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Implicit Leadership Theories, Leader-Member Exchange and its Workplace Outcomes: A Case of South African Call Centre Agents

BY

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A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, Johannesburg, in partial fulfilment of the requirements of the degree of Masters of Commerce in Human Resource Management.

Johannesburg

South Africa

Declaration

I, _____, declare that this research report is my own unaided work. It is submitted in partial fulfillment of the requirements for the degree of _____ at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

_____

NAME

_____

DATE

Abstract

The purpose of this research is to investigate the role of implicit leadership theories (ILTs) in leader-member exchanges (LMX) and the association of these leadership variables on employee outcomes, customer service orientation and turnover intentions.

The specific context for this study is call centres. The growth in the call centre industry has warranted an investigation into variables that lead to their success. With an increased focus on retaining satisfied customers, the need to understand the factors that lead to this is emphasised. The importance of leadership and its impact on the success of organisations is often accentuated in the literature

This research aimed to gain a better understanding of the variables which affect the success of call centres from a leadership perspective. The effect of leadership and specifically leader- member exchange - on employee and organisational outcomes is studied. These outcomes include job satisfaction, commitment, psychological empowerment, turnover intentions and customer orientation. The effect of implicit leadership theories (ILTs) on LMX was also assessed. This research was conducted in the South African call centre context. The target population was defined as call centre agents in the Gauteng region. 192 call centre agents from various call centres formed part of the sample.

Data was gathered using self-report questionnaires. The questionnaire was administered in two parts and once all the data was collected, the relationships were tested using structural equation modelling in the SAS 9.3 statistical program. Various other tests were conducted, including tests for reliability and validity. Cronbach alphas were calculated in order to confirm the reliability of the variables. A confirmatory factor analysis was conducted in order to confirm validity. Furthermore, correlation analysis

and path analysis was conducted to ascertain the significance of the relationships identified.

LMX and psychological empowerment were found to be central in this research, having the greatest impact on the outcome variables studied; turnover intentions and customer orientation. Important recommendations for further research include the assessment of a more balance mix of in-bound and out-bound call centres since differences may exist and this research was predominantly comprised of in-bound call centres.

With one of the most significant paths identified being psychological empowerment to employee customer orientation, the findings suggest that call centre managers may need to consider the long term effects of psychological empowerment on employee customer orientation and turnover intentions. The cost involved with employees leaving the organisation or losing dissatisfied customers may warrant an initiative to empower call centre agents. The use of self-managed teams may be one way to achieve this.

Leaders were also found to play a central role in the outcomes studied in this research. In this regard, leaders should also go on extensive training programmes on how to deal with individual employees and on establishing good relationships with them. Managers could get peer reviews of leaders to understand where and if any problems exist. The use of team building exercises may also assist in developing good, high quality LMX relationships.

Keywords:

Call centres, Customer Service Orientation, Leadership, Implicit Leadership Theories (ILTs), Leader Member Exchange (LMX), Psychological Empowerment, Commitment, Job Satisfaction and Turnover Intentions.

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Finally to my husband, Thiresh, you never let me settle on mediocre, you always push me, you always support me and I appreciate your tough love in these matters. You are my rock.

Dedication

To my love, Thiresh.

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List of Definitions

Customer Service Orientation: Cran (1994, p. 36) defines customer orientation as a "set of basic individual predispositions and an inclination to provide service, to be courteous and helpful in dealing with customers and associates".

***Call centre agent*:** employee in a call centre with contact to customers and potential customers.

***In-bound Call Centre*:** deals primarily with queries or questions from customers calling in (Zapf, Isic, Bechtoldt & Blau, 2003).

Out-bound Call Centre: concerned with making calls to clients or prospective clients and usually involve selling a product or service to the client (Zapf, Isic, Bechtoldt & Blau, 2003).

Implicit Leadership Theories (ILTs): implicit leadership theory is an individual's subjective view of what leaders and leadership are like or should be (Lord and Alliger, 1985).

Prototypic traits: traits which are positively associated with leadership (Lord, Foti & De Vader, 1984).

Anti-prototypic traits: traits which are negatively associated with leadership (Lord, Foti & De Vader, 1984).

***Leader Member Exchange (LMX)*:** the relationship between leaders and followers (Graen & Uhl- Bien, 1995).

Sacrificial HR strategies: With an emphasis on cost cutting in many call centres, the benefits of employee burnout seem to outweigh the costs for many managers. This trade-off has been termed the sacrificial HR strategy (Wallace, Eagleson & Waldersee, 2000).

Employee Outcomes: These include job satisfaction, pschological empowerment and commitment of employees.

List of Abbreviations:

ILTs: Implicit leadership theories

LMX: Leader- member exchange

CFA: confirmatory factor analysis

SEM: Structural equation modelling

LPC: Least preferred co-worker

MCB: Mass customised bureaucracy

OJT: On the job training

SDI: Schein descriptive index

OCQ: Organisational commitment questionnaire

MSQ: Minnesota satisfaction questionnaire

SD: Standard deviation

AC: Affective commitment

NC: Normative commitment

CC: Continuance commitment

SOCO: Sales orientation/ customer orientation

SPC: Service-profit chain

Chapter 1. Introduction

The growth in the call centre industry has warranted an investigation into variables that lead to their success. With an increased focus on retaining satisfied customers, the need to understand the factors that lead to this is emphasised. The importance of leadership and its impact on the success of organisations is often accentuated in the literature.

The purpose of this research was to investigate the role of implicit leadership theories (ILTs) on leader-member exchanges (LMX) and its effect on employee outcomes, customer service orientation and turnover intentions.

This research aimed to gain a better understanding of the variables which affect the success of call centres from a leadership perspective.

An outline of chapters to follow is now presented. In chapter two the call centre environment and customer service orientation is discussed. This provides the context of the research and an explanation of the major dependent variables in this study; employee customer service orientation.

Chapter three introduces an in-depth discussion of the leadership literature with a specific emphasis on implicit leadership theories (ILTs) and leader member exchange (LMX). The motivation for focusing on ILTs and LMX literature is discussed. This chapter concludes with a brief analysis of leadership in the South African context.

Chapter four is a review of psychological empowerment which is an outcome variable in the study.

Chapter five presents an in-depth discussion of commitment, looking at various theories of commitment with a specific emphasis on Meyer and Allen's three components model, since this is the model employed in this research.

Chapter six is a discussion on job satisfaction literature. Job satisfaction is identified as an employee outcome variable in this study.

Chapter seven introduces theory on turnover intentions which is the other major outcome variable of the study.

The methodology is discussed in chapter eight and results are presented in chapter nine. Results are discussed in chapter ten and chapter elven concludes with recommendations and limitations of the study.

Chapter 2. Call Centres and Customer Service Orientation

2.1. DEFINING CALL CENTRES

To begin this discussion, it is important to have a brief definition of call centres, since the nature of call centres have changed so drastically over the past few years. Call centres are a way for organisations to show their commitment to a customer-orientated product or service that continuously looks at ways to make it more suitable for the customers' needs (Zapf, Isic, Bechtoldt & Blau, 2003).

Defining call centres is difficult because there are so many different types. One definition that is useful for the purpose of this discussion is adapted from Taylor and Bain (1999). They identified three key elements needed for call centres. The first element is that employees are dedicated to customer service orientations. Secondly, these employees use both telephones and computers in order to do their jobs. The final element is that an automatic distribution centre controls the calls. This definition is apt in that it can be applied to relatively low skilled, low paid employees dealing with customer needs in a tightly controlled, heavily monitored and time-restricted structure. In contrast, it can also be applied to highly skilled, highly paid knowledge workers responding to customer needs online. This is useful since both of these are fundamentally characterized by integrating telephone and computer technologies which constitute the sample for this research (Dean, 2002). Obviously, the definition of

a call centre fifty years ago and the definition today would be very different, since technology has advanced so significantly (Dean, 2004).

A distinction should be made between the different types of call centres. In-bound call centres deal primarily with queries or questions from customers calling in. Customer queries range from simple issues to extremely complex issues where an in-depth knowledge about the product or service is required. Out-bound call centres are concerned with making calls to clients or prospective clients and usually involve selling a product or service to the client (Zapf, *et al.*, 2003). An example of this would be telemarketing call centres. Some call centres engage in both these activities and both types were sampled for the purpose of this research. The type of call centre may impact on the relationships between supervisors and subordinates as well as employees and organisational outcomes therefore this distinction is important. This distinction is crucial since it would impact on the required skill levels and possibly the levels of work autonomy. With out-bound call centres where employees are phoning clients with a specific intention, the scope for highly scripted, repetitive work is enhanced. The nature of these types of calls also decreases the required skill level of employees (Dormann & Zijlstra, 2003). The majority (78%) of call centres around the world handle in-bound calls, and therefore most call centres are services rather than sales based (**www.ilr.cornell.edu**).

Although a standard definition of what call centres are has yet to be identified, ultimately, the underlying characteristics seem to be central in all definitions. Call centre agents have immediate and direct contact with the organisations' customers and when this becomes the only point of contact or reference for customers judging an organisation, it becomes vital for call centres agents to be customer focused (Kinnie, Hutchinson & Purcell, 2000). The increase in the competitive nature of business stemming from globalisation, as well as advances in information technology has magnified this sentiment (Johnson, 1992). A customer focus would be the derivation of

a competitive advantage in this industry, since it becomes one of the only facets of business that would be difficult for competitors to emulate.

2.2. WHY STUDY CALL CENTRES

An important reason for us to begin to take call centres seriously is the employment potential of this industry. Since the mid-1990s, it has been found that call centres have provided the most dynamic area of growth for white-collar workers around the world (Datamonitor, 1998, 1999).

In addition, according to Floyd (2000), winning a new customer costs ten times more than keeping an existing one. By the same token, Reicheld (1993) stated that a very satisfied customer is six times more likely to be loyal and to repurchase and/ or to recommend the company's product than a customer who is just satisfied. According to one study, customer satisfaction with call centre service is disreputably low at only 54% (Anton, 2000). Given these statistics, it is easily understood why creating customer oriented employees in service industries is so important for organisations today and this can only be achieved if the nature of call centres is understood. Managers across the globe are increasingly realizing that the emergence of the call centre is a vital part of business strategy and call centres have become a proactive way for businesses to differentiate their products or services. According to Anton (1997), in some industries as much as 70% of business is conducted over the telephone.

Managing call centre employees and building a customer service orientation amongst them is important from a management perspective since call centre employees are the link between the customer and the organisation. For many customers, their perception of the organisation's commitment to service delivery is impacted by their interaction with the call centre agent. To extend this even further, for many customers this interaction with the call centre representative will be the only human interaction they have with the organisation. For example, in the UK it was

reported that as much a 66% of all customer interactions with the organisation occur through call centres alone (Barker, 1998).).

Studying and understanding the call centre industry is also important for a third reason. The growth in the call centre industry has been sustainable for a few reasons, which include the possible cost reductions achieved by using electronic service delivery as opposed to face to face interaction and the convenience it presents to customers (Sergeant & Frenkel, 2000). In order for the foreseen growth in this industry to succcesfully achieve these goals of cost reduction and convenience for customers, a clearer understanding of what it will take to make this possible is necessary.

A fourth reason, and particularly for South Africa, the plummeting costs of data transmission means that more organisations will have the option of servicing customers through the use of call centres, making this industry an increasingly important one.

2.3. MOTIVATION FOR RESEARCH

This research contributes to current leadership literature in a number of ways. Firstly, there is limited research of this nature within the call centre industry which is a very distinctive and interesting industry for a number of reasons as discussed in Section 2.2 above. Secondly, the sample is drawn from call centres in South Africa, which could prove to provide distinct situational variables in terms of individual leadership schemas based on historical factors which may differ from current research conducted in other countries. Finally, due to the growth in services industries and the role they play in the economic development of developing countries such as South Africa, the importance of understanding how best to manage employees in call centres is amplified.

2.4. CALL CENTRES IN SOUTH AFRICA

Over the past few years, the growth of the call centre industry has been sizeable. The South African call centre industry has enjoyed much of the same success due to the fact that South Africa is becoming a popular destination for international businesses to outsource their customer call centre services. Shanblag (2008) cites research by Frost and Sullivan (2008) highlighting the significant growth in the number of call centres, which was at 450 in 2004 to over 1300 in 2007. Outsourced seats were estimated to be around 25 000. This growth in the call centre industry is a reflection of the general trend in many Western countries which has been away from the production of goods to service provision. This has primarily resulted as the need to gain a competitive advantage which has become crucial to the survival of firms in today's competitive world. Around 70% of employment in most advanced economies is now in the service industry, further emphasizing the move towards more customer-oriented goods and services (Frenkel, Tam, Korczynski & Shire, 1998).

Traditionally, countries like India and the Philippines have been at the forefront of servicing international businesses' call centre demands. India, as one of the industry leaders, thus provides a useful benchmark for South Africa. There are a least a few other reasons why South Africa competes well as one of the major players in the field. These include the following:

- The average time spent handling a call in India is close to 300 seconds whereas the average time in South Africa is close to half of that (Benner, Lewis & Omar, 2007). This suggests an advantage for the South African call centre industry.
- The time zone compatibility with Europe.
- The high levels of fluency in English.

- The liberalization of telecommunications in the country. Voice over Internet Protocol (VOIP) has been phased in and what it effectively means is that the cost of investing in South African call centres will decrease in the next few years since Telkom will now be faced with major price challenges from competitors **(**www.southafrica.info**).**

2.5. THE CALL CENTRE ENVIRONMENT

Call centre agents usually work in isolation and sit in cubicles which are separated by shoulder high partitions. Employees are required to answer calls through a headset while their hands are free to enter data onto the computer (Kinnie *et al*., 2000). Most of what they do is scripted and agents spend approximately 80% of their time on calls dealing with customers. Employees are closely situated to colleagues but have little time to interact with them and spend most of their time in a stressful situation of dealing with customer issues and often abuse from customers (Frenkel *et al*, 1998).

The major skills required by call centre agents include computer skills and social skills to effectively deal with customers. Social skills are vital since employees should be able to remain calm under pressure, maintain a friendly and positive attitude while at the same time ensuring that they remain personally disengaged. In addition to this, they have to be skilled in active listening, thus be able to pick on how to respond to a customer by the tone of the customer's voice. Agents should also be patient when dealing with disgruntled or rude customers. Apart from computer and social skills, agents must be meticulous with data entry which requires a high level of concentration (Frenkel *et al*., 1998).

Also, call centre agents are not the only players in ensuring that customers are satisfied, since this also depends on how well products are made and how efficiently other parts of the organisations function. What this means is that call centre agents often rely on other departments within the organisation to successful resolve client issues. If

call centre agents establish good relations with these departments, their jobs could potentially be made easier, increasing both their satisfaction and performance (Frenkel *et al.*, 1998).

2.6. MONITORING AND CONTROL IN CALL CENTRES

Despite the benefits, call centre work is characterised by deskilled, monotonous tasks and therefore low levels of job satisfaction amongst workers (Frenkel, *et al.*, 1998). Supervisors are constantly monitoring employees and work is performed in isolation. Research on this type of service worker has indicated that those employees who feel more empowered are more likely to be productive than workers who operate in more routinized jobs (Holdsworth & Cartwright, 2003).

Research suggests that it is important for employees in call centres to be motivated to achieve organisational goals. Rewards and compensation are a good way to increase employees' job satisfaction in call centres, since it should be noted that empowerment through autonomy is very limited within this type of environment. With regards to empowerment of call centre workers there is hardly room for creativity or autonomy within this type of environment. There are usually set procedures that have to be precisely followed in order to ensure consistency in service (Lovelock & Wirtz, 2004; Holman, 2003). Call centres have often been called electronic sweatshops and in many regards, the metaphor is fitting (Strandberg & Wahlberg 2007). It has even been contended that call centre work is a modern form of Taylorism, characterized by routinized tasks and little or no control for individual employees. A closer examination of the literature on the nature of work in call centres reveals a highly monitored, bureaucratic system (Zapf, Einarsen, Hoel, & Vartia, 2003).

In call centres, information technology (IT) is used extensively to facilitate the work process. Employees are under constant surveillance and have little scope for autonomy in terms of how they perform tasks. For example, the amount of time

employees spend on calls is measured in seconds, how long they take to answer a call, how many calls they miss, how well they deal with customer issues and to what extent they actually stick to the scripts. Even factors such the level of enthusiasm or tone of voice of employees is checked. This level of performance measuring therefore inherently demands conformity to the strictest of standards (Kinnie, *et al*., 2000). Employees are expected to consistently maintain a friendly tone when dealing with customers over the telephone, in other words they have to 'sound like they are smiling' which places increased amounts of pressure on individual employees (Zapf, *et al*., 2003).

A closer look at organisations in the service industry reveals that issues such as how efficiently and effectively employees deal with customers is crucial. From this however, a paradox seems to emerge: the expected level of customer service orientation demanded of service industry workers requires a work environment that enhances employee commitment to the organisation and yet the actual management of call centre employees, emphasises control and compliance (Schlesinger & Heskett, 1991). It is highly unlikely that a desire for a highly committed workforce concomitant with extreme employee performance monitoring is possible. This issue is of great interest in this research and is subsequently explored.

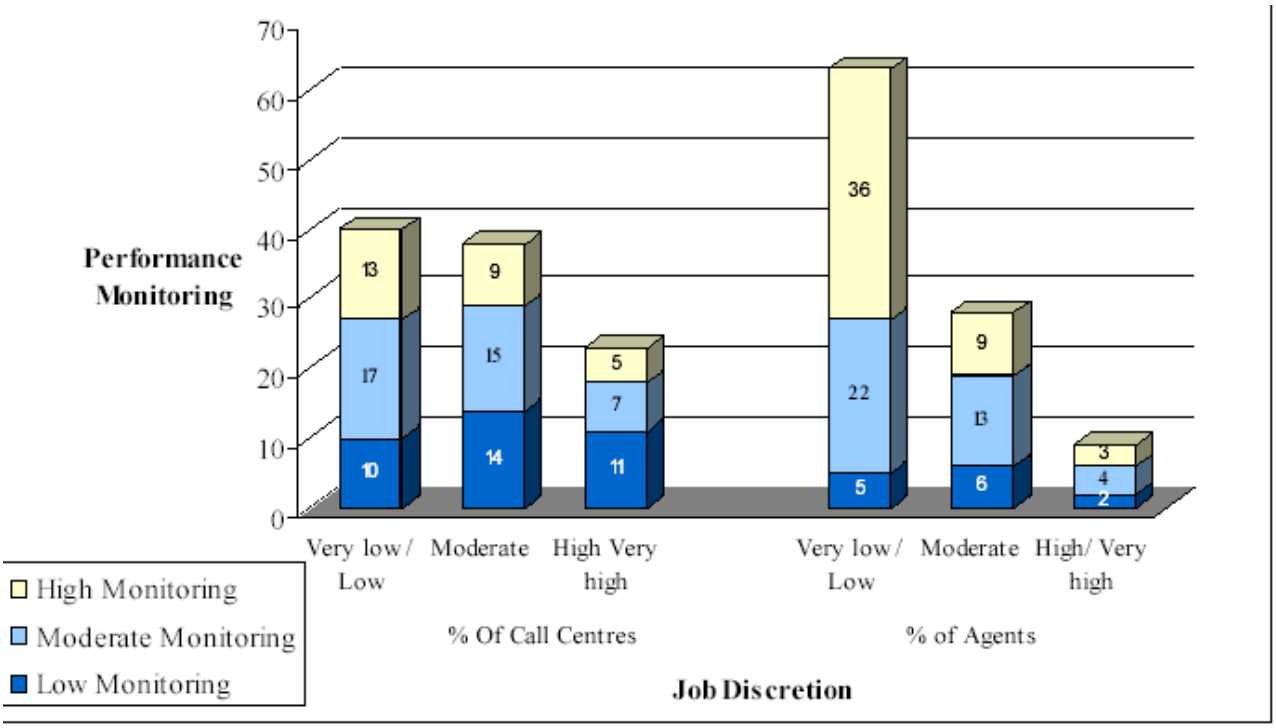
Since one of the key features of call centres is the high level of monitoring of employees, it is useful to explore the impact of this on employee performance. Monitoring of call centre agents happens in a number of ways. One way is through silent monitoring where calls are recorded and supervisors replay or listen in on calls and assess how agents deal with customers. Another way is for supervisors to physically sit with an agent and listen to how they deal with customers. The monitoring strategies described include facilitative supervision as well as the use of IT which automatically generates performance information such as the time spent handling calls, successful sales or problems solved and so on. These monitoring interventions are also

often used to train employees (Frenkel, *et al.*, 1998), emphasising the use of monitoring as an empowerment tool.

Many call centres use explicit bureaucratic controls such as universal displays of individual performance as a steady reminder of departmental performance. These displays also often serve to provide an idea of the average performance levels of other agents (Edwards, 1979). Although the major form of reward systems in call centres is performance related pay, there is an increased tendency to reward outstanding performers in cash or in kind (e.g. shopping vouchers, gifts etc.).

From Figure 2-1 which follows, it is clear that the majority of call centre agents' work is characterized by very low or low job discretion and high performance monitoring. This research included a study of call centres from 17 different countries, including South Africa. What this suggests is that the picture presented is generalizable on a global scale. Obviously differences do exist in individual call centres and these results are certainly worth investigating.

Figure 2-1 Job quality



(Holman, Batt &Holtgrewe, 2007, p.4).

The literature presents two arguments for and against monitoring of call centre employees. Both these arguments are presented.

Arguments in favour of monitoring suggest that the feedback that is possible from monitoring is a valuable source for employees to improve their customer service orientation and even technical skills (Grant & Higgins, 1989). so this argument would certainly be aligned with the view that call centres can be characterized by empowerment of employees.

Arguments against monitoring in call centres assert that monitoring has a negative impact on the well-being of employees since it may impact on employee remuneration as well as employee relationships within the organisation (Alder, 1998). It

has been acknowledged that monitoring in itself can also impact negatively on employee well-being since it places increased pressure on employees to perform at a specific desired level. The fundamental outcome of research against monitoring in call centres found that increased monitoring was associated with increased levels of stress or dissatisfaction in call centre agents (Smith, Carayon, Sanders, Lim & LeGrande, 1992). There is also literature which proposes that empowering employees may not always have positive effects on employee satisfaction or performance. The major reason for this would be that employees might be too overwhelmed by the responsibility of ensuring customer satisfaction. It was also found that in environments where there were few rules and set procedures, employees found it difficult to cope with high productivity demands, which, effectively, concern results oriented leaders (Knights and McCabe 2003). Bain, *et al.,* (2002) argue that a major source of low levels of employee satisfaction and fundamental managerial dilemmas stem from management's desire to measure hard and soft aspects of employee performance (i.e. quantity of calls handled and the quality of their interaction with the customer). In their research, Bain, *et al.* (2002) found that the general perception amongst call centre employees was that the primary focus of their work was transformed from customer service orientation to target-centred and quantity driven. These findings have been accentuated since the model for this research paper looked at the impact of different levels of job satisfaction on employee customer service orientation. Given this, it should be noted that evidence is provided to support both arguments of monitoring in call centres.

2.7. STRESS OF CALL CENTRE WORK

There are at least three negative consequences that result from the efficiency goal in call centres (Taylor & Bain, 1999). These are stress, exhaustion and employee turnover, all of which are serious cause for concern for management. These factors have all influenced the high absenteeism and turnover rates in call centres.

Typically, call centres are characterized by low levels of pay, an unskilled workforce with only basic training, few opportunities for involvement or advancement and little or no job discretion (Batt, 1999). Employees are often expected to work long hours with little or no interaction with other employees (Kinnie *et al*., 2000). A brief revisit of the call centre environment suggests that call centre representatives (CSRs) generally have to sit in front of a computer with a headset to communicate with customers and with their hands free to input data. Calls normally have to be handled in a specific timeframe and depending on the industry, the average CSR will talk to between 60 and 250 customers in an 8 hour shift (Dieckhoff, Freigang- Bauer, Schröter & Viereck, 2002; Henn, Kruse & Strawe, 1996; Kinnie *et al*., 2000). What this effectively means is that there is less time for calls to be non-routine. The implications for the CSR are that work becomes extremely routine. Not only is the work of call centre agents monotonous (stemming from the repetitive nature of work), but it is also highly physically and mentally demanding and impacts on employee stress levels. The high rate of turnover and absenteeism in call centres points to the fact that call centre work is extremely stressful (e.g. Deery, Iverson & Walsh, 2002; Holman, 2002, 2003).

One of the factors that characterize the work of call centre agents has been termed 'emotional labour' (Hochschild, 1979). When dealing with customers, employees in call centres are expected to maintain a certain emotional state and come across as happy to clients, regardless of their true feelings. This frequent interaction with customers, given this level of emotional labour, has been found to be related to emotional exhaustion. It is important to explore emotional exhaustion in call centre employees since often the outcomes of emotional exhaustion are absenteeism and turnover and these are considered in this research. Wallace, Eagleson, and Waldersee (2000) stated that one of the contributors of emotional exhaustion may be the inherent lack of supportive elements in the work design. Although agents seek socio-emotional support from their peers, the structure of the work limited their interaction. According

to Morris and Feldman (1996), the extent to which employees are monitored signals to them that the appropriate emotional display is important for the success of their jobs.

With the amplification of phone rage among customers, call centre work has been characterized as one of the ten most stressful jobs today (Ruyter, Wetzels & Fienberg, 2001). This ultimately impacts on the job satisfaction of employees.

2.8. JOB SATISFACTION IN CALL CENTRES

Schneider and Bowen (1993) aver that the way in which employees experience work in call centres has an impact on customers' perceptions of service quality. This finding was based on their research conducted in the banking industry and therefore bears relevance to this study. In South Africa alone, approximately 50% of all centres are in the banking and telecommunications sectors (Holman *et al.*, 2007).

To justify the effect of employees' job satisfaction on customers, the concept of 'emotional contagion' is drawn upon. According to Howard and Gengler (2001, this is basically when someone (a receiver) catches the emotion experienced by another person (a sender), where the emotion of the receiver converges with that of the sender. This concept has been studied in the context of employees dealing with customers and therefore bears relevance (e.g. Pugh, 2001). What is suggested is that employees who are dissatisfied in their jobs will unconsciously project a certain level of emotional stress which will be picked up by the customers with whom they interact. This will then negatively impact on the customers' satisfaction through the process of emotional contagion. In the case of employees who display high levels of job satisfaction, the result will be customers who in turn feel more satisfied through the same process of emotional contagion (Homburg & Stock, 2004). It is for this reason that the model for this research includes job satisfaction as one of the antecedents influencing customer service orientation.

2.9. CUSTOMER SERVICE ORIENTATION OF CALL CENTRE EMPLOYEES

Conventional marketing wisdom holds that a strong customer service orientation will lead to a better understanding of customer needs which would have a positive impact on customer satisfaction (Voss & Voss, 2000). An important finding in the literature is that a customer service orientation is also positively related to customer loyalty (Dean, 2002). This is explained by the fact that the more valued customers feel, the more likely they are to do repeat business with an organisation (Dawkins & Reicheld, 1990). In turn, customer loyalty has been found to be related to the success of a business (Butcher, Sparks & O'Callaghan, 2001).

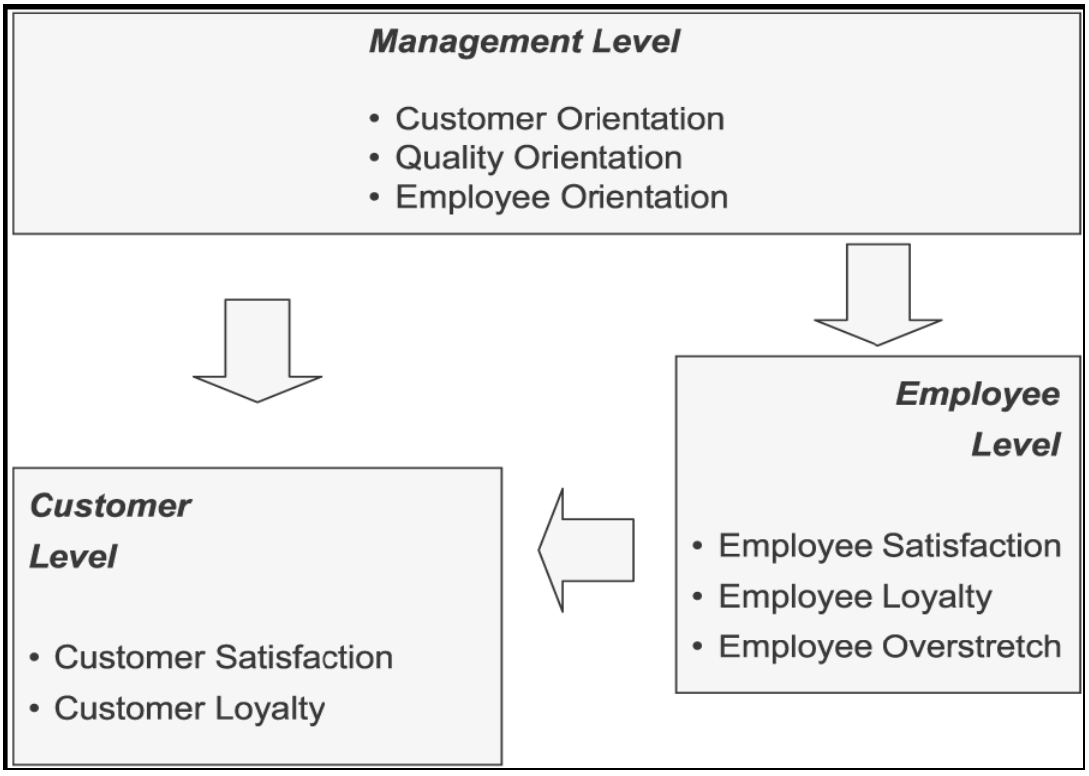
The goal in call centres is to maintain a certain level of customer satisfaction (which translates into a customer service orientation for employees). The goal for management would be to create an environment and relationships with employees that best solicits this. One way to achieve this is for managers to embark on at least two different but balancing leadership style orientations within the employer- subordinate relationship (LMX). The first would be a task oriented leadership style (which could be paralleled with 'initiating structure'). This type of leadership orientation would mainly focus on performance and efficiency. The second type of leadership orientation required would be the people oriented leader (which could be paralleled with 'consideration'). Here the emphasis would be to provide emotional support for employees (Wallace *et al*, 2000). The key issue with regards to customer service orientation is that it should be an inherent individual characteristic rather than an initiative implemented by management (Wallace *et al.*, 2000). This is argued in the sacrificial HR strategy which is discussed shortly.

Service climate is described as 'employee perceptions of the practices, procedures, and behaviours that get rewarded, supported, and expected with regard to

customer service orientation and customer service orientation quality' (Schneider, White & Paul., 1998). From this definition, it is clear that customer service orientation falls within the scope of a service climate. It is one of the major components of a service climate together with managerial practices that enhance it.

Figure 2-2 Management, employee, customer relationship, below, shows the relationship between management, employee and customers in terms of customer service orientation, employee satisfaction and ultimately, customer satisfaction. Various studies have shown that customer service orientation is positively related to customer satisfaction (Slater & Narver, 2000; Narver & Slater, 1990; Dale, 1999) and the diagram which follows therefore summarises the literature presented thus far.

Figure 2-2 Management, employee, customer relationship



(Kantsperger & Kunz, 2005, p. 137).

2.10. THE PARADOX OF EFFICIENCY VS CUSTOMER SERVICE ORIENTATION IN CALL CENTRES

Call centre research in general has gained popularity for two major reasons:

- to improve the nature of customer service orientation and
- cost reduction, stemming from improved products or services.

The overarching theme in most call centres is built around the challenge of trying to balance effective resource utilization and customer satisfaction (Dean, 2002). These two factors however seem to be paradoxical to some extent (Dormann & Zijlstra, 2003). A polarized focus on quantity of calls handled, for example, leads to a decrease in the quality.

2.11. THE SACRIFICIAL HR STRATEGY

With at least one of the major goals of all call centres being profitability, it is well worth noting that one of the few predictors of long term profitability is the number of 'completely satisfied' customers which makes high levels of service so important (Jones & Sasser, 1995).

The majority of HR literature in the field asserts that the enhancement of service quality requires management to focus the supervision on employee skill development, motivation and commitment. Lawler (1986) argued that for an organisation's service and quality to be competitive, this type of people centred management stance would be critical. With the high levels of emotional labour required in call centres, the significance of this approach is enhanced (Gutek, 1995; Hochschild, 1983). In light of the conditions most call centre agents are subjected too, this strategy appears to be appropriate and logical in trying to achieve the goals of the organisation. However, the research conducted by Wallace, *et al.* (2000) found that this management approach was not common practice in all the call centres that they studied.

With an emphasis on cost cutting in many call centres, the benefits of employee burnout seem to outweigh the costs for many managers. This trade-off has been termed the sacrificial HR strategy by Wallace *et al.* (2000). The key for managers who embark on this type of strategy emphasises hiring employees who are intrinsically motivated to provide high levels of customer service orientation so that a customer service orientation is not inherently an outcome of management practice but rather an individual characteristic (Wallace *et al.*, 2000). What still remains in organisations that utilise this strategy *is* that technology is still used to monitor and track employee performance. In this way, instead of the call centre environment being viewed as a constant battlefield between productivity and customer service orientation, the two paradoxical goals are able to coexist. This idea is intriguing for most theorists and managers alike since this ultimately means that high customer service orientation and efficiency can be achieved simultaneously, but at the expense of the physical and psychological well-being of staff. Within this strategy, contradictory to much of the previous research conducted in the field, emotional burnout and turnover are tolerated and, in extreme cases, even encouraged. For many, this idea is new so it is necessary that we look at the underlying conditions that would make implementation of this strategy possible.

A crucial element would be for individual employees to be motivated by a desire to serve the customer and to be an effective service provider. For managers this would translate into hiring agents for their relations skills and motivation. This seems to be fairly straightforward but the issue lies in the fact that while agents are hired for these qualities, managements' real focus is quantity and task-driven. It is exactly this tension between individual and organisational focus which could lead to emotional burnout, stress and turnover amongst employees. With the sacrificial HR strategy, once employees reach emotional burnout, they are no longer viewed as useful and thus

turnover is embraced. The ACA (1998) report found that the median stay of call centre agents is 15 months.

For managers to create a customer service oriented workforce while at the same time maintaining efficiency goals requires the management of the two seemingly paradoxical goals. This would require management to have the dual focus on tasks (emphasis on performance and efficiency) and providing emotional support for employees (Hapler & Winer, 1957). The dual role of being task oriented and relations oriented could be performed by a single manager or by different managers focusing on each orientation. The point is that with a sacrificial HR strategy the relations-oriented management is not present. It is here where the benefits of turning over burnt-out employees are seen to outweigh the costs of investing in relations-oriented management. In other words, by accepting burnout and turnover within an organisation, management negates the need to manage emotional labour (Wallace *et al.*, 2000). This strategy sacrifices the motivation and enthusiasm of the call centre agents to provide efficiency, while saving on costs of emotional burnout. The misalignment between employee motivation and task demand (i.e. foregoing employee motivation by increasing demands of the job) is deliberate and seen as the solution in trying to solve the efficiency vs. customer service orientation goal.

Further factors that have rendered the sacrificial HR strategy as not only possible, but desirable, are presented in the literature and will now be discussed. One of the major reasons why relations-oriented management has been viewed as important in the past is derived from the costs which are associated with losing a customer because of poor service from unhappy employees. Turnover is also seen as expensive as a result of training costs which would have to be incurred to replace employees. Further to this, finding suitable customer service orientation agents is difficult, which further increases the costs of losing an employee. Finally, customers may become attached to

specific service providers, opening up the possibility of these agents taking clients with them when they leave (Cappelli, 1995; Cappelli, 1997).

However, many of these drivers for relations-oriented management have been invalidated by advances in information technology. In terms of losing customers due to poor service delivery, technology has, at least in part, assisted in alleviating this problem since it has enabled a step by step process of dealing with customer complaints. Since it is so scripted and standardized, it is difficult for employees to deviate from this and deliver poor service. Advances in technology have also made it possible for training costs to decrease, since most of what has to be done can now simply be done by or through the computer with only minimal input from agents. This means that the general required knowledge level of call centre agents can be decreased through the use of information technology.

The final challenge of the difficulty of finding a suitable replacement for call centre agents who leave because they are missing the relations-oriented management, is invalidated by the current state of the labour market (Cappelli, 1995; Cappelli, 1997). With the advances in technology, for most call centres the only major skill required by agents has been reduced to a strong customer service orientation which means the pool of potential recruits is larger than initially expected. More people are willing to settle for short-term employment contracts in these uncertain times (Cappelli, 2000). This has made it possible to achieve the two seemingly paradoxical goals of efficiency and service simultaneously.

These reasons have provided support for the desirability of the sacrificial HR strategy presented by Wallace *et al.* (2000) which uses technology to track efficiency and individual drives to keep customers satisfied to ensure good service delivery with the cost of high stress levels, emotional burnout and turnover.

To summarise, for this strategy to be successfully implemented in an organisation, certain factors would need to be present. The call centre should have easy

access to the pool of possible recruits since turnover is high. In addition to this, they need to hire employees who are inherently customer oriented. It would require the recruiters to be trained in identifying these types of employees. Tasks should be standardized and used in conjunction with technology, thus reducing the need for advanced skills and knowledge. Lastly, the organisation should be well equipped to monitor employee performance, including customer satisfaction levels. The sacrificial HR strategy is new and still has many unanswered questions. Little has been said about how this strategy impacts on performance in the long run, but it is certainly an intriguing idea which should further be explored in the study of call centres (Wallace *et al.*, 2000).

2.12. EMPOWERMENT OF CALL CENTRE AGENTS WITHIN THE SACRIFICIAL HR STRATEGY

There is evidence from the literature that the introduction of IT in organisations has actually improved the work situation for employees. The introduction of IT has meant that human capital can be used in ways that would be more rewarding since mundane, repetitive tasks can now be completed by the computer (Handy, 1985; Mumford, 1983).

For call centre management, the perpetual challenge is balancing quality and quantity of calls handled since prioritizing of quantity has implications for quality and vice versa. Within any call centre, there is an undeniable need for both, in order for an organisation to be truly successful.

The first pictures presented of call centres have described them as electronic sweatshops or panoptical wired cages (Garson, 1988; Menzies, 1996). Employees are described as using computer technology that distributes calls automatically between different agents. Computers also assist in the successful completion of calls by providing assistance and direction each step of the way, while at the same time

monitoring employee performance Call centre agents generally work in isolation from their colleagues and are constantly being monitored by management. For most call centre agents, work has been deskilled and is seen as monotonous. This has only in part been combated by the increasing use of part time workers (Frenkel, Tam, Korczynski, & Shire, 1998).

The effect of this type of environment on the customer service orientation of call centre employees is of interest since these employees are usually the first and/or only contact customers have with the organisation. They provide market intelligence and act as brand ambassadors for the organisation. Research conducted has actually provided evidence that employees who are empowered are more productive than others, which suggests that management should be looking at more ways to empower their workforce (Schneider & Bowen, 1993; Schlesinger & Heskett, 1992). Perceived task significance (extent to which the job is seen to have significant impact on other people), higher pay and employment security are features of an empowered workforce for which a study on US customer service orientation representatives (CSRs) provides evidence of the fact that they lead to increased job satisfaction of employees (Batt & Appelbaum, 1995). Despite the evidence provided by these studies it is said that bureaucratic tendencies remain prominent (Appelbaum & Batt, 1994; Keefe & Batt, 1997).

For most call centres today, however, it is often proposed that a mixed organisational structure is adopted. The theoretical basis for this is embedded in management's effort to balance the aspiration to service individual customer needs through customisation and lowering operation costs through standardisation (Frenkel *et al.*, 1998). Frenkel *et al.* (1998) actually suggest that management has moved from organisational bureaucracy emphasising standardisation to what they have termed Mass Customised Bureaucracy (MCB); this type of structure is still primarily bureaucratic but now includes elements of empowerment.

Table 2-1 Work, employment and control relations under bureaucracy and mass customised bureaucracybelow, illustrates their characterisation of bureaucratic and mass customized bureaucracy. The bureaucratic system could be paralleled to the efficiency oriented organisation, whereas the mass customised bureaucratic system would be paralleled with an HR management system which emphasises empowerment of call centre agents. This table highlights the point that mass customised bureaucratic systems emphasise, as its main criteria, customer-oriented, self-management ability and demonstrating initiative, alluding to the fact that in organisations which are more empowerment oriented, these criteria are achievable. This is exactly what the sacrificial HR strategy challenges. As mention earlier, the sacrificial HR strategy emphasises these qualities while at the same time achieving the efficiency goal of most organisations. This strategy would then seem to be an intelligent amalgamation of bureaucratic and mass customised bureaucratic systems.

Bureaucratic structures are known to work better when the environment is stable, there is little competition and product/service standardization is acceptable for customers. Under these circumstances, little specialised knowledge is required from call centre agents, meaning work is usually routine. In this type of setting, employees forgo interesting, stimulating work for job security. Employees also display lower levels of job satisfaction, due to the low levels of autonomy (Frenkel *et al.*, 1998).

In a more realistic picture of the environment in which most firms compete today, competition is rampant on a global scale due to advances in technology. Organisations seek to increase their market share by giving the customer what they want in a world where they are spoilt for choice while at the same time embarking on cost reduction strategies. In order to achieve this, organisations constantly look for and introduce new products to satisfy customers. The implications for call centre agents are that they have to continuously update their knowledge, deal with new products and ultimately new queries from customers. This means that work becomes less routine and

demands more time and effort from the employees. Advances in technology have the same implications, since agents have to be up to date with the latest technology being utilized. Employees are required to be knowledgeable as well as flexible if they are to be successful in achieving this. In such a competitive environment, the norm moves from stable long term employment to a much shorter term focus where competing efficiently is the main goal (Frenkel *et al.*, 1998).

The increase in the number of part time workers employed in the call centre industry may be a manifestation of the inclination to keep labour costs variable in order to keep up with fluctuating demand. In line with a move towards a more flexible reward system, this also reflects a preference for performance related pay in call centres. These strategies which promote organisational flexibility could possibly have negative effects on employee well-being and performance (Knights & McCabe 2003). This needs to be explored further.

Table 2-1 Work, employment and control relations under bureaucracy and mass customised bureaucracy

	BUREAUCRACY	MASS CUSTOMISED BUREAUCRACY
WORK RELATIONS		
type of knowledge	lower order, contextual	lower and broader contextual
skills and creativity	manual, no creativity	navigational and social skills, some creativity
interdependence	sequential	sequential and pooled
EMPLOYMENT RELATIONS		
Recruitment		
basis of	external at ports of entry, thereafter internal	external, often as novices
Criteria	dependability	customer-oriented, self-management ability, demonstrate initiative
Training		
main source	the organisation	the organisation
nature of	training programs aimed at job proficiency and employee development supplement by OJT	training programs aimed at job proficiency and supplemented by formal supervisor-supported OJT and informal peer support
Career structures		
employment security	high	limited but perceived to be high where employment expanding
internal/external	internal	limited internal, some external
Reward system		
fixed/variable pay	high fixed element	fixed and variable elements, latter related to performance
criteria for pay rises	seniority, experience/tacit skill acquisition	knowledge, skills and performance
CONTROL RELATIONS		
form of control	behaviour measurement	behaviour and output measurement
role of IT	very limited	pervasive
role of supervision	disciplinarian	facilitator and coach

Osterman (1984), as amended; Frenkel *et al.* (In press)

Chapter 3. Leadership

Leadership has been investigated by myriad different researchers and most conclude that it really does make a difference (Bass, 1990; Burke & Day, 1986; Clark, Clark, & Campbell, 1992; Ulrich, Zenger, & Smallwood, 1999). However, leadership still remains one of the most researched, yet least understood, concepts of human behaviour (Hooper & Potter, 1997).

3.1. DEFINING LEADERSHIP

Ralph Stogdill (1964) identified more than 160 different definitions of leadership, today there are probably many more. He put these definitions broadly into ten different categories. These categories are summarised below:

The leader is seen as the focal point of a group and everyone else within the group is organised around the leader.

The charismatic approach focuses on how the personality of certain individuals has an effect on others and this person would often assume the leadership role.

Leaders are those people who know how to make people do what they want them to.

Leaders influence their followers to do what is required. This is different to the point above since it is less blatant and more socially acceptable.

Leaders display behaviours which followers can see and follow if these behaviours are seen as acceptable.

Leaders are those people who set goals through developing mission statements. They are those who have a vision and have the ability to lead the group in order to achieve these goals.

Leaders influence the beliefs of their followers, and thus lead to the followers changing their behaviour to what the leader wants. There is definitely an element of persuasion present. Some definitions just emphasise the interaction between leaders and followers. How followers see the leader, the situation in which one person assume leader qualities and so on.

Leaders are distinguished from other people in that their roles differ from those of followers. Often, these roles will be officially set before the relationship begins. Managers will often fall into this definition of leaders. Leaders create a structure within the situations or organisation they are in. They control and organise resources. Here again, management would possibly fit into the definition (Hooper & Potter, 1997).

Stogdill's (1974) definition is employed for this discussion which states that "Leadership is both a process and a property. The *process* of leadership is the use of non-coercive influence to direct and coordinate the activities of the members of an organized group toward the accomplishment of group objectives. As a *property,* leadership is the set of qualities or characteristics attributed to those who are perceived to successfully employ such influence" (Jago, 1982, p.315).

This definition does not regard leadership as residing in one person but as a series of interactions between leaders and followers (Keyton, 1999).

To begin this investigation into a topic which has been defined by so many different schools of thought in somewhat different ways, the credibility of the literature needs to be clarified; the concept of leadership is very useful in understanding practical situations of organisational behaviour. Most of the research has been conducted in organisations and therefore bears practical relevance. The question would then just be when to apply which definitions, because, although many of them encompass the same concepts, the focus may be on different aspects of the topic (Johns & Saks, 2005).

3.2. DISTINCTION BETWEEN LEADERSHIP AND MANAGEMENT

Another important part of the discussion on leadership should examine the distinction between leadership and management. As with defining leadership, the distinction between leadership and management is subject to a similar issue of having a great deal of variation between definitions given by different authors. However, one thing seems consistent and that is that there certainly is a difference between leadership and management. This distinction is worth exploring, since this research is focused on leaders in call centres, who may not necessarily be managers within the organisation. Table 3-1 Leaders versus Managers summarises the different definitions.

Table 3-1 Leaders versus Managers

Author(s)	Focus	Leaders	Managers
Bennis & Nanus (1985)	Conceptual	do the right things people as great assets commitment outcomes what and why things could be done sharing information networks	do things right people as liabilities control, rules how things should be done compliance, secrecy formal authority (hierarchy)
Czarniawska-Joerges & Wolff (1991)	Conceptual	Symbolic performance, expressing the hope of control over destiny	Introducing order by coordinating flows of things and people toward collective action
Spreitzer & Quinn (1996)	Conceptual	Transformational	Transactional
Zaleznik (1977, 1992)	Practical	Energize the system, working environment is often chaotic	Ensure the stability of the system
McConkey (1989)	Practical	Provide proper conditions for the people to manage themselves.	Concerned with controlling conditions and others.
McConnell (1994)	Practical	Vision, inspiration, courage, human relationships, profound knowledge.	Allocate resources, design work methods, create procedures, set objectives and create priorities.
Buhler (1995)	Practical	People purpose, push the boundaries, need vision and ability to articulate it.	Accomplish work through others, follow the rules, rely on legitimate power.
Sanborn (1996)	Practical	Create change and ensure others embrace it. Leaders tend to take their followers from one place to another.	Change when they have to. The word 'manage' means to handle.
Fagiano (1997)	Practical	Help others do the things to achieve a common vision.	Get things done through other people.
Sharma (1997)	Practical	Innovation	Conformity
Maccoby (2000)	Practical	Leadership is a relationship – selecting, motivating, coaching, building trust.	Management is a function – planning, budgeting, evaluating, facilitating.

(Field, 2002, p.2)

Managers use their authority from their formal position to obtain the compliance of subordinates. They are generally involved with the implementation of the vision and strategy of the organisation. They co-ordinate the day-to-day activities of the organisation. In reality, people do not usually distinguish between the terms and this happens because managers have formal authority so people assume they have leadership roles. It is somewhat obvious from a practical standpoint that not all leaders are managers and not all managers are necessarily leaders. What is necessary for an organisation to be effective are good leaders and managers (Johns & Saks, 2005). Maritz suggests that "excellent organisations begin with excellent leadership" (1995, p.8). This statement emphasises the importance of leadership in the workplace today.

3.3. LEADERSHIP THEORIES

Before examining the more recent views on leadership, this paper explores the early leadership theories to provide a better appreciation of the foundation from which contemporary leadership styles have evolved. The three dominant leadership theories seem to be those which fall into either the Universalist (trait) approach, the Behavioural approaches or the Situational approaches (Johns & Saks, 2005). A more detailed discussion into each approach follows.

3.3.1. Universalist Approaches

The major discussion around leadership seems to be about whether leaders are made or born. The trait theories are part of the Universalist approaches and they assume that leaders possess a specific set of traits that set them apart from other people. Up until the 1940's, leadership theorists devoted much of their effort to identifying certain traits that they associated with leadership in an attempt to develop a worldwide set of characteristics common to all leaders (Swanepoel, Erasmus, Van Wyk & Schenk, 2003). Traits in this case would refer to things such as physical attributes, intellectual ability and personality. Certain traits are then assumed to be associated with leaders

(Stogdill, 1948). Some of the traits associated with leadership effectiveness include; intelligence, energy, self-confidence, dominance, motivation to lead, emotional stability, honesty and integrity and the need for achievement. The need for achievement is a concept or idea which was developed in McClelland's (1961) Theory of Needs.

The aim of this approach is mainly to identify characteristics displayed by leaders and from that, to make it possible to identify qualities needed to be a leader.

There are important limitations to this theory. The major question around the theory is whether the traits make the leaders or does an opportunity to lead produce these traits. It also does not say anything about how leaders actually behave which has been the major critique of this approach (Sorge, 2002). Another major critique has been the fact that there is no distinction made between leaders who have the interest of their followers and the general well-being of humanity as their focus and those who are merely driven by their own self-interest. To illustrate this concern, we can look at some of the most influential leaders in history. As an example, consider Mahatma Gandhi and Adolph Hitler. Both of these people possessed the qualities listed as leadership qualities, but their focus or major concern fall at opposite ends of the spectrum (Sorge, 2002).

Furthermore, there is no rank given to the relative importance of the various traits. This makes it difficult to ascertain whether some traits are more important than others when it comes to excellent leadership (Swanepoel, *et al.*, 2003). Finally, a critical issue for management would be how one actually measures qualities such as integrity or courage when selecting potential employees. The mere lack of scientifically measurable outcomes renders this approach inadequate in practical application (Sorge, 2002). In the late 1940's, these flaws saw the decline in the popularity of the Trait theory. Behavioural theories soon took over as Carter (1953) and Startle (1956), as cited in Stogdill, (1974) maintained that the trait approach had reached a dead-end and

suggested that the attention be directed toward the behaviour of the leader. The focus then shifted to how leaders behave, instead of simply just the qualities they possess.

3.3.2. Behavioural Approaches

Mary Parker Follett was one of the first female researchers in organisations and amongst the first people to introduce elements of psychology theory into the workplace. She viewed leadership from a group and organisational perspective. These views subsequently developed into the fields often referred to as Organisational Behaviour and Human Relations, of which leadership is a critical component (Van Seters & Field, 1990). Behavioural theorists focused on identifying determinants of leadership in order to train people to be effective leaders (Armandi, Oppedisano & Sherman, 2003). They endeavoured to establish what successful leaders do, not just how they are seen or perceived by others. These researchers include Halpin and Winer, (1957), Hemphill and Coons, (1957), Likert (1961) and Blake and Mouton (1980).. Unlike the case in the Universalistic approaches, behavioural theorists believed that leaders could be made (Swanepoel, *et al.,* 2003*)*.

One of the earliest behavioural theories began with studies conducted at Ohio State University and the University of Michigan. These theories included both task and relationship elements (Benson, 2008.) The Ohio State University studies identified two main leadership behavioural dimensions, namely *consideration* and *initiating structure*. Consideration refers to the extent to which the leader establishes trust, mutual respect and rapport with the group and shows concern, warmth, support and consideration for the subordinates (Mullins, 2005). Employees' feelings and interpersonal relationships are a key factor within this dimension. Initiating structure reflects the extent to which the leader defines and structures group interactions towards attainment of formal goals and organizes group activities (Mullins, 2005). There is a strong focus on tasks in order

to achieve goals. Leadership emphasises meeting standards, deadlines, detailed descriptions of work and clear channels of communication (Bass, 1990).

Research on which dimension is most effective is not conclusive, although some research has found that a balance is needed between the two dimensions to attain employee satisfaction as well as to achieve organisational goals. The Ohio State University research has however been criticized for not taking into account the situation contingencies such as the makeup of the subordinates, the organisational constraints, tasks and goals.

The research conducted at the University of Michigan under the direction of Likert (1961) produced similar results to those of the Ohio State University research. Likert summarized the findings of the study into two dimensions, i.e. employee centred or relations orientated and production centred or task orientated. Leaders with a strong concern for production and the achievement of goals are considered to be task-orientated (Fiedler, 1967). Hershey and Blanchard (1981) describe a task orientated leader as a leader who defines the roles of others, explains what to do and why, establishes well defined patterns of organisation and channels of communication and determines the ways to accomplish assignments. The next type of leader is referred to as relations orientated. Fiedler (1967) suggests that a relations orientated leader is primarily concerned with attaining a position of prominence and achieving good interpersonal relations with subordinates. Blake and Mouton (1964) refer to relations orientated leaders as concerned about people. Many studies suggest that relations orientated leadership has a positive impact on job satisfaction. Stagner, Flebbe and Woods (1952), found that railroad workers were better satisfied in their jobs when their supervisors were good at handling grievances and communicating with employees. Mann and Hoffman (1960), as cited in Bass (1990b), found that employees were more satisfied when supervisors were considerate of their feelings, recognized good work, and were reasonable in their expectations and stood up for their subordinates. Both the

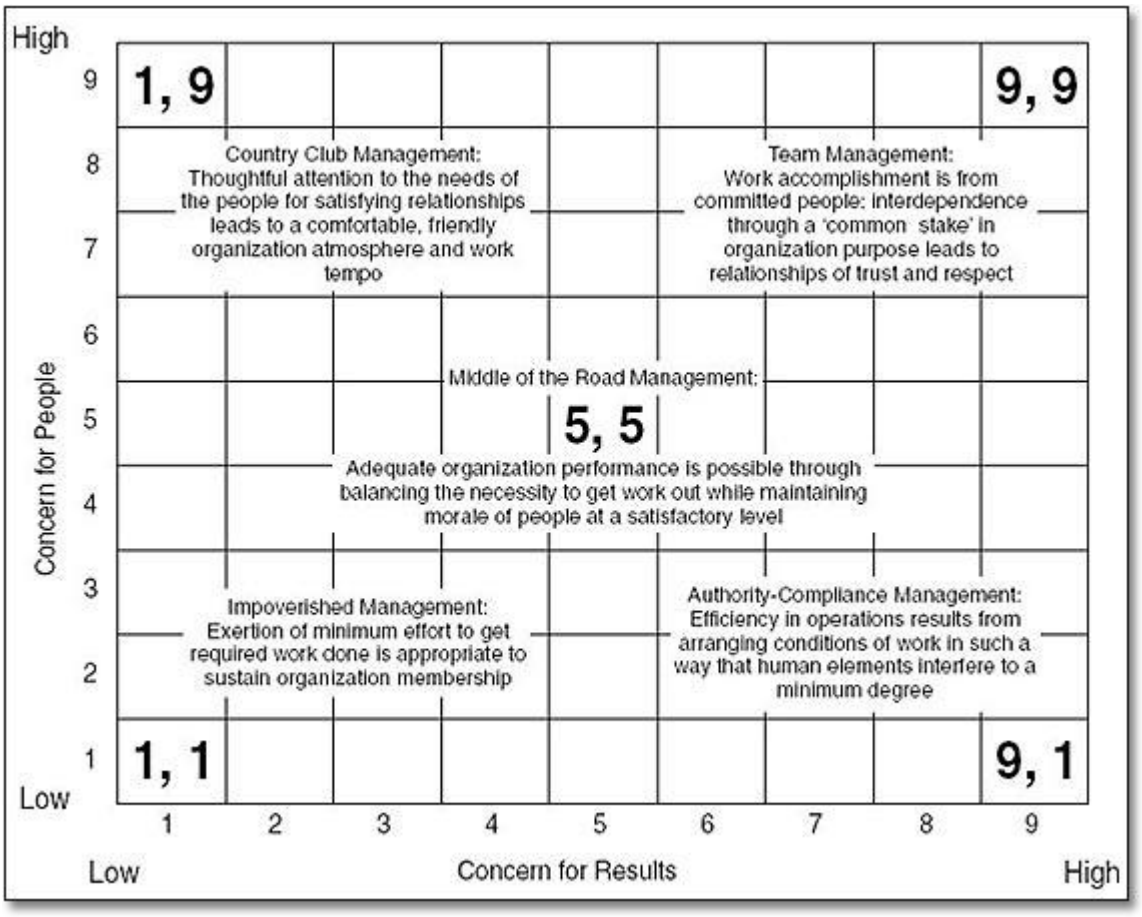
Ohio State University research as well as the University of Michigan research support the idea that there is no single behavioural category that is superior as the effectiveness of leader behaviour is highly dependent upon the variables in a situation.

The dimensions identified at the Ohio State University and the University of Michigan provided a basis for the development of Blake and Mouton's (1964) Managerial Grid. The grid provided a basis for comparison of managerial styles in terms of two dimensions. The first dimension is concern for production which is built upon the dimensions identified by the Ohio State University and the University of Michigan which were initiating structure and task orientated leadership styles respectively. This dimension is indicated on the horizontal axis of the grid. The second dimension is concern for people which is also built upon the dimensions identified by the Ohio State University and the University of Michigan which were consideration and people orientated leadership styles respectively. This dimension is indicated on the vertical axis. Bass (1990b) states that the grid is based on the concept that managers and leaders vary from 1 to 9 in their concern for people and vary from 1 to 9 in their concern for production. Blake and Mouton's grid attempts to examine these concerns in relation to one another rather than independently.

Five management styles, based on the two dimensions, are identified and located in four quadrants. Blake and Mouton (1964) stated that these two dimensions yield five generalized managerial styles in the grid ranging from 1, 1 impoverished management style through to 9, 9 team management style (Blake & Mouton, 1981). The impoverished leadership style (1, 1) represents a very low concern for production as well as a very low concern for people. The country club leadership style (1, 9) represents a very high concern for people (9), with a very low concern for production (1). The "organisation man" management style (5, 5) exhibits a moderate, middle of the road management style by showing neither a high nor low level of concern for people or production. An authority obedience style (9, 1) represents a high level of concern for

production (9) but a low level of concern for people (1). Finally the team management style (9, 9) exhibits a high concern for both people and production. According to Blake and Mouton (1978) a 9.9 leadership style has consistently proved to contribute positively to a variety of performance criteria in organisational development studies. They also found that managers that exhibited a 9.9 leadership style were more likely to advance further in their careers. (See Figure 3-1 Blake and Mouton's Managerial Grid)

Figure 3-1 Blake and Mouton's Managerial Grid



(Blake & Mouton, 1978, p. 11)

Blake and Mouton's (1964) Managerial Grid has been criticised for lacking satisfactory empirical support, as well as being too simplistic (Hollander, 1985).

According to Cogill (1986) and Hollander (1985), the Managerial Grid does not take into account situational variables while assuming that the 9, 9 style fits all situations. According to Dubrin (1998), these theories failed as it became apparent that appropriate leader types are moderated by situational constraints. The Managerial Grid is criticized for ignoring the way in which subordinates are capable of influencing the leader as it only looks at how the leader's behaviour can influence subordinates. Scholars continued to discover that trait and behaviour theories were not enough, and that there was still something missing. They discovered that leaders who went beyond modelling their behaviour after previous leaders by adjusting how they act to situations became more effective (Benson, 2008). This led to the development of the dynamic contingency theories. These theories emerged as an attempt to explain the unpredictable and inconsistent findings regarding trait and behavioural approaches to leadership (Swanepoel, *et al.,* 2003).

3.3.3. Situational Approaches

According to this approach, the type of leadership behaviour a person displays is a result of a number of factors. These factors could be classified under two main areas. Firstly, it is those factors which are specific to the individual. These would include factors such as the person's attitude, their level of motivation, the extent of their knowledge and other personal experiences. Secondly, a person's leadership behaviour would be a result of factors which pertain to the environment. These would include variables such as the reward systems in place, the organisational climate and just the general nature of the person's job. The two classical situational theories are Fiedler's Contingency theory and House's Path Goal theory (1971). One of the most influential theorists who was a pioneer in developing this approach was Fiedler (1965).

One cannot discuss situational leadership without mention of Fiedler's work. He basically showed that effective leadership was dependant on the interaction between

individual and environmental factors. Environmental conditions would either be favourable or unfavourable. Examples of favourable environmental conditions would be that the individual has good incentives and support from employees or that the individual is provided with all the necessary tools to perform the tasks required of them (Sorge, 2002). He proposed that that there was an association between the leadership orientation and the effectiveness of the group. Leaders are predisposed to have either a task or a relationship orientation. Their effectiveness depends on the extent to which the situation is favourable for them to exercise their power and influence. This means that some situations would be more favourable than others and would therefore require different leadership orientations. He proposed that the orientation of different leaders could be measured using the Least Preferred Co-worker (LPC) scale.

The LPC gets the leader to describe the person they would least want to work with on a task and this could be either a past or present co-worker. Leaders who describe their LPC relatively favourably (high LPC score) would be described as being relationship orientated and those who describe their LPC relatively unfavourably would be considered to be more task orientated. His major argument was that the LPC scores reflected a trait which revealed the leaders' motivational structure. It is not necessarily an observable behaviour, but more an attitude of the leaders' towards their work relationships. This situational theory not only focused on situations but on leader behaviour as well. Factors which were identified as those which would have an effect on the favourableness of the situation are:

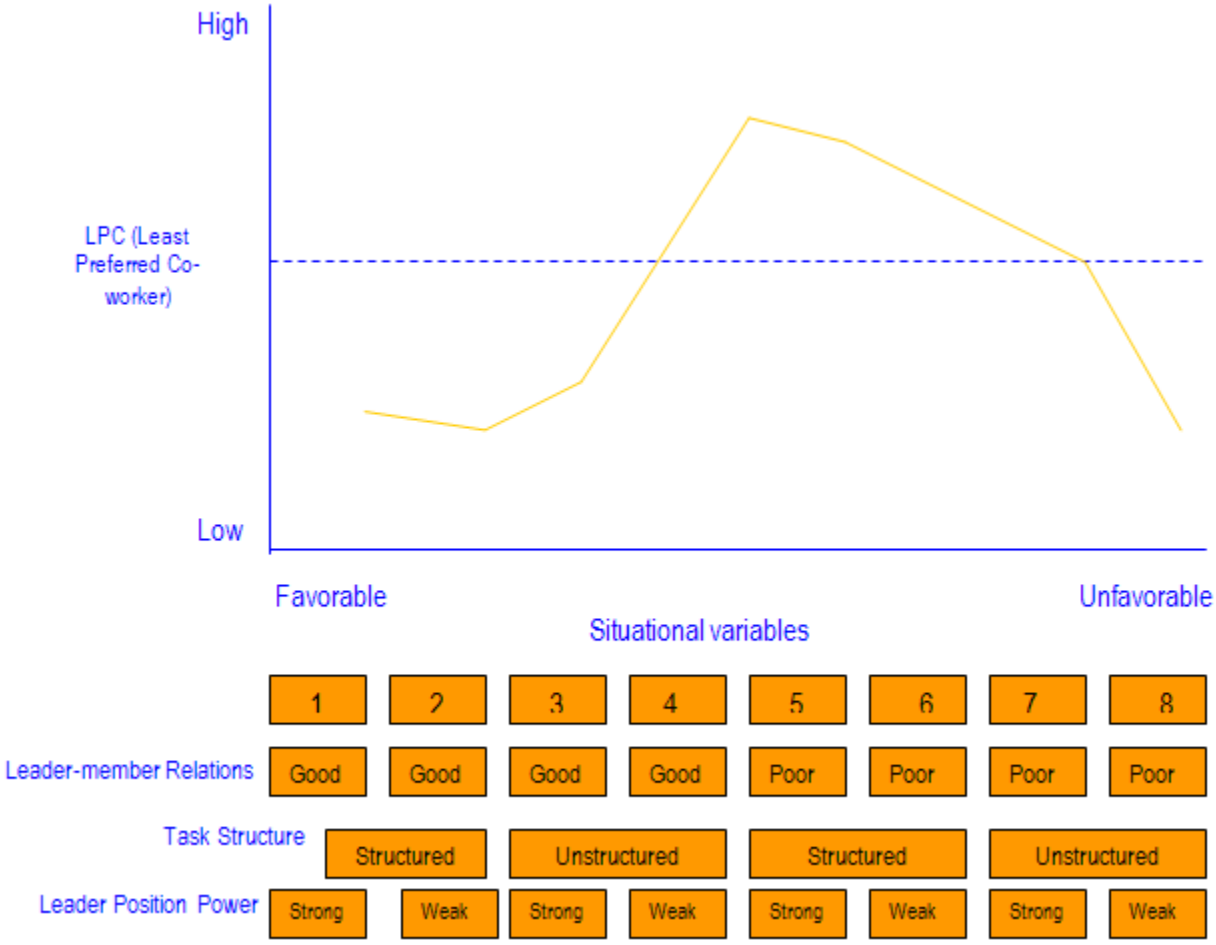
- The leader-subordinate relations
- The task structure and
- The position power of the leader.

Obviously, the situation is favourable for leadership if there are good leader-subordinate relations, tasks are well structured and the leader has influential power in their position. The model can be summarised as follows:

- A task oriented leader would be most effective when the situation is very favourable or very unfavourable.
- A relationship orientated leader would be most effective when the situation is at medium favourability (Johns & Saks, 2005).

Although Fiedler's model had a lot of success and dominated leadership studies during this period, it also had notable weaknesses. The model has been criticized by many scholars for its relative simplicity in its approach in explaining a complex situation. A common criticism concerns the accuracy and validity of LPC scores. Validations are usually based on concurrent leader member relations (Bass, 1990). Vroom (1976) found that LPC scores may be affected by group performance. A second concern was that Fiedler (1967) had three dimensions which determine the degree of situational favourableness, i.e. leader-member relations, task structure and degree of position power and these can be difficult to determine in practice (Schein, 1980). Another major concern is that the model fails to examine the characteristics of the subordinates when explaining the leadership style (Schein, 1980). Figure 3-2 Correlations between leaders LPC scores and group effectiveness summarises this theory.

Figure 3-2 Correlations between leaders LPC scores and group effectiveness



(Fiedler, 1976, p. 146)

House's Path-Goal Theory (1971) on the other hand, emphasised the fact that leaders' main activities involve identifying the paths which would lead employees to achieve goals which would be of interest to them. Sub-ordinates should be able to achieve these goals and achieving their goals should lead to an increase in their job satisfaction, leader acceptance and will consequently increase their efforts. He proposed that effective leaders would be those who formed a direct link between employee goals

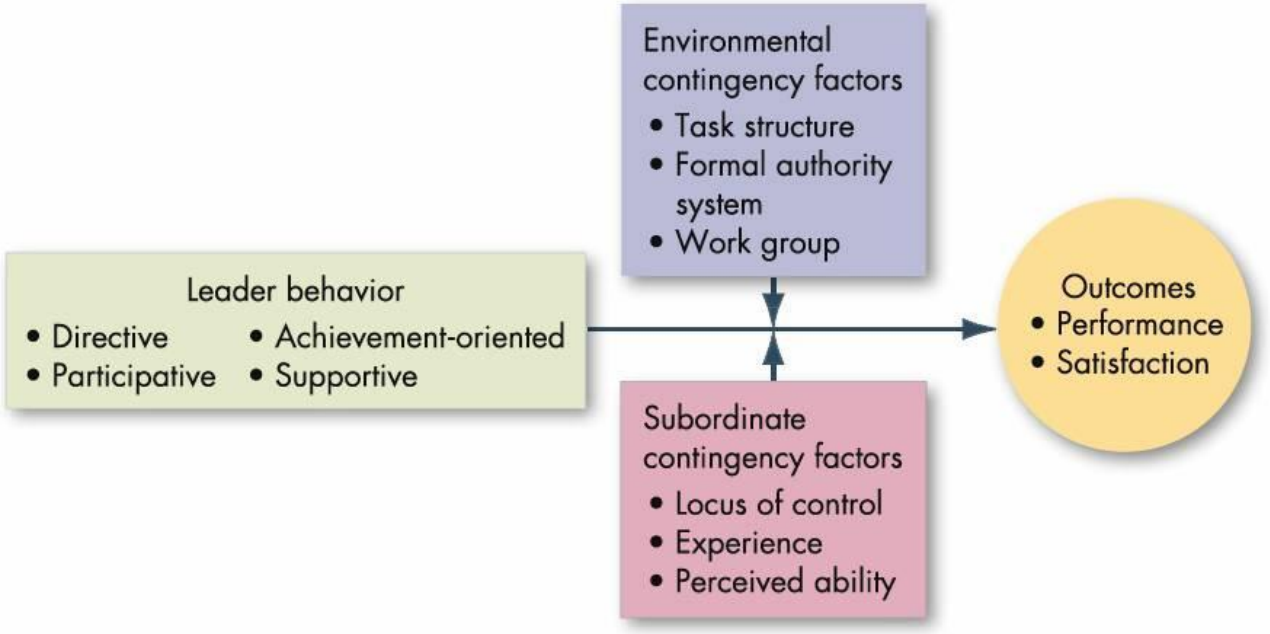
and the goals of the organisation. In order for leaders to be effective in promoting the efforts of their sub-ordinates they should make their rewards dependent on their performance and in addition to that, employees must be clear on how they can achieve these rewards. This is the major task of leaders. House's Path-Goal theory identified four different kinds of leader behaviour:

- Directive behaviour
- Supportive behaviour
- Participative behaviour and
- Achievement oriented behaviour

Directive behaviour involves delegating and organising sub-ordinates and tasks. Supportive behaviour would be assisting and coaching sub-ordinates to help them achieve their goals in order to gain the rewards they desire. Participative behaviour would involve getting opinions and asking sub-ordinates questions which would assist them in leading effectively. Achievement oriented behaviour would be organised around incentives and setting goals. These tie in a lot with the idea of management by objectives. Ultimately the effectiveness of the different behaviours identified would be contingent on the situation within which the leader is placed. The major factors here are the specific characteristics of the sub-ordinates and then the environmental factors. Sub-ordinates that prefer to be told what to do would operate most effectively under the directive leadership behaviour. Those with a high need for achievement would thrive under an achievement oriented leadership style just to name a few. When tasks are clearly outlined, there would certainly be less of a need for a directive leader. If the job being performed is frustrating or not very satisfying for sub-ordinates, then a supportive leader would be the most effective. According to this theory, what leaders need to do is to fit their behaviour to the specific situations. This encompasses the needs and abilities of the individuals in the organisation (Johns & Saks, 2005).

Numerous studies have been conducted in an attempt to validate the path goal theory. House (1996) suggested that task structure usually determined whether consideration or initiation of structure styles of leadership contributed to job satisfaction and productivity. Considerate leadership was expected to affect satisfaction and performance positively in structured situations while initiation of structure leadership style was expected to positively affect satisfaction and performance in unstructured environments (Bass, 1990). Dubrin (1984) criticised this theory stating that is difficult to operationalize and this complexity hinders its wide acceptance and makes it difficult to test the theory's deduced relationships. Figure 3-3 House's Path Goal Theory (1971) below summarises.

Figure 3-3 House's Path Goal Theory (1971)



Hersey and Blanchard's Situational theory focuses on the follower. This theory has similarities to House's Path Goal theory as the leader is assumed to have the ability to modify his leadership style; however, in this case, it is based around the readiness of his followers (Kreitner & Kinicki, 1989). The readiness of the follower is referred to as

the "extent to which a follower possesses the ability and willingness to complete a task" (Swanepoel, *et al.,* 2003). Therefore, in a situation where followers possess low levels of readiness and maturity, the leader will be required to monitor their work closely and ensure that they know exactly what is expected of them. On the other hand, if subordinates show high levels of readiness, it is more appropriate for leaders to give the followers the authority to control some areas of their own work. Leaders should also be prepared to listen and accommodate these followers' needs and concerns.

Situational approaches basically emphasized the flexibility element which is required in order to be an effective leader. According to this approach, there is no one best style, it is always contingent. Participation and empowerment are crucial to the success of leaders. One of the most important critiques pointed out by this approach is the downfall in many other theories which emphasise that certain qualities in a person will make them successful leaders. The problem with those theories is that they fail to account for why certain leaders are successful in one setting but not in another (Sorge, 2002).

Another theorist who was influential in developing situational leadership literature was Vroom (1977). Along with others, he developed a number of leadership models which took different situations into account and explained how they determined which leadership behaviour would be most appropriate and effective in those different situations. Their models focused on a range of different leadership styles from autocratic to participative. These will be discussed in great detail later. It seems that although a lot of the literature favours participative leadership styles in order to promote flexibility, the conclusions on this type of leadership style are not always positive. This being said, it is interesting to note that participative leadership styles are associated with increased job satisfaction of employees. It is also stated that it releases competence within employees (Sorge, 2002).

The Vroom-Yetton model indicates the types of situations in which different levels of participative leadership would be most suitable (Vroom & Yetton, 1973). Their model differs to that of House's and Fiedler's in that it focuses on identifying a leadership style that is most effective in different situations which means that leaders have to adapt to the environment to be effective. Contrasted with this, Fiedler believed that the situation had to be altered to fit the leadership style (Gibson *et al*., 1985).

The model is designed to determine the best leadership style based on the situation. It starts where the problem is identified and then the leader has to decide whether the problem has a quality requirement to it. Then further questions need to be answered to assist in the decision making process. These questions are whether the leader has the required information to make a quality decision, is the problem structured, do the subordinates need to accept the leader's decision in order for it to be effectively implemented, does the leader require subordinate involvement in making the decision for it to be effective, do subordinates share the organisational goals obtained from the outcome of the decision and is conflict likely in the decision made (Gibson *et al.*, 1985). Based on the answer to each of these questions, a more participative decision making style is recommended. This model was criticised in terms of the validity since the model is based on self-report data style (Field, 1979).

Situational approaches basically emphasised the flexibility element which is required in order to be an effective leader. According to this approach, there is no one best style, it is always contingent. Participation and empowerment more and more seem crucial to the success of leaders. One of the most important critiques pointed out by this approach is the downfall in many other theories which emphasise that certain qualities in a person will make them successful leaders. The problem with these theories is that they fail to account for why certain leaders are successful in one setting but not in another (Sorge, 2002).

3.4. LEADERSHIP STYLES

Leadership theory identifies a range of different types of leadership styles which are now discussed.

3.4.1. Transactional Leadership

Transactional leaders focus their efforts on ensuring that the organisation's short term contingency objectives are met. They are concerned about the day-to-day running of the organisation (Swanepoel, *et al.,* 2003). The transactional leader adapts a managerial role, concentrating on planning and developing a strategy that will enable the organisation to meet its objectives (Nieman & Bennett, 2002). The transactional leader will then turn his attention to organising the firm's activities to ensure that they are aligned with the strategy, so that, ultimately, organisational objectives are achieved (Nieman & Bennett, 2002). In the majority of cases, transactional leaders adopt the management-by-exception style of leadership, which allows them to successfully monitor employees' performance and take corrective action if the employee deviates from planned strategy (Bass & Avolio, 1993). The transactional leader must then control all organisational activities to ensure that the firm is running smoothly in its eventual aim of achieving the organisational objective (Nieman & Bennett, 2002).

These leaders ensure that deliverables are achieved by making certain that their subordinates are aware of what is expected of them by communicating effectively about what needs to be done (Swanepoel *et al.,* 2003). Transactional leaders capitalize on their subordinates' strengths by offering contingent rewards, such as recognition, monetary incentives and promotions. They use them to motivate employees to perform or achieve the goals set by them. The incentives are used to reward employees for performing well or just to recognise their efforts. They use these incentives as a way to enforce their power because when employees deviate from the rules, they take away certain incentives. These "transactional agreements are bound by many rules and limitations,

which in turn give each party only a limited involvement in the activities of the other without going beyond contractual agreements. "An exchange that is based on contingent reward and punishment is likely to have a negative impact on the emotional aspects of the relationship" (Lee, 2004, p. 658). It should be noted, when comparing transformational and transactional leaders, most employees were more motivated to exert greater effort to achieve organisational goals if their managers were transformational, as opposed to managers who were transactional. An important part of transactional leadership is to ensure that the rewards offered by leaders were valued by the employees (Dubinsky *et al.*, 1995).

3.4.2. Transformational Leadership

Transformational leadership is a fairly recent approach to understanding leadership which views leadership as a style. Burns (1978) first introduced this idea and stated that transformational leadership involves establishing relationships with followers through mentoring and empowering them. Transformational leaders would be involved in developing plans and goals and assisting followers to achieve these goals by ultimately empowering them. Later theorists studied these qualities and referred to it as charismatic leadership (Eagly & Johannesen-Schmidt, 2003) and this is discussed in the following section 3.4.3.

3.4.3. Charismatic Leadership

According to the research done in this area of leadership, there does not seem to be any solid or conclusive evidence that charismatic leadership has an effect on the performance of organisations. It is nevertheless very important to understand this type of leadership since such a great deal of the literature is focused on this topic. Charismatic leadership is a relatively new topic which has been called inspirational and visionary leadership. It has received a great deal of attention in the last 30 years or so (Shamir *et al.*, 1993).

These theories tend to place a great deal of emphasis on the followers' emotional connection to their leaders, their esteem and trust in the leaders and their intrinsic motivations (Shamir *et al.*, 1993). Charismatic leadership theories place much of the positive and negative results of this leadership style on the leader. Followers have a great role in the heroic status given to certain individuals (Howell & Shamir, 2005). The thing about charismatic leaders which may set them apart from others is the fact that they seem to deliberately destabilize the firms into which they enter. Their focus is usually to create a more vibrant organisation where new ways of doing things are introduced. The general hope is usually to turn around firms that are experiencing problems associated with management. Evidence suggest that often what happens is that the firms end up being left in an even more troubled state than what they started out with. There are a number of real life examples which have illustrated the bad legacies left behind by charismatic leaders. It has even been suggested that Gandhi and Hitler are similar in this regard and the theory is criticised for not emphasising the risks of this leadership style. One of the most popular examples is that of Enron. Other examples include Ford and GE (Khurana, 2002).

Khurana (2002) points out that the secret to success is leadership. Here leadership was explained as possessing certain qualities which included individual qualities. This would then fit as a universalist approach. These were items like the ability of an individual to think strategically and the fact that they possessed the necessary knowledge of the industries within which they operated. Defining charisma seemed to be a more difficult task, however, it is ultimately described as the personal characteristics of an individual which would encourage others to submit to that individual's request and also stand in awe of them. Charismatic leaders are seen as those people who are able to inspire their employees to put in 110% of their effort.

According to Conger and Kanungo's Theory of Charismatic Leadership followers assign merits to leaders based on the way in which the leaders behave.

Employees make these leaders super human (Dunnette & Hough, 1992). They could encourage employees to take risks and to do whatever pleased the leaders. Ultimately, they are seen as the saviours who would bring the organisation back to life. The way it was described, it seemed that charisma was assumed to be an inherent quality possessed by only certain people. The reality is however that charisma is more of a social product than a trait possessed by individuals (Khurana, 2002). The Conger and Kanungo (1987, 1988, 1992) Model of Charismatic Leadership focuses on the different dimensions of charismatic leadership as perceived by followers in three different stages of the leadership process. The first stage is the environmental assessment stage, second is the vision formulation stage and lastly is the implementation stage. Their model was proven to have high construct validity and can thus be used to highlight the relationship between perceived behaviours of charismatic leaders and the behaviour of followers (Conger *et al*., 1997).

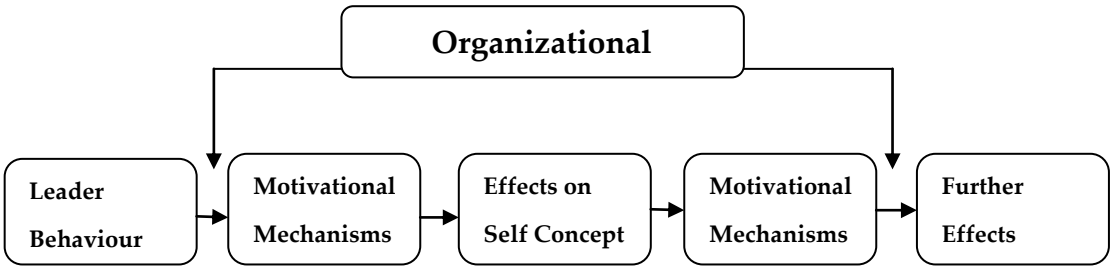
Many organisations in desperate situations have placed such great faith in the abilities of charismatic leaders that it has almost leads to the exaggeration of what they are actually capable. The result has been that because the impact of charisma is so inflated, many firms failed to consider suitable candidates for positions because they did not possess charisma. This was despite the fact that charismatic leadership was not conclusively linked to the organisation's performance. As with the situational approach discussed earlier, the impact of any leadership style on the performance of an organisation greatly depends on the specific circumstances within that organisation (Khurana, 2002).

According to Khurana (2002), it was not until the 1980s that CEO's were no longer just ordinary people who worked themselves up within the organisation. It was a time when technological innovation and subsequently, a rapid increase in global competition ruled the working environment. There was a demand created from this for leaders who would be key to the changing environment and who would be able to

assist in creating an organisation that would be able to compete globally. What often happened during this time was that entrepreneurs from outside the organisation were assigned to lead them. The general belief seemed to be that anyone within the organisation would not have the ability to stir things up enough to bring about a meaningful change (Khurana, 2002).

Shamir *et al*. (1993) drew the link between charismatic leadership and the support from followers, motivation was identified as a crucial link between the two factors. A model was developed and it basically summarises all the elements discussed in their research (Shamir *et al*, 1993). Leader behaviour of charismatic leaders includes emphasising collective identities, confidence in followers and their self-worth. These behaviours then activate motivational mechanisms such as maintaining self- esteem and hope of their followers. This in turn plays a major role in followers' feelings and beliefs about themselves which ultimately then leads to followers having increased commitment to their leaders to the point where they display self-sacrificial behaviours. Followers and, in this case, employees have high levels of organisational citizenship. An outline of the theory is provided in Figure 3-4 Motivational effects of charismatic leadershipbelow.

Figure 3-4 Motivational effects of charismatic leadership



Providing ideological explanations		Heightened self esteem		Personal commitment to leader and mission
Emphasising collective identities Reference to history Reference to followers' worth and efficacy Reference to collective efficacy Expressing confidence in followers	Self-consistency Maintenance and enhancement of self-esteem and self-worth Maintenance of hope	Heightened self-worth Increased self-efficacy Increased collective efficacy Personal identification with leader Social identification Value internalisation	Self-expression Self-consistency Maintenance and enhancement of self-esteem and self-worth	Self-sacrificial behaviour Organization citizenship behaviour Task meaningfulness



(Shamir *et al*, 1993, p. 581)

3.4.4. Participative Leaders

At the opposite end to autocratic leaders, lies the participative leader. They are very much hands on and actively seek necessary information from employees in the lower levels in order to make some of their most important strategic decisions. The actual implementation of the strategies is an area where they do not usually get involved. This aspect is left to the line managers once they have outlined exactly what needs to be done. In this style of leadership, strategies are strictly controlled from above but staff is given freedom in the implementation. This type of leadership style can cause some problems when the organisation has branches in different parts of the world because they do not have direct control over what the regional managers do. They have to trust that these managers will do what is best for their customers and employees (Schaeffer, 2002).

It seems that although a lot of the literature favours participative leadership styles in order to promote flexibility, the conclusions about this type of leadership style are not always positive. This being said, it is interesting to note that participative leadership styles are associated with increased job satisfaction of employees. It is also stated that it releases competence within employees (Sorge, 2002).

3.4.5. Narcissistic Leaders

Freud described narcissists as "impressing others as being 'personalities'" (Maccoby, 2000, p.3). They act as a support system for other people but there are a number of disadvantages identified in being narcissistic. They are usually viewed in a very negative light, described as being emotionally isolated and often pathologically pre-occupied with themselves but Freud pointed out that in some way we are all narcissistic. These types of leaders have been divided into two groups; productive and unproductive narcissists.

Productive narcissists are often those who are willing to take risks and in fact encourage it. Their words are one of their most powerful assets. They have been described as charmers who have the ability to convert masses with their words alone. Gandhi and Bill Gates have both been described as this type of leader.

On the other hand, there are unproductive narcissists. They are those who have unrealistic dreams and almost overrate their abilities. They lack the necessary self-knowledge which sets them apart from other narcissists (Maccoby, 2002).

Freud outlined three main personality types: erotic, obsessive and narcissistic.

Erotics are those individuals for whom loving and being loved are the most important aspects of their lives. In life, they are very dependent on those people who love them and act in order to please them because they fear that these people with stop loving them. Typical examples of these types of individuals are teachers and nurses. For the purpose of this paper, it is important to look as these individuals as managers or leaders. They are described as caring and supportive. They are usually the type of people who tend to avoid conflict. In this sense then, they are very good managers since they require too much approval. They are outer-directed people because of this quality (Maccoby, 2002).

Obsessives are inner-directed individuals. They are described as being very self-reliant and conscientious. They are almost like perfectionists because they constantly look at ways to better themselves. In the working environment, they always try to generate and sustain order. For this reason, they make the most effective operational managers. They are good in conflict resolution because they usually look for situations that would leave all parties happy relative to the challenge presented (Maccoby, 2002).

Finally, narcissists are described as independent. It takes a lot to impress these types of people. Many people describe leaders as those people who have a vision and with that, the ability to get others to follow them. Narcissists possess both these qualities and for that reason they most fit the image of great leaders if it is viewed in

terms of the Universalist approaches discussed previously. Their drive and ability to get subordinates to adopt their views make them successful at creating strong corporate cultures. As stated earlier, there is a negative side to narcissistic leaders. They are not very good listeners and always want things their own way. They do not like to learn from others and would much rather indoctrinate their beliefs in others. Another downfall is that they have great difficulty with dealing with emotions. They do not like to express their own emotions, nor do they like or know how to deal with other people expressing theirs (Maccoby, 2002).

3.5. MOTIVATION FOR INVESTIGATING ILTS AND LMX

There has been a paradigm shift from the pre-industrial approach of leadership that centred around peripheral aspects such as trait, personality characteristics and leadership behaviour styles, to the post-industrial approach to leadership, which is concerned with the content of leadership, namely the leader/ follower relationship which highlights the interactions and mutual aims of the leader and his subordinates (Swanepoel, *et al.*, 2003). Johnson (2002) explains that the study of leadership can be divided into three stages; the initial stage of research focused on highlighting specific characteristics which made for a good leader. Thereafter, the focus moved towards identifying the behaviours of great leaders. Finally, a set of theories emerged which looked at the situations where leadership occurred. These theories studied the situation in which a leader acted and concluded that how effective a leader is, would be contingent on the situation. More recently, leadership research has centred on the interactions between leaders and their followers.

Traditional leadership theory focused on leadership from the leader's perspective and not the subordinate's perspective and by doing this these theories ignored the fact that a relationship existed between the leader and the follower and this relationship influenced the behaviour of both the leader and the subordinate. In

traditional approaches, the involvement and input of subordinates within the organisation in terms of solving problems and creating solutions was not explored adequately. The abilities and knowledge that subordinates could pass on to leaders and the fact that leaders could actually learn from their followers and not only teach them, was not an aspect that received much attention. Senge (1990) suggests that learning organisations should be created, whereby the leadership itself is part of the learning mode. Linden and Graen (1980) thus state that the relationship between leader and subordinate and their influences on each other must be central in leadership theory. Contemporary leadership approaches therefore began to realize the importance of this relationship and not only incorporated ideas from previous theories but also expanded on them. This led to the development of the transformational and transactional leadership approach. The focus on the relationship between leaders and followers led to the development of Leader Member Exchange (LMX) theory.

Research has shown that the relationship between employees and customers is the most important in determining the perceptions customers have about the service quality offered by an organisation. What this then means for leaders in the organisation is that they need to ensure that their relationship with employees foster high levels of job satisfaction and self-efficacy within employees. Employees who have high efficacy levels are most likely to have positive relationships with customers. This implies that leaders have a certain degree of control over whether or not they maintain positive employee-customer relationships (Hartline & Ferrell, 1996).

Another set of theories which has remained under-researched are theories which focus on leadership and what it means from the perspective of subordinates and not the leaders themselves. Amongst the most prominent of these theories are Implicit Leadership Theories (ILTs). Although more has been said about these in the past decade, it still remains relatively under-researched. The preceding theories have aided us in understanding leadership and have been valuable in this regard but the need for

further progress and exploration in the field of ILTs continues to persist (Avolio, Sosik, Jung, & Berson, 2003). Implicit Leadership Theories need to be further analysed and require more empirical inquiry for a number of reasons. The first of these is that leader-member exchange (LMX) theory focuses on the quality of the dyadic relationship between follower and leader, and ILTs may be one of the factors which influence the quality of that relationship. Some ILT researchers postulate every person possesses an explicit ILT, which they may or may not be consciously aware of, but that *leaders* in particular employ their ILTs as part of their role. Furthermore, they believe that these ILTs are exhibited as either behaviours (e.g., Lord & Maher, 1993), or personality (e.g., Keller, 2005), or both. Understanding the parallels between follower ILTs and the perceived behaviour of the leaders could help us better understand how differences may impact on tangible factors such as the performance of the followers. Engle and Lord (1997) have advocated that more harmony exists between follower expectations and leaders' behaviours, the greater the quality of the relationship would be. If followers identify with their leaders, a common understanding and more enhanced social interactions would be facilitated. What this means is that, the smaller the gap between employee perceptions of their leaders and the actual behaviours of leaders, the better the quality of the LMX (Epitropaki & Martin, 2005). This improved LMX has also been shown to correlate to satisfaction as well as decreased turnover (Hunt, Boal, & Sorenson, 1990). It has also been found that newcomers to an organisation may possess a different set of expectation (ILTs) and this may negatively impact on their satisfaction and increase turnover.

3.6. IMPLICIT LEADERSHIP THEORIES

Within the field of ILTs, leaders cannot exist without followers, since it is ultimately what followers think of leaders that will keep them in positions of authority. The origins of ILT research, which observes leadership from the followers' perspectives,

began with Eden and Leviatan (1975), who conceived of an "implicit organisation theory". This theory would be made up of individuals' perceptions of organisational variables. Even before this, Norman and Goldberg (1966) wrote about a cognition based theory called Implicit Personality Theory, which stated that common responses to a trait questionnaire was due to some shared personality characteristics among the respondents. Thereafter, in 1978, Cognitive Categorization Theory proposed that due to our limited capacity to process information quickly, people create prototypes or schemas to ease the cognitive load (Rosch, 1978). It was a culmination of all these ideas which led to Leadership Categorization Theory (e.g., Lord, Foti, & Phillips, 1982), which eventually became the basis for the idea behind ILTs. Lord and his associates provided the most influential work on ILTs to date (e.g. Lord, 1985; Lord & Alliger, 1985; Lord & Maher, 1993; Phillips & Lord, 1981).

3.6.1. Defining ILTs

According to Lord and Alliger (1985), ILTs can be described as the point of reference employees use to form an impression of their manager. ILTs are then compared to actual behaviour and the mismatch is what this research is interested in, since it is this mismatch that subsequently impacts on the overall impression employees have of their managers.

Recent leadership literature emphasises the importance of employees' cognitive prototypes and prior expectations on the process of leadership (Foti & Lord, 1987; Kenney, Schwartz-Kenney, & Blascovich, 1996; Larson, 1982; Lord & Alliger, 1985; Lord, Foti, & De Vader, 1984; Lord & Maher, 1993). In the literature available on ILTS, traits are generally divided into two main categories. These are prototypic traits which are positively associated with leadership and anti-prototypic traits which are negatively associated with leadership (Lord, Foti & De Vader, 1984).

Leadership prototypes are assumed to be influenced by various factors including exposure to social media (e.g., television, books), interpersonal interactions (e.g., parents), as well as prior experiences with formal leaders (e.g., teachers) (Epitropaki & Martin, 2004; Nye & Forsythe, 1991; Hunt, Boal, & Sorenson, 1990). An Implicit Leadership Theory is an individual's subjective view of what leaders and leadership are like or should be. The differences between leadership preference and perception, however, are not simply about differences between leader's personalities or traits but a reflection of differences between followers (for instance, follower's experiences, education, and culture). The mental models which individuals hold persist over time and they shape perceptions, interpretation, and behaviour.

Implicit Leadership Theories have been acknowledged as both an important area of leadership research in need of further exploration as well as an area that receives very little attention in actual organisational practice (Schyns & Meindl, 2005). Active researchers have written on ILTS only at a conceptual level (Rush, Thomas & Lord, 1977; Engel & Lord, 1997;; Lord *et al*., 1984; Gioia & Poole, 1984) and the majority of ILTs studies conducted thus far have only been undertaken in a laboratory setting (Lord, *et al*., 1984). Much of the available research does not deal with organisational applications and consequently, is of little interest to organisations.

3.6.2. ILT Differences across Culture and Gender

Eden and Leviatan's (1975) research on ILTS led them to believe that variations in ILTs were not just measurement error but a reflection of the culture on a larger scale (Eden & Leviatan, 1975). This leads us to believe that ILTS are culture specific which is a point that needs further discussion.

In the research conducted in cross-cultural studies of ILTs, it is evident that certain characteristics are common amongst successful leaders and these are found universally. However, there still remain a large number of factors that are unexplained

across various cultures (House, Hanges, Javidan, Dorfman, & Gupta, 2004). An example of this would be the research done by Gerstner and Day (1994) that showed that country/ culture of origin had the greatest influence on leadership prototypes. Their research looked at responses of American students rating leadership attributes as compared to students from seven other countries.

It is likely that South African workers would differ from Western Countries in terms of which traits they associate positively with leadership (prototypic traits) and which traits they associate negatively (anti-prototypic traits) with leadership.

There seems to be little evidence of gender differences in ILTs although some studies have noticed a propensity for women to focus on relationship-based leader behaviours while men are more likely to evaluate the task-based leader behaviours (Epitropaki & Martin, 2004). Since this distinction has not yet been shown to be significant, it is difficult to say with certainty that there is no difference in ILTs between men and women. What is interesting is that the expectation is still for managers to be male, despite the increase in the presence of women in the upper echelons of the workplace (Powell, Butterfield & Parent, 2002).

3.6.3. Measuring ILTS

A single and widely used measure of ILTs still does not exist. Many researchers have developed lists of traits to measure ILTs but very few cases of scale replication exist. The important point however is that certain traits such as intelligent, honest, dynamic and motivated seem to be part of all the lists and the distinction between prototypic (positive) and anti-prototypic (negative) traits has been made by most researchers (Epitropaki & Martin, 2004). Since most scales tend to be rather long, for example Lord et *al.*'s (1984) scale has 59 items; the SDI (Schein, 1973; Deal & Stevenson, 1998) has 92 items and Offerman *et al.*'s (1994) scale has 41 items, a possible problem in terms of practicality exists. The challenge arises when trying to administer the

questionnaire in an organisational setting. A shorter scale is preferred in such settings since it decreases the interference of surveys with employee workloads. Epitropaki and Martin's (2004) scale was used since it is shorter and still captures the essence of longer scales measuring the ILTs construct. They conducted a factor analysis and found that a six factor structure most accurately explained ILTS. They broke these factors down to the following dimensions, namely; sensitivity intelligence, dedication, dynamism, tyranny and masculinity. Upon further analysis, they collapsed these factors into two second order factors namely prototypic traits (positively associated with leadership) and anti-prototypic traits (negatively associated with leadership). Each of the prototypic dimensions is briefly explained and justified.

Sensitivity is based on previous studies which have looked the importance of consideration as a leadership trait (e.g. Mullins, 2005) as well as sensitivity to employee needs (Conger & Kanungo, 1994).

Early trait theories on leadership have identified intelligence as an important leadership quality and Lord, De Vader & Alliger (1986) highlight this. Dedication can be described as hard-working, committed, diligent and prepared.

Clark and Clark (1994) identified dynamism as a critical element in effective leadership and this is in line with Boyatzis' (1982) concept of *efficiency orientation.* Dynamism has been shown to be positively related to leadership.

There seems to be evidence that ILTs remain stable over time, which would be a major advantage in how reliable our results would be, using ILTs as a basis of design (Epitropaki & Martin, 2004).

Offerman, Kennedy, and Wirtz (1994) built on Lord and his colleagues (Lord *et al.,* 1984)'s work in order to develop a measure of implicit leadership theories. Additionally, they were interested in whether systematic differences existed in ILTs of followers and leader stimuli. They developed an 8 factor measure of ILTs (sensitivity, dedication, charisma, attractiveness, intelligence, strength, tyranny, and masculinity).

Epitropaki and Martin (2004) tested the instrument and further validated this instrument on different samples, thus providing some evidence for the stability of ILTs over time.

3.6.4. Conclusion

Although there is still much to uncover with regards to ILTs, there has already been a significant influence on leadership research. ILT research has put a spotlight on the importance of followers in the dyadic relationship and they have pushed us to better understand these factors in our quest to understanding leadership. They have provided an important framework for exploring issues, such as gender bias and cross cultural differences in leadership perceptions (e.g., House *et al.*, 2004; Powell *et al.*, 2002). They have also allowed for the examination of perceptions of leadership over time that are independent of specific leaders (Epitropaki & Martin, 2004).

3.7. LEADER MEMBER EXCHANGE THEORY

Dienesch and Liden (1986), assert that the LMX approach is at the frontline of modern leadership research. This approach is preferential in that it investigates the extent to which the quality of the relationship between a leader and a member can lead to higher job enrichment which encapsulates job motivation, job satisfaction and performance.

3.7.1. Defining LMX

Leader-Member Exchange (LMX) is defined as the quality of the dyadic relationship between an organisational member and his or her supervisor in terms of the interrelated dimensions of respect, trust and mutual obligation (Graen & Uhl- Bien, 1995).

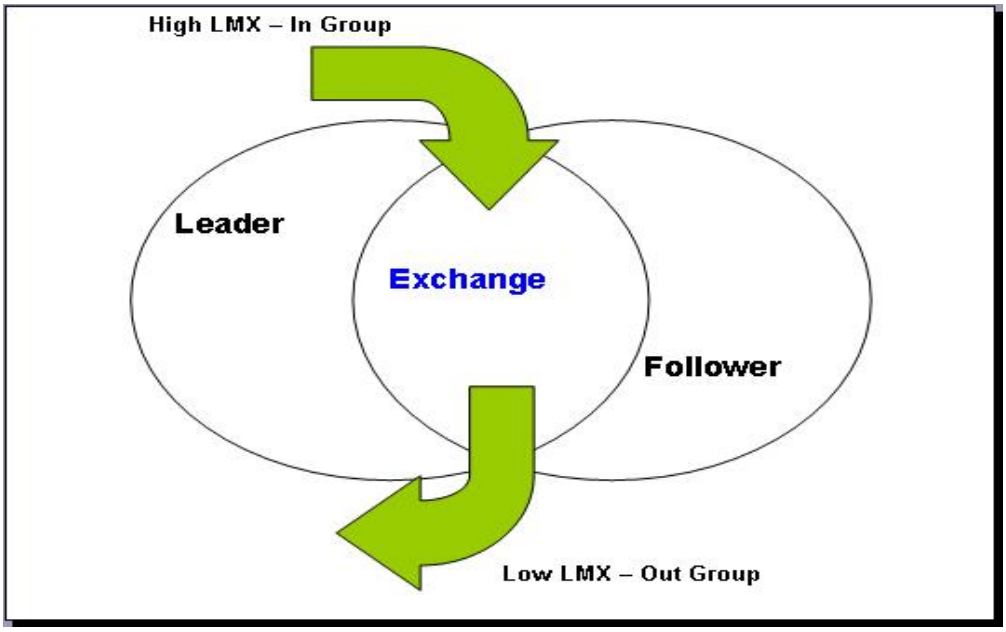
LMX theory identifies two groups of employees in an organisation, i.e. the in-group and the out-group, where the in-group are those organisational members who develop high LMX relationships with managers and enjoy increased benefits, both

intrinsic and extrinsic (Graen & Uhl- Bien, 1995). It has been suggested that leaders will initiate high quality exchanges with the more competent employees and as such establish closer relationships with those employees who are regarded as key members within the organisation while relationships with out-group members are based mainly on formal authority (Kim & Organ, 1982)..

LMX theory has been described as the psychodynamic theory since it defines the effectiveness of leaders as a function of the psychodynamic exchange that occurs between leaders and subordinates. Leaders only provide guidance through influence which is permitted by their followers. LMX theory highlights the fact that followers differ a great deal in terms of their perceptions and descriptions of the same leader and this subsequently means that it warrants an understanding of each part of the dyadic relationship in its own right (Gill, 2006). The pinnacle of LMX theory is the understanding of self and others in an effort towards creating effective relationships in organisations. Although LMX theory was developed by Graen, Dansereau Graen and Haga (1975), this approach to leadership was introduced in the management and leadership literature as the Vertical Dyad Linkage (VDL) model of leadership. LMX theory is based on the premise of social exchange and role negotiation. It asserts that leaders develop separate relationships with each of their followers (Dienesch & Liden, 2006).

What follows in Figure 3-5 is an explanation of the theory itself, outlining the most influential pointers and its developmental process.

Figure 3-5 The domains of leadership



(Graen & Uhl-Bien, 1991)

LMX theory focuses on leader-follower relationships (or linkages). Although leaders and followers are of equal importance, what is quintessential is their relationship; this research intends to probe the quality of their relationship in relation to other factors. The primary features of the LMX model include mutual respect, reciprocal trust, and mutual obligation, thereby confirming it as a relational concept. LMX theory succinctly states that it divorces itself from the contemporary leadership style and approaches where leaders are viewed as individuals, independent from followers. Instead, the focus is on the dyadic linkages where negotiations of mutual role expectations take place (Dansereau, Yammarino, & Markham, 1995; Lapiere, Hackett, & Taggar, 2006).

This approach is favoured in research that seeks to investigate the extent to which the quality of the relationship between a leader and a member can lead to higher job enrichment which encapsulates organisational commitment and job satisfaction

(Lapiere *et al.,* 2006). Inasmuch as LMX focuses on the individualised dyadic relationships between managers and each of their members, the subordinates can also be dichotomised, based on the quality of the relationship with their respective managers. The groups are generally known as the "outer" and the "inner" groups. What follows is an exploration of the outer and inner group notions.

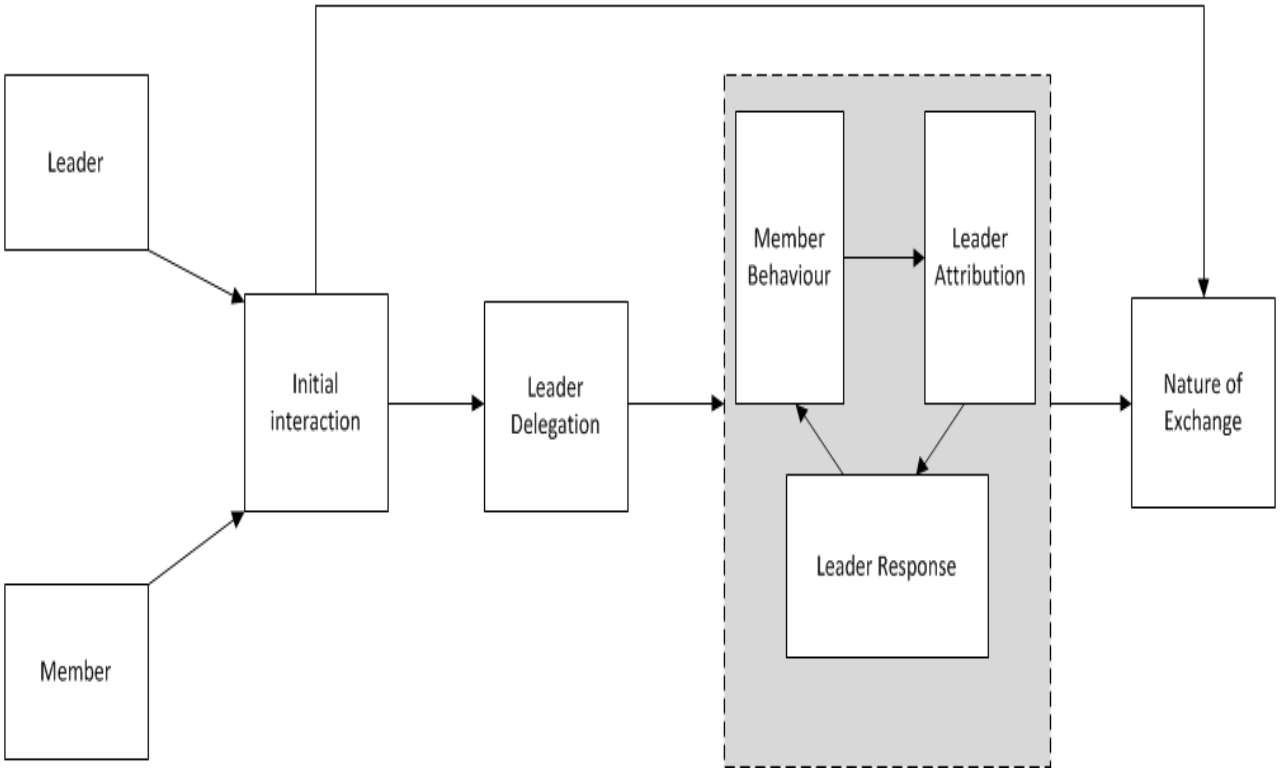
Outer and Inner Group Members

Kim and Organ (1982) observed that leaders initiate more exchanges with highly competent subordinates and establishes a closer relationship with only those who are regarded as key members within the organisation. These individuals form part of what is known as the in-group. Individuals who are viewed as less pertinent to the success of the leader and organisation in general would then form part of what is known as the out–group and leaders would form relationships with these individuals merely based on formal authority.

Hollander (1978) further observed that it is a common trend in organisations for the leader to develop a closer relationship with those in the inner circle (in-group) than with the rest (out-group). The in-group is given more attention, approval, resources and a particular status which distinguishes them from the rest, but in turn they must reciprocate by being loyal and committed members to the leader and the organisation as a whole. Duchon, Green and Tabor (1986) found that members of the in-group were observed to be more compatible with the leader and had a higher quality of exchange relationship with the leader than the members of the out-group. Lastly, Liden and Graen (1980) discovered that out-group members reported spending less time in the decision making and were less likely to volunteer for special assignments and extra work. There appears to be a consensus among researchers about the existence of the unique relationship that exist between leaders and each subordinate (Diensech & Liden, 1986;Graen, Liden & Hoel 1982;Scandura & Graen, 1984).

Diensech and Liden (1986) present a model which addresses the question of the process through which leaders develop different quality relationships with subordinates. The model is a process oriented model of the development of leader-member exchange. The model is based on literature in attribution theory, role theory, leadership theory, social exchange theory and upward influence, which has been integrated into a reciprocal causation framework (Dienesch & Liden, 1986). The model proposes a number of stages that best explain the process that leads to a quality relationship between the leader and the member, namely; the initial interaction, leader delegation, members' behaviour and attribution and leaders' attribution for members' behaviour.

Figure 3-6 Model of the Leader-Member Exchange development process



(Diensch & Liden, 1986, p. 627)

3.7.2. The Leader-Member Exchange development process

A. Initial Interaction

This component of the LMX development concerns the initial interaction between a leader and a member in their current positions. In their initial interaction, each leader and follower brings their own unique physical characteristics, attitude, appearance, abilities, personality, experience, age and background (Dienesch & Liden, 1986). The initial interaction stage is important to probe whether or not a new member of a dyadic relationship is a newcomer to the organisation. It has been shown by Kats (1980) that new members in organisation react differently to their new job when compared to those who are already entrenched in their jobs (old members). Organisational newcomers are confronted by myriad issues, including familiarising themselves with organisational practices, rules, culture, values and norms (Louis, 1980). In this phase, their immediate point of reference for support and information is their leader. As Dienesch and Liden (1986) observe, newcomers are faced with two issues, firstly to be socialised to the organisation and secondly, to develop an LMX relationship with their new leader. This is a critical stage of the model according to Dockery and Steiner (1990), because this stage presents the opportunity for leaders and subordinates to build healthy and respectful relationships, thereby enhancing LMX quality.

B. Leader Delegation

The second stage in the model is leader delegation. Delegation comes from the leader to subordinates in a form of assignments and duties. The assignment and duties are contingent on the leader's understanding of the new member's job scope and the definition of the member's position within the organisation. These assignments and duties are selected by the leader to test the potential and the ability of the new member in relation to the job (Dienesch & Liden, 1986)

C. Member Behaviour and Attributions

The third stage proposed is the member's behaviour in response to the leader's delegation of tasks, duties, responsibilities, etc.. This phase acts as both an input by the member into the LMX, and as a determinant of the leader's attribution and resulting behaviour. Member's behaviour during the initial phase of the dyad may be instrumental in creating a good or a bad impression on the leader and other individuals within the organisation. A further factor which would impact on a member's behaviour involves how the leader is seen as reciprocating the exchange. A leader must be seen as reciprocating the relationship through providing the subordinate with the necessary resources for them to be effective in their contributions. The final factor to consider at this stage is the member's attribution of the mandates, in the form of tasks and assignments, given by the leader (e.g. the leader might hint at the possibility of the subordinate being promoted by successfully completing assignments).

D. Leader's attributions for the Member's behaviour

The fourth stage refers to the leader's attributions for the member's behaviour. The stage is about the leaders attempt to interpret and understand member's behaviour. Dienesch and Liden (1986) borrowed the concepts from Mitchell (1979) who noted that 'the attribution made by the leader to explain subordinates behaviour will have a clear implication for the type of exchange which would develop between a leader and member' (Mitchell, 1979, p. 435). In this stage, it is essential to note that leaders' behaviours and attitudes varied as a function of subordinates behaviours and attitudes (Dienesch & Liden, 1986). The fact that attitudes played a role in this process was an important finding since it suggests that attributional processes were not simply reactions to external, visible factors. For example, in a study by Kipnis, Schmidt and Wilkinson (1980), they asked 165 lower level managers to describe an incident in which they succeeded in getting their leader, fellow employee, or a subordinate to do

something they wanted. The finding reported the use of 370 different influence tactics used by these managers.

3.7.3. Contextual Influence on LMX Development

Contextual factors that would affect the LMX development process include the work group composition, a leader's power and the organisation's policies and culture. Dienesch and Liden (1986) observed that, due to the limited resources, including time, which might be at the disposal of the leader, a limited number of subordinates will become in-group members. This means that a leader with highly entrenched members in the in-group would make it difficult if not impossible to accommodate new members into an in-group relationship. It therefore becomes essential for the leader to have adequate organisational power, independence and resources to treat members as part of the in-group. What then becomes important is the relationship that the leader has established with his superiors. It is observed that leaders who have a bad relationship with their immediate superiors tend to have even worse relationships with their immediate subordinates.

Policies within the organisation serve as a guideline for the leader in terms of assessing behaviour from subordinates and the leader's response for particular behaviours. Such policies can result in leader's attributions for member's behaviour either being abandoned or altered in the LMX development process. Finally, the culture of the organisation defined in term of norms, values and unofficial practices can also influence the dimensions to be emphasized in the LMX relationship (Dienesch & Liden, 1986).

3.7.4. The South African Context of Leadership

The section that follows gives a brief account of the South African context of leadership, and the leadership theory of African leadership, which is applied in many South African organisations. The value of this discussion is to show how the LMX

theory, which emphasises the importance of the followers in the dyadic relationship, can be related to the South African conceptualization of leadership. This is primarily centred on the concept of UBUNTU, which emphasises that 'I am, because we are' (Booysen, 2001). In the same manner, LMX theory accentuates the importance of the relationship that should exist between the leader and the follower for greater efficiency and productivity in any organisation.

Since 1994, South African organisations have had to deal with the management of an increasingly diverse workforce with an amalgamation of people from different cultures. This was as a result of initiatives such Black Economic Empowerment and Affirmative Action which enforced democracy within the workplace. With an increasing number of employees subscribing to different value systems, the real challenge is how to effectively manage human resources in organisations. This is becoming progressively more important to understand if South Africa is ever to compete fairly on a global scale (Johnson & Johnson, 2003).

Although much of South African management practices are based on American and European ideas, it is time that South Africa focuses on developing management strategies that will assist them in harnessing the potential of having such a culturally rich workforce. It would entail having a much better understanding of the people who work in organisations, what they value and how this can be used as a potential advantage in organisations.

Ubuntu which is an Nguni word which is derived from the adage *Umuntu Ngumuntu Ngabantu* – 'A person is a person because of or through others', can be described in African culture as the capacity to express compassion, reciprocity, dignity, humanity and mutuality in the interest of building and maintaining communities with justice and mutual caring (Bekker, 2006). An appreciation of the values on which Ubuntu is built will assist leaders in developing stronger positive LMX relationships with subordinates within the South African context. These values include a focus on

compassion and communality which could be translated into a management approach which emphasises equal participation in decision-making, support of risk taking, developing a sense of community amongst team members, conveying passion and strong emotional conviction and instilling values which generate a sense of belonging and belief in the organisational goals (Kuczmarski & Kuczmarski, 1995).

For leaders to be effective, their leadership style needs to be congruent with what followers value in leaders. Within a society which is so culturally diverse, this goal is further complicated (Mbigi, 1993).

The way in which the social environment is interpreted is strongly influenced by the cultural background of the perceiver. This implies that traits which are viewed as prototypical or characteristic for leaders may strongly vary across cultures. Hunt, Boal, and Sorenson (1990) propose that societal culture has an important impact on the development of super-ordinate category prototypes and implicit leadership theories.

3.8. CONCLUSION

To conclude the discussion of leadership, an important point was made in the literature. The effect of leadership has to be viewed as part of a larger system of influences that together impact on the effectiveness of the organisation. The impact of different leadership styles has to be considered concurrently with the environmental or situational variables affecting an organisation (Lieberson & O'Connor, 1972). Discovering how followers perceive leaders and prefer certain leaders has important implications for both the leader and the organisation (Helgstrand & Stuhlmacher, 1999).

Chapter 4. Psychological Empowerment

4.1. INTRODUCTION

Although there is limited empirical research on empowerment, researchers have acknowledged that it merits further enquiry. The Thomas and Velthouse (1990) conceptualisation of psychological empowerment has been widely accepted by researchers and will thus be employed in this research. According to Thomas and Velthouse (1990, p.666), empowerment can be described as a comprehensive, multi-faceted dimension and they defined it as "increased intrinsic task motivation that manifests itself in a set of four cognitions: Competence, impact, meaning, and self-determination".

Linked to this assertion, Avolio, Zhu, Kho and Bhatia (2004**, p.953)** defined each of these cognitions as follows; "Competence refers to self-efficacy or personal mastery in relation to one's work. Impact refers to the belief that one can influence organisational outcomes. Meaning refers to the importance placed on a given job based on one's values. Self-determination refers to autonomy in making decisions about one's work".

Taking a step in the theory, it is useful to understand Kanter's (1977) theory on Organisational Empowerment from which Psychological Empowerment naturally follows.

4.2. KANTER AND ORGANISATIONAL EMPOWERMENT

Kanter (1977) argued that people react rationally to situations in which they find themselves. In an organisational setting this would imply that if the situation is structured so that employees are empowered, they would react positively to achieve the organisations goals. The organisation would thus benefit from improved employee attitudes as well as the organisation being more effective (Laschinger, Finegan, Shamian, & Wilk, 2001). Kanter (1977) identified some key elements in organisational empowerment and these include access to information, support from the organisation, access to resources and learning and growth opportunities. Additionally, alliances with superiors, subordinates and peers, further facilitated the growth of empowerment for individuals within the organisation. Kanter (1977) states that management's role is to create the conditions required as highlighted above to improve empowerment. Spreitzer (1995) defines psychological empowerment is as the psychological state employees must experience for empowerment interventions to be successful, and would then follow as a logical outcome of managerial efforts as defined by Kanter (1977).

It is quite surprising to note that only a few studies have in fact looked at the impact of social interactions such as the relationship between a leader and subordinate in fostering empowerment. The relationship between leaders and subordinates is studied in LMX literature; however, the impact on empowerment is largely under researched (Keller & Dansereau, 1995).

4.3. EMPOWERMENT AND LMX

Leaders have been identified as playing a vital role in providing subordinates with empowering situations (Deci, Connell & Ryan, 1989). LMX theory explains how leaders have varying degrees of quality relations with subordinates. Some of the most important elements differentiating LMX relationships include the degree of emotional

support, decision-making responsibility and task challenge granted to the member. LMX quality dictates the extent to which leaders would grant members this support and latitude which seems to be necessary antecedents to perceptions of empowerment.

Spreitzer, Kizilos and Nason (1997) provide empirical evidence that show the relationship between empowerment, employee performance and satisfaction. They suggest that as empowerment of employees increase satisfaction, performance also increases. Hechanova, *et al.* (2006) found that empowerment may be positively correlated with job satisfaction and performance in a variety of service centres including banking and call centres. Social Network theory supports these findings since this theory proposes that employees with stronger social networks are likely to have better access to resources required to perform well on the job, they are also more likely to be empowered in the organisation (Crozier, 1964). Research done by Kim and George (2005) and Liden, Wayne and Sparrowe (2000) also suggest that a relationship exists between LMX and psychological empowerment.

Empowerment, as with many management topics, is difficult to define specifically, however it is a topic that needs to be understood to lead effectively. Part of the reason that defining empowerment in an organisational context is so difficult is because it is a concept that is unique to an organisation and each organisation has to define its own meaning of the concept. The dimensions that seem to be prevalent in the discussions on empowerment include worker autonomy, pay for performance systems, decentralised decision making, stock ownership plans and job enrichment within the organisation (Honold, 1997). A useful definition of empowerment is described as, "The process as a result of which individual employees have the autonomy, motivation and skills necessary to perform their jobs in a way which provides them with a genuine sense of ownership and fulfilment while achieving shared organisational goals" (Lowe, 1994, p. 24).

There are various sources of the introduction of employee empowerment but some of the most influential stems from that of Hertzberg's idea of job enrichment and job autonomy (Herzberg, Mausner *et al.*, 1959; Herzberg, 1968, as cited in Honold, 1997).

In terms of organisations, "Kanter (1977) defines empowerment as giving power to people who are at a disadvantaged spot in the organisation. She sees a continuum of power from powerlessness to empowered" (Honold, 1997, p. 203). This definition highlights the important role of leaders play in creating an environment where employees are empowered. Leaders have to take certain steps to ensure this, and at the same time, employees must buy into the goals of the organisation for them to perform at the desired level if given autonomy in their jobs (Vogt & Murrell, 1990).

Menon (1995completed a study on 311 employees of an organisation in an attempt to determine the effects of empowerment on them. The survey found that when employees perceived uncertainty, non-contingent reward systems, formal structures and poor communication between them and their leaders, they had lower perceptions of empowerment. When employees perceived their work to be of importance to the organisation and felt that they had a certain level of autonomy and support from leaders, they had higher perceived levels of empowerment. What they also concluded was that employees who were more empowered also reported higher levels of job satisfaction, motivation and organisational commitment.

Vogt and Murrell (1990),, identified dimensions needed for empowerment to exist. These dimensions include: educating, leading, mentoring/supporting and structuring. In leadership styles where employee empowerment is viewed as crucial to organisational success, leaders or managers act more as mentors to employees (Lowe, 1994).

Transformational leadership is linked to empowerment since it focuses on providing employees with a vision which they understand, believe in and are willing to work towards. Their focus, as discussed earlier, is away from rewards and punishments

and more towards developing employees. Empowering employees to achieve organisational goals is the very essence of transformational leadership (Bass & Avolio, 1993**;** Shamir *et al*., 1993**).** Transformational leaders engage in giving employees tools to satisfy their higher order needs and therefore encourage them to take on more responsibilities to develop themselves. This is ultimately what empowerment is about (Kark *et al*., 2003).

As good as empowerment of employees may seem, there have been critiques to this type of approach. Koch and Godden (1997argued that empowerment is not an efficient way to control an organisation, since it goes against the principles of strong leadership. This means that unless there is a level of agreement in terms of decentralising power for management, empowerment is doomed to fail. This is an important finding in terms of this paper.

Chapter 5. Organisational Commitment

5.1. INTRODUCTION

Research on organisational commitment dates back to the 1960s, consequently, it is a topic that has been widely researched (Wasti, 2005). Commitment in general would broadly refer to loyalty to a social unit. This could range from family to organisations, to occupations or even individuals. Most research has focused on commitment to organisations (Mowday *et al.*, 1982). Organisational commitment can be defined as an attitude that reflects the strength of the linkage between an employee and the organisation (Johns & Sacks, 2005). While organisations all over the world struggled with the problem of retaining their skilled workers, an increasing interest in the concept of organisational commitment emerged.

Nonetheless, as with many behavioural concepts, various definitions of organisational commitment exist. For example, Porter, Steers, Mowday and Boulian (1974) define organisational commitment as a strong belief in and acceptance of the organisation's goals and values, willingness to exert considerable effort on behalf of the organisation, and a definite desire to maintain organisational membership. According to Meyer and Allen (1997), organisational commitment is a psychological state that characterises the employee's retention with the organisation and has implications for decisions to continue or discontinue membership in the organisation. They suggest that a committed employee is one who stays with the organisation under any favourable or unfavourable circumstances that are affecting the organisation. What these definitions

highlight is the emotional and functional attachment employees have to their organisation.

A review of the literature of organisational commitment shows that most research on organisational commitment has been measured using one of three approaches as discussed in the following three sections.

5.2. THE OCQ APPROACH

The OCQ is a one dimensional scale and focuses only on an employee's affective commitment to the organisation. It produces a single score reflecting the employee's overall commitment to the organisation (Meyer & Allen, 1997). However, studies later confirmed the multi-dimensional nature of organisational commitment. Thus the major flaw of the OCQ measure was that by constructing organisational commitment as one dimensional, it ignored the range of multiple commitments that an employee may have (Mowday, 1998).

5.3. O'REILLY AND CHATMAN'S APPROACH

O'Reilly and Chatman (1986) took a different approach in their conceptualisation of organisational commitment. They suggest that organisational commitment is made up of three dimensions, i.e. compliance, identification and internalisation, which tie an employee to the organisation. The compliance dimension is based on the idea that employees are committed to the organisation purely for the sake of gaining some form of reward and not due to shared beliefs and values with the organisation. The identification dimension occurs when an employee feels proud to be a part of the organisation because the employee respects the organisation's values and beliefs but does not necessarily make these values a part of themselves. The internalisation dimension occurs when the employee internalizes organisational values and beliefs or when the organisation's values and beliefs are in line with those of the employee (O'Reilly & Chatman, 1986).

This approach has two main criticisms. First, it is difficult to distinguish between identification and internalisation as separate components (Meyer & Allen, 1997; Mowday, 1998). The second criticism is that, although compliance can be clearly distinguished from the other two dimensions, it has been debated whether it can actually be representative of organisational commitment. This debate has come about for two reasons. Compliance is distinct from other common definitions of commitment and it is also considered to relate differently from known antecedents and consequences of commitment (O'Reilly & Chatman, 1986).

5.4. MULTI- DIMENSIONAL APPROACHES TO COMMITMENT

The recent perspective that organisational commitment is a multi-dimensional phenomenon has taken over from the one dimensional approach which had dominated management research previously (Metacalfe & Dick, 2000). There have been many different conceptualizations of organisational commitment as a multi-dimensional concept; however the most influential and recognised of current models is that of Meyer and Allen (1991) which will be discussed in more detail since it is the model employed in this research. Table 5-1 below summarises the multi- dimensional approaches. It is adapted from Meyer and Herscovitch (2001, p. 320).

Table 5-1 Multi-dimensional commitment approaches

Source	Commitment type	Description
Angle and Perry (1981)	Value commitment Commitment to stay	Commitment to support the goals of the organisation Commitment to retain their organisational membership
O'Reilly and Chapman (1986)	Compliance Identification Internalisation	Instrumental involvement for specific extrinsic rewards Attachment based on a desire for affiliation with the organisation Involvement predicated on congruence between individual and organisational values
Penley and Gould (1988)	Moral Calculative Alienative	Acceptance of and identification with organisational goals A commitment to an organisation which is based on the employee's receiving inducements to match contributions Organisational attachment which results when employees no longer perceive that there are rewards commensurate with investments: yet they remain due to environmental pressures
Meyer and Allen (1991)	Affective Continuance Normative	The employee's emotional attachment to, identification with and involvement in the organisation An awareness of the costs associated with leaving the organisation A feeling of obligation to continue employment

Mayer and Schoorman (1992)	Value Continuance	A belief in and acceptance of organisational goals and values and a willingness to exert considerable effort on behalf of the organisation The desire to remain a member of the organisation
Jaros *et al*. (1993)	Affective Continuance Moral	The degree to which an individual is psychologically attached to an employing organisation through feelings such as loyalty, affection, warmth, belongingness, fondness, pleasure, and so on The degree to which an individual experiences a sense of being locked in place because of the high costs of leaving The degree to which an individual is psychologically attached to an employing organisation through internalisation of its goals, values and missions

5.4.1. Meyer and Allen's Three Component Model

This model identifies three major types of employee commitment; these are affective, continuance and normative commitment. It was developed by Meyer and Allen (1991) and has since gained popularity (Wasti, 2005). To understand these different types of identified commitment, a brief definition of each will be discussed.

Affective commitment is based on a person's involvement and identification with an organisation. Employees who possess this type of organisational commitment stay with an organisation because they want to (Meyer, Allen & Smith, 1993). Research shows that the best predictor of affective commitment would be to have work that is

satisfying and interesting for employees. It is also important that the roles of employees are clearly defined and that employees have their expectations met after being hired which is fostered by high LMX (Meyer *et al.*, 1993).

Normative commitment is based on the ideology or a feeling of obligation to stay with an organisation. These employees stay because they think or feel that they should stay (Meyer *et al.*, 1993). There are ways in which leaders can affect the organisational commitment of employees. If leaders make their employees feel needed and they actually are needed, this would actually increase their commitment to the organisation. Employees must know exactly what is expected of them and they should have the resources to achieve this (Witham & Glover, 1987). Given this, it is important to note how LMX theory is related to this. LMX theory argues that high LMX relationships will foster these elements identified as impacting on employee commitment (Lee, 2005). Benefits in a job that lead to a sense of obligation to an organisation, strong identification with the products or services provided by an organisation would nurture normative commitment. Another factor that would also foster this type of commitment is socialisation activities that focus on loyalty to the organisation (Johns & Sacks, 2005).

Normative commitment is influenced by generally accepted rules about reciprocal obligation between organisations and their employees. This is based on a "social exchange theory" which suggests that when an employee receives something over and above what they would normally expect from their employer, they are placed under a social obligation to repay it in some way. Normative commitment is usually positively related to work behaviour, however Meyer and Allen argue that feelings of obligations generally do not involve the same levels of enthusiasm and involvement associated with affective commitment and therefore these relations are likely to be quite modest (Meyer & Allen, 1997).

Continuance commitment is based on the cost that an employee would incur if they leave the organisation. What this leads to for employees who have this type of

organisational commitment is that they stay with an organisation because they have to (Meyer *et al.*, 1993). However, for the purpose of this research, continuous commitment will not be investigated since that is no theory found which supports the relationship between LMX and continuous commitment. According to Meyer and Allen (1997, it is generally expected that all three components, i.e. affective, continuance and normative will all be related to employee retention. These components should not be seen as mutually exclusive as an employee can simultaneously be committed to the organisation, in an affective, continuance and normative manner, at varying levels of intensity.

Meyer and Herscovitch (2001) argue that at any point in time, an employee has a "commitment profile" that reflects high or low levels of all three of these components, and that different profiles have different effects on workplace behaviour such as job performance, absenteeism and their intentions to quit. The different components of commitment generally have different consequences and behavioural outcomes. Each component will impact differently on outcomes such as job performance, absenteeism and citizenship behaviour (Somers, 1995). Numerous studies have however reported a positive relationship between organisational commitment and performance (Mayer & Schoorman, 1992; Meyer *et al.*, 1989; Ostroff, 1992). This accentuates the significance of leaders building positive relationships with followers which foster high organisational commitment.

Meyer, Paunonen, Gellatly, Goffin and Jackson (1989) argue that differences will exist in on-the-job behaviours of employees who are affectively committed to an organisation when compared to employees who are primarily linked to the organisation based on continuance commitment. Meyer and Allen (1997) have concluded that the components are generally supported as distinct components and each of the components relates differently with different antecedents and correlates.

5.5. MULTIPLE BASES AND FOCI OF COMMITMENT

Returning to the issue of multiple bases and foci of commitment, it is imperative that this is explored since it is expected that LMX will impact differently on employees' commitment to the leader and employees' commitment to the organisation. Gerstner and Day (1997) reported that LMX will have a stronger correlation with commitment to the leader than to the organisation and that commitment to the organisation would be influenced more by employee perceptions of organisational support. Consequently, this research will test the difference in the strength of the relationship between LMX and commitment to the leader versus the relationship between LMX and commitment to the organisation.

5.6. DEVELOPMENT OF ORGANISATIONAL COMMITMENT

Based on Meyer and Allen's (1991) conceptualisation of commitment, an investigation into factors which may have an effect on organisational commitment seem to differ across the different types of commitment.

5.6.1. Antecedent Variables associated with Affective Commitment

These antecedents fall into three broad categories, namely, personal characteristics, organisational factors and work experience. Personal characteristics refer to a range of different demographic variables, however the relationship to affective commitment are neither strong nor consistent (Meyer & Allen, 1997). Mathieu and Zajac (1990) have found that one personal characteristic may have a stronger relationship with affective commitment than others and this would be the individual's perception of their own competence. They have said that employees who are confident about their abilities and achievements report higher affective commitment since they are afforded the opportunity to choose higher quality organisations. Research shows that the best predictor of affective commitment would be to have work that is satisfying and interesting for employees. It is also important that the roles of employees are clearly

defined and that employees have their expectations met after being hired (Johns & Sacks, 2005).

Personal characteristics also include demographic variables such as age, tenure, gender and educational levels (Thornhill, Lewis & Saunders, 1996).

Age has been regarded as a positive predictor of commitment for a variety of reasons. First, it is postulated that older employees have less opportunity for alternative employment which in turn makes their current jobs more attractive. These employees may also have a longer history with an organisation than their younger counterparts which would also increase affective commitment (Kaldneberg, Becker & Zvonkovic, 1995).

With regards to gender, results seem to be inconsistent as well, but it is suggested that gender may play a role in terms of how employees view their current employment (Mathieu & Zajac, 1990). Ngo and Tsang (1998) support the viewpoint that the effects of gender on commitment are very subtle.

Research on links between organisational tenure and organisational commitment seem to be positive, however, it is still unclear as to how this link operates. Meyer and Allen (1997) suggest that employees who have been with an organisation for a longer period may develop retrospective commitment to the organisation. These employees justify the reason they have stayed with an organisation for extended periods as an emotional attachment to the organisation. According to Meyer and Allen (1997), this may reflect the fact that only highly committed employees remain with an organisation.

The second factor found to impact on organisational commitment is organisational characteristics. Basically as employees feel more physically and psychologically comfortable in an organisation, the more likely they are to develop affective commitment to that organisation. This has important implications for managers and the development of high quality LMX relationships. Factors which may be significant in making employees feel comfortable at work include perceived support

from the organisation. Factors such as organisational structure, culture and policies may affect perceptions of support (Meyer & Allen, 1991).

Finally, in terms of work experience it seems that employees who are given the opportunity to participate in decision making (Rhodes & Steers, 1981) and are treated with consideration by their leaders (DeCottis & Summer, 1987) have a stronger sense of affective commitment. Mathieu and Zajac's (1990) meta-analytic study showed that affective commitment has a positive correlation with the job scope, a composite of three variables, namely job challenge, degree of autonomy and variety of skills used.

Benefits in a job that lead to a sense of obligation to an organisation and strong identification with the products or services provided by an organisation would nurture normative commitment. Another factor that would also foster this type of commitment is socialisation activities that focus on loyalty to the organisation (Johns & Sacks, 2005).

5.6.2. Antecedent Variables associated with Continuance Commitment

These antecedents fall into two categories, namely investments and employment alternatives.

Investments are defined as any action which would result in considerable potential loss if the employee leaves the organisation (Allen & Meyer, 1990). Investments may be work-related or non-work related. Work-related investments might be the time spent gaining non-transferable skills or the benefits associated with their particular position. Non-work related investments may be the disruption of personal relationships if they were to move. These employees remain with the organisation based on evaluation of what they would forfeit if they were to leave the organisation and is generally more associated with a calculated analysis rather than a genuine desire to stay. For this reason, age and tenure may be associated with investments. Organisations may have an important role to play in employees perceptions of being invested in an organisation. Organisations could offer working conditions which are

competitive with other potential employers. Factors such as promotion prospects and development of work group networks could have a positive impact on investment perceptions (Romzek, 1990).

The final antecedent of continuance commitment is the availability of potential employment alternatives. Employees who feel that they have viable opportunities for alternative employment would have weaker continuance commitment than employees who have limited options available. An analysis of competitor offers, the economic climate and demand of skills may impact on employees' perceptions of viable alternative employment. Whether or not employees would actually leave an organisation based what they find is also influenced by the extent to which family factors would enable them to relocate (Iverson & Buttigieg, 1998).

5.6.3. Antecedent Variables associated with Normative Commitment

Benefits in a job that lead to a sense of obligation to an organisation, strong identification with the products or services provided by an organisation would nurture normative commitment. Another factor that would also foster this type of commitment is socialisation activities that focus on loyalty to the organisation (Johns & Sacks, 2005).

In general, very few antecedent factors have been associated with normative commitment as compared to affective and continuance commitment. The psychological contract may be the basis for the development of normative commitment (Allen & Meyer, 1990). Employees and organisations enter into what is known as psychological contracts. According to Schein (1980) the psychological contract can be described as "an unwritten set of expectations operating at all times between every member of an organisation and managers as well as other members in the organisation" (Macdonald & Makin, 2000, p.84). It is a concept which is based on perceptions of both employers and employees of what is expected. It is therefore, by definition, a very subjective

concept. Psychological contracts can further be divided into relational and transactional leadership.

Relational psychological contracts are based on the perceptions that employers will provide a certain sense of job security for employees and that employees will in turn remain loyal to the organisation.

On the other hand, transactional psychological contracts are more economic in nature. Employees are expected to be productive and thus profitable to the organisation and in turn the organisation is expected to provide a level of pay for this productivity to employees. Results in the literature conclude that if the psychological contracts are more transactional in nature, the employees are likely to display lower levels of commitment towards the organisation as compared to relational contracts (Macdonald & Makin, 2000).

Meyer and Allen (1997) also speak about the possible role of early socialisation experiences in the development of normative commitment. Socialization is said to impact on what employees perceive as appropriate behaviour and attitudes within the organisation. Employees might internalize early on that they owe it to organisation to remain with them. During the initial employment period employees undergo a complex process of internalization which involves conditioning and modelling of others which may lead to commitment. A sense of indebtedness to the organisation, for example if an organisation pays the employee's tuition fees, may also lead to normative commitment (Meyer & Allen, 1997).

5.7. CONCLUSION

A major implication of organisational commitment is the demonstrated links with turnover and turnover intentions which has been a crucial factor in the importance placed on the study of organisational commitment (Allen & Meyer, 1996). A longitudinal study by Porter, Steer, Mowday and Boulian (1974) found that "leavers" of

organisations were consistently characterised by lower levels of commitment than "stayers". Organisations in competitive environments are constantly faced with pressures to change so it is therefore of utmost importance that they solicit employees who display high levels of commitment. Of even greater importance and relevance to leaders is how to effectively create highly committed employees.

All the three forms of organisational commitment identified have been shown to reduce turnover intentions as well as actual turnover. Affective commitment is positively related to employee performance and continuance commitment is negatively related to performance (Johns & Sacks, 2005).

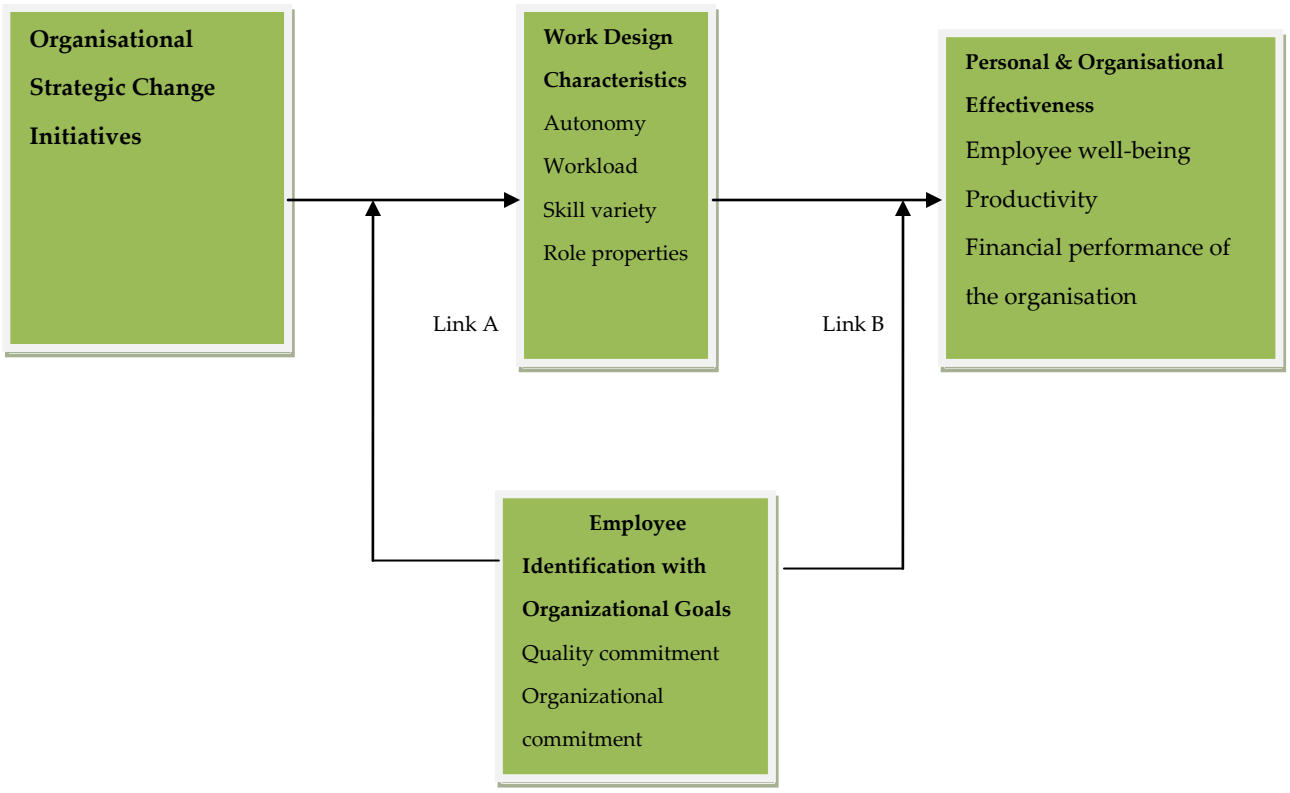
The effects of leadership styles on job satisfaction and employee commitment, that in turn affects employee performance, has been shown to be important antecedents to these factors (Lok & Crawford, 2003). Leadership has been shown to be related to employee commitment and the understanding is that the different types of leadership employed by an organisation have an impact on the type of commitment displayed by employees (Witham & Glover, 1987).

There are ways in which leaders can affect the organisational commitment of employees. If leaders make their employees feel needed and they actually are needed, this would actually increase their commitment to the organisation. Employees must know exactly what is expected of them and they should have the resources to achieve this (Witham & Glover, 1987). This discussion highlights the fact that leaders should inspire employees to reach their full potential and beyond (Witham & Glover, 1987).

It is important that employees identify with the goals of the organisation in order for them to focus on quality. To assist this, many organisations have turned their focus to delayering organisations in order to empower employees. Employee commitment has been identified as an important element in total quality management. This is basically saying that employee commitment is crucial for them to be customer service orientated. The following Figure 5-1 summarises the role of commitment to

organisational goals in influencing personal and organisational effectiveness (Jackson, 2003, p. 727).

Figure 5-1 The Role of commitment to organisational goals in influencing personal and organisational effectiveness



One can conclude that it is possible that if employers make one of their goals customer service orientation, this model could be used to achieve that outcome.

Chapter 6. Job Satisfaction

6.1. INTRODUCTION

Job satisfaction has been written about by various researchers who have associated higher levels of job satisfaction with greater levels of productivity which can increase the competiveness as well as profits of the firm (Clark, 1996; Warr, 1999; Judge, Thorenson, Bono & Patton, 2001) However, little direct evidence of this relationship exists (Sharkh, 2005). A satisfied workforce is also more likely to display lower levels of absenteeism and turnover which would decrease organisational costs (Warr, 1999; Griffeth, Hom & Gaertner 2000; Patterson, Warr & West, 2004).

6.2. DEFINING JOB SATISFACTION

Job satisfaction is likely to have a significant impact on the quality of life of employees and within an organisation, this would be of interest to managers since satisfied employees will be willing to exert significantly more effort at work than employees who are not (Rusconi & Rusconi, 2005). As suggested by Cranny, Smith and Stone (1992) a clear consensus exists with regards to defining job satisfaction. They postulate that job satisfaction can be viewed as an affective (i.e. emotional) reaction to ones job as a result of incumbent comparisons of actual and desired outcomes. This definition is comparable to that of Locke (1969, p.316) who defines job satisfaction as "a pleasurable or positive emotional state resulting from the appraisal of one's job as achieving or facilitating the achievement of one's job value". Job dissatisfaction, on the other hand refers to "the unpleasant emotional state resulting from the appraisal of one's job as frustrating or blocking the attainment of one's job values or as entailing disvalues". Based on these definitions, Locke (1969) suggests that job satisfaction and dissatisfaction are complex emotional reactions to the job. The consensual definition

highlights job satisfaction as an emotional state, however, more recently job satisfaction has be described as a job attitude. For example, Brief (1998) states that job satisfaction is an attitude to one's job.

Weiss (2002) argues that this distinction between satisfaction as an emotion and satisfaction as an attitude is important since evaluations, beliefs and affective experiences of one's job are three distinct constructs. According to Weiss (2002), this distinction is largely ignored in the literature and will have a major impact on our understanding of how job satisfaction impacts performance. Weiss and Cropanzano (1996), have argued that the relationship between job satisfaction and job performance is the ''Holy Grail'' of organisational research and what Weiss (2002) effectively argues is that for as long as we view job satisfaction as a single construct, we are a long way from understanding this relationship. We have to understand the effects of evaluations on behaviour and performance, the effects of affective states on behaviour and performance and the effects of beliefs on job behaviour and performance.

What in critical in his analysis is that he acknowledges that conceptualisation of job satisfaction as an umbrella construct is not inconsistent with his argument, since measures of job satisfaction operationalise the extent to which one is thinking about elements of the job which evokes an emotional reaction. Therefore one returns to the beginning where job satisfaction is described as an emotional reaction.

Locke (1976) says that job satisfaction can be viewed as an affective reaction to a job which is a result of comparing actual and desired outcomes.

The relationship between job satisfaction and performance has been widely researched and is probably one of the most controversial topics in organisational behaviour research (Petty, McGee & Cavender, 1984). There are three general viewpoints, firstly, satisfaction causes performance, secondly, performance causes satisfaction and lastly, the relationship between satisfaction and performance is mediated by other variables.

Human relations literature has supported the viewpoint that job satisfaction leads to improved performance. This emerged from the Hawthorne Studies conducted in the 1920s to early 1930. Vroom (1984) actually goes on to state that the human relations movement can ultimately be seen as an attempt to increase productivity through satisfying employee needs. Organ (1977) presents a review of the logic underpinning the job satisfaction causes employee satisfaction idea by relating it to social exchange theory. Social Exchange Theory suggests that performance can be viewed as a form of reciprocation to the organisation in exchange for job satisfaction afforded to an employee.

Lawler and Porter (1976) were principal proponents of the position that the relationship between job satisfaction may be reversed to what the human relations movement proposes. The essence of their argument is that performance leads to rewards and rewards are what leads to increased performance. Much of the focus in the literature has been on the effect of earnings on job satisfaction and standard economic theory supports this position. This is however, not always true since higher earners may have to work harder and deal with increased job stress (compensating differentials) which could result in reduced job satisfaction.

The moderator approach holds that there are underlying conditions which inform the relationship between job satisfaction and performance. Although Lawler and Porter's (1976) approach acknowledged the effect of rewards as a moderator, this view extends that position to include a wider range of moderator variables. For example, increased production pressure may concomitantly decrease satisfaction and increase productivity, thus reducing the statistical relationship between the two (Trandis, 1959). Potential moderators which have been tested include job fit, supervisory level, task difficulty, self-esteem, disposition and need for achievement among others (Petty *et al.*, 1984). What differentiates this stance from the previous two is that they do not assume the direction of influence.

Petty *et al.* (1984) found a positive relationship between job satisfaction and performance. Their study included quite a large number of higher level employees which may have impacted the results but it has emphasised the importance of studying this relationship.

6.3. THEORIES AND PERSPECTIVES ON JOB SATISFACTION

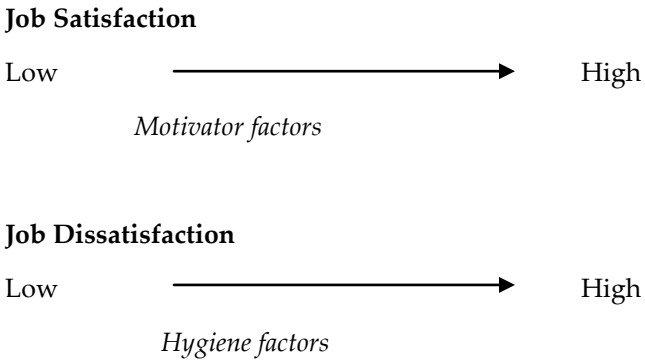
6.3.1. Herzberg's Two-Factor Theory

The most popular job satisfaction theory is that of Frederick Herzberg (Herzberg, Mausner & Snyderman, 1959). He proposed that job satisfaction and job dissatisfaction operated on two separate continuums and were not simply opposite ends of the same continuum. Herzberg proposed that the opposite of job satisfaction was not job dissatisfaction but rather no job satisfaction. Likewise, the opposite of job dissatisfaction is no job dissatisfaction. Herzberg concluded from his studies that the factors that lead to job satisfaction are different from those that lead to job dissatisfaction. One set of factors, if absent, would lead to job dissatisfaction. These factors were termed hygiene or maintenance factors. They were concerned with the job environment and were extrinsic to the job itself. These hygiene factors included elements such as salary, job security, working conditions, supervision, company policy and administration, and interpersonal relations. The second set of factors are those that, if present, serve to motivate the employee to effort and performance. These factors were termed motivators or growth factors. The strength of these factors will affect feelings of satisfaction or no satisfaction but not dissatisfaction.

Herzberg suggests that motivators are factors that people find intrinsically rewarding and included element such as achievement, recognition, responsibility, nature of work, and promotion (Herzberg *et al.* 1959). Thus the essence of the Two-Factor Theory is that job satisfaction comes from both intrinsic factors which relate to the work itself as well as extrinsic factors which fulfil the employee's physical and

psychological needs. Herzberg's theory argues that job satisfaction and job dissatisfaction are as a result of different factors, i.e. satisfaction depends on motivators while dissatisfaction is the result of hygiene factors. (See Figure 6-1 below).

Figure 6-1 A graphical representation of Herzberg's Two- Factor Theory of Job Satisfaction



(Gibson et al, 1985)

6.3.2. Locke's Three Major Schools of Thought

Locke (1976) identified three major schools of thought concerning the factors believed to be most significant to employee job satisfaction. The first school of thought was the Physical Economic School. This school emphasised the role of the physical arrangements of the work, physical working conditions and pay. The second school of thought was the Social or Humans Relations School. This school emphasised the role of good supervision, cohesive work groups and friendly employee-management relations. The third school was the Growth School which emphasised the attainment of satisfaction through growth in skill, efficacy, and responsibility made possible by mentally challenging work (Vorster, 1992).

Locke (1976) concluded that job satisfaction results from the attainment of values which are compatible with one's needs. He suggests that there are seven most important values or conditions conducive to job satisfaction. They are: Mentally

challenging work with which the employee can cope successfully, personal interest in work itself, work which is not too physically tiring, rewards for performance, working conditions which are compatible with the employees' needs, high self-esteem, and agents in the workplace who help the employee to attain job values.

6.3.3. Robbins (1993)

Robbins (1993) conducted an extensive literature review wherein he attempted to determine the work related variables that influence job satisfaction. He concluded that there were four primary factors. Many of his factors overlap with those of Locke (1976). The first factor was mentally challenging work. By this he meant that employees tend to prefer work that gives them opportunities to use their skills and abilities. The second factor was equitable rewards. This referred to pay systems and promotion policies that were perceived as being just, unambiguous, and in line with employee expectations. Supportive working conditions were the next factor and measured the extent to which the work environment was personally comfortable and facilitated the accomplishment of work goals. The last factor was supportive working colleagues. This was an important factor as Robbins believed that employees wish to fulfil more than just financial needs. For most employees, work also needs to fulfil the need for social interaction.

Another school devotes its attention to leadership as a factor in job satisfaction. Theorists such as Blake and Mouton (1964) and Fiedler (1965) see the behaviour of the leader as an important influence on employee job satisfaction and they thus direct their observations at the effect that leadership style has on employees (Kolb, Osland & Rubin, 1995). This view is important for this study.

6.4. MEASURING JOB SATISFACTION

The Job Description Index (Smith, Kendall & Hullin, 1969) measures job satisfaction based on five aspects namely; attitudes towards pay, promotion prospects,

the work itself, supervision, and co-workers. Other job satisfaction questionnaires include the Minnesota Satisfaction Questionnaire (MSQ) and the Job Satisfaction Survey (JSS). The MSQ measures job satisfaction in 20 facets and has a long form with 100 questions (five items from each facet) and a short form with 20 questions (one item from each facet). The JSS is a 36 item questionnaire that measures nine facets of job satisfaction. Other measurement instruments (e.g., Porter & Lawler, 1968; Hackman & Oldham, 1975) measure satisfaction globally.

6.5. JOB SATISFACTION IN SOUTH AFRICA

Job satisfaction in South Africa is best analysed against the backdrop of a discussion of relative earnings literature which states that employees assess their pay relative to similarly skilled individuals or an appropriate reference group. This is difficulty to discuss without addressing race factors which remain particularly emotive in South Africa due to Apartheid. The impact of Apartheid can still be seen today with wage, employment and occupational hierarchies that have a clear racial divide (Allanson, Atkins & Hinks, 2002; Kingdon & Knight, 2004a) and with discrimination still apparent. Pre-labour market factors that current workers encountered during the Apartheid era, may reduce in the likelihood of finding satisfactory jobs due to lower levels of education in general (Brooks & Hicks, 2004).

Analysing job satisfaction of call centre workers would be interesting in this regard since the average call centre worker does not have higher education qualifications.

6.6. CONCLUSION

The issue of job satisfaction is of particular interest to developing and underdeveloped countries because of the suggested link between job satisfaction and performance which impact on the general economic well-being of a country. This is of particular interest in the call centre industry since it is growing industry with the

potential of increasing economic growth in South Africa. Within the call centre industry, job satisfaction may prove to be a vital component since more satisfied employees may display higher levels of customer service orientation. The theoretical justification for the impact of employee job satisfaction and the ultimate satisfaction of customers is based on the concept of emotional contagion (Pugh, 2001).

LMX has also been identified as having a positive relationship with job satisfaction (Stringer, 2006; Gerstner & Day, 1997; Graen, Novak & Sommerkamp, 1982) and as such is an important variable in this study.

Turnover intentions have consistently been found to be negatively related to job satisfaction (e.g. Johnston *et al.*, 1987, 1990) which again, makes the study of this construct crucial, especially in relation to the call centre industry which is marred by high levels of turnover.

Chapter 7. Turnover Intentions

Turnover intent has been described as the degree to which an employee feels that he/she would leave their current employer to pursue an alternate job (Mitchel, 1981). This study looks at turnover intention since there is empirical evidence which validates the fact that a positive correlation with actual employee turnover exists and it has been generally accepted by researchers as the final cognitive step in an employee's decision to voluntarily leave a job (Hwang & Kuo, 2006; Lambert, Hogan & Barton, 2001). Most turnover paradigms in place today are based upon a variety of models developed in the 1970s and 1980s that attribute turnover to affective decisions related to job satisfaction. Consequently, raising the job satisfaction levels of employees is a worthwhile goal. The present research may assist practitioners in their efforts to positively influence job satisfaction while providing researchers with additional insight relative to the impact of LMX and psychological empowerment on job satisfaction. Since this research was administered to current call centre employees, the best information we could obtain was their intention to quit. Turnover has been identified as one of the major challenges within the call centre industry (Holman *et al.*, 2007). CIPD (2008) reported that in 2008 the UK had a 17,3% turnover rate based on a survey of 779 organisations. The average turnover rate of the call centre industry is around an alarming 45% (McMullock, 2004).

Studies have shown that turnover intentions are the best immediate predictor of voluntary turnover (Price, 2001) thus the focus was on intent to leave.

Voluntary turnover may be defined in two categories, i.e. functional and dysfunctional. Allen (2008) argues that dysfunctional voluntary turnover is destructive

and leads to high performing employees exiting the organisation. This means a loss of valuable skills and in turn, high replacement costs for the organisation. Functional voluntary turnover, on the other hand, may include the resignation of poor performers which is not harmful to the organisation.

According to Porter and Steers (1973), an employee is more likely to have intentions of leaving an organisation if they believe that their current demands or needs are not being met by their leaders. These expectations would include factors such as compensation and their opportunities of advancement within the organisation. Although various variables have been studied and are found to increase the probability of an employee voluntarily exiting the organisation, job satisfaction is found to have a consistent inverse relationship with turnover intentions and remains the most explicative antecedent of turnover intentions (Hwang & Kuo, 2006). It should be noted, however, that the decision to exit the employment relationship is complex and is not always linked to characteristics of the work environment or the job itself (Morrow *et al.*, 2005).

An interesting study conducted by Wildes (2005) actually found that the negative relationship may exist between age and employee turnover intentions where younger employees were more likely to formulate plans to leave the organisation. Personal variables seem to influence an employees' intention to leave and another factor which has been found to have a negative relationship with turnover intention is organisational tenure. It seems that the longer an employee stays with an organisation, the less likely they are to leave (Porter & Steers, 1973)

Gustafason (2002) found that when managers worked closely with their employees, they were able to possibly reduce turnover intentions, which supports the idea that the LMX relationship plays a role in turnover intentions.

Theoretically, turnover intentions can be explained using Fishbein and Ajzen's (1975) theory of reasoned action. This theory postulates that intentions mediate the

relationship between attitudes and actual behaviour. Consequently, an employee's attitude about their leader, about their work environment and job satisfaction may influence their decisions to stay or leave an organisation.

Understanding and studying turnover intentions also has positive practical implications since it allows leaders an opportunity to take a proactive approach in dealing with strategies of employee retention.

The Mobley, Hand & Meglino (1979) model proposes that intentions to leave are influenced by various factors including (a) satisfaction, (b) attraction and expected utility of the present job and (c) attraction and expected utility of alternate jobs or roles.

Chapter 8. Methodology

8.1. INTRODUCTION

This chapter discusses the research design, the sampling technique and the sample. It also discusses the procedure carried out, the instruments that were used to obtain data and the analyses carried out. Lastly, this chapter discusses the ethical considerations undertaken in conducting the study.

8.2. RESEARCH OBJECTIVES

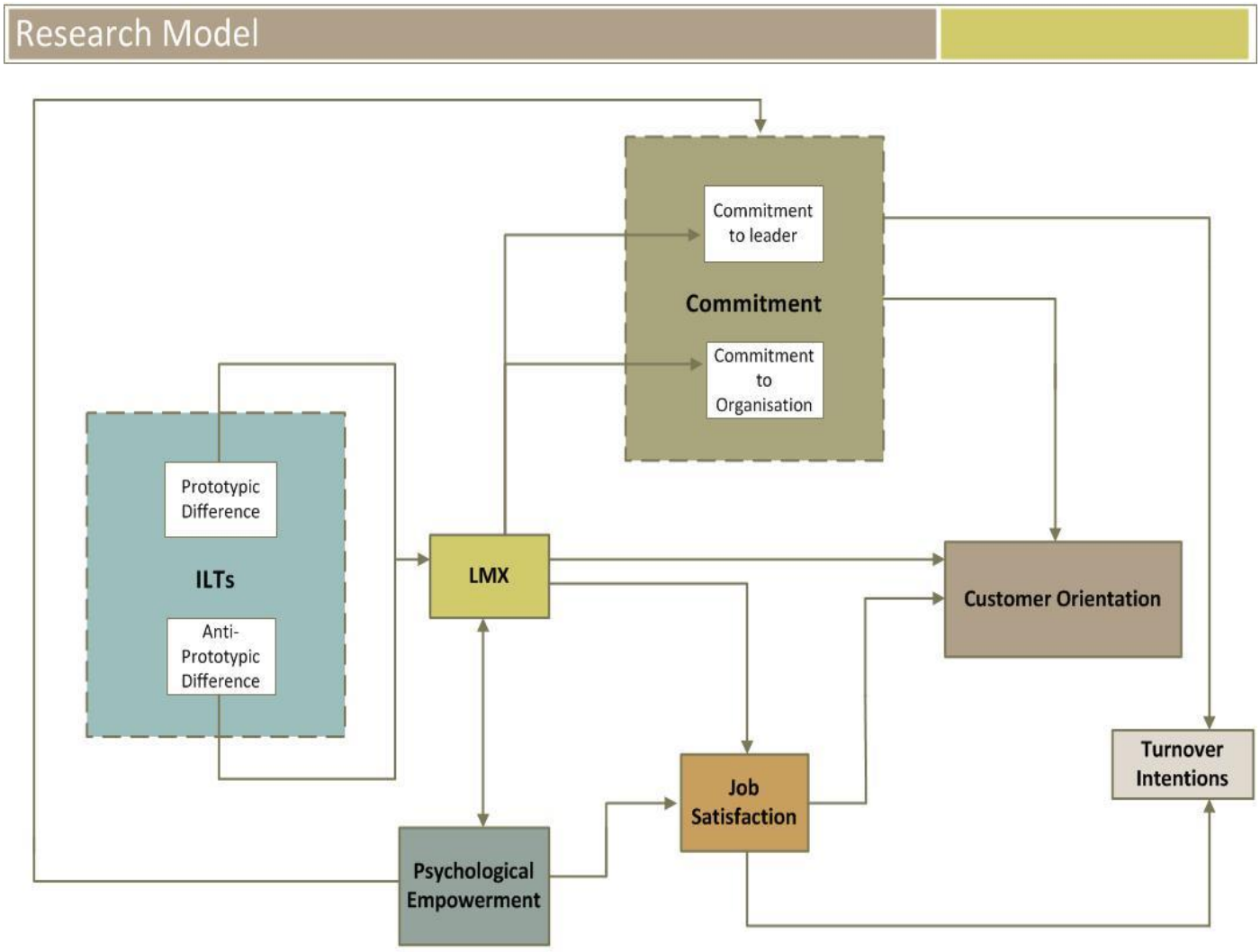
In this study, the constructs and their relationship are investigated in an effort to accomplish the following outcomes:

- To assess the importance of ILTs in the LMX relationship.
- Determine the effect of each of the primary variables on employee customer orientation.
- Determine the effect of each of the primary variables on employee turnover intention.

8.3. RESEARCH MODEL

The model employed for this research is seen in Figure 8-1 which follows:

Figure 8-1 Research model



8.4. RESEARCH QUESTION

The research question can be phrased as:

"What is the role of Implicit Leadership Theories on Leader-Member Exchanges and in turn, its effect on employee outcomes, customer service orientation and turnover intentions of call centre agents?"

8.5. RESEARCH DESIGN

Ghauri and Gronhaug (2010) defined research design as the strategy employed by a researcher which outlines the specific procedures undertaken in order to answer the research questions. The current study utilised a quantitative, non-experimental, cross sectional, survey-based research design (Rosnow & Rosenthal, 1996).

Various research design approaches exist including qualitative, quantitative and mixed methods approaches. According to Creswell (2003), there needs to be a match between the research problem and the research approach. Qualitative approaches are used when a phenomenon needs to be understood and very little research has been done on the topic. Quantitative approaches, on the other hand, are most appropriate when the research problem requires investigation into the key factors affecting an outcome. The quantitative approach requires the researcher to use post-positivist claims for developing knowledge with the use of experiments and surveys to produce data which is eventually used to test a hypothesis (Schurink, 1998). Babbie and Mouton (2001) described a quantitative research design as a scientific approach that uses numbers to represent data and to describe and explain observed facts.

All data for this study was recorded and analysed using the quantitative research design. Data was gathered using self-report questionnaires.

A table outlining the difference between qualitative and quantitative designs can be found in appendix A.

No manipulation of any of the independent variables occurred, nor was there a control group, and since no random assignment was carried out, this study is classified as non-experimental. This means that no causal inferences can be drawn (Howell, 2004).

Cross-sectional designs involve the observation or measurement of two or more variables at a particular point in time with no repeat measure being carried out (Bailey, 1982). One of the main drawbacks of this design identified by Whitley (2001) is that it is

incapable of capturing developmental trends of the events or characteristics being measured. It is simply a snapshot of events or characteristics present at a specific time.

This study examined the relationship between Implicit Leadership Theories (ILTs) and Leader-Member exchanges (LMX). It then examined how LMX impacts on employee outcomes such as job satisfaction, psychological empowerment and commitment. Finally it looked at the relationship between these variables on customer service orientation and employee turnover intentions. Each of the variables in this study was measured using standardised closed ended questions which were administered to call centre agents in Gauteng, South Africa. Where possible, the online survey was administered under the supervision of the researcher and in all other instances, the hard copy of the survey was administered under the supervision of the researcher. Descriptive and reliability statistics were calculated for each of the variables. Confirmatory factor analysis was used to identify the dimensions of each of the variables. Structural equation modelling was used to test the hypotheses in the model using a latent variable model.

8.6. POPULATION AND SAMPLE

8.6.1. Population

The population for this study can be defined as individuals working in a call centre in Gauteng, South Africa. Both in-bound and out-bound call centres were targeted.

8.6.2. Sampling Technique

Call centres were identified through an internet search of call centres in Johannesburg and the researcher's networks. Nineteen were approached based on the ease of access to these call centres for the researcher. Nine participated in the study which represented a 47% response rate from the organisations.

The aim of this research was to sample a mix of in-bound and out-bound call centres in the Gauteng region. Gaining access to the various call centres identified was

often extremely difficult and some of the reasons given for not being able to participate included:

- Various in-house research projects which were currently running may be disrupted
- A disruption in the employees' attendance to calls with most agents operating on high demand with the actual number of major outsourced out-bound call centres being fairly low in SA, there was fear that knowledgeable readers may be able to pinpoint who the participating organisations were.
- They did not allow external parties to carry out any form of research on their employees.
- Some were concerned about the actual questionnaire, i.e. length and some of the questions asked.

Organisations were then randomly selected on the basis of convenience. The sampling strategy employed was a non-probability volunteer sampling strategy which relied on employees' willingness to participate in the study. This worked well within the limitations of both time and financial resources (Zikmund, 2003). However, the challenge with this was that the sample may not have been representative of the population (Rosnow & Rosenthal, 1991).

Considering some the challenges highlighted above, this was deemed to be the most suitable strategy, especially in light of the time constraints.

The sample needed to be quite large in order for the results to be generalizable which also made this a good technique to use. This technique was also suggested since, in order to do structural equation modelling, a fairly large sample is needed.

Employees in call centres, more often than not work in shifts which also made this technique a good choice because it would be very difficult to schedule specific times with each individual to participate in the research. The researcher was granted

permission to visit specific organisations at a set time and as such, whoever was available at that time to participate in the research was approached.

Malhotra and Mukerjee (2004) state that since service quality is the result of human interaction between the service provider and the customer, the call centre employees are able to effectively judge the quality of services that they deliver. A high correlation between customers' and call centre employees' perceptions of service quality has also been found (Malhotra & Mukerjee, 2004). This indicates that self-reports of the employees will be a reliable method of assessing customer service orientation. In terms of ILTs, Lord and Maher (1993) actually pointed to the fact that ILTs may in fact play a more significant role for subordinates than supervisors in shaping the quality of LMX. It therefore makes sense to investigate this relationship based on employee perceptions.

Managers were asked to rate each employee's performance in terms of their customer service orientation, or alternatively to provide performance reviews for employees which would then also be analysed. This was however not achieved due to constraints from the organisations. Managers were not always present to provide this information and as such this was not used.

8.6.3. Demographics table

The table, Table 8-1 below, summarises the demographics of the sample including, gender, race, education level, age and job tenure. It also includes a summary of job characteristics such as; in-bound vs. out-bound, nature of work and the average call duration.

Table 8-1 Demographics table

VARIABLE		NUMBER OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
Gender	Male	89	46%
	Female	101	53%
	No response	1	1%
Race	Black	110	57%
	Coloured	37	19%
	Indian	24	13%
	White	20	10%
	Asian	0	0%
	No response	1	1%
Education Level	Grade 10	2	1%
	Grade 12	67	35%
	Diploma	33	17%
	Some university time	34	18%
	University degree	21	11%
	Postgrad diploma	15	8%
	Some business school time	11	6%
	Postgraduate degree	1	1%
	Other	5	3%
	No response	3	2%
In-bound vs Out-bound	Out-bound	1	1%
	In-bound	71	37%
	Mostly out-bound	29	15%
	Mostly in-bound	85	44%
	No response	5	3%
Nature of Work	Sales-call potential customers	19	10%
	Sales-potential customers call us	3	2%
	Sales-we call & they call	4	2%
	After sales service	9	5%
	Queries from customers	146	76%
	Routing calls	8	4%
	No response	3	2%
Call Duration	Less than 30sec	4	2%
	30sec-1min	5	3%
	1min-2min	16	8%
	2min-5min	123	64%
	More than 5min	40	21%
	No response	4	2%
Age (in years)	Mean= 28	SD= 6.85	Range= 19 to 60
Tenure (in years)	Mean= 3	SD= 2.61	Range= 1 to 15

The table highlights various facts:

- The gender mix was fairly even with females only occupying only about 7% more places than males.
- The majority of the sample was Black at 57%.
- More than 50% of the sample had no more than a diploma.
- 80% of respondents worked in an in-bound call centre environment with less than 20% representing out-bound call centres.
- 76% of respondents dealt mainly with queries from customers.
- The average call duration seemed to be mostly around 2 to 5 minutes with 64% of respondents choosing this option.
- The average age was 28 years old.
- The average tenure was 3 years but may have been around 2 years if a few outliers were excluded in the calculation.

8.7. DATA COLLECTION

This first stage involved getting ethics clearance from the Ethics Committee of the University of the Witwatersrand to ensure that the researcher complied with all ethical requirements prior to the commencement of the study.

The next stage involved contacting a list of call centres obtained through an internet search and various other contacts. Initial contact was established via email and in a few cases, telephonically. This was done in order to explain the research and to obtain approval to conduct the research. This was followed by arranged meeting with the interested call centres.

Upon receiving ethics approval, an online survey hosted by the Wits University survey tool was made available to all participating call centre agents. An email was sent out to call centre managers beforehand explaining the research in order to maximise employee participation in the survey. Managers were told that results of the research

could be made available to them upon request; this was done in an attempt for leaders to facilitate employee participation.

The survey was split into two parts. Part one of the online survey was available for one week. Two weeks after all responses to part one had been received, part two was distributed. Part two was also available for one week. Follow up emails were sent during this time in order to increase participation. The main purpose of splitting the questionnaire would be to minimize systematic measurement error. The major IV and DV were split between the two parts. This reduced common method biases of having predictor and criterion variables measured at the same time (Podsakoff, MacKenzie, Lee & Podsakoff, 2003).

Having received permission from certain organisations to physically collect data, the same process as detailed above was followed. However, being allowed to be present in the workspace for a few hours on an agreed date during the period that the surveys were available online, meant that employees could ask any questions. They were also encouraged further to actually complete the survey. Interaction with the researcher proved to be a valuable tool in increasing response rates since at the call centres where the researcher was present, responses rate seemed higher or at least faster. A copy of part one and part two of the questionnaire can be found in Appendix B.

Latent variables were assessed using a range of different scales. This was done to reduce common scale format biases (Podsakoff, MacKenzie, Lee & Podsakoff, 2003).

The questionnaire was split into two questionnaires administered at different times. The first questionnaire consisted of a cover letter which introduced the researcher and gave a brief description of the research. It also explained that the research was not a management initiative and as such management would not have access to individual results. The cover letter also guaranteed confidentiality of results and that participation was voluntary (see Appendix B).

The consent letter followed which participants had to sign. Participants had to include their name in the questionnaire. This was done in order for the researcher to reconcile results of part one and part two which were carried out at different times. Participants could use any name as long as they carried the same name through to part two of the survey.

The questionnaire was then divided into six major sections. Section one ascertained various demographic characteristics including level of education, job description and tenure in the organisation. Demographic data was collected utilizing categorical variables. This has been shown to reduce response bias since participants perceive that this increases the anonymity of their responses (Giles & Field, 1978).

The second section tested ideal Implicit Leadership Theories (ILTs) of participants. The third section explored Leader Member Exchange (LMX) relationships. The fourth section focused on commitment to the organisation as well as social desirability. A Social Desirability scale was included in an attempt to control for systematic measurement error.

The fifth section investigated job satisfaction and finally in the sixth section there were questions on performance.

The second questionnaire was also divided into six sections. Section one and two were the cover letter and consent form respectively. Section three looked at ILTs participants have of their specific leader. Section four covered customer service orientation, commitment to the leader and empowerment. Section five investigated turnover intentions and finally, section six asked further demographic questions including gender, race and age.

The research was conducted using quantitative self-report surveys consisting of multiple choice questions. Each of the constructs identified were tested using multi-item scales with high internal reliability and validity. The quantitative research method was

chosen since a larger sample can be reached and all the constructs have specific measures which can be employed.

8.8. MEASURES

This section covers an outline of the variables and the measurement scale, original alphas are included in this section, however for further discussion on reliability and validity of this particular study, please see section 8.10 below.

ILTs (original α=>.75): a revised version of the original 41- item scale developed by Offerman *et al*. (1994) was used to measure ILTs (Epitropaki & Martin, 2004). According to Offermann *et al.* (1994), almost all subscales had good reliability estimates, with Cronbach alphas ranging from .75 to .93, Participants are asked to rate different traits based on their idea of how characteristic it is of a good leader and in part two, how characteristic it is of their leader. Each trait is rated on a 7-point scale ranging from not at all characteristic to extremely characteristic. Examples of this include traits such as *intelligence* or *sincerity.*

LMX (original α=.91): a revised version of the LMX-7 as recommended by Graen and Uhl-Bien (1995) was used to measure LMX. There were seven questions and participate were given five options from which to choose. An example of a question from this section was *How well does your leader understand your job problems and needs?* This ranged from not a bit to a great deal.

Psychological empowerment (original α=.72): Competence items were adapted from Jones's (1986) self-efficacy scale. The meaning items were taken directly from Tymon (1988). The self-determination items were adapted from Hackman and Oldham's (1985) autonomy scale, and the impact items were adapted from Ashforth's (1989) helplessness scale as cited in Spreitzer (1995). There are ten items and a 7-point scale was used ranging from strongly disagree to strongly agree. Participants were asked to rate each item. An example was *I have strong autonomy in determining how I do my job.*

Organizational commitment (original alphas: AC, α=.82; CC, α=.78, NC, α=.85): A revised version of Meyer and Allen's (1997) 18- item organizational commitment scale was used. It was administered to include employee commitment to the leader. A 7-point scale was used. Participants were asked to rate each item. Examples of items include: (a) Affective Commitment – *I feel emotionally attached to this organisation*; (b) Continuance Commitment – *It would be very hard for me to leave my leader/manager right now, even if I wanted to;* (c) Normative Commitment - *Even if it were to my advantage, I do not feel it would be right to leave my leader/manager now.*

Job Satisfaction (original α=.91): for the measurement of employee's job satisfaction, a revised version of Warr, Cook and Wall's (1979) 15- item overall job satisfaction scale was used. A 7- point scale was used and participants were asked to rate each item. An example of this was the *physical work conditions*.

Customer Orientation (original α=.93): was measured by using the 12 positively worded items from the Sales Orientation/ Customer Orientation (SOCO) scale (Saxe & Weitz, 1982). This scale was originally designed to measure the customer orientation of sales personnel so its wording was modified to reflect the service industry. The items cover a broad range of issues that are indicative of customer-oriented employee behaviours, such as whether the employees had the customer's best interest in mind, answered the customer's questions, helped solve any problems that arose, and whether they provided an accurate expectation of service product performance. The coefficient alpha estimate for this scale was .93, and the parameter estimates ranged from .50 to .81.

Turnover intention (original α=.81): A four-item measure of turnover intention derived from Mitchel's (1981) turnover study in a service industry was also utilized. A five-point scale was utilized to measure employee response to the items with a response of one (1) equivalent to not accurate at all and five (5) equivalent to extremely accurate. Three of the four items were reverse scored so that higher scores indicate an increased intention to leave. A Cronbach's alpha of .81 was achieved, utilizing the Mitchel (1981)

turnover intention instrument, with a group of retail managers (Good, Sisler, & Gentry, 1988). A sample item was, *I plan to be with the company quite a while.*

Social desirability (original α=.88): a revised, shorter version of Marlowe-Crowne's Social Desirability Scale (1960) was used to measure the extent to which individuals present themselves in a favourable manner regardless of their true feelings. This scale consisted of 11 items. It was created from the Ballard R. Short form of the Marlowe-Crowne Social Desirability Scale (1992). A sample question was, *I have never deliberately said something that hurt someone's feelings*. Items were measured on a seven point scale from strongly agree to strongly disagree.

Demographics: the following demographics were obtained from respondents: gender (male, female, other); race (Black, White, Indian, Coloured, Asian, other); age (at last birthday); education level (grade 10, grade 12, diploma, some university time, university degree, postgraduate diploma, some business school time, postgraduate degree, other) and job tenure (in years).

Job Characteristics: the following job characteristics were obtained from respondents: call type (out-bound, in-bound mostly out-bound, mostly in-bound); nature of work (sales-call potential customers, sales-potential customers call us, sales-we call and they call, after sales service, queries from customers, routing calls) and finally, call duration (less than 30sec, 30sec-1min, 1min-2min, 2min-5min, more than 5min).

8.9. MODELS OF ILT DEVIATION

ILTs were tested for respondents' ideal levels (in the first questionnaire) and ILTs of their specific leaders. This difference is referred to as ILT deviation in this study. It measures the difference between the ideal level and how they actually rate their specific leaders. Raw ILT deviations can therefore be positive or negative depending on which value is larger. Raw ILT deviation therefore suggests that a positive value is bad and

vice versa, a negative value is good. To illustrate, let us say an employees' ideal ILT is 6 and they rate their actual leader as 3, the calculation would be as follows:

Ideal – Actual = ILT deviation

6 – 3 = 3

This value suggests that the leader falls short of the ideal level as this is bad.

On the other hand if an employee's ideal ILT is 5 and they rate their actual leader a 7, the calculation would be as follows:

5 – 7 = -2

This negative value suggests that the leader exceeds the ideal level by 2 which is good.

This logic applies to traits which are positively associated with leadership (i.e. prototypic traits). For traits which are negatively associated with leadership (i.e anti-prototypic traits) it would work in the opposite direction.

This is considered crucial since it proposes that one direction is good and one direction is bad. This is important since it assumes that a higher value is always better for prototypic traits and a lower value is always better for anti-prototypic traits.

Since this is considered to not necessarily true, an alternate hypothesis proposes that any deviation from the ideal, whether positive or negative is bad. Therefore this was achieved by taking the absolute or square values of ILT deviations.

Absolute ILT deviation weights every point deviation as equally bad.

Squared ILT deviation on the other hand weights every point deviation as increasingly bad.

Therefore, the following models were tested in SEM (see section 9.3):

- Absolute ILT deviation and
- Squared ILT deviation

8.10. RELIABILITY AND VALIDITY OF CONSTRUCTS

Reliability for this study was tested using Cronbach Alphas. Cronbach Coefficient Alpha is a known statistical technique that is used to determine the reliability of a measuring instrument in research study. It is used to determine the internal reliability of the items or variables underlying an identified factor in a research instrument. Values range between 0 and 1 and, whilst 1.0 indicate perfect reliability. Coefficients around .9 are considered, excellent, .08 are considered good and values around .70 are considered adequate (Kline 2005).

The alphas obtained for this study are summarized in the table which follows. Alphas were above the .7 cutoff which means the variables tested were reliable. Only affective and continuance commitment to the organisation were below the cut-off when assessed individually.

Table 8-2 summarises the alphas for all the variables used in the study.

Table 8-2 Cronbach alphas for this study

Variable	Standardised Cronbach Alpha	Number of Scale Items
ILT Sensitivity Ideal	**.88**	**3**
ILT Intelligent Ideal	**.77**	**4**
ILT Dedication Ideal	**.87**	**3**
ILT Dynamism Ideal	**.85**	**3**
ILT Tyranny Ideal	**.80**	**6**
Masculinity Ideal	**.73**	**2**
LMX	**.87**	**7**
Job Satisfaction	**.93**	**15**
Commitment to Organisation	**.74**	**17**
Affective Commitment Organisation	*.65*	*5*
Continuance Commitment Organisation	*.59*	*6*
Normative Commitment Organisation	*.73*	*6*
ILT Sensitivity Actual	**.92**	**3**
ILT Intelligent Actual	**.86**	**4**
ILT Dedication Actual	**.90**	**3**
ILT Dynamism Actual	**.87**	**3**
ILT Tyranny Actual	**.90**	**6**
ILT Masculinity Actual	**.69**	**2**
Commitment to Leader	**.83**	**16**
Affective Commitment Leader	*.69*	*4*
Continuance Commitment Leader	*.72*	*6*
Normative Commitment Leader	*.80*	*6*
Empowerment	**.81**	**12**
Employee Customer Orientation	**.84**	**12**
Turnover Intentions	**.73**	**4**

** Note* Cronbach alphas were not calculated for ILT Collectivism and Performance since they had two or less questions.*

The main technique used to test validity is factor analysis. For this study, confirmatory factor analysis (CFA) was conducted since multi-item scales were specifically selected linked to constructs. The CFA averages all the individual variables in order to aggregate to a final construct. Due to the large number of constructs and manifest variables in the model one CFA is not feasible since, as discussed by authors

such as Kline (2005), factor analysis with very large number of items (30 or more) are often unstable. Therefore different CFAs were run as follows:

1. The actual ILTs and LMX, i.e. all items which analyse the actual leadership situation according to the employee.
2. The ideal ILTs, which analyse the respondents' ideal level of each of the characteristics and this was separated from the actual ILTs since it was expected that there would be a difference between the ideal and actual ILTs.
3. All the intermediate variables (Commitment to the Leader, Commitment to the Organization, Empowerment and Job Satisfaction.
4. The outcome variables (Turnover Intentions and Customer Orientation).

Masculinity and collectivism were excluded from the CFAs for the ILTS since they were single items.

As discussed in the measure section, the survey originally measured three commitment constructs, namely affective, normative and continuance commitment toward the leader and organization respectively. However, the items for the continuance construct showed very poor fit with the rest of the intermediate constructs, accordingly this construct is excluded from the rest of the study.

The aggregated ILT construct consisted of the following individual aggregated variables; sensitivity, intelligence, dynamism, dedication, tyranny, masculinity, collectivism. Each of these variables had their own individual items which tested for them.

Table 8-3 below summarises the fit statistics of the four final CFAs. From these results, it is concluded that the items are reasonable measures of their respective variables.

Table 8-3 CFA fit statistics of the final four models

Model	χ^2	SRMR	RMSEA	NNFI	CFI	Largest Normalized Residual
Actual Leadership and LMX	379.97 (215)***	.06	.06 (90% CI = .05 - .07)	.94	.95	.44
Ideal Leadership	184.42 (90)***	.05	.07 (90% CI = .06 - .09)	.93	.95	-.21
Intermediate Variables	238.20 (103)***	.08	.08 (90% CI =.07 - .10)	.90	.93	.71
Outcome Variables	89.82 (41)***	.06	.08 (90% CI = .06 - .10)	.91	.93	.40

Notes. *** = $p < .0001$.

8.11. DATA CAPTURING

Data was captured, checked, cleaned and standardized in Microsoft Excel. Once this process was completed, data was transferred to the SAS program. Excel was further used to calculate various summary statistics.

8.12. DATA ANALYSIS

This research was primarily quantitative in nature and the model was developed and tested using Structural Equation Modelling. Structural equation modelling is used to assess the explanatory power of the independent variables and to examine the size and significance of the path coefficients.

Descriptive stats as well as reliabilities were calculated for each of the variables. Correlation analysis was utilised to examine the relationships between each of the variables. Structural equation modelling was used to test the hypotheses using a latent variable model.

SAS was used to perform the following statistical tests:

- Cronbach alphas were calculated in order to confirm the reliability of each of the variables.
- A confirmatory factor analysis was run to confirm the factor structure of the variables thus ensuring validity of the measures used.
- Correlation analysis was utilised to identify the nature of the relationships between the variables.
- Path analysis was conducted in order to assess the strength of the relationships between the constructs.

Mediation, as used in this research is used to explain how the outcome variable comes about. It describes the sequence of events as explained by Kenny (2008).

8.13. HYPOTHESES

On the basis of Lord and Maher's (1993) propositions involving employees comparing their direct manager with their pre-existing ideal within the LMX context, this research hypothesises that the smaller the difference between prototypic traits employees recognize in their direct manager and implicit prototypic traits (labelled prototypic difference), the better the quality of the relationship they develop with that manager. It is also hypothesised that the higher the difference between the anti-prototypic traits recognized in the manager and the implicit anti-prototypic traits (labelled anti-prototypic difference), the better the quality of LMX. Understanding the way ILTs operate within the context of manager-employee interactions is of practical and applied interest because the way a leader is perceived by subordinates can influence the power or discretion he or she has (Maurer & Lord, 1991). Therefore, the following hypotheses were tested:

H1a: Prototypic difference has a negative effect on the quality of LMX

H1b: Anti-prototypic difference has a positive effect on the quality of LMX

Based on the rationale that work attitudes are more likely to be the outcome of behavioural responses and social cues than solely traits (e.g. Judge, Bono & Locke, 2000), as well as extensive empirical evidence to support the predictive validity of LMX for employee attitudes (e.g. Epitropaki & Martin, 1999; Graen & Uhl- Bien, 1995) it is hypothesised that ILTs will only impact on employee as well as organizational outcomes indirectly through LMX. Therefore, the following hypotheses were tested:

H2a: LMX mediates the relationship between prototypic and anti-prototypic difference and employee job satisfaction

H2b: LMX mediates the relationship between prototypic and anti-prototypic difference and commitment

Socio-political support networks are defined as endorsement or approval from or legitimacy granted by organizational constituencies and is typically gained from membership in organizational networks (Kanter, 1983). Employees' social networks include their managers/leaders, and these networks increase social exchange and therefore enhance a sense of personal power (Crozier, 1964). Employees who are in high LMX relationships have potential to be empowered since they have stronger social networks and access to information (Linden & Graen, 1980). Empowerment seems to be inherently embedded in high LMX relationships and it is for this reason that the empowerment construct was selected (Uhl-Bien & Graen, 1993a; Keller & Dansereau, 1995). This is supported by research done (e.g. Kim & George 2005; Liden, Wayne & Sparrowe, 2000). Therefore, the following hypothesis was tested:

H3: The quality of the LMX relationship is directly related to the level of psychological empowerment

Utilizing Hertzberg's *et al.* (1959) two dimensional model of job satisfaction and dissatisfaction, the greater the level of mutual respect, trust and obligation that exists between a supervisor and a subordinate (LMX), the higher the level of subordinate job satisfaction due to the increased intrinsic and extrinsic rewards which are likely to be realized by the employee. This is supported by findings conducted by various researchers (Stringer, 2006; Gerstner & Day, 1997; Graen, Novak & Sommerkamp, 1982). Therefore, the following hypothesis was tested:

H4: The quality of the LMX relationship is directly related to the level of job satisfaction

High LMX relationships are characterised by trust, respect and mutual obligation which lead to greater organisational commitment (Eisenberger, Fasolo, & Davis-LaMastro, 1990). Liden, Sparrowe & Wayne (1997) conducted a thorough review of the literature and confirm relationships between LMX and job satisfaction as well as commitment.

Therefore, the following hypotheses were tested:

H5a: The quality of the LMX relationship is directly related to the level of commitment to the leader

H5b: The quality of the LMX relationship is directly related to the level of commitment to the organisation

H5c: The quality of the LMX relationship has a greater impact on commitment to the leader than commitment to the organisation

Dienesch and Liden (1986) assert that the LMX approach is at the frontline of modern leadership research. This approach is preferential in that it investigates the extent to which the quality of the relationship between a leader and a member can lead to higher job enrichment which encapsulates job motivation, job satisfaction and performance. Since the major performance outcome of interest to this study would be the customer service orientation of employees, this relationship was explored. Therefore, the following hypothesis was tested:

H6: LMX is positively and directly related to employee customer orientation

If employees are given the discretion and autonomy to make customised decisions with regards to responding to unique customer demands, they may be better equipped to service them effectively. This requires trust from the managers since it means they have to relinquish some of their control. This is a feature which would be characteristic of high LMX relationships. Bowen and Lawler (1992) suggest, although they do not provide empirical evidence of this, that empowered employees will be more enthusiastic about responding to customer needs and will have the motivation to do it effectively.

Spreitzer, Kizilos and Nason (1997) provide empirical evidence that shows the relationship between empowerment, employee performance and satisfaction. They suggest that as empowerment of employees increases, satisfaction and performance also increases. Hechanova, Alampay and Franco (2006) found that empowerment may be

positively correlated with job satisfaction and performance in a variety of service centres, including banking and call centres. Social Network theory supports these findings since this theory proposes that employees with stronger social networks are likely to have better access to resources required to perform well on the job (Crozier, 1964). Given these results, the following hypotheses were tested:

H7: Psychological empowerment is positively related to job satisfaction

H8: Psychological empowerment is positively related to employee customer orientation

Menon (1995), completed a study on 311 employees of an organisation in an attempt to determine the effects of empowerment on them. The survey found that when employees perceived uncertainty, non-contingent reward systems, formal structures and poor communication between themselves and their leaders, they had lower perceptions of empowerment. When employees perceived their work to be of importance to the organisation and felt that they had a certain level of autonomy and support from leaders, they had higher perceived levels of empowerment. What they also concluded was that employees who were more empowered also reported higher levels of job satisfaction, motivation and organisational commitment. Given this, the following hypothesis was tested:

H9: Psychological empowerment is positively related to commitment

With regard to the specific link between job satisfaction and customer service orientation of employees, researchers have proposed that positive business outcomes are associated with many human resource constructs, such as employee job satisfaction and psychological empowerment (Paul & Anantharaman, 2003). The Service-Profit Chain (SPC) proposes that a relationship exists between employee satisfaction and service quality (Heskett, Sasser & Schlesinger, 1997). The model for this research therefore hypothesises that call centres which prioritise employee job satisfaction will

deliver a higher level of employee customer orientation. The following hypothesis was tested:

H10: Job satisfaction is positively related to employee customer orientation

Numerous studies have reported a positive relationship between commitment and performance (Mayer & Schoorman, 1992; Meyer, Paunonen, Gellatly, Goffin, & Jackson, 1989), this relationship is therefore of interest to this study. The following hypothesis was tested:

H11: Commitment will be positively related to employee customer orientation

Returning to the issue of multiple bases and foci of commitment, it is imperative that this is explored since it is expected that LMX will impact differently on employees' commitment to the leader and employees' commitment to the organisation. Gerstner and Day (1997) reported that LMX will have a stronger correlation with commitment to the leader than to the organisation and that commitment to the organisation would be influenced more by employee perceptions of organisational support. Consequently this research tested the difference in the strength of the relationship between LMX and commitment to the leader versus the relationship between LMX and commitment to the organisation. The following hypotheses were tested:

H12: Turnover intentions has a negative relationship to commitment

H13: Turnover intentions has a negative relationship with job satisfaction

8.14. ETHICAL CONSIDERATIONS

To ensure that all ethical considerations were met, the researcher first received ethical clearance from the university's ethics committee (Protocol Number: H100612). In order to conform to the ethical specifications given, participants were given a cover letter which introduced the researcher and briefly explained the purpose of the research. Participants were guaranteed the confidentiality of results and were made aware of the fact that participation was voluntary and that they could choose to

withdraw at any point without any consequences. Since the questionnaire was split into two parts which needed to be reconciled, participants were asked to use a name on the questionnaires, however, this could be a pseudo name of their choosing and the only purpose of this was in order for the researcher to reconcile their answers on the two questionnaires.

The research was only conducted at organisations once the researcher received permission to do so. All terms of research process were agreed upon with the organisations involved.

8.15. LIMITATIONS OF EMPIRICAL RESEARCH

Various limitations are noted with the sampling strategy employed for this research. Convenience sampling has various limitations which may include the self-selection of participants and the fact that the researcher does not have much control over the demographic framing of the sample.

Surveys were distributed to call centre agents in the Gauteng region which would affect the generalisability of the results in terms of South Africa as a whole.

With regards to the actual research design, call centre agents rated themselves on performance which may result in self report bias.

Some call centre agents were unable to access unspecified internet sites from their computers and as such were unable to retrieve the survey online.

The percentage of out-bound call centres studied was very low.

Chapter 9. Results

9.1. INTRODUCTION

This chapter details the results obtained from the study. Statistical analyses which were performed include reliability coefficients of all the measures used, confirmatory factor analysis, descriptive statistics, tests for normality including skewness and kurtosis, root transformations of all skew variables, correlation analysis, and structural equation modelling.

9.2. CORRELATIONS

A Pearson correlation coefficient calculator was used to determine the cut-offs for significance. The results showed that correlations greater or equal to .2 are significant at the p <.01 level and correlations greater or equal to .13 are significant at the p<.05 level.

Table 9-1 below contains means, standard deviations and correlations for all variables in the model. The correlation analysis shows many expected significant relationships as seen in the literature.

Empowerment is most strongly correlated with Customer Orientation (r=.44, p<.01).

Empowerment is also most strongly correlated with Turnover Intentions (r=.47, p<.01).

Satisfaction is most strongly correlated with LMX (r=.57, p<.01).

LMX, Satisfaction and Empowerment are all significant when correlated with Turnover Intentions (r= .23, .45, .47 respectively, p<.01).

Affective Commitment to the leader and organisation respectively are also significant when correlated with Turnover Intentions (r= .45 .44 respectively, p<.01).

Normative Commitment to the leader and organisation respectively are also significant when correlated with Turnover Intentions (r= .37, .44, respectively, p<.01).

Satisfaction is significant when correlated with Customer Orientation (r= .26, p<.01).

Empowerment is significant when correlated with Customer Orientation (r= .44, p<.01).

Affective Commitment to the leader and organisation respectively are also significant when correlated with Customer Orientation (r= .29 .23 respectively, p<.01).

Normative Commitment to the leader and organisation respectively are also significant when correlated with Customer Orientation (r= .22 .23 respectively, p<.01).

LMX is significant when correlated with Customer Orientation (r= .16, p<.05).

Of all the individual ILT dimensions, sensitivity of your actual leader has the highest correlation to Customer Orientation (r= .22, p<.01).

Satisfaction, Empowerment and all the Commitment variables are significant when correlated with LMX (p<.01).

Tyranny (ideal and actual) is the only individual ILT dimensions which is significant and negatively correlated to LMX (r= -.22,-.23 respectively, p<.01).

All individual ILT dimensions, except masculinity, are significant when correlated with Job Satisfaction.

Tyranny (ideal and actual) is the only individual ILT dimension which is negatively correlated to job satisfaction (r= -.17,- .34 respectively, p<.05, p<.01 respectively).

Affective Commitment to the leader and organisation respectively are significant when correlated with job satisfaction (r= .48, .61 respectively, p<.01).

Normative Commitment to the leader and organisation respectively are significant when correlated with job satisfaction (r= .24, .40 respectively, p<.01).

Affective commitment to the leader has the highest correlation to empowerment (r=.57, p<.01).

Actual dedication is the ILT dimension which has the highest correlation with empowerment (r=.42, p<.01).

Actual tyranny is the only individual ILT dimension which is significantly and negatively correlated to empowerment (r= -.23, p<.01).

Table 9-1 Correlations between summary variables

	M	SD	1	2	3	4	5	6	7	8	9	10
1. Customer Orientation	6.04	.84	1.00									
2. Turnover Intentions	3.33	1.15	.21	1.00								
3. LMX	3.71	.85	.16	.23	1.00							
4. Satisfaction	4.50	1.18	.26	.45	.57	1.00						
5. Empowerment	4.82	1.04	.44	.47	.38	.50	1.00					
6. Affective Commitment to Firm	4.20	1.36	.23	.44	.36	.61	.48	1.00				
7. Normative Commitment to Firm	3.80	1.50	.23	.44	.25	.40	.52	.69	1.00			
8. Affective Commitment to Leader	4.15	1.73	.29	.45	.45	.48	.57	.42	.37	1.00		
9. Normative Commitment to Leader	3.60	1.52	.22	.37	.27	.24	.49	.41	.63	.55	1.00	
10. Actual Sensitivity	5.65	1.15	.22	.30	.25	.26	.30	.22	.15	.35	.25	1.00
11. Actual Intelligence	5.71	1.04	.14	.22	.28	.33	.32	.22	.14	.44	.24	.60
12. Actual Dedication	5.86	1.12	.18	.20	.40	.34	.42	.16	.16	.46	.29	.56
13. Actual Dynamism	5.61	1.21	.16	.32	.33	.35	.38	.24	.18	.43	.30	.88
14. Actual Tyranny	2.55	1.52	-.16	-.10	-.23	-.34	-.23	-.06	.01	-.29	-.13	-.26
15. Ideal Sensitivity	5.92	1.04	.06	.19	.35	.37	.17	.18	.13	.23	.13	.43
16. Ideal Intelligent	5.81	.98	.15	.05	.23	.29	.24	.16	.19	.13	.09	.24
17. Ideal Dedication	6.38	.91	.19	.11	.42	.37	.25	.17	.17	.27	.08	.36
18. Ideal Dynamism	5.96	1.05	.07	.20	.36	.41	.22	.19	.15	.29	.12	.45
19. Ideal Tyranny	1.96	1.05	-.11	.21	-.22	-.17	-.03	-.04	.10	-.12	.13	-.09
20. Ideal Masculinity	2.33	1.53	.01	.25	.01	.07	.10	.18	.18	.06	.23	.00
21. Actual Masculinity	2.63	1.75	.00	.06	-.03	-.05	.00	.09	.20	-.09	.08	-.11
22. Ideal Collectivism	5.96	1.61	.02	.23	.37	.36	.17	.12	.09	.23	.07	.22
23. Actual Collectivism	5.78	1.55	.16	.13	.10	.22	.20	.12	.06	.18	.19	.30

Notes: Sample size N=192 based on which cut-off calculated as, correlation ≥.2 significant at p<.01, correlations ≥. .13 significant at p<.05. Commitment to the firm e refers to organisational commitment. Actual vs Ideal as described in the table refers to ratings of their actual leader vs. ratings of their ideal leader

Continued…

	11	12	13	14	15	16	17	18	19	20	21	22	23
11. Actual Intelligence	1.00												
12. Actual Dedication	.67	1.00											
13. Actual Dynamism	.67	.71	1.00										
14. Actual Tyranny	-.32	-.45	-.30	1.00									
15. Ideal Sensitivity	.41	.33	.53	-.13	1.00								
16. Ideal Intelligent	.44	.23	.28	-.10	.52	1.00							
17. Ideal Dedication	.44	.41	.41	-.16	.65	.69	1.00						
18. Ideal Dynamism	.46	.42	.56	-.16	.86	.55	.72	1.00					
19. Ideal Tyranny	-.17	-.24	-.10	.36	-.19	-.32	-.45	-.30	1.00				
20. Ideal Masculinity	-.09	-.12	.01	.16	-.04	-.21	-.21	-.08	.41	1.00			
21. Actual Masculinity	-.27	-.20	-.12	.40	-.04	-.04	-.05	-.04	.15	.33	1.00		
22. Ideal Collectivism	.24	.25	.31	-.24	.45	.38	.55	.47	-.17	.05	.11	1.00	
23. Actual Collectivism	.25	.27	.41	-.25	.23	.04	.08	.17	.11	.07	-.01	.33	1.00

Notes: Sample size N=192 based on which cut-off calculated as correlation ≥.2 significant at p<.01, correlations ≥. .13 significant at p<.05. Actual vs Ideal as described in the table refers to ratings of their actual leader vs. ratings of their ideal leader.

9.3. SEM PATH MODELLING

SEM path modelling was performed in order to check the fit of the various models. This was undertaken utilising various models with and without ILT deviation included. ILT deviation is defined as the difference between ideal ILTs and actual ILTS. Ideal ILTs describes their desired level on each dimension whereas actual ILTs would be when respondents are rating their actual leaders on the various ILT dimensions.

ILT deviation, as described in detail in section 8.9, refers to the value obtained by subtracting the actual score from the ideal, this difference is referred to as ILT deviation.

Absolute and squared ILT deviation values are utilised in the models since an alternate hypothesis assumes that any deviation (in any direction, positive or negative) from the ideal score is bad.

The first stage modelled all variables without ILT deviation. The second stage modelled all variables with the ILT deviation using the absolute values and one using the squared values of the ILT deviation. The third stage modelled all variables including the absolute values of individual ILT dimensions (i.e. sensitivity, intelligence, dedication, dynamism, tyranny, masculinity, collectivism) and one using the squared values of the individual ILT deviations.

Table 9-2 summarises fit statistics and cut-offs used for this study. These cut-off are suggested by Kline (2005), however it should be noted that this is not the only information used to test the fit of a model.

Table 9-2 Summary of fit statistics and cut-offs used

Global Fit Statistic	Conventional although not determinative cut-offs		
	Good Fit	**OK Fit**	**Possibly Poor**
Chi- square statistic (λ^2)	Non-significant λ^2 (e.g. p>.05)	Significant λ^2 if sample reasonably large	Significant λ^2 if sample small
Standardised Root Mean Square Residual (SRMSR)	SRMSR<.05	SRMSR<.08	SRMSR>.10
RMSEA estimate	RMSEA<.05, especially if upper end of CI<.08	RMSEA<.08, especially if upper end of CI<.10	RMSEA>.10, especially if lower end of CI>.08
Bentler & Bonet's (1980) Non-normed Index Bentler's Comparative Fit Index (CFI)	CFI>.95	CFI>.90	CFI<.90
Non-normed fit index (NNFI/TLI)	NNFI>.95	NNFI>.95	NNFI<.90
Distribution of residuals	Normal distribution	Roughly normal	Highly non normal

Table 9-2 Summary of fit statistics and cut-offs usedshows the summary of the SEM model fit statistics of the different models.

As can be seen in Table 9-3 SEM models fit summary, all models are acceptable however, when comparing square and absolute models of the ILT deviation and individual ILT deviation models, the information criteria favours the square models. The information criteria which are assessed include Akaike Information Criterion (AIC), Bozdogan CAIC and Schwarz Bayesin Criterion (SBC). These are used to compare the overall fit of different models and the model with the lowest values has the better fit. It can be seen from Table 9-3 SEM models fit summary that the squared models have a better fit.

Therefore, the sections which follow only discuss the effects of the squared models.

Table 9-3 SEM models fit summary

Model	$\tilde{\chi}^2$	SRMR	RMSEA	NNFI	CFI	AIC	CAIS	SBC
Non ILT	21.91(14)	.03	.05 (90%CI=.00-.10)	.97	.99	83.91	215.73	184.73
Absolute ILT total	34.52(21)	.04	.06 (90%CI=.02-.09)	.96	.98	102.52	246.92	212.92
Squared ILT total	31.12(21)	.04	.05 (90%CI=.00-.09)	.97	.99	99.12	243.52	209.52
Absolute ILT Individual	80.61 (63)	.04	.04 (90%CI=.00-.06)	.97	.98	9164.91	9475.70	9402.70
Squared ILT Individual	86.75 (63)	.04	.04 (90%CI=.02-.07)	.96	.98	8280.09	8590.89	8517.89

9.3.1. Model with all non ILT variables

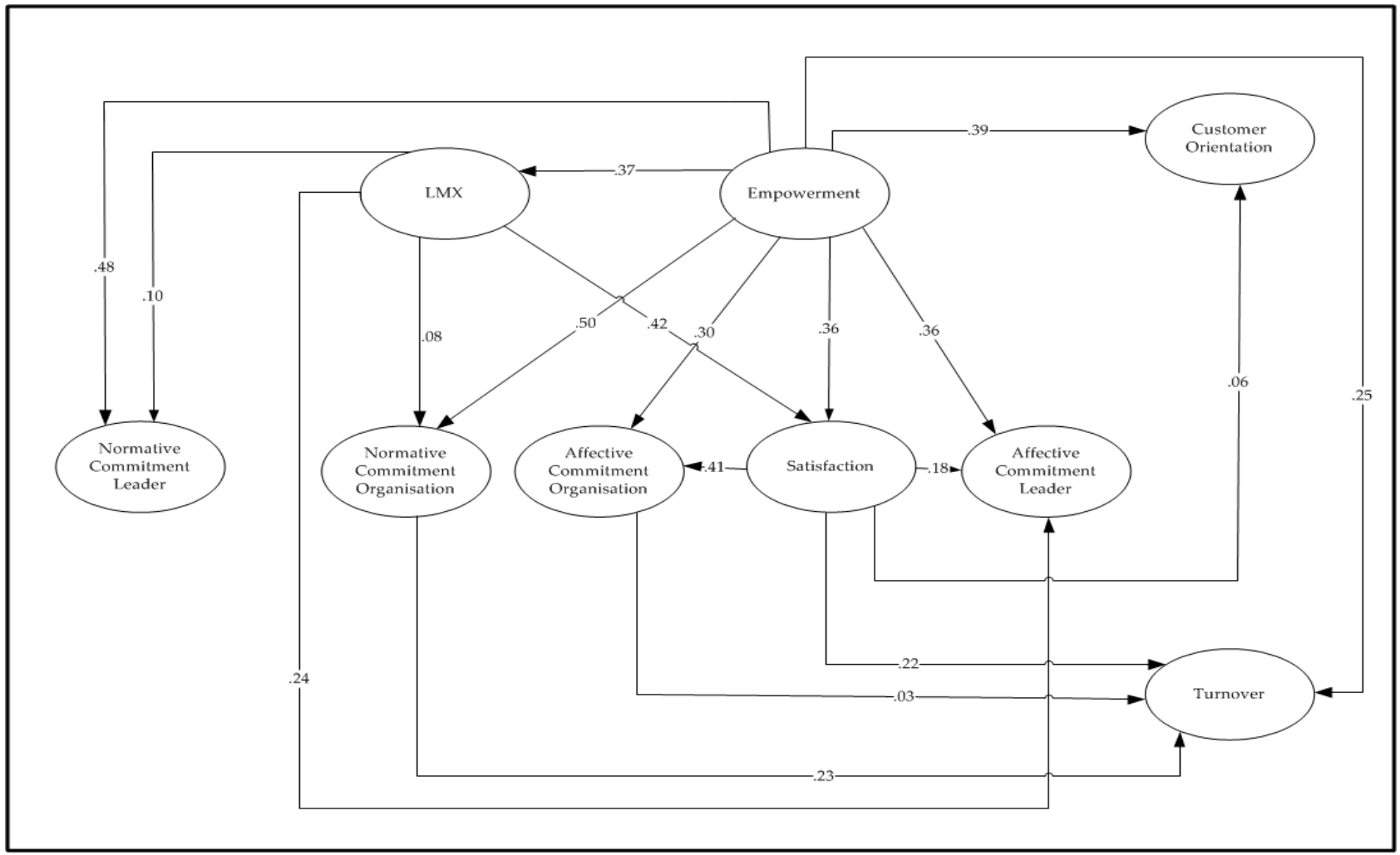
Table 9-4, which follows, shows the direct, indirect and total effects of all the variables in the model, excluding the ILT deviation. No transformations were performed and absolute values were used. The model showed good fit with all fit statistics within an acceptable range as per Table 9-2. Figure 9-1 SEM Path Diagram of all variables excluding ILTs is the SEM path diagram of all non ILT variables. Section 9.4 below discusses results of this model with regards to all hypotheses.

Table 9-4 SEM effects of all variables excluding ILTS

Endogenous Variables																
	Customer Orientation		**Turnover**		**LMX**		**Satisfaction**		**Normative Commitment to...**				**Affective Commitment to…**			
									Leader		**Organisation**		**Leader**		**Organisation**	
'Cause':	**B**	**β**	**B**	**β**	**B**	**β**	**B**	**β**	**B**	**β**	**B**	**β**	**B**	**β**	**B**	**β**
LMX																
Direct	-	-	-	-	-	-	.58†	.42†	.18	.10	.15	.08	.51†	.24†	-	-
Indirect	.03	.03	.16†	.11†	-	-	-	-	-	-	-	-	.16**	.07**	.27†	.17†
Total	.03	.03	.16†	.11†	-	-	.58†	.42†	.18	.10	.15	.08	.66†	.31†	.27†	.17†
Empowerment																
Direct	.31†	.39†	.27†	.25†	.30†	.37†	.41†	.36†	.70†	.48†	.73†	.50†	.61†	.36†	.39†	.30†
Indirect	.03	.03	.28†	.25†	-	-	.17†	.15†	.05	.04	.05	.03	.31†	.18†	.27†	.21†
Total	.34†	.42†	.55†	.50†	.30†	.37†	.58†	.51†	.76†	.52†	.78†	.53†	.92†	.54†	.66†	.52†
Satisfaction																
Direct	.05	.06	.21†	.22†	-	-	-	-	-	-	-	-	.27†	.18†	.47†	.41†
Indirect	-	-	.01	.01	-	-	-	-	-	-	-	-	-	-	-	-
Total	.05	.06	.22†	.23†	-	-	-	-	-	-	-	-	.27†	.18†	.47†	.41†
Norm_O																
Direct	-	-	.17†	.23†	-	-	-	-	-	-	-	-	-	-	-	-
Indirect	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	.17†	.23†	-	-	-	-	-	-	-	-	-	-	-	-
Affect_O																
Direct	-	-	.03	.03	-	-	-	-	-	-	-	-	-	-	-	-
Indirect	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	.03	.03	-	-	-	-	-	-	-	-	-	-	-	-

*Note † p<.0001, **p<.05. Norm_O and Affect_O as described in the table refers to normative commitment to the organisation and affective commitment to the organisation.*

Figure 9-1 SEM Path Diagram of all variables excluding ILTs



9.3.2. Model with all total ILT deviations squared

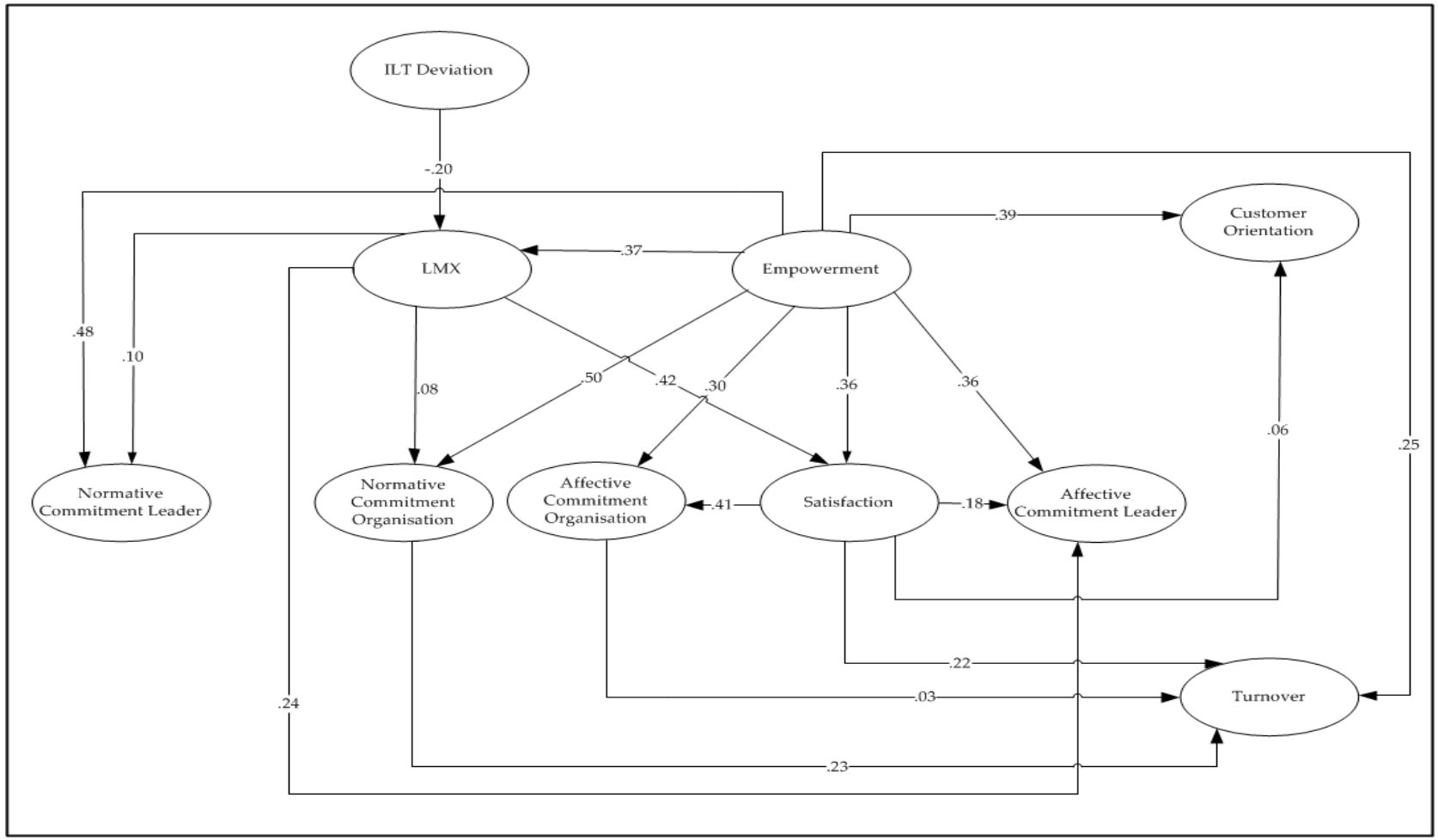
Table 9-5, which follows, shows the direct, indirect and total effects of all the variables in the model including the ILT deviation. ILT deviation was calculated as the difference between the ideal ILT and the ILT of the actual leader. Skewness and Kurtosis values for individual fit as well as the overall fits statistic were initially problematic, however the square transformation which was performed on the ILT deviation variable also assisted in overcoming challenges with normality. Figure 9-2 is the SEM path diagram for all variables including the squared total ILT deviation. Section 9.4 below discusses results of this model with regards to all hypotheses.

Table 9-5 SEM Effects of all variables including ILT deviation

	Endogenous Variables															
	Customer Orientation		Turnover		LMX		Satisfaction		Normative Commitment to…				Affective Commitment to…			
									Leader		Organisation		Leader		Organisation	
Cause:	**B**	**β**	**B**	**β**	**B**	**β**	**B**	**β**	**B**	**β**	**B**	**β**	**B**	**B**	**B**	**β**
LMX																
Direct	-	-	-	-	-	-	.58†	.42†	.18	.10	.15	.09	.51†	.24†	-	-
Indirect	.28	.03	.15†	.11†	-	-	-	-	-	-	-	-	.16**	.07**	.27†	.17†
Total	.28	.03	.15†	.11†	-	-	.58†	.42†	.18	.10	.15	.09	.66†	.31†	.27†	.17†
Empowerment																
Direct	3.30†	.38†	.27†	.25†	.28†	.34†	.40†	.36†	.70†	.48†	.72†	.50†	.61†	.35†	.39†	.30†
Indirect	.27	.03	.27†	.24†	-	-	.16†	.14†	.05	.03	.04	.03	.30†	.17†	.27†	.21†
Total	3.57†	.41†	.54†	.49†	.28†	.34†	.57†	.50†	.75†	.51†	.77†	.53†	.91†	.53†	.65†	.51†
Satisfaction																
Direct	.48	.06	.21†	.22†	-	-	-	-	-	-	-	-	.27†	.18†	.47†	.42†
Indirect	-	-	.01	.01	-	-	-	-	-	-	-	-	-	-	-	-
Total	.48	.06	.22†	.23†	-	-	-	-	-	-	-	-	.27†	.18†	.47†	.42†
Norm_O																
Direct	-	-	.17†	.23†	-	-	-	-	-	-	-	-	-	-	-	-
Indirect	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	.17†	.23†	-	-	-	-	-	-	-	-	-	-	-	-
Affect_O																
Direct	-	-	.03	.03	-	-	-	-	-	-	-	-	-	-	-	-
Indirect	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	.03	.03	-	-	-	-	-	-	-	-	-	-	-	-
ILT_ Deviation																
Direct	-	-	-	-	.12†	.20†	-	-	-	-	-	-	-	-	-	-
Indirect	-.03	-.01	.02**	.02**	-	-	-.07†	-.08†	-.02	-.02	-.02	-.02	.08**	.06**	-.03**	-.03**
Total	-.03	-.01	.02**	.02**	.12†	.20†	-.07†	-.08†	-.02	-.02	-.02	-.02	.08**	.06**	-.03**	-.03**

*Note † p<.0001, **p<.05. Norm_O and Affect_O refers to normative commitment to the organisation and affective commitment to the organisation.*

Figure 9-2 SEM Path Diagram of all variables including total ILT deviation



9.3.3. Model with individual ILT deviation squared

Table 9-6, which follows, shows the direct, indirect and total effects of all the variables in the model, including the individual ILT deviations. ILT deviations are calculated as the difference between the ideal ILT dimensions and the ILT dimension of the actual leader. Individual ILT dimensions include sensitivity, intelligence, dedication, dynamism, tyranny, masculinity and collectivism. The SEM path diagram which includes all variables as well as individual ILT dimensions can be seen in Figure 9-3. Section 9.4 below discusses results of this model with regards to all hypotheses.

Table 9-6 SEM Effects of all variables including individual ILT dimensions

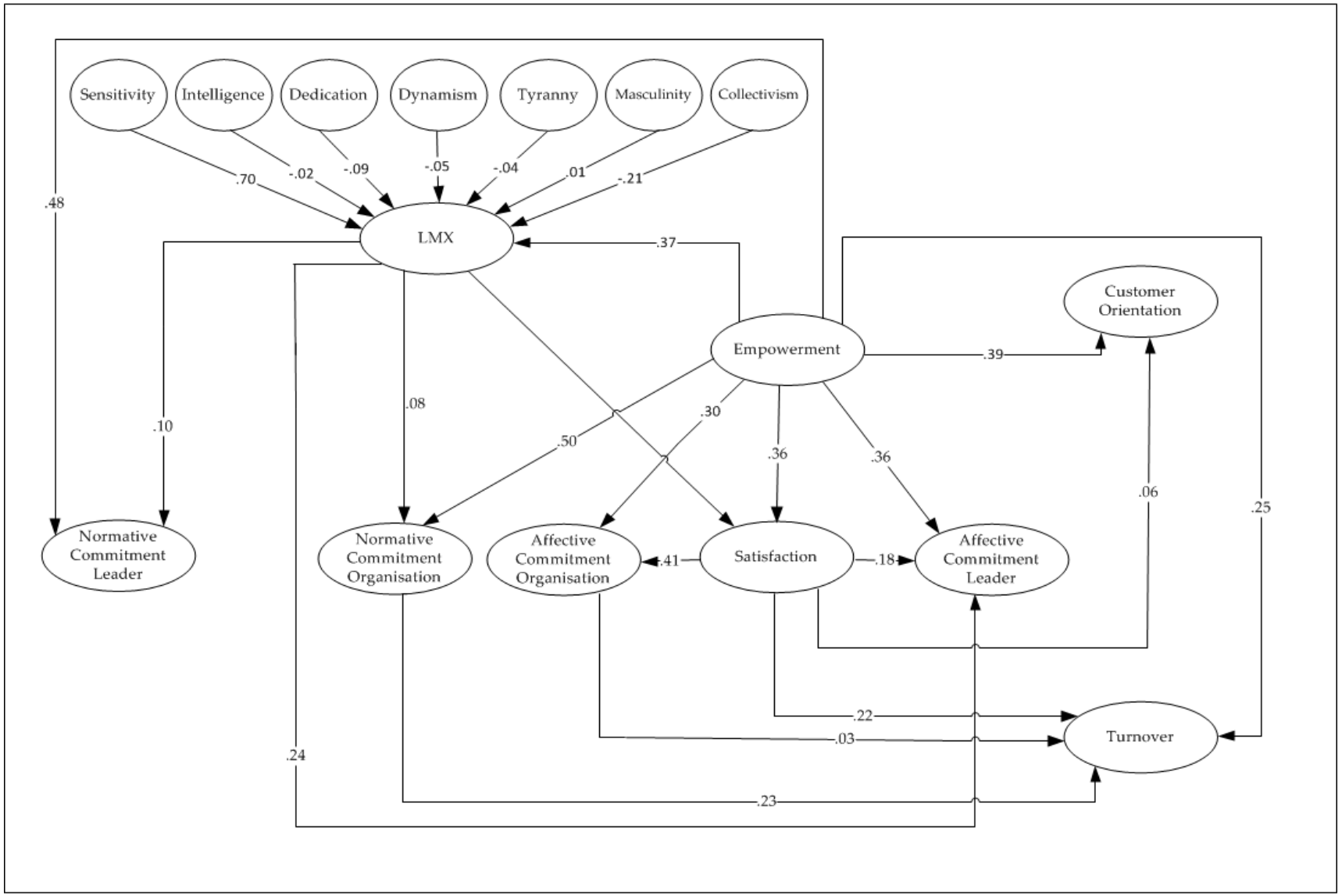
Endogenous Variables																
	Customer Orientation		Turnover		LMX		Satisfaction		Normative Commitment to…				Affective Commitment to…			
									Leader		Organisation		Leader		Organisation	
Cause	**B**	**β**	**B**	**β**	**B**	**β**	**B**	**β**	**B**	**β**	**B**	**β**	**B**	**β**	**B**	**β**
LMX																
Direct	-	-	-	-	-	-	.58†	.41†	.17	.10	.15	.08	.50†	.24†	-	-
Indirect	.29	.03	.16†	.11†	-	-	-	-	-	-	-	-	.16**	.08**	.27†	.17†
Total	.29	.03	.16†	.11†	-	-	.58†	.41†	.17	.10	.15	.08	.66†	.31†	.27†	.17†
Empowerment																
Direct	3.31†	.39†	.27†	.25†	.26†	.32†	.41†	.37†	.69†	.48†	.74†	.51†	.62†	.36†	.40†	.31†
Indirect	.28	.03	.27†	.25†	-	-	.15†	.13†	.05	.03	.04	.03	.29†	.17†	.27†	.21†
Total	3.60†	.42†	.55†	.50†	.26†	.32†	.56†	.50†	.74†	.51†	.78†	.53†	.90†	.53†	.66†	.52†
Satisfaction																
Direct	.50	.07	.21†	.22†	-	-	-	-	-	-	-	-	.28†	.18†	.47†	.42†
Indirect	-	-	.01	.01	-	-	-	-	-	-	-	-	-	-	-	-
Total	.50	.07	.22†	.23†	-	-	-	-	-	-	-	-	.28†	.18†	.47†	.42†
Norm_O																
Direct	-	-	.17†	.23†	-	-	-	-	-	-	-	-	-	-	-	-
Indirect	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	.17†	.23†	-	-	-	-	-	-	-	-	-	-	-	-
Affect_O																
Direct	-	-	.03	.03	-	-	-	-	-	-	-	-	-	-	-	-
Indirect	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	.03	.03	-	-	-	-	-	-	-	-	-	-	-	-
Sensitvity																
Direct	-	-	-	-	.11	.07	-	-	-	-	-	-	-	-	-	-
Indirect	.03	.03	.02	.01	-	-	.06	.03	.02	.01	.02	.01	.07	.02	.03	.01
Total	.03	.03	.02	.01	.11	.07	.06	.03	.02	.01	.02	.01	.07	.02	.03	.01

Continued…

Intelligence																
Direct	-	-	-	-	-.02	-.02	-	-	-	-	-	-	-	-	-	-
Indirect	-.01	-.01	--	--	-	-	-.01	-.01	--	--	--	--	-.02	--	-.01	--
Total	-.01	-.01	--	--	-.02	-.02	-.01	-.01	--	--	--	--	-.02	--	-.01	--
Dedication																
Direct	-	-	-	-	-.11	-.09	-	-	-	-	-	-	-	-	-	-
Indirect	-.03	-.03	-.02	-.01	-	-	-.06	-.04	-.02	-.01	-.02	-.01	-.07	-.03	-.03	-.02
Total	-.03	-.03	-.02	-.01	-.11	-.09	-.06	-.04	-.02	-.01	-.02	-.01	-.07	-.03	-.03	-.02
Dynamism																
Direct	-	-	-	-	-.08	-.05	-	-	-	-	-	-	-	-	-	-
Indirect	-.02	-.02	-.01	-.01	-	-	-.05	-.02	-.01	-.01	-.01	-.01	-.05	-.02	-.02	-.01
Total	-.02	-.02	-.01	-.01	-.08	-.05	-.05	-.02	-.01	-.01	-.01	-.01	-.05	-.02	-.02	-.01
Tyranny																
Direct	-	-	-	-	-.04	-.04	-	-	-	-	-	-	-	-	-	-
Indirect	-.01	-.01	-.01	-.01	-	-	-.02	-.01	-.01	-.01	-.01	-.01	-.03	-.01	-.01	-.01
Total	-.01	-.01	-.01	-.01	-.04	-.04	-.02	-.01	-.01	-.01	-.01	-.01	-.03	-.01	-.01	-.01
Masculinity																
Direct	-	-	-	-	.01	.01	-	-	-	-	-	-	-	-	-	-
Indirect	-	-	-	-	-	-	.01	.01	-	-	-	-	.01	.01	-	-
Total	-	-	-	-	.01	.01	.01	.01	-	-	-	-	.01	.01	-	-
Collectivism																
Direct	-	-	-	-	.19†	.21†	-	-	-	-	-	-	-	-	-	-
Indirect	-.06	-.01	.03**	.02**	-	-	.11†	.09†	-.03	-.02	-.03	-.02	-.13**	.06**	-.05**	.04**
Total	-.06	-.01	.03**	.02**	.19†	.21†	.11†	.09†	-.03	-.02	-.03	-.02	-.13**	.06**	-.05**	.04**

*Note † p<.0001, **p<.05*

Figure 9-3 SEM Path diagram of all variables including individual ILTs



9.4. HYPOTHESIS DISCUSSION

H1a: Prototypic difference will have a negative effect on the quality of LMX

Prototypic traits are traits which are generally positively associated with leadership. These would include sensitivity, intelligence, dedication, dynamism. Prototypic difference therefore refers to the ILT deviation of these traits (i.e. a deviation from positive traits will have a negative effect on the LMX quality). Table 9-6 summarises these results. The effect of all prototypic traits deviation is negative, except sensitivity which was positive. However, none of the effects were found to be significant. Sensitivity (β=.07), Intelligence (β=-.02), Dedication (β=.-09), Dynamism (β=-.05).

These finding support this hypothesis for all prototypic traits except sensitivity.

H1b: Anti-prototypic difference will have a positive effect on the quality of LMX

Anti-prototypic traits are traits which are generally negatively associated with leadership. These would include tyranny and masculinity. Anti-prototypic difference therefore refers to the ILT deviation of these traits (i.e. a deviation from negative traits will have a positive effect on the LMX quality).

It can be seen in Table 9-6 that tyranny has a negative total effect on LMX, however this effect was not found to be significant (β=-.04). Masculinity has a positive total effect on LMX, however this effect was not found to be significant either (β=.01).

These findings support this hypothesis but only for masculinity.

H2a: LMX will mediate the relationship between ILT deviation and employee job satisfaction

From Table 9-5, it is clear that ILT deviation only has an indirect effect of job satisfaction (indirect β=-.08, p<.0001). There is no direct path to job satisfaction from ILT deviation therefore there is a mediator variable between ILT deviation and satisfaction. ILT deviation only has one direct path in the SEM model which is to LMX (β=.20, p<.0001).

These findings therefore support this hypothesis that LMX mediates the relationship between ILT deviation and satisfaction.

H2b: LMX will mediate the relationship between ILT deviation and commitment

From Table 9-5, it can be seen that ILT deviation has no direct effect on affective or normative commitment to the leader or organisation respectively. ILT deviation only has indirect effects on commitment. These effects of affective commitment to the leader and organisation were found to be significant. Affective commitment to the leader (indirect β=.06, $p<.05$), affective commitment to the organisation (indirect β=-.03, $p<.05$). The effects of normative commitment to the leader of an organisation were not found to be significant. Normative commitment to the leader (indirect β=-.02), normative commitment to the organisation (indirect β=-.02)

As explained, the only direct path from ILT deviation is to LMX. Therefore, LMX mediates the relationship between ILT deviation and commitment.

These findings support this hypothesis.

H3: The quality of the LMX relationship will be directly related to the level of psychological empowerment

Table 9-4 shows that empowerment has a direct and significant effect on the perceived quality of the LMX relationship (β=.37, $p<.0001$).

This finding supports this hypothesis.

H4: The quality of the LMX relationship will be directly related to the level of job satisfaction

Table 9-4 shows that LMX has a direct and significant effect on job satisfaction (β=.42, $p<.0001$).

This finding supports this hypothesis.

H5a: The quality of the LMX relationship will be directly related to the level of commitment to the leader

Table 9-4 shows that LMX has direct effects on normative and affective commitment to the leader. The effect of LMX on affective commitment to the leader was found to be significant (direct β=.24, p<.0001). The effect of LMX on normative commitment to the leader was not significant, however it was present (direct β=.10)

These findings support this hypothesis.

H5b: LMX will be directly related to the level of commitment to the organisation

Table 9-4 shows that LMX has direct effects on normative commitment to the organisation but this was not found to be significant (β=.08). However, LMX has no direct effects on affective commitment to the organisation. LMX has only indirect effects on affective commitment to the organisation.

These findings do not support this hypothesis.

H5c: LMX will have a greater impact on commitment to the leader than commitment to the organisation

From Table 9-4 it can be seen that the combined total effect of LMX on normative and affective commitment to the leader is .31 (calculated by adding the total effect of LMX on normative and affective commitment to the leader respectively).

The combined total effect of LMX on normative and affective commitment to the organisation is .25 (calculated by adding the total effect of LMX on normative and affective commitment to the leader respectively).It is clear from this calculation that LMX has a greater effect on commitment to the leader than commitment to the organisation.

These findings support this hypothesis.

H6: LMX will be positively and directly related to employee customer orientation

Table 9-4 shows that LMX has only indirect effects on employee customer orientation which is not significant (β=.03).

LMX has a direct effect on job satisfaction (β=.42, p<.0001) which is the only variable affected by LMX that has a direct effect on employee customer orientation β=.06), therefore, it mediates the relationship between LMX and employee customer orientation.

These findings do not support this hypothesis.

H7: Psychological empowerment will be positively related to job satisfaction

Table 9-4 shows that psychological empowerment has both direct and indirect effects on job satisfaction (total β=.51, p<.0001).

This finding supports this hypothesis.

H8: Psychological empowerment will be positively related to employee customer orientation

Table 9-4 shows that psychological empowerment has direct and indirect effects on employee customer orientation (total β=.42, p<.0001).

This finding supports this hypothesis.

H9: Psychological empowerment will be positively related to commitment

Table 9-4 shows the effects of psychological empowerment to commitment. There are both direct and indirect effects. Affective commitment to the leader (total β=.54, p<.0001). Normative commitment to leader (total β=.52, p<.0001).

Affective commitment to the organisation (total β=.52, p<.0001). Normative commitment to the organisation (total β=.53, p<.0001). These are all significant.

These findings support this hypothesis.

H10: Job satisfaction will be positively related to employee customer orientation

Table 9-4 SEM effects of all variables excluding ILTSshows direct effects of job satisfaction on employee customer orientation, however this is not significant (β=.06).
This finding supports this hypothesis.

H11: Commitment will be positively related to employee customer orientation

From Table 9-4 SEM effects of all variables excluding ILTS, it can be seen that no paths exist between commitment and employee customer orientation.
This finding does not support this hypothesis.

H12: Turnover intentions will have a negative relationship to commitment

From Table 9-4 SEM effects of all variables excluding ILTS it can be seen that only normative and affective commitment to the organisation has effects on turnover intentions. Affective commitment to the organisation was not found to be significant (β=.03). Only normative commitment to the organisation had a significant effect on employee turnover intentions (β=.23, p<.0001).
All effects were positive.
These findings do not support this hypothesis.

H13: Turnover intentions will have a negative relationship with job satisfaction

From Table 9-4 SEM effects of all variables excluding ILTS the effect of satisfaction on turnover can be seen and is significant (β=.23, p<.0001) however, the effect is positive.
This finding does not support this hypothesis.

Chapter 10. Discussion

Many hypotheses were tested and the following table summarises these findings.

Table 10-1 Hypotheses findings

Hypothesis	Supported/Not supported
H1a: Prototypic difference will have a negative effect on the quality of LMX	Moderately Supported
H1b: Anti-prototypic difference will have a positive effect on the quality of LMX	Moderately supported
H2a: LMX will mediate the relationship between ILT deviation and employee job satisfaction	Strongly supported
H2b: LMX will mediate the relationship between ILT deviation and commitment	Moderately supported
H3: The quality of the LMX relationship will be directly related to the level of psychological empowerment	Strongly supported
H4: The quality of the LMX relationship will be directly related to the level of job satisfaction	Strongly supported
H5a: The quality of the LMX relationship will be directly related to the level of commitment to the leader	Moderately supported
H5b: LMX will be directly related to the level of commitment to the organisation	Not supported
H5c: LMX will have a greater impact on commitment to the leader than commitment to the organisation	Supported

Continued….

Hypothesis	Supported/Not supported
H6: LMX will be positively and directly related to employee customer orientation	Not supported
H7: Psychological empowerment will be positively related to job satisfaction	Strongly supported
H8: Psychological empowerment will be positively related to employee customer orientation	Strongly supported
H9: Psychological empowerment will be positively related to commitment	Strongly supported
H10: Job satisfaction will be positively related to employee customer orientation	Weakly supported
H11: Commitment will be positively related to employee customer orientation	Not supported
H12: Turnover intentions will have a negative relationship to commitment	Not supported
H13: Turnover intentions will have a negative relationship with job satisfaction	Not supported

The results suggest that ILTSs may play a role in the quality of the LMX relationship as well as in other important outcomes.

ILT theory suggests that certain traits may be positively associated with leadership and these are sensitivity, intelligence, dedication and dynamism. This was found to be supported by the results for all traits except sensitivity. Although the findings were not significant, the fact the sensitivity is found to in fact be negatively associated with leadership is interesting. Call centres by their very nature are generally known for the cold, often harsh and detached work environment (Frenkel *et al.,* 1998). In such an environment where performance is measured by individual outcomes, such as quantity of calls handled, it may be of less value to have a sensitive leader who is supportive and sensitive to individual needs. In call centres there are specific measurable goals and

outcomes to be achieved and these are applied uniformly to all employees. There is little room for individual differences which is why sensitivity of a leader may be less valued.

The results suggest that the quality of the LMX relationship plays an important mediating role between employee expectations of leaders (i.e. ILTs) and certain employee outcomes such as job satisfaction and commitment. The results show that ILTs have only one direct path in the model which is to LMX which implies that LMX meditates the relationship between ILTs and various outcome variables. Employees' expectations of leaders (i.e. their ILTs) do not have a direct effect on their job satisfaction or commitment but it does influence the relationship they establish with their direct leader. The idea that ILTS will only impact job satisfaction and commitment via LMX is supported by the rationale that work attitudes are more likely to be the outcome of behavioural responses and social cues rather than solely traits (e.g. Judge, Bono & Locke, 2000). In other words, employees' job satisfaction and commitment would be affected by their interaction with their leader rather than by specific traits of their leader. There is also extensive empirical evidence to support the predictive validity of LMX for employee attitudes (e.g. Epitropaki & Martin, 1999; Graen & Uhl-Bien, 1995).

The results also showed that the quality of the LMX relationship is influenced by the level of psychological empowerment. This relationship was found to be significant. Psychological empowerment seems to be inherently embedded in high LMX relationships (Keller & Dansereau, 1995). This is due to the fact that employees form social networks which include their manager/ leader and these networks provide a basis for social exchange and, as such, a sense of personal power (Crozier, 1964). Socio-political support networks are formed through belonging to an organisational network and these provide the ability to achieve or at least make certain things easier at work (Kanter, 1983). Employees who are in high LMX relationships have potential to be

empowered since they have stronger social networks and access to information (Linden & Graen, 1980).

The results strongly supported the hypothesis that the quality of the LMX relationship is related to the level of job satisfaction reported by employees. Job satisfaction is influenced by a number of different factors as highlighted by Hertzberg's *et al.'s* (1959) model of job satisfaction. There are certain variables which would increase an employee's job satisfaction. Being in a high LMX relationship implies high levels of trust, respect and mutual obligation. This means that employees in high LMX relationships are more likely to receive intrinsic and extrinsic benefits resulting in higher job satisfaction being experienced. Intrinsic benefits might come from employees being motivated by their leaders and extrinsically, they may experience a more pleasant work environment through having a better relationship with their leader.

In call centres, it is often the case that employees work in teams with a team leader and this was specifically observed in the call centres where data was collected for this research. Having a good relationship with a team leader provided a much more enjoyable work environment.

The effect of the quality of the LMX relationship on affective commitment to the leader was found to be significant. Affective commitment is described as an emotional attachment and it is assumed that high LMX relationships foster a greater degree of emotional attachment to the leader. Affective commitment is influenced by socialisation in the organisation (Meyer & Allen, 1991). Leaders may play a significant role in this, in which the LMX relationship is central. In LMX relationships which extend beyond the transactional exchanges, into friendships perhaps, affective commitment is likely to increase. Not surprisingly, LMX had no significant relationship to commitment to the organisation. The LMX relationship is a personal relationship shared only between a leader and employee. It differs from one individual to another and, as such, it may play

a larger role in fostering commitment to the leader rather than to the organisation as a whole.

The results showed no direct relationship between LMX and employee customer orientation. These results are not too surprising since it is expected that LMX will impact on individual behavioural outcomes such as job satisfaction and empowerment (Lapiere *et al.,* 2006). These would be the direct effects of a high LMX relationship and these may well contribute to an employee performing well on the job, but having a high LMX relationship does not guarantee performance.

Psychological empowerment was found to have a significant, strong relationship with job satisfaction. Hertzberg's *et al.'s* (1959) theory of job satisfaction states that certain motivation factors lead to job satisfaction. The factors include elements such as achievement, recognition, responsibility, nature of work, and promotion. These are elements which individuals find intrinsically rewarding. Psychological empowerment plays an important role in nurturing motivational elements. Inherent in the concept of empowerment would be motivational factors of increased responsibility and achievement. This finding is therefore supported by the literature and much empirical research in the field.

The relationship between psychological empowerment and employee customer orientation was found to be significant and strong. Empowered employees would have stronger social networks and Social Network theory proposes that employees with stronger social networks are likely to have better access to resources required to perform well on the job (Crozier, 1964). It is therefore not surprising that empowered employees report higher levels of customer orientation. These employees most likely have the required skills and autonomy to deal effectively with customers. This is extremely important in the call centre environment where dealing with customers and ensuring their satisfaction is at the heart of the job.

The results showed strong significant relationships between psychological empowerment and commitment to the leader and organisation. With psychological empowerment being inherent in most high LMX relationships, it is easy to explain how this leads to commitment to the leader. Affective commitment to the leader may result out of the friendship formed with the leader through the process of being empowered. Mathieu and Zajac (1990) found that an individual's perception of their own competence is an important personal characteristic which plays a significant role in predicting affective commitment. Psychological empowerment would certainly increase one's perception of personal competence. They have said that employees who are confident about their abilities and achievements report higher affective commitment. The obligation to a leader, i.e. normative commitment to a leader may be as a result of the opportunities afforded by the leader to succeed in the organisation. Social exchange theory (Emerson, 1976) suggests that when an employee receives something over and above what they would normally expect from their employer, they are placed under a social obligation to repay it in some way. Commitment to the organisation may be an extension of these feelings since employees may feel indebted to the organisation for affording them certain opportunities (Meyer & Allen, 1997). At the same time, being empowered often leads to satisfaction which is linked to employees wanting to stay with the organisation. There is a great deal of empirical evidence to support the relationship between empowerment and commitment so this result is by no means surprising.

Job satisfaction was found to be related to employee customer orientation although this result was not significant. The theoretical justification for the link between job satisfaction and employee customer orientation may be pinned to a concept called emotional contagion. This may be described as feeling, either positive or negative, being passed on between individuals (Pugh, 2001). If employees are satisfied and happy, for example, they are more likely to display this in their performance and as such, affect the

customers they deal with. Surprisingly, turnover intentions were not significantly or negatively related to job satisfaction on commitment. This may be due to the fact that for many call centre agents this is an entry level job and not necessarily where they see their careers going. Intentions to leave may therefore be unrelated to characteristics of the job itself but rather on personal factors.

10.1. THE ROLE OF ILTS

The importance of ILTs is highlighted in the crucial role it plays in the perception of the LMX relationship according to employees. The results quite convincingly show that the only direct path from ILTs is to LMX. This is of paramount importance since the LMX is related to various outcome variables such as empowerment, job satisfaction and commitment.

The model which was ultimately employed in this research suggests that any deviation from the ideal ILT level is deleterious. The original model with raw values for ILTs showed bad fit which further specified the need for a squared model. The square model showed good fit and suggests that deviations have increasingly deleterious effects.

Within the call centre industry, which is often described quite differently from other work environments, what employees expect from leaders may differ quite substantially. An interesting finding in this regard was that sensitivity, as a leadership quality, was in fact not found to be positively associated with leadership as expected. Conversely, sensitivity was negatively associated with the LMX relationship.

On the other hand, tyranny, which is described in the literature as an anti-prototypic trait, meaning it is negatively associated with leadership, was found to have the opposite effect for call centre employees. Due to the nature of the call centre work environment, it may be that this is what is required. Tyranny is described as having a single leader who has all the power. This works well in the call centre environment

since productivity is often measured as outcomes such as quantity of call centres or the number of satisfied customers. It is a competitive environment in many respects and employees require, or at least desire, leaders who are able to drive that.

A trait that was added in the study as a result of the awareness of the South African context was collectivism. This trait was not in the original questionnaire used but added in later after some thought about the South African context. As such, there was no literature to support it being considered a prototypic or anti-prototypic trait. The results however, showed that collectivism was the only significant relationship to LMX when looking at individual ILT dimensions. This was quite interesting, given the history of its inclusion in the study. The relationship was not only significant but was found to have a positive relationship with LMX.

Understanding ILTs in the South African context is both of theoretical and practical value. The leadership literature on ILTs in the South African context shows a lack of research in this area. From a practical viewpoint, understanding employees' expectations about what a good leader is in the South African context plays a very important role since it impacts on the relationship formed between leaders and followers. This research found this relationship plays such an important role in behavioural and attitudinal outcomes of employees and it is therefore crucial to understand this relationship (LMX) and what affects it. South Africans are likely to differ from western countries such as America, where the majority of ILT research has been conducted, in terms of the qualities they value in leader. Collectivism, which was not in the original ILT list, was included as a leadership trait in this research. African leadership often embraces collectivism through the principle of Ubuntu (Bekker, 2006), and as such, this trait was included. Collectivism was found to be significantly related to turnover intentions, LMX, job satisfaction and affective commitment. This is a very interesting finding especially in the South African context since we have to a large extent relied on Western practices in leadership and management. Understanding the

impact of collectivism on both attitudinal and organisational outcomes may assists in steering leadership in the right direction.

10.2. THE ROLE OF LMX

This research highlighted the importance of the LMX relationship in various employee as well as organisational outcomes.

The LMX relationship was found to be the only direct link from ILTs and showed that any deviation from the ideal ILT impacted negatively on LMX.

It was anticipated that LMX and psychological empowerment would have a significant relationship and from the SEM model employed, this was found to be true.

Empowerment proved to be significant in establishing high LMX relationships and this is discussed in section 10.3 which follows.

LMX played a significant role in the job satisfaction of employees (β= .42) as well as commitment to the leader (β=.24). It was found to be important in attitudinal outcomes of employees and these attitudes impacted on customer orientation and turnover intentions of employees, which were the major outcome variables in this study.

The relationship between LMX and job satisfaction has been discussed in the literature and Locke (1969, p.316) defined job satisfaction as "a pleasurable or positive emotional state resulting from the appraisal of one's job as achieving or facilitating the achievement of one's job value". In High LM relationships, where positive relationships are established between leaders and followers it is likely that an employee's work would be appraised and, according to LMX literature, these employees would receive the necessary support and resources in order for them to achieve the required outcomes of their jobs. Graen and Uhl-Bien (1995) stated that in-group members developed higher LMX relationships than their counterparts and enjoyed increased benefits in order to perform well on their jobs. According to Locke's (1969) definition, this aids increased job satisfaction. Herzberg *et al.'s* (1959) examination of job satisfaction would support

this notion since they identified certain factors which act as motivators to increase job satisfaction. These motivators included elements such as achievement, recognition, responsibility, nature of work, and promotion. These elements are generally present in high LMX relationships and as such, the relationship is not surprising.

The relationship which leaders form with individual employees has the greatest impact on how satisfied they are in their jobs.

The second most significant LMX relationship found in this research was with affective commitment to the leader. The relationship was also expected since affective commitment can be described as an emotional attachment (Meyer *et al.*, 1993). Enjoying a high LMX means that a strong relationship is formed between a leader and follower. This involves a personal connection which could be described as an emotional attachment.

Meyer *et al.* (1993) found that having work which is satisfying was one of the best predictors of affective commitment and this is fostered by high LMX.

These attitudinal outcomes ultimately impact on customer orientation and turnover intentions which further highlights the importance of LMX.

10.3. THE ROLE OF PSYCHOLOGICAL EMPOWERMENT

Psychological empowerment was found to have the most central role in the SEM model employed. It was found to have direct relationships with every variable within the model, all excluding the ILT deviation which was most likely related via the LMX relationship since this was the only direct path from ILT.

10.3.1. Psychological Empowerment and Employee Customer Orientation

Psychological empowerment was the only variable found to have a significant relationship with Customer orientation, with direct and indirect paths established (total β=.41, $p<.0001$). This is an important finding since employee customer orientation is the major outcome variable in this study. Within call centres, having employees who are

customer orientated is vital since they are the link between the customer and the organisation. It is important for managers to understand what affects employee customer orientation and in this model psychological empowerment was found to have the most significant relationship. Empowered employees are likely to have access to resources which enable them to perform better on their jobs. These employees would always be equipped with the necessary skills and abilities in order to perform well (Crozier, 1964).

The realities of the environment in which most organisations operate today are far less stable and predictable than they have been in the past. As a call centre agent, being a sort of ambassador for the organisation keeping up with these changes is paramount to ensure that they are able to service customers successfully. Competition is entrenched in a global economy due to advances in technology. In such an economy where customers have so much choice available to them, organisations need to find a way to keep customers happy and loyal. Having a customer orientated employee is one way to achieve this. Organisations also have to continuously improve their products or services in response to customer demands and employees have to keep up with these changes to ensure that they are able to provide correct information and the best possible service to a customer. Call centre agents in such an environment have to continuously update their knowledge and as such, work has become far less predictable and routine. Call centre agents also have to keep up with changes in technology. This flexibility which is inherently required of call centres means that psychological empowerment is central to them being customer orientated (Frenkel *et al.*, 1998).

10.3.2. Psychological Empowerment and Turnover Intentions

Empowerment was also found to have the greatest effect on turnover intentions (total β=.49, $p<.0001$). With the call centre industry being marred by high levels of turnover, understanding how to reduce turnover intentions is key (Holman *et al.*, 2007).

As such, the relationship between psychological empowerment and turnover intentions is best understood by looking at the employee outcomes of psychological empowerment. Turnover intention is a complex variable since there are so many factors that have been identified as influencing an employee's decision to leave an organisation (Mobley, Hand, & Meglino, 1979). These factors range from job satisfaction in the current position to the attractiveness of alternate employment. Job satisfaction is almost always identified as a key factor in deciding whether to leave an organisation and from this perspective; psychological empowerment can play a very important role. We know from previous research the empowered employees generally report higher levels of job satisfaction (e.g. Spreitzer, Kizilos & Nason, 1997; Hechanova, *et al.,* 2006). Organisations may not be able to eliminate employees' intentions to leave but understanding the role of empowerment in this decision certainly assists organisations in reducing the impact.

10.3.3. Psychological Empowerment and LMX

Psychological empowerment was found to have a significant relationship with LMX (β=.34, p<.0001). This relationship is embedded in the very definition of high LMX relationships so it comes as no surprise. Employees who feel empowered will develop better relationships with their leaders (Crozier, 1964).

10.3.4. Psychological Empowerment and Job Satisfaction

The relationship between psychological empowerment and satisfaction was also found to be significant (total β=.50, p<.0001). The questions used to investigate job satisfaction in this study probed issues around freedom to choose how you work, level of responsibility given and opportunities to use your skills (Warr, Cook & Wall, 1979). These are all factors which would form part of psychological empowerment so it is clear that empowerment is central to a satisfied employee. We have also highlighted the

importance of job satisfaction in turnover intentions so this is an important relationship to understand.

10.3.5. Psychological Empowerment and Commitment

Psychological empowerment was consistently found to have strong significant relationships with all commitment variables tested in this model, i.e. normative commitment (to the leader and organisation) and affective commitment (to the leader and organisation). This means that psychological empowerment is crucial to ensuring employees display high levels of commitment (all β=>.51, p<.0001).

10.4. THE IMPORTANCE OF TURNOVER INTENTIONS

This research found various factors were found to be associated with employee turnover intentions. These factors included commitment to the organisation, job satisfaction and psychological empowerment. The most significant of these relationships was psychological empowerment as discussed in paragraph 10.3.2 above. One of the major challenges in the call centre industry is turnover and McMullock (2004) found that the average turnover rate in the call centre industry is around 45%.

Understanding which factors impact on turnover intentions may prove to be valuable since the link between turnover intentions and actual turnover is highlighted in the literature. Studies have shown that turnover intentions are the best immediate predictor of voluntary turnover (Price, 2001).

10.5. WHY DID THE SQUARE MODEL WORK?

The research probed ideal levels of ILTs, in other words what employees' ultimate level of each of the dimensions tested would be. The dimensions are; sensitivity, intelligence, dynamism, dedication, tyranny, masculinity and collectivism. It also assessed how employees rate their specific leader on each of these dimensions. The difference was termed ILT deviation. The raw value of the ILT deviation could be either

positive or negative, as explained in section 8.9. These raw values added an absolute value on any deviation, i.e. adding the same value on every point away from the ideal. In addition to this, the raw ILT deviation values assumed that a deviation in one direction was good and a deviation in the other direction was bad. The model using raw ILT deviations showed poor fit and transformations needed to be performed on the data in order to achieve acceptable fit. The question is why?

Two further models were tested, one being the absolute values of ILT deviation and the other using a square transformation on the data. Both models showed good fit. This indicated that the direction of the deviation had to be excluded since both the absolute and squared models assume that any deviation from the ideal ILT is bad.

The absolute value model still weighted each point deviation from the ideal equally. The square model on the other hand added increasingly more weight to every point deviation away from the ideal. The square model was found to have the best fit when compared to the absolute model. This suggests that any deviation away from the ideal has increasingly deleterious effects.

This makes sense since the further a leader is from what employees' rate as their ideal, the more negatively it impacts on the relationship the leader establishes with the employees, in other words, one point difference from the ideal is not optimal but it may be forgiven, however, the larger the point difference becomes, the greater the negative impact on the LMX and it becomes increasingly difficult to deal with. Therefore in answering why the raw ILT deviation did not work, it was established that the direction of the deviation was not significant. Any deviation, in any direction, had negative effects on the LMX. Furthermore, the larger the deviation, the impact was increasingly negative.

Chapter 11. Recommendations Limitations and Conclusion

11.1. ORGANISATIONAL IMPLICATIONS

The call centre industry is one of the fastest growing industries globally and specifically in South Africa (Datamonitor, 1998, 1999). With the increasing use of call centres in service industries, understanding how to best manage these is essential. The findings of this research may provide valuable insight for managers and organisations within this industry. The primary goal for organisations is profitability and directly linked to this is maintaining a satisfied customer base. Call centres provide a very important way for organisations to do this. Having focused on employee customer orientation, this research makes some recommendations.

With one of the most significant paths identified being psychological empowerment to employee customer orientation, the implications at an organisational level will be discussed.

Empowerment is assessed along four dimensions namely, competence, impact, meaning, and self-determination. With the very nature of call centres being characterised by high monitoring managers may need to be creative in increasing psychological empowerment or at least employees' perceptions of empowerment. These findings suggest that call centre managers may need to consider the long term effects of psychological empowerment on employee customer orientation and turnover intentions. The cost involved with employees leaving the organisation or losing

dissatisfied customers may warrant an initiative to empower call centre agents. The use of self- managed teams may be one way to achieve this.

By reducing turnover intentions, an employer may be able to reduce recruitment and training costs. Employers may also be able to reduce costs associated with less productive employees or dissatisfied customers. The relationships leaders establish with their followers should be carefully monitored and nurtured if commitment is to be increased.

Having strategies in place to reassure employees of the importance of their contribution to the success of the organisations may increase the intrinsic satisfaction of employees and may also enhance at least their perceptions of the impact and meaning of their jobs. These strategies could include initiatives such as recognition and rewards for good performance in the form of bonuses, top performer notices, etc.

Call centre managers may consider more extensive training for call centre agents since employees who are given more training may be better equipped to deal with customers and may also feel more empowered. Gherardi (1999) found a relationship between the length of a training program and turnover of call centre agents. Employees who attended longer training programs had decreased intentions to leave. More extensive, longer term programs would be useful in this regard.

Involving employees in setting targets with regards to satisfied customers may make them feel more responsible for achieving those goals and also being a part of the decision-making process increases the perceptions of empowerment.

Employers should focus on strategies to reward employees for outstanding service in the area of employee customer service orientation, applying new skills, innovation and extra effort in dealing with customers. Recognising employee contributions not only via monetary rewards but also through communicating this to the rest of the employees via internal communication media may motivate employees to be more customer orientated and may also impact their perceptions of their jobs. In this regards,

managers may consider putting up notice boards displaying exceptional performance and customer feedback.

Although most call centre work is individual, the teams may be used to motivate each other, to assess their performance and also to learn from each other. The use of the teams could also strengthen LMX relationships and reduce ILT deviations because leaders and followers will be more open to discussing what is expected and what is indeed possible. The teams may also provide the social interaction which could add to having a more pleasant work environment and reduced alienation associated with call centre work. Using teams in this regards could also regulate peer norms and act as a form of concerted control rather than relying solely on management.

Using notice boards to show the number of calls in the queue might regulate how long employees spend on individual calls and how quickly and efficiently they resolve queries. This might increase their self-management of their customer orientation. These notice boards may also influence the times they take breaks and the duration of their breaks. Being aware of how many customers are waiting in line may assist with this.

Compensation should be linked to quality rather that quantity of calls handled.

Introducing job rotation so employees can learn new skills and also not get bored with their current post may help to empower employees.

Call centre workers need to be able to pay close attention to detail, work speedily and accurately and have a passion for satisfying customers. While some of these characteristics can be taught, it may be useful to understand the inherent desires and abilities required when hiring call centre agents.

Leaders were also found to play a central role in the outcomes studied in this research. In this regard, leaders should also go on extensive training programs on how to deal with individual employees and on establishing good relationships with them. Managers could get peer reviews of leaders to understand where and if any problems

exist. The use of team building exercises may also assist in developing good high quality LMX relationships.

While changes in the technical aspects of work may be limited, improving the work environment could be the answer to resolving some of the issues linked to job satisfaction of call centre employees. In this regard, the physical set up of call centres needs to be considered. Employees should be organised in a way which allows them to have access to team leaders as well as the other members of their team in order to facilitate group learning and consulting. This will aid the process of responding quickly and effectively to customers and more specifically, to unique customer requests.

Retention strategies should also be considered in order to reduce turnover intentions. Rewards and benefits are often an approach to deal with these issues. Offering employees long term/ full time contracts with the associated benefits may decrease their desire to leave.

11.2. LIMITATIONS AND RECOMMENDATIONS FOR FUTURE RESEARCH

Differences in demographic variables are only assessed as control variables, however, issues like gender, for example, may lead to differences in ILTs which could ultimately impact on the relationships employees have with leaders (Littrell & Nkomo, 2005). This could be explored in future research.

The generalizability of the ILTs scale still needs to be explored further in the South African context.

The impact of perceived injustices in LMX relationships of different organisational members on individual employees' customer service orientation was not studied in this research. Future research could include this variable.

It would be valuable to look at how employee customer service orientation actually translates into customer satisfaction, which this research did not do. An investigation

into the dyadic relationship between employee and customer perceptions of service quality would add value to the current research. This would involve collecting data from customers as well.

In addition to this, collecting data about service quality from sources other than employees could possibly combat the problems of self-report bias.

Results may only be generalisable to similar industries since the conditions of call centre work are quite unique and specific.

Compensation methods were not studied, therefore little is known of the role this plays on employee customer orientations as well as turnover intentions.

Understanding full time vs temporary worker agreements may be important in the call centre environment and this was not investigated.

More specific research should be conducted in areas of job satisfaction of call centre agents in order for us to understand exactly what drives job satisfaction and commitment of employees.

A more balanced mix of out-bound and in-bound call centres may be useful since differences may exist and this research was collected mainly from in-bound call centres.

Future research could look at the link between customer orientation and customer satisfaction. Data could be collected from customers as well with regards to customer satisfaction to understand this relationship.

Team leaders seemed to be used extensively in the call centres studied so understanding their role may provide useful insights into understanding how to better manage call centres. We have little knowledge from this study with regards to the power they are given and the impact of establishing strong relationships with team leaders rather than managers.

11.3. CONCLUSION

This research identified the importance of call centres within the global economy as providing crucial economic growth potential. The importance within the South African environment was further highlighted as the need to increase employment opportunities is a major focus with the South African economy currently. With South Africa finding itself in a good position to compete with countries like India in the call centre environment, the need to understand how to best manage call centres increases. Understanding how to manage call centres is key, since this influences the overall success. We know that South African call centres may provide certain benefits over leaders such as India with Western countries specifically wanting to outsource their call centres. Amongst these reasons, South Africa has time zone compatibility with Europe, the language and accents are also less of an issue.

The research focused on the role of leadership ultimately ensuring the customer orientation of employees. The relationship between the leader and follower (LMX) was found to play a major role in this regard and this was largely impacted by employees' implicit leadership theories (ILTs), i.e. their preconceived ideas of what a good leader should be. LMX specifically was found to be central in this research as it impacted on employee outcomes such as psychological empowerment and commitment directly. These attitudinal outcomes affected employees' customer orientation as well as their turnover intentions and as such it is crucial to understand this relationship.

The hypotheses were tested using structural equation modelling in order to establish the strength of the various relationships described.

Psychological empowerment was found to be the most important element in the model since it had the most direct paths from it. It was the most significant contributor to an employee's customer orientation and was also the most significant contributor to an employee's turnover intentions. In addition, it had the most significant relationship

to commitment and satisfaction. Major findings include the fact that the quality of the LMX relationship will be directly related to the level of psychological empowerment and job satisfaction of employees. Psychological empowerment was also found to be positively related to employee commitment, satisfaction and customer orientation.

Important paths which emerged that were not hypothesised include the relationship between psychological empowerment and turnover intentions. This being one of the major challenges within he call centre industries may uncover a lot for managers.

The importance of the impact of leadership was highlighted in this research. The impact of the relationships developed between leaders and follower have important implications for both employees and organisational performance. With the increased desired to maintain a satisfied customer base in a competitive economy, understanding ways to improve employee-customer relations is paramount. An important starting point would be to understand the antecedents which lead up to this and this research highlighted one very important element is this process. The relationship between leaders and followers need to be carefully monitored and nurtured.

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Chapter 13. Appendices

13.1. APPENDIX A

Difference between quantitative and qualitative research designs

Quantitative	Qualitative
Objective	Subjective
Research questions: How many? Strength of association	Research questions: What? And why?
"Hard" science	"soft" science
Literature review must be done early in the study	Literature review may be done as study progresses or afterwards
Tests Theory	Develops Theory
One reality: Focus is concise and narrow	Multiple realties: Focus is complex and broad
Facts are value-free and unbiased	Facts are value-laden and biased
Measurable	Interpretive
Mechanistic: parts equal the whole	Organismic: Whole is greater than the parts
Reports statistical analysis	Reports rich narrative, individual interpretation
	Basic element of analysis is word/ideas
Basic element of analysis is numbers	
Researcher is separate	Researcher is part of process
Subjects	Participants
Hypothesis	Research questions
Reasoning is logical and deductive	Reasoning is dialectic and inductive
Establishes relationships, causation	Describes meaning, discovery
Uses instruments	Uses communications and observation
Strive for generalisation	Strives for uniqueness
Generalisation leading to prediction, explanation, and understanding	Patterns and theories developed for understanding
Highly controlled setting, experimental setting(Outcome-oriented)	Flexible Approach: Natural setting (Process-oriented).

Sanghera, B. (2009).

13.2. APPENDIX B

CALL CENTRE RESEARCH SURVEY- PART 1

Dear call centre employee

You, the employees, are the most important part of your company. The success of your organisation is a direct result of your contribution, your excellence. Your perceptions and feelings about the call centre in which you work is therefore of the greatest worth and as such you are invited to participate in this research.

As a Masters Student Researcher at the University of the Witwatersrand, I am gathering opinions of call centre agents to help improve and perfect call centre management in the economy as a whole. **THIS IS THEREFORE NOT A MANAGEMENT INITIATIVE OF YOUR COMPANY, AND YOUR MANAGERS WILL NOT SEE YOUR INDIVIDUAL ANSWERS. IT IS AN INDUSTRY-WIDE RESEARCH PROJECT**.

This survey will be administered in two parts. It would be greatly helpful if you could assist in this process by filling in Part One, which will take approximately 10 minutes to complete and returning it within a week via email to althea.jansen@wits.ac.za or completing it online at http://uamp.wits.ac.za/surveys/. (under call centre survey part 1) You will then be contacted to complete Part Two which would also need to be returned within a week. Please use the same name for both surveys so that we are then able to reconcile the results. Please note that if for whatever reason you are unable to participate in this research, there will be no penalties and you may discontinue participation at any time. Also, you do not have to complete any questions which you are uncomfortable with in either of the two surveys. If you have any questions about the survey process, please contact me, Althea Jansen at althea.jansen@wits.ac.za, (011) 717-8089 or 071 673 9471.

Please note that participation is voluntary and although you are requested to provide personal identification details, answers will only be seen by the researcher and are for use by the researcher only. Data will be kept for 6 years. Your identity remains confidential throughout the process.

Yours sincerely

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CONSENT FORM

Instructions to participant: Please print and then sign your name in the space provided before you participate in this study.

I, _____, voluntarily give my consent to participate in this project.
I have been informed about, and feel that I understand, the basic nature of the project.
I understand that I may leave at any time and that my anonymity will be protected.

_____ _____
Signature of Research Participant Date

Instructions:

- Please answer all questions unless directed otherwise.
- It is vital to this survey that you give honest answers that are true to how you feel. Your identity will be kept confidential, so you have nothing to fear.
- Please give ONLY ONE answer per question unless instructed otherwise.

Section A1: Please provide us with the following information by filling in the required numbers or placing an X in the appropriate box. This is for research purposes only, and is NOT used to analyse or identify individuals.

Name: _____

Organisation: _____

1. When did you start working a this call centre: Year _____ Month _____	**2. Highest Completed Level of Education:** ❑ Grade 10 (standard 8) ❑ Grade 12 (standard 10) ❑ Diploma ❑ Some time at university ❑ University degree ❑ Postgraduate diploma ❑ Some time at business school or college ❑ Postgraduate degree ❑ Other (please specify):
3. Your Job Title: _____	**4. In this call centre: (mark best option):** ☐I only call customers (outbound) ☐Customers only call me (inbound) ☐I mostly call customers but sometimes customers call me ☐Customers mostly call me but sometimes I call customers
5. What is the nature of the work you do in this call centre (mark the best option): ☐sales-calling potential customers ☐sales- potential customers calling our call centre ☐sales-calling potential customers and potential customers calling us ☐after sales services ☐dealing with queries from customers ☐routing calls, putting customers in touch with the relevant people	**6. What is the average duration of your calls:** ☐less than 30 seconds ☐30 seconds- 1 minutes ☐1 minute- 2 minutes ☐2 minutes- 5 minutes ☐more than 5 minutes

Section B1: Please rate each of the following traits based on your idea of how characteristic it is of *a good* business leader. Each trait is rated on a 7-point scale ranging from 1 (not at all characteristic) to 7 (extremely characteristic). Place an X on the most appropriate box for each question.

Sensitivity									
Understanding	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
Helpful	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
Sincere	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
Intelligence									
1.Intelligent	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
2.Knowledgeable	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
3.Clever	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
4.Educated	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
Dedication									
5.Dedicated	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
6.Motivated	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
7.Hardworking	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
Dynamism									
8.Energetic	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
9.Strong	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
10.Dynamic	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
Tyranny									
11.Domineering	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
12.Pushy	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
13.Manipulative	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
14.Loud	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
15.Selfish	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
16.Conceited	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic

Masculinity									
17.Masculine	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
18.Male	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
19.collectivist (values the team, the whole)	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic

Section C1: For the following section, please read the questions and answer accordingly. Place an X on the most appropriate box for each question.

1) Do you know where you stand with your leader …do you usually know how satisfied your leader is with what you do

Rarely	Occasionally	Sometimes	Fairly often	Very often

2) How well does your leader understand your job problems and needs?

Not a bit	A little	A fair amount	Quite a bit	A great deal

3) How well does your leader recognize your potential?

Not at all	A little	Moderately	Mostly	Fully

4) Regardless of how much formal authority he/she has built into his/ her position, what are the chances that your leader would use his/ her power to help you solve problems in your work?

None	Small	Moderate	High	Very high

5) Again, regardless of the amount of formal authority your leader has, what are the chances that he/ she would "bail you out," at his/ her expense?

None	Small	Moderate	High	Very high

6) I have enough confidence in my leader that I would defend and justify his/ her decision if he/she were not present to do so? (Your member would)

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

7) How would you characterize your working relationship with your leader?

Extremely ineffective	Worse than Average	Better than Average	Average	Extremely effective

Section D1: Please place an 'X' in the most appropriate box

	Strongly disagree	**Moderately disagree**	**Slightly disagree**	**Neutral**	**Slightly agree**	**Moderately agree**	**Strongly agree**
1. I would be happy to spend the rest of my career with this call centre	①	②	③	④	⑤	⑥	⑦
2. Right now, staying with my call centre is a matter of necessity as much as desire.	①	②	③	④	⑤	⑥	⑦
3. I have never deliberately said something that hurt someone's feelings	①	②	③	④	⑤	⑥	⑦
4. I do not feel any obligation to remain with my current employer.	①	②	③	④	⑤	⑥	⑦
5.I really feel as if this call centre's problems are my own	①	②	③	④	⑤	⑥	⑦
6. I'm always willing to admit it when I make a mistake	①	②	③	④	⑤	⑥	⑦
7. It would be very hard for me to leave my call centre right now, even if I wanted to.	①	②	③	④	⑤	⑥	⑦
8. No matter who I'm talking to, I'm always a good listener.	①	②	③	④	⑤	⑥	⑦
9. Even if it were to my advantage, I do not feel it would be right to leave my call centre now.	①	②	③	④	⑤	⑥	⑦
10. There have been occasions when I took advantage of someone	①	②	③	④	⑤	⑥	⑦
11. I do not feel a strong sense of "belonging" to my call centre.	①	②	③	④	⑤	⑥	⑦
12. Too much in my life would be disrupted if I decided I wanted to leave my call centre now.	①	②	③	④	⑤	⑥	⑦

	Strongly disagree	**Mod erately disagree**	**Slightly disagree**	**Neutral**	**Slightly agree**	**Moderately agree**	**Strongly agree**
13. There have been times when I felt like rebelling against people in authority even though I knew they were right	①	②	③	④	⑤	⑥	⑦
14. I would feel guilty if I left my call centre now.	①	②	③	④	⑤	⑥	⑦
15. On a few occasions, I have given up doing something because I thought too little of my ability	①	②	③	④	⑤	⑥	⑦
16. I do not feel "emotionally attached" to this call centre	①	②	③	④	⑤	⑥	⑦
17. When I don't know something I don't at all mind admitting it	①	②	③	④	⑤	⑥	⑦
18. I feel that I have too few options to consider leaving this call centre.	①	②	③	④	⑤	⑥	⑦
19. This call centre deserves my loyalty.	①	②	③	④	⑤	⑥	⑦
20. I am sometimes irritated by people who ask favors of me	①	②	③	④	⑤	⑥	⑦
21. I do not feel like "part of the family" at my call centre.	①	②	③	④	⑤	⑥	⑦
22. I sometimes feel resentful when I don't get my way.	①	②	③	④	⑤	⑥	⑦
23. If I had not already put so much of myself into this call centre, I might consider working elsewhere.	①	②	③	④	⑤	⑥	⑦
24. I sometimes try to get even rather than forgive and forget	①	②	③	④	⑤	⑥	⑦
25. I would not leave my call centre right now because I have a sense of obligation to the people in it.	①	②	③	④	⑤	⑥	⑦

	Strongly disagree	Moderately disagree	Slightly disagree	Neutral	Slightly agree	Moderately agree	Strongly agree
26. I can remember "playing sick" to get out of something.	①	②	③	④	⑤	⑥	⑦
27. This call centre has a great deal of personal meaning for me	①	②	③	④	⑤	⑥	⑦
28. One of the few negative consequences of leaving this call centre would be the scarcity of available alternatives.	①	②	③	④	⑤	⑥	⑦
29. I owe a great deal to my call centre.	①	②	③	④	⑤	⑥	⑦

Section E1: The next set of items deals with various aspects of your job. I would like you to tell me how satisfied or dissatisfied you feel with each of these features of your present job. Please place an 'X' in the most appropriate box

	Extremely dissatisfied	Very dissatisfied	Moderately dissatisfied	Not sure	Moderately satisfied	Very satisfied	Extremely satisfied
1. The physical work conditions	①	②	③	④	⑤	⑥	⑦
2. The freedom to choose your own method of working	①	②	③	④	⑤	⑥	⑦
3. Your fellow workers	①	②	③	④	⑤	⑥	⑦
4. The recognition you get for good work	①	②	③	④	⑤	⑥	⑦
5. Your immediate boss	①	②	③	④	⑤	⑥	⑦
6. The amount of responsibility you are given	①	②	③	④	⑤	⑥	⑦
7. Your rate of pay	①	②	③	④	⑤	⑥	⑦

	Extremely dissatisfied	**Very dissatisfied**	**Moderately dissatisfied**	**Not sure**	**Moderately satisfied**	**Very satisfied**	**Extremely satisfied**
8. Your opportunity to use your abilities	①	②	③	④	⑤	⑥	⑦
9. Industrial relations between management and workers in your firm	①	②	③	④	⑤	⑥	⑦
10. Your chance of promotion	①	②	③	④	⑤	⑥	⑦
11. The way your firm is managed	①	②	③	④	⑤	⑥	⑦
12. The attention paid to suggestions you make	①	②	③	④	⑤	⑥	⑦
13. Your hours of work	①	②	③	④	⑤	⑥	⑦
14. The amount of variety in your job	①	②	③	④	⑤	⑥	⑦
15. Your job security	①	②	③	④	⑤	⑥	⑦

Section F1: Please answer the following section as honestly as possible. It is an assessment of your performance. It ranges from *among the worst in the company* to *among the best in the company* . Please place an X in the most appropriate box.

1. Overall quantity of work performed	Among the worst in the company	①	②	③	④	⑤	⑥	⑦	Among the best in the company
2. Overall quality of work performed	Among the worst in the company	①	②	③	④	⑤	⑥	⑦	Among the best in the company

Thank you! Your cooperation & participation have made a real difference.

CALL CENTRE RESEARCH SURVEY- PART 2

Dear call centre employee

At this stage you should have completed Part One of this survey and returned it to the researcher. It would be greatly helpful if you could assist in this process by filling in Part Two, which will take approximately 10 minutes to complete. Please return it within a week via email to althea.jansen@wits.ac.za or complete it online at http://uamp.wits.ac.za/surveys/ (under call centre survey part 2). Please use the same name which you used in Part One so that we are then able to reconcile the results. Please note that if for whatever reason you are unable to participate in this research, there will be no penalties and you may discontinue participation at any time. You do not have to answer any questions which you are uncomfortable with. If you have any questions about the survey process, please contact me, Althea Jansen at althea.jansen@wits.ac.za, (011) 717-8089 or 071 673 9471.

As a Masters Student Researcher at the University of the Witwatersrand, I am gathering opinions of call centre agents to help improve and perfect call centre management in the economy as a whole. **THIS IS THEREFORE NOT A MANAGEMENT INITIATIVE OF YOUR COMPANY, AND YOUR MANAGERS WILL NOT SEE YOUR INDIVIDUAL ANSWERS. IT IS AN INDUSTRY-WIDE RESEARCH PROJECT**.

Please note that participation is voluntary and although you are requested to provide personal identification details, answers will only be seen by the researcher and are for use by the researcher only. Data will be kept for 6 years. Remember your identity remains confidential throughout the process.

Yours sincerely

Althea Jansen
Associate Lecturer
School of Economic and Business Sciences
University of the Witwatersrand
althea.jansen@wits.ac.za
011 717-8089
071 673 9471

CONSENT FORM

Instructions to participant: Please print and then sign your name in the space provided before you participate in this study.

I, _____, voluntarily give my consent to participate in this project.
I have been informed about, and feel that I understand, the basic nature of the project.
I understand that I may leave at any time and that my anonymity will be protected.

_____ _____
Signature of Research Participant Date

Instructions:

- Please answer all questions unless directed otherwise.
- It is vital to this survey that you give honest answers that are true to how you feel. Your identity will be kept confidential, so you have nothing to fear.
- Please give ONLY ONE answer per question unless instructed otherwise.

Section A2: Please rate each of the following traits based on your idea of how characteristic it is of *your* business leader (manager). Each trait is rated on a 7-point scale ranging from 1 (not at all characteristic) to 7 (extremely characteristic). Place an X on the most appropriate box for each question.

Sensitivity									
Understanding	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
Helpful	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
Sincere	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
Intelligence									
1.Intelligent	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
2.Knowledgeable	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
3.Clever	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
4.Educated	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
Dedication									
5.Dedicated	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
6.Motivated	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
7.Hardworking	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
Dynamism									
8.Energetic	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
9.Strong	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
10.Dynamic	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
Tyranny									
11.Domineering	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
12.Pushy	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
13.Manipulative	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
14.Loud	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
15.Selfish	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
16.Conceited	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic

Masculinity									
17.Masculine	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
18.Male	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic
19.collectivist (values the team, the whole)	Not at all characteristic	①	②	③	④	⑤	⑥	⑦	Extremely characteristic

Section B2: Please place an 'X' in the most appropriate box

	Strongly disagree	**Moderately disagree**	**Slightly disagree**	**Neutral**	**Slightly agree**	**Moderately agree**	**Strongly agree**
1. I would be happy to spend the rest of my career with this leader/manager	①	②	③	④	⑤	⑥	⑦
2. I have significant autonomy in determining how 1 do my job	①	②	③	④	⑤	⑥	⑦
3. Right now, staying with my leader/manager is a matter of necessity as much as desire	①	②	③	④	⑤	⑥	⑦
4. My job activities are personally meaningful to me	①	②	③	④	⑤	⑥	⑦
5. I try to help customers achieve their goals	①	②	③	④	⑤	⑥	⑦
6. The work I do is meaningful to me	①	②	③	④	⑤	⑥	⑦
7. I do not feel any obligation to remain with my current employer	①	②	③	④	⑤	⑥	⑦
8. I can decide on my own how to go about doing my work	①	②	③	④	⑤	⑥	⑦
9. I really feel as if this leader/manager's problems are my own.	①	②	③	④	⑤	⑥	⑦
10. I am self-assured about my capabilities to perform my work activities	①	②	③	④	⑤	⑥	⑦

	Strongly disagree	**Moderately disagree**	**Slightly disagree**	**Neutral**	**Slightly agree**	**Moderately agree**	**Strongly agree**
11. I try to achieve my goals by satisfying customers	①	②	③	④	⑤	⑥	⑦
12. I have mastered the skills necessary for my job	①	②	③	④	⑤	⑥	⑦
14. A good call centre agent has to have the customer's best interest in mind	①	②	③	④	⑤	⑥	⑦
15. It would be very hard for me to leave my leader/manager right now, even if I wanted to	①	②	③	④	⑤	⑥	⑦
16. I have considerable opportunity for independence and freedom in how I do my job	①	②	③	④	⑤	⑥	⑦
17. I try to get customers to discuss their needs with me	①	②	③	④	⑤	⑥	⑦
18. Even if it were to my advantage, I do not feel it would be right to leave my leader/manager now	①	②	③	④	⑤	⑥	⑦
19. I try to influence a customer by information rather than by pressure	①	②	③	④	⑤	⑥	⑦
20. I am confident about my ability to do my job	①	②	③	④	⑤	⑥	⑦
21. I do not feel a strong sense of “belonging” to my leader/manager	①	②	③	④	⑤	⑥	⑦
22. I offer the product/service of mine that is best suited to the customer's problem	①	②	③	④	⑤	⑥	⑦

	Strongly disagree	**Moderately disagree**	**Slightly disagree**	**Neutral**	**Slightly agree**	**Moderately agree**	**Strongly agree**
23. My impact on what happens in my department is large	①	②	③	④	⑤	⑥	⑦
24. Too much in my life would be disrupted if I decided I wanted to leave my leader/manager now	①	②	③	④	⑤	⑥	⑦
25. The work I do is very important to me	①	②	③	④	⑤	⑥	⑦
26. I try to find out what kind of product would be most helpful to a customer	①	②	③	④	⑤	⑥	⑦
27. I would feel guilty if I left my leader/manager now	①	②	③	④	⑤	⑥	⑦
28. I have a great deal of control over what happens in my department	①	②	③	④	⑤	⑥	⑦
29. I do not feel "emotionally attached" to this leader/manager	①	②	③	④	⑤	⑥	⑦
30. I answer a customer's questions about products/services as correctly as I can	①	②	③	④	⑤	⑥	⑦
31. I feel that I have too few options to consider leaving this leader/manager	①	②	③	④	⑤	⑥	⑦
32.I have significant influence over what happens in my department	①	②	③	④	⑤	⑥	⑦
33. I try to bring a customer with a problem together with a product/service that helps him solve that problem	①	②	③	④	⑤	⑥	⑦

	Strongly disagree	**Moderately disagree**	**Slightly disagree**	**Neutral**	**Slightly agree**	**Moderately agree**	**Strongly agree**
34. This leader/manager deserves my loyalty	①	②	③	④	⑤	⑥	⑦
35. I am willing to disagree with a customer in order to help him make a better decision	①	②	③	④	⑤	⑥	⑦
36. I do not feel like "part of the family" with my leader/manager	①	②	③	④	⑤	⑥	⑦
37. I try to give customers an accurate expectation of what the product/service will do for them	①	②	③	④	⑤	⑥	⑦
38. If I had not already put so much of myself into this leader/manager, I might consider working elsewhere	①	②	③	④	⑤	⑥	⑦
39. I would not leave my leader/manager right now because I have a sense of obligation to him/her.	①	②	③	④	⑤	⑥	⑦
40. This leader/manager has a great deal of personal meaning for me	①	②	③	④	⑤	⑥	⑦
41. I try to figure out what a customer's needs are	①	②	③	④	⑤	⑥	⑦
42. One of the few negative consequences of leaving this leader/manager would be the scarcity of available alternatives	①	②	③	④	⑤	⑥	⑦
43. I owe a great deal to my leader/manager	①	②	③	④	⑤	⑥	⑦

Section C2: Please answer as honestly as possible by placing an X in the correct box

	Not accurate at all	**Slightly accurate**	**Not sure**	**Moderately/very accurate**	**Extremely accurate**
44. I plan to be with the company quite a while	①	②	③	④	⑤
45. Sometimes I get so irritated I think about changing jobs	①	②	③	④	⑤
46. I plan to be with this company five years from now	①	②	③	④	⑤
47. I would turn down a job offer from another company if it came tomorrow	①	②	③	④	⑤

Section D2: Just a few more details for overall research purposes

1. Are you…

Male ❑ Female ❑

2. Please indicate your race:

Black ❑ Coloured ❑ Indian ❑ White ❑ Asian ❑

3. Your age (last birthday):

_____ years.

_____

Thank you! Your cooperation & participation have made a real difference.