeholders on the other. There is tension between the need to be transformational and transactional at the same time. It would seem that the CoCT has managed to adopt the correct leadership approach or balance as evidenced by the position it holds as the top metropole.   The CoCT's leadership philosophy and consequent organisational culture type is therefore an important benchmark for other municipalities embarking on change.

Second, the study will add value to the academic debate on implementing transformational leadership within the confines of a bureaucratic organisational culture

where transactional leadership is still needed. Despite the constraints of the bureaucratic culture it seems that there can still be a very strong emphasis on promoting the tenets of transformational leadership.

Third, the study has shown that the transformational and transactional leadership approaches can coexist as leaders try to implement change using the various elements inherent in each approach. The study would seem to indicate that change in public sector organisations are probably more influenced by a blended leadership paradigm than a transformational paradigm. Therefore other similar municipalities could possibly learn from the lessons obtained in this research.

Finally, the researcher stands to benefit from the experience and the knowledge accumulated through the research process. This experience and knowledge may be useful in both a professional context and a personal capacity.

8.6 Future Areas of Research

Areas of future research could include an exploratory study, of two local municipalities functioning in different socio-economic contexts, that examines and explores the perceptions of staff across all occupational categories about the leadership style and organizational culture in those municipalities. In this way one could gain insights into the effects and influences of past discriminatory practices, laws and policies on the extent to which public sector organisations are able to embrace the regulatory frameworks towards change and transformation in democratic South Africa.

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