PLEASE NOTE

The greatest amount of care has been taken while scanning this thesis,

and the best possible result has been obtained.
The Relationship Between Leadership and Employee Empowerment For Successful Total Quality Management.

BY

Lesia Gale

A thesis presented to the University of Western Sydney, Macarthur in fulfilment of the requirements for the degree of Doctor of Philosophy, June, 2000.
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STATEMENT OF AUTHENTICATION

The work presented in this thesis is, to my knowledge and belief, original except as acknowledged in the text. I hereby declare that I have not submitted this material, either in whole or in part, for a degree at this or any other institution.

Lesia Gale. June, 2000
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ABBREVIATIONS PAGE

TQM  Total Quality Management
AQA  Australian Quality Awards
WCC  Wollongong City Council
OCR  Organisational Commitment Research
OCB  Organisational Citizenship Behaviour
SV1  Site Visit One
L/E  Leadership/Empowerment
Cum pct  Cumulative percentage
Pct of var  Percent of Variation
INDLEAD  Individual leadership
GRPLEAD  Group (Team) Leadership
BEH IND1  Individual Empowerment (capability)
BEH IND2  Individual Empowerment (job satisfaction)
BEH IND3  Individual Empowerment (intrinsic motivation)
GRPBEH  Group (Team) Empowerment
ORGCOM  Organisation Commitment
WHY THIS TOPIC

The principal reason for the commencement of this thesis were the great discrepancies between the realities of trying to apply Total Quality Management (TQM) as a general manager and the concepts of leadership and empowerment related to TQM in the literature.

At a time when I needed to address increasing competition, I believed the key to business success was to build an organisation that was highly responsive to change. Two questions needed to be answered. The first was related to my assumption that the organisation would be more responsive to change if employees involved in implementation of business decisions were actively involved in the business decisions made. Was my assumption correct?

The second question arose from the fact that as an evaluator of the Australian Quality Awards, it became increasingly evident that what I felt was the key to business success was not being captured by the evaluation criteria. The criteria appeared relevant, however what was missing was akin to what I later found out was the concept of employee empowerment. Criteria Five of the Australian Quality Awards mention the word empowerment and refer to it as “employees reaching their full potential”. What does this mean? When I went searching for the answer neither other evaluators of the award nor the theoretical or research literature were of assistance. What was found were broad “motherhood” statements, rather than any guidance to understand the concept. There was a vacuum in understanding the dimensions of importance to the empowerment process or alternate approaches to implementation. This thesis is a search for answers to these issues.

To answer these questions within this thesis, it was vital that the research has application to the operational practices occurring within an organisation. Only in this way would the questions that lead to the commencement of this thesis be answered effectively.
ABSTRACT

The aim of this thesis is to assist industry leaders in Australia understand the nature of employee empowerment by identifying the characteristics of employee empowerment, the leadership strategies required to guide employee behaviour changes and the interaction between the two concepts. The practical utility of the research lies in the development of a model for organisations practicing Total Quality Management (TQM), particularly those, which apply the Australian Quality Awards (AQA) Criteria for organisational improvement.

Total Quality Management is a recognised approach to organisational management. A basic principle of TQM is that the role of executive leadership is to control the system and "drive" the TQM model adopted by the organisation. The system not the individual employee is the key to success. It is this basic principle of the role of leadership that is questioned in this thesis.

This thesis argues that in the 1990's the role of leadership needs to change in order to address the threat of increasing competition. The role of leadership needs to focus on employee development and enhancing their ability to adapt to change, be innovative, creative and committed to achieving the goals of the organisation. Effective leadership is therefore reflected in the behaviour of employees. A characteristic identified as employee empowerment.

An analysis of the theoretical literature resulted in the conclusion that not only is there a lack of theoretical framework to guide the current research but that the models that do exist have little practical application to industry.

The research for this study had two components. First was the development of the model to investigate the relationship between leadership strategies and employee empowerment behaviour in a workplace setting. The second research component of the study was testing the model. Testing required the development of a multi-component workplace survey instrument. A range of validation methodologies supported the survey instrument. The case study site was a government organisation that had one an Australian Quality Award.

Results provided answers to each of the research questions. An important finding was that empowerment is not a single concept as assumed in past research. Empowerment is related to context. The contexts are unidimensional in that individual empowerment is antecedent to team empowerment which is antecedent to organisational empowerment. Leadership behaviour also was found in three contexts: individual, team and organisational. The interaction between leadership and empowerment is complex. The results indicate that to achieve organisational empowerment all three leadership contexts are important. The study found that factors other than leadership could also moderate empowerment behaviours.

The results of this study, if replicated, have significant importance to Australian industry. Serious questions are raised concerning the direction of previous leadership research. Furthermore a new focus is provided to explain why TQM fails in organisations. Another key point highlighted in this study was the importance of using practical models that can be tested in workplace settings.
CHAPTER 1.0
INTRODUCTION

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CHAPTER 1
INTRODUCTION

1.1 Rationale For The Development Of A Theoretical Framework.

This chapter provides a brief introduction to the research topic and identifies the purpose and content of the remaining chapters in this thesis. Detailed discussion and information on the material included below may be found in the relevant chapters later in this thesis.

The literature review (Chapter 2) is in four Sections. Section 2.2 argues for the rejection of the traditional approach to TQM due to its inability to address the needs arising from growing international competition. The argument is put forward as to why the role of leadership needs to change from a driver of a system to a motivational concept serving as a mechanism to increase employees’ feelings of empowerment.

The thesis argues that Australian industries need to develop organisations that are adaptable, rapidly responding to changing circumstances. Organisations also need to be innovative, creative and prepared to take risks to proactively anticipate new opportunities. Employees need both business competence and emotional commitment to the organisation. They need to understand the need to change and accept their individual responsibility for being part of the change process. The argument is supported by a range of Australian Federal Government and industry reviews on leadership practices in Australia. The characteristics of these organisations were identified as relating to a concept called workforce empowerment.

The review of the contradictions between traditional TQM and the concepts related to workforce empowerment leads to a range of questions that need to be addressed in selecting the theoretical framework for the study. They are:

1.0) What are the characteristics of employee behaviour, related to empowerment, that describes a successful TQM organisation?
2.0) What are the characteristic leadership strategies relating to empowerment within an organisation?
3.0) What is the relationship between the leadership strategies and employee empowerment behaviours?

Section 2.3 highlights the difficulty in developing a theoretical framework for the current study from the TQM literature. TQM is merging with a range of disciplines, including empowerment, learning organisation, and cultural change theory. Each theory is still in its evolutionary stage, has diversity of approaches and definitions and has been heavily criticised. The majority of the theories have not attempted to address both leadership behaviours and subsequent employee behaviours in a single study. Furthermore the lack of integration of concepts between these disciplines is only adding confusion to organisations that are trying to embrace the contemporary issues facing TQM.

With employee empowerment defined as an intrinsic motivational construct, Section 2.4 reviews the relevant theoretical models of leadership. The leadership models reviewed and rejected, as being able to provide a framework for the current study, were the human growth and development theories, contingency theories and the transformational and transactional theories of leadership. Each of the theories are overly simplistic, narrow in focus and ignore organisational or environmental variables. It is further argued that the leadership theories lack of explanatory power will remain while the focus of leadership research is on leadership traits without equal consideration to the required subordinate behaviour changes resulting from improved leadership style. The literature review concludes that the current direction of theory development is threatening to diminish rather than deepen the understanding of how to guide industry leaders on how to improve organisational performance.
It is argued that a new direction of theory development is required which identifies leadership as a social process and develops an understanding of the relationship between leadership behaviour and employee behaviour changes. For this understanding to develop, research needs to cut across a range of disciplines and consider the application of strategies to industry settings. The development of a theoretical framework to address these issues is the first component of this thesis.

1.2 Construction of a Theoretical Framework

The concerns raised in the literature review are taken into consideration when developing the model of leadership and employee empowerment in TQM oriented organisations. The model is developed in Chapter 3.0 and is in four stages.

Section 3.2 outlines the first stage of the model whose objectives was to set the foundation for investigating the relationship between leadership strategies and employee empowerment behaviours in an industry setting. The unique feature in the development of the model is that it sets as its framework a recognised industry approach, the Australian Quality Awards (AQA) rather than a theory from the disciplines of leadership or empowerment. Each criteria of the AQA provided the framework for the selection of the domains of leadership and empowerment contributing to the development of the model. In other words the boundaries for leadership and empowerment behaviours in a TQM environment have been set.

Empowerment was previously introduced as displaying the following characteristics required to address growing international competition.

- A workplace environment adaptable to continuous change.
- Employees to be creative and innovative and prepared to risk take.
- Employees to be competent and able to make business decisions.
- Employees to understand the need for continuous change and be committed to take responsibility for their part of the change process.

Consideration of these characteristics in the theoretical literature required the integration of concepts from the various disciplines of empowerment, learning organisation, transformational leadership and cultural change. The domains were defined by considering only those leadership variables that have shown to influence (enhance or constrain) employee empowerment. The boundary was placed on employee empowerment behaviour within each criterion by focusing only on behaviours that are particularly influenced by leadership practices within a TQM environment. The methodology applied and the reasons for choosing the AQA are outlined in Section 3.2.1.

This approach, of integrating these disciplines, has not previously been conducted. The difficulty with the approach was that all the disciplines interchanged leadership strategies and employee behaviours when describing a single concept.

Stage one of the model concluded with a set of leadership strategies and employee empowerment behaviours that are summarised in Table 1.
Table 1 Leadership Strategies And Employee Empowerment Behaviours

<table>
<thead>
<tr>
<th>Leadership Strategies</th>
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<tbody>
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<td><strong>Development Of Competence In Staff</strong></td>
</tr>
<tr>
<td>• Strategies to foster goal alignment among staff and commitment to their achievement.</td>
</tr>
<tr>
<td>• Information systems – available, useful, and accessible</td>
</tr>
<tr>
<td>• Resources are available to complete tasks including supportive policies and procedures.</td>
</tr>
<tr>
<td><strong>Encouraging Innovation</strong></td>
</tr>
<tr>
<td>• Recognition systems being in place to encourage innovation and risk taking.</td>
</tr>
<tr>
<td><strong>Encouraging Commitment</strong></td>
</tr>
<tr>
<td>• Performance management systems being in place focusing on the individual and developing intrinsic motivation.</td>
</tr>
<tr>
<td>• Building an environment of trust through having appropriate communication mechanisms in place.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Individual Empowerment Behaviours</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Competence</strong></td>
</tr>
<tr>
<td>• Goal alignment: Employees understand the interaction between individual goals, team goals, and organisation’s goals.</td>
</tr>
<tr>
<td>• Employees feeling competent and self confident in achieving the goals set.</td>
</tr>
<tr>
<td><strong>Innovation</strong></td>
</tr>
<tr>
<td>• Employees prepared to initiate action and to risk take.</td>
</tr>
<tr>
<td>• Innovative approach to problem solving.</td>
</tr>
<tr>
<td><strong>Committed</strong></td>
</tr>
<tr>
<td>• Feeling Valued: Employees feel they have an impact on decision making, are fairly treated, and view their job as important.</td>
</tr>
<tr>
<td>• Intrinsically motivated to reach their full potential.</td>
</tr>
<tr>
<td>• Employees have the desire to learn and grow and to achieve.</td>
</tr>
</tbody>
</table>

The development of the first stage of the model raised a number of issues requiring clarification. These issues are addressed in stage two and three of the model’s development.

Stage two of the model is outlined in Section 3.3 and introduces the importance of context. The literature on empowerment assumes that an individual has a similar perception of empowerment when they are considered as an individual, a member of a team or a member of the organisation. The literature commonly interchanges contexts. The current model challenges existing theory and argues empowerment does vary according to context.

The thesis recognises that the majority of literature contributing to the concept of empowerment in the development of first stage of the model relates to intrinsic motivation. As intrinsic motivation is an individual matter the first stage of the model identified the characteristics of individual empowerment. It is argued that empowerment behaviour can be considered in an organisational context and introduces a theory from the organisational development literature known as Organisational Commitment Theory. The theory describes the workforce of an organisation as having a set of characteristics it defines as organisational commitment. These characteristics are almost identical to the description of workforce empowerment identified in this thesis as required to address growing international competition. In this thesis workforce empowerment became known as organisational commitment.

A second theory was introduced known as Organisational Citizenship Behaviour. The theory supported empowerment in a team context. It is argued that in a team context strong teamwork involves a set of interpersonal skills. These interpersonal skills identify the characteristics of team empowerment.
The model was further developed by incorporating Vogt & Murrell’s (1990) proposition that empowerment is in fact a staged process. Individual empowerment must exist before team empowerment can occur. Team empowerment provides the basis for organisational commitment. The staged process of empowerment is outlined in Figure 1 along with the behavioural dimensions of team empowerment and organisational commitment.

The recognition of context has generally been ignored in leadership and empowerment models. The concept is crucial to future research, as it may be a critical reason why TQM is failing in many organisations. If teams act as mediators between individual and organisational empowerment, then the key to successful TQM may be the development of team learning skills throughout the organisation.

FIGURE 1 The Context Of Empowerment

![Diagram](image)

Individual Empowerment
Described in Section 3.1

Team Empowerment
- Committed to achievement of team goals
- Pride in belonging
- Team enthusiastic
- Team Perseverance

Organisational Commitment
- Committed to organisational goals.
- Adaptable/Continuous change.
- Strive for excellence.
- Energy to try new ideas.

Stage three of the model’s development is outlined in Section 3.4 and asks the question whether there are factors other than leadership that may influence employee’s feeling of empowerment? Section 3.4 identifies a list of leadership moderators, influencing employee empowerment in each of the three contexts. These variables have been referred to in the literature as neutralisers or Substitutes for leadership behaviour (Mathieu & Zajac, 1990) or antecedents to empowerment (Porter & Steers, 1973). The moderators are outlined in Table 2.
TABLE 2 Leadership Moderators To Be Tested.

<table>
<thead>
<tr>
<th>Category</th>
<th>Moderators</th>
<th>Supporting Research</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demographics</td>
<td>Level Of Education</td>
<td>Steers, 1977</td>
</tr>
<tr>
<td></td>
<td>Gender</td>
<td>McNealy, 1984</td>
</tr>
<tr>
<td></td>
<td>Length Of Service</td>
<td>Porter &amp; Steers, 1973</td>
</tr>
<tr>
<td></td>
<td>Employment Status</td>
<td>Still, 1983</td>
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<td></td>
<td>Level Within The Hierarchy</td>
<td>Ashford, 1990;</td>
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<tr>
<td></td>
<td></td>
<td>McClelland &amp; Boyatis, 1982;</td>
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<tr>
<td></td>
<td></td>
<td>Lundberry, 1986.</td>
</tr>
<tr>
<td>Team Moderators</td>
<td>Subculture And Group Norms</td>
<td>Schein, 1985;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Robbins, 1987;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Goodman, Ravin &amp; Schminke, 1987;</td>
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<tr>
<td></td>
<td></td>
<td>McGrath, 1984;</td>
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<td></td>
<td></td>
<td>Ephross &amp; Vassill, 1988</td>
</tr>
</tbody>
</table>

Stage 4 of the model’s development in Section 3.5 is the integration of the three previous stages into a single theoretical model on the relationship between leadership and empowerment for successful TQM. The model forms the framework for the research questions and hypothesis to be tested.

1.3 Research Questions

The research questions arising from the various stages of the model’s development formed the basis for development of testable hypotheses. The completed set of questions to be addressed in the testing of the model in the current study is as follows:

1.0) What are the characteristics of employee behaviour, related to empowerment, that describes a successful Total Quality Management (TQM) organisation?

2.0) Can an individual have different feelings of empowerment related to context; The individual, as a member of the team and as a member of the organisation?

3.0) Is there an interrelationship between the various empowerment contexts.

4.0) What are the characteristic leadership strategies relating to empowerment within an organisation?

5.0) What is the relationship between the leadership strategies and employee empowerment behaviours?

6.0) Are there antecedents to empowerment that can be identified as Substitutes or moderators of leadership behaviour?

1.4 Methodology; Testing Of The Theoretical Model.

Chapter 4.0 outlines the methodology used for the testing of the model. The methodology chosen was a multimethod single case study. The process applied in developing the leadership/empowerment questionnaire is outlined. The lessons learnt in the three pilot studies conducted to test the validity and reliability of the questionnaire is provided. Where possible other qualitative and quantitative techniques were used to validate the results of the final questionnaire. These techniques include one to one structured interviews, and gathering reports on the organisation prepared internally or externally by consultants. An explanation as to the benefit of collecting this additional information is provided. The criteria for the selection of the case study
site are outlined and the description of the characteristics of the case study site. The model was tested in a government organisation with 436 employees who had one an Australian Quality Award. The schedule and process of conducting site visits over a two month period is identified. The chapter concludes outlining the known limitations of the case study methodology.

1.5 Analysis Of Results

The quantitative analysis of the information gathered from the Leadership/Empowerment (L/E) Questionnaire is presented in Chapter 5.0. The results of the Leadership/Empowerment Questionnaire were analysed using Exploratory Factor Analysis (SPSS 6.1) and Confirmatory Factor Analysis (Lisrel Version 8, Joreskog & Sorbom, 1993). The relationship between variables was developed through Structural Equation Modelling. The analysis of the results will be presented in this chapter only. The actual items that make up the factors arising from the L/E questionnaire and the interpretation of the findings in relation to the hypothesis being tested will be discussed in the following chapter. Factors are the dimensions (that is, leadership or empowerment) that determines the answers that respondents give on the items.

Following the presentation of results from the L/E questionnaire, the qualitative information resulting from the site visit will be presented. The analysis of one to one interview transcripts was assisted through the application of QSR NUD-IST computer package. The exception to the presentation of qualitative results in chapter 5.0 will be the results from the repeat questions from the L/E questionnaire and additional information collected from the site visit that assist in the interpretation of the factors. These will be provided in the next chapter.

1.6 Discussion

The analysis of the results to test the theoretical model is presented in a manner, which allowed the hypothesis to be confirmed or denied in logical sequence. The results of the study largely accepted the model developed in the current research, that is, there was a concept known as empowerment, it was related to context, leadership was a factor that interacted with empowerment, however moderators of leadership also had an influence on empowerment.

The first and second research question related to the concept of empowerment. The current study observed as predicted three contexts of empowerment in the organisation. Individual empowerment involves three factors: Individual capability, job satisfaction and intrinsic motivation. Team empowerment reflects cohesive teamwork or strong interpersonal skills. Organisational commitment has characteristics similar to that predicted in Organisational Commitment Theory. Each empowerment context is analysed in detail.

The third question related to the interrelationship between empowerment contexts. An important outcome of the study was that the relationship between individual empowerment, team empowerment and organisational commitment was unidimensional. Individual empowerment is antecedent to team empowerment which is antecedent to organisational commitment. The reverse does not apply.

The fourth research question addresses what leadership strategies related to empowerment are evident in the organisation. The study identified three contexts of leadership. All three leadership contexts had their first order factors combined to form a second order factor. The tests of statistical significance for team and organisational leadership indicated caution was needed in interpreting the results.

For individual leadership the important leadership behaviours related to trust, capability and recognition. For team leadership the key behaviour attributes related to communication, developing team capabilities and taking into account employees individual needs in a team situation. For organisational climate the key attribute was communication. In all three leadership contexts the emerging theme was the importance of “trust” involving open and honest communication and supervisory listening skills.
The outcome of the leadership research results is strengthened in the fact that the results mirrored the outcome of the organisation’s own culture survey as well as being supported by other external reports and assessments of the organisation.

The fifth research question related to the relationship between leadership and empowerment. The resultant model is outlined in Figure 2. The important finding is that all three leadership contexts are important for an organisation to develop organisational commitment. Team empowerment is also critical to develop organisational commitment as it acts as a mediator for a number of leadership and empowerment variables. All the directions in the model are unidimensional, i.e. reverse directors did not apply. Individual leadership directly impacted team empowerment and conversely team leadership impacted individuals’ feelings of capability and job satisfaction. This result directly questions the validity of the majority of leadership research that assumes individual leadership directly impacts individual performance.

Figure 2: The Relationship Between Leadership and Empowerment For Successful TQM.
The site validation of the questionnaire responses assisted in the interpretation of some of the responses to the questionnaire. The site validation found that contingency issues that were of priority to the organisation and to staff during the study period influenced responses and interpretations to questions. Other factors influencing the questionnaire responses included level within the hierarchy, and staff expectations of leadership behaviour.

The sixth research question related to possible moderators of leadership or antecedents to empowerment. The results are outlined in Table 3. The results identify that empowerment behaviours may be moderated by factors other than leadership. The Subculture of “Division” influenced all empowerment contexts.

**TABLE 3 Resultant Leadership Moderators.**

<table>
<thead>
<tr>
<th>Empowerment Context</th>
<th>Moderators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual-Capability</td>
<td>Division, Education, Level In The Hierarchy, Gender</td>
</tr>
<tr>
<td>Individual-Job Satisfaction</td>
<td>Division, Education, Level In The Hierarchy</td>
</tr>
<tr>
<td>Individual-Intrinsic Motivation</td>
<td>Level In The Hierarchy</td>
</tr>
<tr>
<td>Team Empowerment</td>
<td>Division, Employment Status</td>
</tr>
<tr>
<td>Organisational Commitment</td>
<td>Division, Employment Status</td>
</tr>
</tbody>
</table>

The antecedents to organisational commitment found in the current research are discussed and the question is raised as to what other antecedents are important that have not been identified or tested in the current research.

**1.7 Conclusion**

The conclusion (Chapter 7) presents the revised model of the relationship between leadership and empowerment for successful TQM. The model is presented by answering the key questions asked at the commencement of the study. These answers are followed by providing a guide to industry leaders on how to commence the practical implementation of developing organisational commitment within their own organisation. Therefore the original intention of choosing the topic has been fulfilled.

To aid future research the lessons learnt from the study methodology and limitations of the current study are discussed. The importance of gathering information at the site visit to assist in interpreting some of the responses from the written Leadership/Empowerment questionnaire was examined.

The findings of the research are discussed in relation to their contribution to the development of the theories identified in Chapter 2 the literature review. The research provides a new definition of empowerment. The definition is relevant to a workplace setting and identifies the importance of context. The linkage between leadership and empowerment found in the current research raises serious questions on the validity of leadership theories that interchange leadership strategies with employee behaviour, eg Transformational Leadership theory. The complexity of interaction between leadership and empowerment also raises serious questions regarding the assumption in previous leadership research that there is a direct relationship between leadership and performance.

The conclusion argues that leadership theories are attacking the wrong problems or insignificant ones. Leadership theory should refocus leadership as a social process guiding organisational
members into feelings of empowerment. This approach changes the questions raised in leadership research to focus on understanding the fundamental nature of leadership and the mechanisms through which it can contribute to employee empowerment. This understanding will assist in transferring the knowledge to different situations.

The chapter outlines how the outcomes of the current research contribute to the understanding of why TQM is failing in many organisations. The thesis concludes with a final comment by referring back to why the researcher chose the original topic.

1.8 Justification and Utility of the Research

This is the first systematic study to investigate the relationship between leadership strategies and empowerment behaviours in a TQM environment. The study is also unique in that it used the Australian Quality Awards as a guide to the development of a theoretical framework and integrated concepts across the disciplines of TQM, empowerment, learning organisation and transformational leadership.

The importance to Australian industry of developing the concept of employee empowerment in an organisation is as follows. Firstly a range of Australian Federal Government and industry reviews on leadership practices supports the characteristics of an empowered organisation. These reviews highlight the lack of leadership skills needed in Australia to develop the empowered organisation.

Secondly the results of this thesis makes a significant contribution in assisting Australian Industry to refocus its leadership efforts to ensure organisations have the characteristics needed to enhance their international competitiveness.

The third reason why this study is important to Australian industry is that many of the issues surrounding the concept of empowerment are contradictory to traditional TQM thinking. The wide prevalence of the traditional approach to TQM in Australia is of concern. This study highlights the importance of reconsidering the implementation of traditional TQM.

The forth reason is that the findings of the current study can assist organisations interested in developing empowerment in their organisations. This was a principal objective of this study. Not only is the path for achievement identified in this study but also the actual leadership strategies to be developed in the organisation and the required employee behaviour changes which signal’s success.

The fifth reason for the practical utility of this research is the advances made in the concept of TQM. The leadership and empowerment behaviours identified in this study advance the description of a TQM oriented culture. Consideration can now be given on describing how cultures differ in organisations succeeding in TQM compare to those that are not.

The model developed provides insight as to how and why the Australian Quality Award Criteria needs to change to make it applicable to the challenges faced by Australian industrials in the next millennium. The results also provide new insight as to why TQM may be failing in many organisations in Australia.

The final reason for the importance of this study is the contributions to the theoretical literature of empowerment and leadership. Most importantly the study identifies the need for the construct of empowerment to be taken seriously. The study highlights the theoretical disciplines that could assist in the development of the empowerment construct. To the author’s knowledge this is the first study to identify the importance of considering context in empowerment related research.

The study makes significant contributions to the theoretical disciplines of leadership. It raises some serious questions regarding the assumptions applied to previous leadership research. The results of the study indicate that future leadership research should refocus and consider leadership
as a relationship process of influencing employee behaviour. This focus would identify the need to consider factors other than leadership that would contribute to employee behaviour.

In conclusion the principal justification of this research is that it attempted to be relevant to a workplace setting thereby improving on the many leadership and empowerment theories that failed to guide industry leaders on practical steps of implementation.
# CHAPTER 2.0
## LITERATURE REVIEW.

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2.5 Conclusion To The Literature Review.
CHAPTER 2.0
LITERATURE REVIEW

2.1 Structure Of Chapter 2.0

The chapter will identify why the contemporary issues confronting Australian industries in the next millennium cannot be addressed by considering the traditional approaches to TQM. The chapter will have the following sections and sub sections:

Sub Section 2.2.1 will consider the traditional approach to TQM, which has evolved, from the manufacturing sector. The principal focus in the traditional approach is the belief that the system rather than the individual employee is the key to success. The argument will be developed that the traditional approach is contradictory to contemporary thinking, in the role of: leadership, human resource management, and the end result variables or measures of success.

Sub Section 2.2.2 identifies the high prevalence of the traditional approach in Australian industries in the 1990’s. The section also highlights the failure in implementation of traditional TQM.

Sub Section 2.2.3 describes the contemporary issues facing Australian industries in the next millennium. The issues require industries to develop certain characteristics. These characteristics are founded on identifying the individual employee as the key to company success. The characteristics are closely aligned to the concept of workforce empowerment. In this section it is argued that the new type of leadership advocated by workforce empowerment is a major concern to Australian industry. This is evidenced by studies that have indicated that Australian leaders lag behind international benchmarks on empowerment related leadership practices.

Sub Section 2.2.4 outlines how contemporary issues are contradictory to the traditional TQM approach. This is of concern given the wide prevalence of the traditional TQM approach. Sub Section 2.2.5 identifies that contradictions also apply to the contemporary approach.

Sub Section 2.2.6 concludes the Section with the key questions that TQM needs to address in the role of leadership and human resource management as identified in the contemporary approach if it is to be of greater assistance to Australian industries in the next millennium.

In Section 2.3 it is argued that today there is no theoretical model that would provide the framework to investigate the questions raised in the previous section. The major concerns with the TQM discipline itself are that it has no widely recognised theoretical framework. The national quality awards or their derivatives are usually accepted as theoretical models. The lack of a theoretical foundation was tenable during the highly successful evolution of TQM up until the 1980’s. This allowed TQM thinking to develop in isolation from other theoretical disciplines. With the consideration of the “soft” or human resource issues in TQM, as distinct from system issues, other theoretical disciplines began to incorporate TQM concepts in their development. The section considers three principle disciplines merging with TQM, and argues why they are inadequate as a framework for the current research. The disciplines are:-

Empowerment
Learning Organisations
Cultural Change Theory

Section 2.4 shows, through an analysis of leadership theory, that there is today no acceptable theory of leadership that would provide a framework to answer the questions raised in the current research. The section considers the principal leadership theories focusing on human growth and development and highlights their individual inadequacies. The conclusion drawn to the review is that the narrow focus of theory development only allows the consideration of what leadership
behaviours are recommended, without sufficient detailed explanation of why they are important and the anticipated employee behaviour changes resulting from the improved leadership style. Collectively the theories do not have sufficient explanatory power to be able to translate the theories into different settings.

At the end of reviewing the theoretical literature associated with TQM the question remains on how to guide industry leaders into developing the appropriate leadership strategies and understanding the required employee behaviour changes. A theoretical model is needed to provide a guide on:

- What actual leadership behaviours and strategies are required in a practical situation to supervise the empowering process?
- What does employee empowered behaviour actually looks like to know that the leadership behaviours are succeeding?
- What is the relationship between leadership and employee empowerment?

With the literature review failing to provide an adequate framework by which to address the key questions raised in the current research two key points are being put forward to direct thinking in developing an appropriate theoretical framework. The first point is the need for the model to have practical application to industry, in particular those industries applying TQM as their model for organisational development.

The second point put forward to direct the thinking towards the development of a theoretical framework is the need to refocus the way leadership theory and subsequent research is conducted. Historically the output of the majority of leadership studies is the actual leader behaviour or output from leadership behaviour, ie efficiency measures, attendance, and productivity. This thesis argues that the output of studies on leadership should be the subordinate behaviour changes resulting from improved leadership style. This will require the measurement of leadership behaviour and subordinate behaviour in a single study.
2.2 What is TQM

2.2.1. Traditional approach to TQM

This Sub Section outlines a definition of traditional TQM. A framework is provided, on the issues covered within the traditional approach, by reviewing TQM from a historical perspective. The section then examines the traditional approach to leadership and human resource management and describes the outcome of successful implementation.

2.2.1.1 Definition of Traditional TQM

There is general agreement in the literature that there is no consensus as to the definition of TQM. Current definitions are multiple and conflicting (Cameron and Whetten, 1983; Reeves and Bednar, 1994). Different definitions of quality have been proposed at various times in response to the quality concept expanding from a manufacturing basis to application in service industries. Adding to the complexity, new definitions have not replaced old definitions, all are used today to describe the quality construct (Dean and Bowen, 1994). An example of a single author’s changing definition of quality is provided in Appendix 1. Juran, a recognised leader in the quality literature has changed his definition of quality with each update of his book the “Quality Control Handbook” (1951, 1962, 1974, 1988).

Quality has been defined as value (Abbot, 1995; Feigenbaum, 1951), conformance to specifications (Gilmore, 1974; Levitt, 1972), conformance to requirements (Crosby, 1979), fitness for use (Juran, 1974, 1988), loss avoidance (Taguchi, cited in Ross, 1989), meeting and/or exceeding customer’s expectations (Gronroos, 1983; Parasuraman, Zeithaml and Berry, 1985), employee empowerment and openness to learning (March, 1991; Sitkin, 1992). Reeves and Bednar (1991; p440) argue that “the fragmented nature of the present literature suggests that multiple definitions and/or models of quality are required to capture the complexity of the construct”.

The definition of traditional TQM for the present study is grounded in that period which emphasised that the basic principle for continuous improvement is that the role of executive leadership is to control the system and “drive” the TQM model adopted by the organisation. The system, not the individual employee, is the key to success. The definition has been equated to the standards based approach or the “hard” definition of TQM. These leadership practices were seen to have a direct influence on organisational performance, including enhanced productivity, improved quality of product, and exceeding customer expectation (Brown, 1991; Dean and Bowen, 1994). The historical period referred to in the definition is briefly outlined below.

2.2.1.2 Historical Development of TQM

There have been a number of reviews of TQM from a historical perspective (Abbot and Leaman, 1982; Adams, 1984; Dorsky, 1984; Garvin, 1988; Reddy 1980; Reeves and Bednar 1994). Where this overview differs in its approach from the previous reviews is in its focus on the role of leadership, human resource management and end result variables.

The impetus for the quality movement initially arose from the rise of mass production in the manufacturing sector and the need for interchangeable parts. Taylor’s (1921) notion of “scientific management” provided the platform to studying scientifically the specific motions that made up the total job. The intention was to enable a more rational objective method of performing the job to be determined. The approach was to reduce input costs of mass produced consumer goods in the belief that this led to lower unit costs and therefore increased profit. The key influences during this period were from the writing of Schewhart, (1931), and Feigenhaam (1951). The early emphasis was on post hoc inspection, control and evaluation of product quality (Hornshell, 1984; Hughes, 1987).

After World War II a number of statisticians notably Deming, Juran and Crosby indicated a direct relationship between quality and productivity. There have been a number of comparisons
between the work of Deming, Juran and Crosby (Oakland, 1989; Sahney, Dutkewywel and Schramm, 1989). The conclusion is that although there were differences, many of the concepts presented were common to all three. Although their approaches differ in technique, emphasis and application, the objective is the same, that is, continuous improvement of every output, whether it be a product or a service, by removing unwanted variation and by improving the underlying work processes. All three aimed to improve the application of statistical tools to maximize conformance to specification (Shahney et al., 1989). The traditional approach to TQM has remained consistent in its view that the system and not the individual employee is the key to success.

An active debate occurred in the 1980's on whether the definition of quality, as conformance to specification, was appropriate for services when a high degree of human contact is involved (Booms and Bitner, 1981; Bowen and Schneider, 1988; Gronroos, 1983; Haywood-Farmer, Alleney, Durrus and Dowing, 1985; King, 1984, 1985; Lovelock, 1981; Normann, 1984; Parasuraman et al., 1985; Scanion and Hagann, 1983; Williams and Zih, 1987; Zeithaml, 1981). This debate grew out of the services marketing literature, with researchers arguing that a conformance-to-specifications definition of quality failed to address the unique characteristics of service (Lovelock, 1981; Norman, 1984; Shostack, 1977; Zeithaml, 1981). This period resulted in the definition and goal of quality focusing on meeting or exceeding customer expectation.

TQM also began to take a more strategic focus with the introduction of the National Quality Awards in America, Europe, Japan and Australia. A comparison of international quality awards is outlined in Appendix 2. A common theme during this period was the recognition that TQM was adopted by many companies to refocus out of a crisis (Soahl, 1991). Harrington (1991) indicated that nearly every winner of the Baldrige Award in America believed that the company was on the verge of failure when it committed to TQM. During the latter part of the 1980's "Total Quality Control" became known as "Total Quality Management" with an array of books published under the TQM banner (Atkinson, 1990; Chase, 1988; Cullent and Hollingum, 1987; Dale and Plunkett, 1990; Oakland, 1989).

An outcome of the influence of the service industries on TQM and the realisation that culture may be an important consideration for success, has been that the distinction being made between the "hard" and "soft" definitions of quality (Albrecht, 1990; Marchington, 1992). The "hard" quality definitions emphasise the standards based approach advocated by Deming, Juran and Crosby. These definitions focus on the production aspects such as systemic measurement and control of work, setting standards of performances and statistical procedures to assess quality. This view identified leadership as having a direct influence on output such as zero defects and enhanced productivity. The "soft" definition related to managing the human relation side of quality. The focus was on increasing employee involvement in the decision making processes related to servicing the external customer and improving the internal environment. The human relations focus emphasised; values that drive actions, employee ownership; autonomous efforts beyond specific standards. (Albrecht, 1990). The issues arising from the soft approach were hard to define and measure and therefore often rejected by those advocating the traditional TQM concepts.

The "soft" definitions resulted in TQM merging with a range of theoretical disciplines. These disciplines included Empowerment research (Kanter, 1983; Murrel, 1986), Human Resource management (Collard, 1989; Giles and Williams, 1981; McClelland, 1975), Organisational change theory (Bennis and Nanus, 1985; Robinson et al., 1991), Leadership theories (Burke, 1986; Peters and Waterman, 1982), theories related to power and control (Kanger, 1979; Tannenbaum, 1968), Team building theory (Neilson, 1986), Industrial psychology (Campbell, 1990; Porter and Lawler and Hackman, 1968; Vroom, 1964), Industrial relations theory (Barney, 1985; Deal and Kennedy, 1982), learning organisations (Senge, 1990) Culture and culture change (Schein, 1990), Job fulfillment (Cranney, Smith and Stone, 1992), Job satisfaction (Wanous and Lawler, 1972) and Job commitment (Mitchell, 1979; Porter, Steers, Mowday and Boulian,
1974). The key theories merging with TQM will be reviewed in the following sections of this chapter.

2.2.1.3 Role of Leadership and Human Resource Management

Between 1920 and 1940 when the emphasis on quality was within the manufacturing sector the supervisor or independent inspector was responsible for inspection, quality assurance and the provision of immediate feedback. (Bicking 1958). This was required to control employee behaviours (Kuhner and Lewis, 1987). An assumption often made during this period was that the individual employee is immature and cannot be trusted. Humans were expendable. They were necessary for production but were perceived as subordinate to the machine (Garvin, 1988). Reference is given to the de-skilling of a worker, as the machine increases in automation (James, 1966). The directive and autocratic leadership frequently found in organisations was consistent with the requirements of a limited definition of quality that was conformance to standards. Drucker (1991) criticised Taylor for never once asking the workers how they thought their jobs could be improved. A contrary view is that, Taylor did emphasis a "team" approach between management and workers in his writings but that this aspect has been ignored in prior reviews of his work. This may partly be due to management attitudes at the time, which ignored workers in preference to using and developing the technology that was available to increase productivity and efficiency of machinery.

Deming (1957) expanded the concept of statistical quality control by emphasising that systems and not individual employees accounted for much of the variance in performance. Deming focused his earlier writing on statistical quality control. This contrasted with his later publications which placed greater emphasis on the role of executive leadership as having the principle responsibility for controlling the system that impacted on team and organisational behaviour and performance (Brown, 1991; Crosby, 1980; Deming, 1986; Gabbaro, 1987; Joiner and Scholtes, 1984; McCanus, 1991; Tenner and Detro, 1993; Zenger, 1989). Rank-and-file employees were viewed as contributing less to quality deficiencies and normally lacked the authority to put things right. Estimates of the proportion of quality issues that can be tackled by workers and foreman ranged from 20-25 percent (Ishikawa, 1985) to 10 percent and less (Juran, 1988; Deming, 1986). Deming (1986:p5) indicated that it is the "system" of work that determines how work is performed and only managers can create the system. "Only managers can allocate resources, provide training to workers, select the equipment and tools that workers use, and provide the plant and environment necessary to achieve quality. Only senior managers determine the markets in which the firm that participate and what products or services will be sold. " Deming (1986: p1) in his book "Out of the Crisis" identifies that most of this book is about leadership, "nearly every page states the principle of good leadership or shows an example of good and bad leadership". Deming stressed that nine of the fourteen management principles outlined in his book directly related to leadership. The widespread acceptance of the importance of leadership lead to a number of publications during this period that addressed the connection between leadership and TQM (Ishikawa, 1985; Juran, 1989; Lilrank and Kano, 1989).

The definition of the "system" in traditional TQM was dependent on what model was put forward to explain the approach. The Awards criteria were the most commonly applied model and identified what needed to be done at the executive level. However each of the TQM success stories cited in the literature identified a wide range of organisation strategies and approaches. There was not one array of organisational characteristics or single set of characteristics that provided an agreed explanation for success. Nor were there any clear cut leadership characteristics that were identified as crucial in all TQM practices (Garvin, 1988; Harari, 1993; Peters, 1991; Sinclair 1993).

2.2.1.4 End Result of Traditional TQM

In the early years the end result of quality was conformance to specifications; if parts did not conform to specification, they would not be interchangeable and the production system would fail. In the later years Deming (1966: p49) refers to a "chain reaction which links higher quality
to lower costs and market share resulting in a more satisfied loyal customer.” Benefits of improving quality identified by Deming include:

- Improved productivity
- Cost per unit decreases
- Increased market share
- Price can be cut
- Workers' morale improves because they are not seen as the problem
- Improved profits for investors

Improved worker morale leads to further benefits:

- Less employee absence
- Less burnout
- More interest in the job
- Motivation to improve work
- Increased security of employment

The end result of "exceeding the customer expectation" although still popular today, has been heavily criticised mainly because of the difficulty in measurement. Different customers place different weights on the various attributes of a product and/or service. Aggregating such widely varying preferences is difficult (Carman, 1990; Garvin, 1988). Often customers do not know what their expectations are (Cameron and Whetten, 1983; Lawrence and Reeves, 1993; Bowen and Schneider, 1988). It has been argued that measuring customer expectation is a process of measuring perception. Perceptions may change over time (Brown et al., 1993; Carman, 1990; Cronin and Taylor, 1992; Oliver, 1981). A product and/or service that exceeded a customer's expectations at one point in time may simply be judged as ordinary at another point in time (Bolton and Drew, 1991a; Cameron and Whetten, 1983; Curry, 1985). Because expectations may change over time, measurement timing has a significant impact on quality judgements.

Even with the emphasis in the traditional approach on refocussing on the external customer many of the approaches to quality maintained a strong linkage to conformance to specifications. This was due to the end product of TQM in the 1980's still being linked to efficiency, price and cost (Bonner and Nelson, 1985; Buzzell and Gale, 1987; Crosby, 1979; Curry, 1985; Deming, 1982, 1986; Monroe and Kirshman, 1985; Peters and Wilson, 1985). In many definitions customer satisfaction is qualified as only being achievable through conformance by the entire organisation. This performance orientation has not disappeared as the TQM literature has matured. Recent articles on TQM practice continue to emphasise its ability to induce cost savings, eliminate personnel, and bolster profits.

2.2.2 Application Of The Traditional TQM Approach In The 1990's

The section reviews current industry studies pointing to the high prevalence of the traditional approach being applied to industries in the 1990’s. The section also identifies the high incidence of failure in implementing the traditional TQM approach.

2.2.2.1. Prevalence of the Traditional Approach in the 1990's

The prevalence of the traditional approach is outlined below. In the 1990’s studies separated TQM from employee involvement programs suggesting the two concepts are viewed as independent. Employee involvement programs are similar to contemporary approaches to TQM outlined in the next section.

Van De Wiele et al., (1996) surveyed 402 organisations across six European countries on their quality management activities. To provide an indication of the importance of TQM for the organisation, respondents were asked to rate the importance on a scale of 1 (not important) to 5
(very important) of a number of elements of TQM. In the sample of organisations, satisfying external customers received the highest mean score of 4.8, with 95 percent of the respondents indicating a score of 4 or 5. The second most important element of TQM with a mean score of 4.3 was reducing cost, indicating that TQM is still very much linked to hard financial cost figures. The soft issues of TQM such as teamwork, and employee involvement and development received lower scores of 3.9 and 3.17 respectively. Policy deployment was given the lowest ranking with a score of 3.23, with 13 percent of respondents failing to score it.

In the same study respondents were asked to indicate their use, on a scale of 1 (not used) to 5 (used at all times), of a number of factors to assess business performance. The assessment of business unit performance was strongly related to hard data and financial measures with the "soft" issues receiving the lowest ranking.

The results are also supported by factor analysis carried out on the TQM elements. This resulted in the emergence of two factors. They can be described as a "human factor" (i.e., employee involvement and development, quality of working life, teamwork, and each person satisfying their own internal customers) and a "business factor" (i.e., gaining market share, satisfying external customers, and reducing costs).

Eisen, Mulraney and Sohal (1992) obtained similar results from a comparative study of 338 manufacturing companies in Australia. The major findings indicate that the number of companies with fully developed quality management programs may be as low as 10 percent of the survey population. In regards to the perceived obstacles to the adoption or use of quality management practices, factors listed included resistance to change, apathy and lack of management commitment. These results indicate that human resource management issues are not adequately addressed in these quality programs.

Lawler, Mohrman and Ledford (1995) who conducted a longitudinal study on employee involvement programs in organisations targeting TQM efforts reported more promising results. It is important to note that this study differentiated TQM from employee involvement programs. The authors made the distinction between TQM efforts emphasizing work processes and customer outcomes with the employee involvement literature emphasizing fuller business involvement by employees, and introducing reward systems such as gain sharing. Surveys were made of fortune 1,000 corporations in 1987, 1990 and 1993. Over 85 percent of survey respondents felt the results of their employee involvement programs and TQM efforts were complementary. Companies with more extensive forms of employee involvement reported higher outcomes from their TQM programs than companies with less employee involvement.

The study also provided some data on how TQM and employee involvement programs should be positioned relative to each other. Performance outcomes were highest in companies where managers focused on TQM involving employee involvement as an integrated part of it rather than the reverse. The explanation provided was that the impact of production oriented TQM practices were viewed as positive only when they are used in a manner that is highly involving of staff. Using them both leads to better financial performance. The authors did qualify their conclusion by noting that because most of the companies were "believers" this high endorsement rate is probably not the best gauge of effectiveness.

### 2.2.2.2 Failure in the Implementation of TQM

The importance of considering the reasons for the failure of TQM in this thesis is twofold. First it provides a reason for considering a refocus of TQM thinking. Second the reasons for the failure provide insight into issues that need to be considered in any new approach to studying the construct.

Multiple definitions of TQM have lead to the development and use of various methods for assessing quality. This has resulted in inconsistent and often contradictory research findings
(Cameron and Whetton 1983; Garvin, 1988; Monroe and Kirshnam, 1985; Peterson and Wilson, 1985; Reeves and Bednar, 1994). The complexity and multiple perspectives historically associated with the concept of TQM has made theoretical research advance difficulties (Lawler, 1994; McLaughlin, 1991). Cameron and Wheelan (1983; p.50) concluded that “universalistic propositions describing the relationship among various variables and quality cannot be made when the meaning of the dependent variable continuously changes”.

The bulk of the literature was either descriptive case studies of organisations adopting a TQM related model (Frost and Oakland, 1992) or consideration being given to overall organisational performance measures (e.g. Fisher, 1991; Grover and Grover, 1989). Harari (1993; p.33) summarised the position “put together all the independent research conducted by consulting firms Arthur D. Little, Ernst and Young, Rath and Strong, McKinsey and Co. and A.T. Kearney and you come up with the conclusion that only about one-fifth – at best one-third – of TQM programs in the United States and Europe have achieved “significant” or even “tangible” improvements in quality, productivity, competitiveness or financial returns. This is a frightening conclusion given the hype that has accompanied TQM for years. It’s even more serious given the fact that three-quarters of reasonably sized American firms claim to have invested in some form of TQM”.

A survey by Little (1992) of 500 American manufacturing and service companies found that only a third felt their total-quality programs were having a “significant impact” on their competitiveness. A study by Kearney (1992) of over 100 British firms found only a fifth of those surveyed believed their quality programs had achieved “tangible results”. Ernst and Young carried out a survey of 584 organisations in the US, Canada Germany and Japan concluded that very few quality programs have reached lasting and meaningful levels, especially in the United States. Another study of quality programs by McKinsey found that two-thirds had stalled or fallen short of yielding real improvements. In a 1991 US survey of more than 300 electronics companies, 73 per cent of the companies reported having a total quality program under way; but of these, 63 percent had failed to improve quality defects by even as much as 16 percent (The Economist, 1992).

Conflicting empirical results have been found on the impact of quality on the key variables of cost, price and profitability (Garvin, 1988). Negative results have been found in TQM research in regard to price and productivity (Price and Wilson, 1985), market share (Curry and Faults, 1985), cost and profit (Fisher, 1990; Ghosh, 1989). It has been suggested that there may be a resistance to publish case studies of negative results or failures (Grover, 1989).

In an Australian study, Fisher (1990), compared four companies that were progressing down the TQM path. The investigation considered whether improvements in processes were being matched by improvements in overall organisational productivity or performance as implied by Deming’s statement that improving quality will improve productivity and therefore will lower costs. The study indicated that TQM did not result in significant direct improvements in overall company performance. Fisher noted that although the TQM process implemented generally resulted in improvements in internal and external quality factors and in some cases in improved labour productivity, it was questionable whether the direct impacts on overall company profitability being so small are worthwhile. The impacts of the quality management processes were greatly overshadowed by the effect of internal factors such as decision to invest in new capital equipment and the generally uncontrollable external economic and competitive factors.

Ghosh (1989) compared the financial performance of excellent companies of the 80’s with a control group from the Fortune 500. The investigation concluded that the period 1960 to 1984, in most respects, the control group surpassed the excellent group in financial performance and market valuation.

A national survey in Britain identified in 1989 that while 98% of respondents agreed strongly that quality was a survival issue for British organisations only 17% of respondents believed that they
had done everything to create an environment in which quality worked and flourished (Collard, 1989).

There are no known reviews in the literature on the failures in the implementation of TQM. The general conclusion to the literature on the failure of TQM has centred on leaders not managing TQM from a cultural change perspective. (Dean and Bowen, 1984; Garvin, 1988; Herrington, 1991; Hospitals, 1992; Jantz, 1987; Killmann, 1984; Peters, 1987; Plowman, 1990; Reger, Gustaffson, Demarie, Mullane, 1994; Schein, 1984; Sinclair, 1993.).

2.2.3 Contemporary Issues Facing Australian Industry

This section identifies the contemporary issues facing Australian industries in the next millennium. The issues require industries to develop certain characteristics. These characteristics are founded on identifying the individual as the key to company success. The characteristics are closely aligned to the concept of workforce empowerment.

While many companies were looking internally as to why they were failing in their implementation of TQM, an external factor was taking over company strategic thinking. This was the realisation of the importance of addressing international competition. This led to the refocus of company strategy to ensuring organisations remained adaptive to rapid change. Employees were encouraged to show innovation, develop business competence and develop commitment to the change process. These issues changed the emphasis in the role of leadership from managing the system to having an influence on the way individual employees interpret themselves and their personal development.

The contemporary view introduces leadership as a motivational concept. The influence of leadership on individual motivation questions the direct relationship assumed between leadership and performance advocated in traditional TQM. The importance to Australian industry of the changing role of leadership is supported by studies identifying that Australian leaders lag behind international benchmarks in those leadership characteristics advocated in the contemporary approach to TQM.

2.2.3.1 Competition and Accommodating Rapid Change

The principal external factor impacting industries in the 1990’s is the rate of change externally imposed on organisations resulting from competition in the market place (Block, 1987; Drucker, 1990; Eisen, Mulraney and Sohal, 1992; Hill, 1991; Peters and Waterman, 1982; Sitkin, 1992).

The principal factors contributing to international competition are listed below:

- Increasing globalisation of the economy (Bennis and Nanus, 1985; Eisen, Mulraney and Sohal, 1991).
- The demand for greater quality and value (ie more for less) (Eisen, Mulraney, Sohal, 1991; Garvin, 1988).
- Customers are becoming more empowered (Yankelovich, 1983) and questioning of authority (Kanter, 1979;).
- Deregulation of industries, eg airlines, and the ending of tariffs (Dunphy and Stace, 1990).
- Increasing levels of technology and rapid growth of new products (Zaleznik, 1989).
- Higher expectations regarding the quality of life (Carman 1990)
- Demographic changes; the aging of the population (Carman, 1990).
- Continual pressure on the restructuring of the public sector and the threat of privatisation and outsourcing.
- International recession and the crisis resulting in many companies (Carman, 1993).
The unpredictability of future changes (e.g., break up of USSR—was not predicted two years prior to it happening).

The importance of leadership to address the issue of foreign competition is identified by Zaleznik (1990, p. 9), "Business in America has lost its way, adrift in a sea of managerial mediocrity, desperately needing leadership to face worldwide economic competition. Once the dominant innovator in technology, marketing, and manufacturing, American business has lost ground to foreign competition.”

The calls for increasing Australia’s international competitiveness have become more frequent and more strident. These recent exhortations have come in a number of different forms, such as comprehensive surveys and consequent recommendations to Australian manufacturing industries by the Australian Manufacturing Council (1990) and the Business Council of Australia (1991) and the Federal Government contained in the document “Building a Competitive Australia” (1991).

There is evidence that industries in Australia identify the need to address the issue of competition through their quality program. Deloitte Touche and Tohmatu (1994) surveyed Australian companies with quality management programs and found that participants in their survey initiated quality management programs to provide the competitive edge needed to maintain market share in difficult economic times.

2.2.3.2 The Key Requirements for Business Success in the next millenium.

When reviewing the Australian and International literature focusing on increasing competition, there appeared to be a number of recurring themes. To the author’s knowledge they have not been previously collectively presented and analysed. These issues had a common emphasis on the role of leadership and human resource management required to be adopted by industries in the next millennium. The issues are:

- Firstly the need to build adaptable organisations through team based work groups.
- Secondly the need for each employee to:
  - Show innovation, creativity and be prepared to risk take.
  - Gain business competence.

Collectively these issues equate to what can be defined as workforce empowerment. These issues are briefly discussed below.

2.2.3.2.1 Building Adaptable Organisations Through Team Based Work Groups

Increased competition is creating organisations that face continuous uncertainty, chaos and huge pressures. Bennis and Nanus (1985, p. 8) identify: “There is an era marked with rapid and spasitic change. The problems of organisations are increasingly complex. There are too many ironies, polarities, dichotomies, dualities, ambivalence’s, paradoxes, confusions, contradictions, contraries and messes for organisations to understand and deal with”.

The emphasis is on building adaptable organisations that can respond to the changing circumstances (Elhin, 1994); Miles (1989, p. 9) argues that “Increased international competition and the rapid pace of technological change are favouring organisations that are lean, fast, and flexible.” Futurists are predicting that organisations that cannot adapt to continuing changing circumstances will fail (Drucker, 1987; Offerman and Gowing 1988, Peters and Waterman, 1982). The challenge is to create organisations that drive the change process rather than being driven by it (Semler, 1993; Peters, 1994).
Dunphy and Stace (1990:p20) outline a quote from Beer (1987): "What we see here is the emergence of a new organisational form and pattern of management. It is the adaptive organisation whose structure, systems, style, staff, skills and shared values are geared for flexibility, not stability". Dunphy and Stace (1990) described the problem of protection by tariff barriers and regulated economies having led to rigidities or traditional bureaucracies. Deregulation and ending of tariffs resulted in many of these companies going into receivership because they failed to reorganise. Examples provided were Anthony Horderns in Sydney and Bank of America. “Success is gained only through constant vigilance directed at understanding environmental changes and moving swiftly to seize new opportunities rather than clinging on to the comfortable formulae of past successes” (Dunphy and Stace, 1990, p 203).

Adaptable organisations have been equated to learning organisations (;Senge, 1990, Semler., 1993) organisations committed to continuous change (Normann, 1985; Burboyne, 1995), self renewing organisations (Bass, 1985; Tichy and Devanna, 1986) and organisations proactive in problem solving (Schein, 1990). These features equate to organisations which have strong cultures that are widely shared and deeply held (Ouchi and Price, 1978). The theory of transformational leadership is based on the ability of companies to continuously transform to changes in the environment.

To achieve adaptability, the trend has been to decentralise authority in order to give lower managers and workers more direct control of the environment in which they are expected to operate (Babbar and Rai, 1993, Mackenzie, 1991). The recommendation is to dismantle corporate hierarchies and introduce teams that will "forge nimble, flexible, innovative and creative pathways to competitive success" (McCreary, 1994; p 30). Miles (1989) outlines “In fact, not only are most organisations downsizing, decoupling, and desegregating, the search for flexibility is producing a whole new organisational form which looks more like a network than a pyramidal hierarchy.”

Work teams occupy a pivotal role in what has been described as management’s transformation (Walton, 1986), paradigm shift (Ketchum, 1984) and corporate renaissance (Kanter. 1989). Reich (1987:p78) wrote: “If we are to compete in today’s world, we must begin to celebrate collective entrepreneurship endeavours in which the whole of the effort is greater than the sum of individual contributions. We need to honour our teams, our aggressive leaders and maverick geniuses less.” The introduction of team based work styles was advocated by Kanter, 1989; Mintzberg. 1973; Peters, 1987, Semler., 1996; Sachkin and Kiser, 1991; Senge, 1990.

Semler. (1993:p68) indicates the need for small units to ensure the organisation maintains an ability to learn: “Because the learning organisation is a change organisation, it builds into its architecture the ability to learn and widely disseminate improvements. To develop and maintain learning organisation characteristics, large corporations must act like small, entrepreneurial companies, and their executives need to operate with both autonomy and integration. Only in this way can organisations succeed on a global level well into the future”.

The more recent literature on work teams emphasiss self organising teams based on chaos and complexity theory where more freedom and disequilibrium offers the prospect of an order more adaptive to the present turbulent environment. Prigogine and Stenger (1984) argues that as systems become unstable amid turbulence, they are then capable of restructuring into a configuration that exhibits more viable properties than before. A similar argument was put forward by Wheatley and Kellner-Rogers (1995). Hurst (1994) disagrees and contends that self organising principles are difficult to maintain as they age and the markets for their products mature. Ehin (1994; p31) argues: “In the hierarchy model, people are primarily concerned with self-security and rank hierarchy. They focus on threats to their physical self, status and social appearance. In the emerging ideal model individuals are free to form mutually supportive networks of personal relationships. With their attention released from self-protective needs they can then concentrate on creative endeavours and social relationships.”
2.2.3.2.2 The Need for Product or Service Innovation and Creativity

Increasing competition has lead to the argument that companies that remain tied to the dominant market of the time, trying to create continuing efficiencies, may become redundant as markets continuously change. The argument has been put forward that companies must create an organisational culture that has the energy to try new ideas. The organisation must encourage employees to be innovative and prepared to risk take. This provides the ability for organisations to anticipate new market opportunities as well as quickly and effectively respond with implementation (Drucker, 1991; Peters and Waterman, 1982).

Dunphy and Stace (1990) site the research by Hanada (1989) on the top one hundred Japanese companies, as measured by sales volume. The research examined the degree to which companies that reached the top one hundred list maintained their position on the list. Only thirty companies maintained a position on the top one hundred list for over twenty five years. According to Hanada, the companies which remained powerful were prepared to act early to move resources out of their current mainstream business, however profitable at the time, and to use those resources to enter higher risk markets with future growth potential.

In the pursuit of innovation, generating a reasonable number of mistakes is both encouraged and acceptable (Peters and Waterman, 1982; Semler, 1996; Tichy and Devanna, 1986). People admit mistakes, examine the causes and learn from them. Schein (1992) emphasised the need for a learning environment to encompass a pragmatic search for truth involving an array of methods. The decision making process values intuition and creativity and there is less emphasis on purely analytic approaches (Tichy and Devanna, 1986).

Examples of definitions cited in Tichy and Devanna, (1986), of individual and organisational innovation and creativity being identified during this period are as follows:

- The act of awakening new thoughts, of rearranging old learning, and of examining assumptions to form new theories, new paradigms and new awareness
- A set of skills for visualising the context of the “why” of critical business issues. Organising information into patterns that make sense of our world.
- Originality of thought and execution. In a business context it may be defined operationally as the generation of ideas that result in an increase in efficiency or effectiveness.
- Creativity will challenge
  - willingness to take risks
  - willingness to be proactive
  - willingness to step outside the judgments that are a summary of past experience.
- Activity, innovation, independence and responsibility. Creative individuals are invested, involved, committed and persistent. They work hard, cope with adversity and perform — they identify and explore alternatives.

2.2.3.2.3 The Need To Gain Business Competence In Each Employee

Associated with the concepts of adaptability, innovation, creativity and risk taking is the notion of ensuring all employees understand the need for change and accept their individual responsibility for being part of the change process (Bennis and Nanus, 1985; Kanter, 1983). Essentially, management must cultivate a culture of leadership at all levels in the organisation (Staub, 1993).

Senge, in his book “The Fifth Discipline” (1990) argues that it is no longer sufficient to have one person learning for the organisation from the top and have everyone else follow the orders. Organisations that will truly excel in the future will be those organisations that discover how to tap peoples’ commitment and capacity to learn at all levels of the organisation. Such organisations “would benefit from speedy decisions and ability to take advantage of innovations
and they would develop better leaders, even among members of groups who have not traditionally become organisational leaders” (Kanter, 1977, p 281).

Jacques (1993; p 67) characterised knowledge - creating companies or places where “inventing new knowledge is not a specialised activity … it is a way of behaving, indeed a way of being in which everyone is a knowledgeable worker”. Peters (1987) refers to empowerment as a matter of management adhering to and encouraging faith in the principle that the person doing the job knows far better than anyone else the best way of doing the job, and therefore is the one best fitted to improve it.

To understand the role of employees in empowered organisations the distinction has to be made between employee involvement and empowerment. (Birk, 1995, p 84) “Employee involvement means that every employee is regarded a unique human being (not just a cog in a machine) and each employee is involved in helping the organisation meet its goals. It means that each employee’s input is solicited and valued by his or her management. It means that employees and management recognise that each employee is involved in running the business.

Employee empowerment is a somewhat different concept. It means that in addition to involving employees in running the business, employees and management recognise that many problems or obstacles to achieving organisational goals can be identified and solved by employees. Employee empowerment means that management recognises this ability, and provides employees with the tools and authority required to continuously improve their performance. It means that management states its expectations about employees recognising and solving problems, and empowers them to do so”.

Similarly, Bowen and Lawler (1992) identify the transition from employee involvement to empowerment based on the extent of decision making authority. They identify three decision making options. The first is suggestion involvement. This is typical of TQM organisations in the 1980’s. Employees are encouraged to contribute ideas through formal suggestion programs or quality circles, but their day to day work activities do not really change. Also, they are only empowered to recommend, management typically retains the power to decide whether or not to implement.

The second decision making option identified by Bowen and Lawler (1992) is job involvement which represents a significant departure from the control model because of the dramatic “opening up” of job content. Jobs are redesigned so that employees use a variety of skills. Employees believe their tasks are significant, they have considerable freedom in deciding how to do their work, they get more feedback, and they handle a whole, identifiable piece of work.

The third decision making option is found in high-involvement organisations where the lowest level employees have a sense of involvement not just in how they do their jobs or how effectively their group performs, but in the total organisations performance. Virtually every aspect of the organisation is different from that of a control oriented organisation. Business performance information is shared. Employees develop skills in teamwork, problem solving and business operations. They participate in work unit management decision. There is profit sharing and employee ownership.

2.2.3.2.4 Gaining Emotional Commitment by Employees to the Change Process.
To be able to quickly adapt to change all employees must be committed to being part of the change process. (Bennis and Nanus, 1985; Kanter, 1983). Gaining emotional commitment involves enhancing the intrinsic motivation of all employees (Adler and Cole, 1993; Blanchard 1989; Brown and Schultz, 1991; Drucker, 1991; Mintzberg, 1983; Ouchi, 1981; Peters and Waterman, 1982; Schmeiding, 1993. The literature distinguishes between extrinsic and intrinsic motivation. Extrinsic outcomes accrue to the individual from sources other than themselves, eg praise from fellow workers or obtaining a promotion (Graen and Cashman 1975; Mitchell, 1973).
Intrinsic motivation has varying definitions, (Dyer and Parker, 1975; Lee, 1987). The most common reference to intrinsic motivation refers to experiences that are positively valued by individuals that are directly derived from the task itself. Thomas and Velthouse (1990) define intrinsic task motivation as "those genetic conditions by an individual pertaining directly to the task that produce motivation and satisfaction" (p 668). Deming consistently advocated the intrinsic nature of work and the necessity of preserving "the power of intrinsic motivation, dignity, co-operation, curiosity and joy in learning that people are born with" (1993, p 124).

Intrinsic motivation has been aligned to the following concepts:
- Commitment by employees to the organisation’s goals (Kanter, 1983;).
- Enthusiasm in the workforce (Hopfl, 1994).
- Incentive to perform tasks.
- Satisfaction from the task itself (Dean and Evans, 1990; Mitchell 1973; Thomas and Venthouse, 1990).
- Inspirational motivation (Bass and Avolio, 1985).
- Employees fully develop their potential (Bass, 1985; Hopfl, 1994; Macher, 1988).
- Performing above and beyond the “call of duty” (Bass, 1985; Burns, 1978; Tichy and Devanna, 1986).

The importance of developing motivation in employees was given increased emphasis when considering that individual differences in motivation have shown to account for 28% of the variance in work performance measures (Macher, 1988). An often paraphrased study was conducted by Yankelovich (1983) whose research revealed the following results:
- Fewer than 1 out of every 4 job holders say that they are currently working at full potential.
- One half said they did not put effort into their job over and above what is required to hold on to it.
- 75%, said that they could be significantly more effective than they presently are.
- 6 out of 10 believe that they “do not work as hard as they used to” (This may or may not be true, but it is their perception).

2.2.3.3 Definitions of Empowered Organisations.

The themes, adaptability, innovation, competence and employee commitment to the change process is closely related. Collectively organisations that display these cultural attributes are referred to as being empowered. The difficulty is that there is no agreed definition of empowerment. Some definitions, which outline the attributes, described above are as follows:

"Empowered organisations have transformed themselves so that they are able to demonstrate such characteristics as: clear and honest communications, collaboration within and between work units (usually called teams), shared responsibility in all aspects of task and process, and delivery of high quality products and services driven by customer/client needs. Persons in empowered organisations are likely to talk about the job or work and feeling “love” for their team mates, although such words may not be expressed nor are such words proof of empowerment” (Wallace, 1996, p 2).

"The empowered workforce has been defined as an enthusiastic workforce having “intense interest or zeal” (Ellesworth 1989).

To Zemke and Schaaf (1989; p68), empowerment means “turning the front line loose”, encouraging and rewarding employees to exercise initiative and imagination: “Empowerment in many ways is the reverse of doing things by the book”.

An empowerment state of mind has been described as: “Control over what happens on the job, ie freedom of choice among different ways of doing a job; freedom to act spontaneously in meeting
customer expectations; input into how the job is designed; and ability to respond if something goes wrong” (Bowen and Lawler, 1995, p 73-74).

Murrell (1985) views empowerment as “uncontained, and in that state is a threat and risk to many stuck in, or controlling, established order of things” (p 37).

An empowered person as described by Thomas and Venthouse (1988; p17) is a person who “has an open and healthy worldview and a positive and accurate self-concept; sees self as making an impact, having the ability to do, recognising meaning in one’s pursuits, and progressing in life; is able to discern reasons for outcomes and to evaluate self in ways which are encouraging; and finally, that person is able to envision success. She or he is capable of meaningful activity, concentrated efforts, initiating action, flexible interactions, and personal resilience.”

The empowerment concept as described by Birk (1995; p84). “It means that in addition to involving employees in running the business, employees and management recognise that many problems or obstacles to achieving organisational goals can be identified and solved by employees. Employee empowerment means that management recognises this ability, and provides employees with the tools and authority required to continuously improve their performance. It means that management states its expectations about employees recognising and solving problems, and empowers them to do so.”

Kanter (1977) described individuals experiencing empowerment, as exhibiting behaviours such as high motivation, risk taking, achievement orientation and high career aspirations. Employees creative thinking has been emphasised by Eden, (1984).

Gitlow and Gitlow (1994) defines empowerment as pride of workmanship, willingness to take risks and willingness to work harder to make things happen.

Empowerment also aims to produce a good citizen, an intellectually reflective, caring and ethical individual who engages in a lifetime of meaningful work (Ellsworth, 1989; Green, 1986; Rogers, 1983).

Tebbitt (1993; p19) defined an empowered organisation. “In brief, empowerment means creating and sustaining a work environment that speaks to values that facilitate the employees choice to invest in and own personal actions and behaviours resulting in positive contributions to the organisations mission”.

Kizilos (1990; p53) identified what empowerment is not in an attempt to better understand the concept. “Empowerment is not the relinquishing of rightful power inherent in a position. Nor is it delegation of authority or its commensurate responsibility, accountability and autonomy. Empowerment is not solely a type of management or communication centring on employee participation. It is not a program or product that can be packaged or sold, and lastly, empowerment is not a trainable technique or skill that can be used as a quick fix for problematic organisational issues or behaviours.”

2.2.3.5 Role of leadership and human resource management

The role of leadership and human resource management is outlined above in section 2.2.4.3. The important attribute of achieving an empowered organisation is that the emphasis is on the competence and motivation of the individual employee.

2.2.3.6 End Result of Empowerment.

This empowerment approach is not suggesting that the focus be not related to business success. Success must be measured in terms of customer satisfaction, improved business results and employee satisfaction. However, the linkages between leadership and outcome are not direct as depicted for traditional TQM described in Sub section 2.2.1.4. The empowerment literature
emphasises the importance of some intervening steps to improved productivity involving enhancing the competence and commitment of individual employees. This involves critical leadership processes required for the development of intrinsic motivation in employees. For example the emphasis on developing trust between the leader and employee. The initial output is that employees perceive that they can produce the required results for customers. This leads to employee satisfaction, which enhances the services provided to customers. The linkage between leadership and empowerment has been adapted for this thesis from the Service Profit Chain by Heskett (1994) in Figure 3.
Figure 3. Linkages Between Empowerment And The Service Profit Chain.

Leadership Focused On Developing Employee Competence And Confidence

Employees Feel Able To Produce Results For Customers

Employee Satisfaction And Loyalty

Service Value

Customer Satisfaction And Loyalty

Improved Productivity  Profits And Growth


The empowerment literature takes the service–profit chain a step further by not only specifying the individual leadership characteristics but also the structure of an organisation required to encourage empowerment. Research has identified employees as members of self-managing teams. These employees define their work roles in terms of their value as contributors to the group’s primary task rather than in relation to one specific job (Manz & Sims, 1987). There is a commitment of team members to work together to meet group and organisational goals (Vogt & Murrell, 1990). The result involves increased productivity, and revenue resulting from the formation of self directed work teams (Sundstrom et al, 1990). Self directed teams reduce time in decision making (Beekun, 1989) result in cost savings (Leavitt, 1975; Sunstrom, De Muese & Futell, 1990) and improve the quality of decision making. (Susman, 1976).

Anecdotal evidence from many companies, including Banc One, MCI, Service Master, Taco Bell, Southwest Airlines, and USA Life Insurance, established positive relationships across the linkages of the service profit chain (Bennis and Nanus, 1985; Kanter, 1983; Peters and Austin, 1985). There is also empirical support for the linkages in a number of service-sector studies that have found a positive correlation between employee satisfaction and customer satisfaction (Tebbie, 1993; Zemke and Schaaf, 1985). The latter studies support the idea that how employees feel about their work spills over to customers, influencing their satisfaction with the service they receive. However, still lacking is definitive survey data that shows that service firms that adopt
empowerment are more effective than firms that do not (Bowen and Lawler, 1995). Strayer, (1990) proposes that since the introduction of employee empowerment, sales have increased by over 20% per year while productivity has increased 50% in the past four years.

2.2.3.7 Current industry Leadership Practices in Australia.

The new type of leadership advocated by contemporary TQM focusing on empowerment is a significant issue to Australian industry given that studies have indicated that Australian leaders lag behind international benchmarks on contemporary leadership practices.

The Federal Government in Australia in 1992 commissioned a study to investigate and report on the state, role and future direction of management, education and training in Australia. The report (Karpin, 1994) cites studies of management performance over the last 5 years indicating that Australian managers are good in functional skills (computing, engineering, accounting), but weak in cross functional skills (people management, communication, strategic planning, external focus). The report found low levels of communication between management and the workforce generally, between management and unions and between higher levels of management and first line supervisors. There was also poor management commitment to innovation, a low level of autonomy and few rewards for innovative action.

The task force on Leadership and Management Skills commissioned a survey (Deloitte et al., 1994) of the opinions of leading Australian specialists in the management field, including Chief Executives, Management And Training Consultants, Human Resource Professionals, Recruitment Consultants, Academics, Professional Company Directors And Peak Bodies. The results indicate a significant gap in perception between the attributes of the ideal manager and those of the typical Australian manager. Australian managers were sighted to have a tendency to adopt autocratic styles of management. Managers were reluctant to let go of the control lever and tried to get things done by pushing people rather than motivating and encouraging. They were weak at teamwork, empowerment and had poor people skills. Many senior managers in Australian organisations are still convinced that the technically proficient manager with a directive approach to managing people is the winning formula at senior management level. The task force found that senior managers experience discomfort with the intangibles such as culture, vision and values. The study found that the characteristics of an ideal manager are high people skills including communication skills, especially in listening.

Wooden, (1990) and Halal and Brown (1985) concluded that in Australia most managers go through the motions of seeking employee ideas on problems and including them in the decision making process, but managers still retain almost complete control over the final choice. Wooden (1990) found that much of what is called “participative management” in many organisations is really “pseudo-participation”. In a survey of 127 businesses in Queensland, 85% of these indicated they had participative structures but over 1 in 3 had only a health and safety committee and no more.

A reason identified for this lack of success in introducing employee participation is that Australian organisations have undertaken little training of managers in participative management techniques (Gleeson, McPhee and Spatz, 1988). Resistance to participation has also been attributed to management not wanting to share decision making power (Saporito, 1986).

The importance of employee involvement was being emphasised in the late 1980’s in a number of Federal Government Reports (NE PSC, 1979; NE PSC, 1979; CAT ACTU, 1988) and as the then minister for industrial relations stated: “Employee participation is now a major government priority and the government sees it as essential to a successful response to the significant challenge of the present time”. This is because it “will allow the nation to make better use of the skills and experience of our workforce. It will also improve the quality of working life and increase the efficiency of our organisations” (Willis, 1986, 1987).
In 1992 in its World Competitiveness Report the O.E.C.D. rated Australian management as ineffectual, ranking 19 of its 22 member countries. In terms of the availability of competent senior managers Australia ranked 17 out of 22 countries, falling behind countries like Turkey, Spain and Italy. On creativity and innovation, which were sighted as critical factors in improving Australian Industry, and enterprise performance within an Internationally directed export environment, Australia ranked 19 out of 22 behind Italy, Turkey, Greece and Ireland.

A breakdown of management performance into its components indicates a reasonable performance in functional areas, ie business efficiency, but poor performance on strategic and cross functional areas. A more in-depth analysis of these components shows that Australian managers perform poorly compared with peers internationally on issues related to productivity, strategy, implementation, international experience, employee relationships, price, quality and innovation.

A study of Best Manufacturing Practices in Australia and New Zealand (Australian Manufacturing Council 1994) grouped industries based on outcome measures involving cost, quality, flexibility, innovation, competitiveness and business performance (sales, exports and market share). Industries were grouped as either leaders and laggards against world best practices. Best practices were defined as a co-operative way in which firms and their employees undertake business activities in all key processes: Leadership, planning, customers, suppliers, community relations, production and supply of products and services, and the use of benchmarking. The study found the key differentiators between leaders and laggards were in three categories: people practices, leadership and benchmarking. Each of these is described briefly below.

People practices in leading companies placed emphasis on strong communication, both top down and bottom up. The organisations displayed a spirit of trust, commitment, and co-operation. In addition, leading companies had flatter organisational structures and a team based approach. Members of self-managed teams assumed responsibility for and have control over outcomes fostering a sense of accomplishment and shared ownership that is impossible in traditional “line” production systems.

The survey found that Australian and New Zealand manufacturing firms lagged behind the international group on the adoption of self managed work teams. Australian firms focused on quality circles rather than self managed work teams. Within the group of industry leaders, 83 percent of Australian managers and 91 percent of New Zealand managers agreed that senior managers need to actively encourage change and implement a culture of trust, involvement and commitment.

The results that Australian managers have to develop more participative leadership strategies is more significant given the results of the Telstra cultural imprint study (1995) which investigated Australian attitudes to quality. The key finding of the study was that Australians perceive quality in terms of the relationships people have with those around them and the organisations with which they are involved. Good quality for Australians is a relationship in which a person has a sense of secure identity and self-worth arising from the relationship. The study found that employees are motivated by a socially desirable vision that will enhance their self worth. The focus was on intrinsic motivation.

The Telstra study advocated two principal leadership factors to support the emotional needs of followers. The first was establishing a vision of the future that involves a bridge between present self image and a new secure identity. The second involved showing behaviour of genuine caring, concern about their followers; ie they have a commitment towards them. The study identified that Australians will respond to sincere and low key recognition and truth. The study highlighted that Australians will not tolerate untruths. “They are excellent bullshit detectors” (p 12).

The study recommended that the best leaders are those who have aligned their own belief system with that of the organisation. The alignment of personal and organisational goals is required to
ensure consistent behaviour. Inconsistent behaviour makes the goals they have espoused less credible, encourages followers to “hedge their bets” and saps energy and commitment (p 20). The alternate management style as advocated by the cultural imprint study involves a bureaucratic system, which creates crisis to get staff motivated. The system has poor communication systems and leaders are prepared to sacrifice others for their own interest. The needs of others are secondary to the satisfaction of the leaders own needs.

2.2.3.8 Definitions of TQM in the 1990’s

The definitions of TQM in the 1990’s are reflecting the need to place increased emphasis on the Human / Employee relations component of TQM and are applying many of the concepts related to empowerment. A range of definitions of TQM in the 1990’s is outlined below:

“Quality of a product has to be complemented by quality of process, quality of attitude and quality of behaviour. What is now needed is quality processes for ongoing learning, adaptation and change that enable average and ordinary people to take larger steps ... for many companies the HRD challenge is how to get more out of the average performers” (Evans and Lindsay, 1993).

Khan (1991) identifies that a TQM working environment must facilitate a participative management style where the manager shares the decision making responsibility with the employee. The strategy is one of continued development, the structure is one of organic networks, the culture flexible, creative and problem oriented, and the systems supportive reflect and capable of dealing with complexity, requires significant investment of resource and high levels of commitment.

Ford (1990) identifies that “The quality environment encourages teamwork, communications, joint problems solving, trust, security, pride in workmanship, and never ending improvement. A true cooperative spirit prevails in this type of atmosphere, as teamwork is a prerequisite for the firm to function and constantly improve the extended process” (p 31)

Waldman (1994) considered that fundamental to self sustaining continuous improvement is the ability to “unlock people potential” through continuous learning, managing by values not controls, encouraging team work, and continuously developing the self confidence and sense of responsibility of staff.

TQM is an approach to improving the competitiveness, effectiveness and flexibility of a whole organisation. It is essentially a way of planning, organising and understanding each activity, and depends on each individual at each level. For an organisation to be truly effective, each part of it must work properly together towards the same goals, recognising that each person and each activity affect and in turn is affected by others (Oakland, 1993).

Tibbett (1993) identified the TQM experience as excellence and expertise are expected of every employee via goal directed action oriented behaviour that each employee reviews regularly, for appropriate effectiveness and creative self expression. It is creative self expression that allows for growth and self realisation and is the base for personal empowerment.

2.2.4.Contradictions Between Traditional TQM And Contemporary Approaches

There are significant contradictions between the traditional and empowerment approach to TQM. These contradictions are outlined below.

The traditional approach assumes a direct influence between leadership practices and follower’s output behaviour such as enhanced productivity. The contemporary TQM views an intervening step of enhanced intrinsic motivation of employees (Bowen and Lawler, 1995; Collard and Sivyer, 1990; Kanter, 1983; Bennis and Nanus, 1985; Sinclair and Collins, 1994; Smith et al., 1994).
The traditional approach emphasises the system. The role of executive leadership is in controlling the system. The contemporary view identifies the need to extend leadership throughout the organisation. The emphasis is on empowering the workforce. At the commencement of TQM writings a number of publications warned against the notion of individuality being lost in modern management thinking due to the rise of scientific rationalism. (Harris and Chaney, 1969). Peters (1991) supported this concern “Baldrige examiners know how to put pieces in the scoring algorithm that talks about empowerment. What they don’t know is what’s going on inside the soul and the heads of the person whom the examiners spend all too little time with, those first line young men and women” (p 13). “What is missing in TQM is emotion and soul – there is no passion the doing and the creating” (Harari, 1993, p 9).

In the traditional approach, risk taking and presenting radical new ideas other than within company objectives were viewed as the role of senior leadership and not line workers. The traditional approach argues for the pursuit of constant improvement towards perfection. The focus is on continuous improvement emphasising slow incremental steps. The new quality culture argues against any routinisation The contemporary approach argues for employee discretion (Lawler, 1994) flexibility and autonomy (Harari, 1993), the encouragement of risk taking and tolerating errors in the pursuit of creativity (Harari, 1993; Peters and Waterman, 1982). Harari (1993) provides an example of Microsoft who has a higher stock market value than either Boeing or General Motors, even though Microsoft’s sales and physical assets are a fraction of Boeing’s and GM’s. The reason is that Microsoft consistently and creatively destroys its current offerings and replaces them with new products and features. Microsoft’s new released products usually have a few bugs in them. The company zealously pursues constant improvement towards the elimination of errors, but its top priority is to accelerate the development cycle for new user-friendly products. It is that market-driven entrepreneurship and innovation that drives up market value, not an obsession with doing it right the first time.

The aim of traditional TQM is towards work simplification to reduce errors. This is contrary to the need to enrich the work environment to enhance motivation (Kanter, 1985).

The traditional approach did not emphasise the structure of organisations. The contemporary approach emphasised the use of self-directed work teams. By giving small groups of individuals high autonomy and direct external customer demands they can attune to the market and quickly respond.

The traditional approach identified suggestion schemes and quality circles as the means of gaining employee input. The contemporary approach identified employee autonomy in business decisions relating to their work.

2.2.5 Contradictions In The Contemporary Approach.

There are some contradictions within the contemporary approach. Firstly, the literature identifies the need for radical transformation of existing systems, including changes to infrastructure, reporting hierarchy, procedures and values. There is a wealth of evidence identifying that organisational change is highly stressful to staff (Schweiger et al., 1989) and that this stress equates to staff feeling disempowered with reduced self esteem (Nadler, 1982), status, power and position (Kanter, 1983).

Secondly, the literature identifies the need for decisive and directive leadership to ensure the transformation of the organisation. This type of behaviour appears in conflict with the literature reporting that the leaders tasks is the development of a collaborative, participative learning organisation where leaders must be participatory, democratic and involving. Stress of employees is more when change is led by directive or coercive strategies rather than through process of consultation and employee participation (Sitkin, 1992).
Thirdly, there are a number of contradictory empowerment contexts emerging in the literature. The literature on intrinsic motivation identifies empowerment as an individual matter (Kanter, 1990). Leadership therefore involves motivating people according to their unique personal and development circumstance. This is contrasted to an overall strong organisational culture of empowerment with unified thinking across employees.

Challenging the contemporary approach to TQM is the argument put forward that TQM emphasising employee involvement is a repackaging of Taylorism (Boje, 1933; Friedman and Ulmer, 1984; Hegrick and Boje, 1992; Hopfl, 1994). TQM is said to be a masquerade for getting workers to self Taylorise their own jobs, and that teams are really a source of tighter, more oppressive control than hierarchy. Boje and Windsor, (1993, p67) indicated that “whereas total quality management programs are ostensibly methods of improving product quality, they (empowerment) typically accomplish this goal through the creation of a corporate culture which facilitates the use of psychological and social control and coercion.” This suggests that empowerment in TQM organisations is a contradiction. Empowerment in TQM seeks to “perfect control systems which produce and enforce uniformity” (Boje and Windsor, 1993, p 68) and therefore individuals must defy those attributes of themselves which are not compatible with the goals of the organisation.

Hopfl (1994) views discretion in empowered TQM organisations as merely the repertoire of options which attach to a particular role. Professional behaviour requires the concealing of the contradictions. Hopfl argues that each organisation has a model of what constitutes “good” managerial practice which is perpetuated through appropriate behaviour repertories, cognitive styles, and cultivation of skills. It is the basis of management development practice. A further criticism of the empowerment approach in TQM is resistance by senior managers concerned with losing their power. Hopfl (1994) provide a case study of statutory water authority who ran a management developing program away from directing and controlling to a supportive and trust based paradigm. The program focused on empowerment of middle managers. Senior managers who were concerned that their prerogative to manage was put under threat curtailed the program.

2.2.6 Conclusion

At the commencement of the literature review it was argued that the issues resulting from the rise in international competition are pointing to the need for industries in the new millennium to display the following characteristics.

- A workplace environment adaptable to continuous change.
- Employees to be creative and innovative and prepared to risk take.
- Employees that are competent and able to make business decisions.
- Employees that understand the need for continuous change and are committed to take responsibility for their part of the change process.

Collectively these concepts have been referred to as workforce empowerment. The section highlighted that many of the issues surrounding these four concepts are contradictory to traditional TQM thinking. The contradictions are of major concern given the wide prevalence of the TQM approach both in Australia and internationally. These contemporary issues are made increasingly important when considering the results of studies indicating that Australian manager’s lack the leadership skills that are being advocated as required to empower employees. Australian managers have been criticised for their lack of commitment to people management issues and innovation. Their autocratic style of management is of particular concern given the findings that Australian employees are highly motivated when the leadership style in non-autocratic, communicative and caring.

The question is how to guide industry leaders into developing the appropriate leadership strategies and understanding the required employee behaviour changes. A theoretical model is needed to provide a guide on:
What actual leadership behaviours and strategies are required in a practical situation to supervise the empowering process?

What the empowered behaviour actually looks like to know that they are succeeding?

What is the relationship between the leadership strategies and employee empowerment, i.e., how do leadership practices assist in empowering the workforce?

The next section indicates that the situation is more serious for Australian industry. The review of the theoretical literature identifies that none can be adapted to address the questions raised above.
2.3 Theoretical Foundations Of TQM

2.3.1 Introduction

The aim of Section 2.3 is to argue that today there is no theoretical model that would provide the framework to investigate the questions raised in the previous section. The major concern with the TQM discipline itself is that it has no widely recognised theoretical framework. The national quality awards or their derivatives are usually accepted as theoretical models. The lack of a theoretical foundation was tenable during the highly successful evolution of TQM up until the 1980's. This allowed TQM thinking to develop in isolation from other theoretical disciplines. With the consideration of the “soft” or human resource issues in TQM, as distinct from system issues, other theoretical disciplines began to incorporate TQM concepts in their development. The list of theoretical disciplines merging with TQM is outlined in Section 2.2.1.2.

This Section considers the three principle disciplines merging with TQM, their principle contributions to TQM thinking and the current status of theory development. The disciplines are:

- Empowerment
- Learning Organisations
- Cultural Change (1990's interpretation).

A fourth theory merging with TQM titled Transformational Leadership will be discussed in Section 2.4 which reviews leadership theories.

A summary of the common major concerns with the theories reviewed in this Section is outlined below. Firstly each of theoretical disciplines merging with TQM have evolved independently of each other. This is evident by the fact that up to the late 1980's the practices and programs of each field did not take into account the significant development and research of each other (Bass and Avolio, 1994). For example TQM first appeared in culture “data bases” in 1989. Up to that time the culture literature ignored TQM (Lewis, 1996).

Secondly each of the related disciplines had to consider TQM due to advances and popularity of the quality movement. Each discipline however provided its own interpretation based on their area of interest. Adding to the complexity is that the disciplines merging with TQM are in themselves at an evolutionary stage and not well understood. (Conger and Kanungo, 1988). The disciplines are also without agreed theoretical basis and are therefore without boundaries in their definitions and considerations.

Finally none of the disciplines have been well researched, particularly in workplace settings and largely rely on anecdotal evidence. The data that is presented to develop and support the theories put forward would by most scientific standards not be admissible knowledge or valid evidence.

The four disciplines will be reviewed separately. The review will show why the models are unsuitable as a framework for the current study.

2.3.2 Empowerment and TQM

The review of the theoretical domain of Empowerment will identify the discipline’s lack of definition, immaturity of theoretical development and limited consideration of its relationship with leadership behaviour.

2.3.2.1 Definitions of Empowerment

A review of the literature on empowerment identified that there was no agreed definition. (Thomas and Velthouse, 1990; Wallace, 1993). The concept has been criticised for being vague (Bowen and Lawler, 1992) confusing and contradictory and ill defined (Vogt and Murrell, 1990;
Conger and Kanugo, 1988). Many articles on empowerment do not define the concept and rely on descriptions of empowered individuals or organisation (Macher, 1988; Nixon, 1994) or identify management behaviours and environment conditions leading to empowerment (Bowen and Lawler, 1992).

Vogt and Murrell (1990 described the status of empowerment research p 6) as “Empowerment today is still in a embryonic state; much of what exists is theoretical and has not been empirically confirmed.”

The definitions of empowerment vary dependent on the following factors.

Firstly the theoretical discipline within which it is being discussed. That is, management (Likert, 1977), leadership for organisation effectiveness (Bennis & Nanus, 1985; Kanter 1979; McClelland, 1979), transformational leadership (Bass and Avolio, 1990), psychology (Bandura, 1977), learning organisations (Kanter, 1977), human resource management (Neilsen, 1986; Lawler, 1992), power and control in organisations (Kanter, 1979; Tannenbaum, 1968), group development and maintenance (Becker, 1969),

The sharing of power forms the basis of most of definitions of empowerment relevant to organisational effectiveness. (Ellsworth, 1989; Josefowtizm, 1980; Kanter, 1977; Kjervik, 1990; Puetz, 1988; Stuart, 1986; Swanson, 1973). This is usually viewed in the context of decentralisation of decision making (Burke, 1986; Kanter, 1983). Burke’s (1986; p51) position is representative: “To empower, implies the granting of power, delegation of authority”. The Miriam Webster’s Dictionary similarly describes the verb to empower as “to authorise or delegate or give legal power to someone.”

Secondly the definition varies depending on the perceived relationship to other variables which are usually discipline specific. For example, the sharing of power or delegated authority in the management literature commonly dealt with issues of participative management. It is therefore common for empowerment to be equated with employee participation (Eden, 1984; Locke & Schweiger, 1979; McGregor, 1960; Schlesinger & Heskett, 1991).

The third reason concerns the context of empowerment. For example, the individual or the organisation. The vast majority of empowerment related definitions in the quality area refer only to empowerment of the entire workforce i.e. organisation (Conger & Kanungo, 1988). On the other hand the majority of psychology related definitions relate empowerment to the individual (Bandura, 1977).

Associated with the array of definitions is the endless list of possible leadership practices that are identified as empowering (Burke, 1986; Block, 1987; Kanter, 1977).

2.3.2.2 Models Combining Leadership and Empowerment

The leadership for empowerment models can be categorised into three groups. Firstly those focusing on the required leadership practices while ignoring employee behaviour changes. Secondly, those that focus on employee behaviour changes while ignoring the required leadership strategies. Finally there are models that have attempted to address both aspects of empowerment. Brief descriptions of the three groups are outlined below.

2.3.2.2.1 Required Leadership Practices For Empowerment

Similar to many approaches to TQM, models considering leadership practices for empowerment typically propose a formula of leadership practices required for success. However, the models have not agreed on a set of leadership techniques that foster empowerment. For example Tibbett (1993) describes empowerment within five conceptional components. Bennis and Nanus (1995) identified the attributes of empowering leaders to be replicated. Sinclair & Collins (1994) has criticised many leadership prescriptions for creating an empowered workforce as being far too
simplistic. They identify a number of fundamental leadership issues that need to be addressed in any approach towards empowerment. None of these prescriptions consider the measurement of empowerment from the behaviour of employees.

A range of leadership for empowerment models focus on leadership from a strategic change perspective (Murrell, 1985; Vogt & Murrell, 1990; Waldman, 1994). The difficulty with these models is their formula based approach has never been tested. These theories commonly refer to the interplay between social and technical aspects of a work system (Cherns, 1986). These include interpersonal, organisational and technical factors (Blumberg & Pringle, 1982; Lofquist & Dawes, 1969).

Oldham, Hackman and Pearce (1976) reviewed the literature on leadership for empowerment in an attempt to group required leadership strategies. The results were a set of leadership strategies across the following dimensions:

- Personal rewards and punishment (Adam, 1972; Jablonsky & De Vries, 1972; Nord, 1969; Kennedy & Willcott, 1964)
- Setting goals for the subordinate (Carroll & Tosi, 1969; Lawrence & Smith, 1955; Locke, 1979; Meyer, Kay & French, 1965)
- Designing feedback systems concerning performance (Bilodeau and Bilodeau, 1961; Vroom, 1964)
- Placing existing personnel in challenging positions which satisfies employees need for growth (Betz, 1966; Smelser, 1961; Turner and Lawrence, 1965).

The conclusion on all these leadership for empowerment models is that they are unable to provide a framework for the present model as they focused on leadership strategies rather than giving equal consideration to the end product or behaviour of an empowered individual. How will the leader know when the workforce has become empowered?

2.3.2.2.2 Motivational Models of Empowerment
There are two notable motivational models of empowerment. The key feature of these models is that they tried to explain the mechanisms behind why people felt empowered and the behavioural characteristics of an empowered person. Unfortunately both models suffer the same criticism as all of the motivational models, that is, the lack of concern on what leadership factors motivate subordinates (Carson, Carson, Knight, Roe, 1995).

Conger & Kanungo (1988) proposed the first model. Their model was the first to identify empowerment in terms of a motivational process in workers. The model focused on employee behaviour changes, which increased workers feelings of self efficacy or competency. This resulted in “initiation and persistence in subordinates task behaviour” (p. 476). The model identified empowerment in five stages and is outlined in Appendix 3.

An integral component of the model was the adaptation from psychology of the mechanism by which individuals receive self efficacy information. It was based on Bandura’s (1977) model of self efficacy or competency. Bandura’s original model was designed for therapeutic interventions, principally phobias. Bandura (1977, 1988) identified four principle means by which individuals interpret information which in turn influences their assessment of their own self efficacy or competency. The information is received through interactive attainment, (ie personal mastery), vicarious experience of observing others, verbal persuasions and emotional arousal. The model has not been tested outside therapeutic setting. Considerable research has been undertaken on self referent thought as espoused by Bandura in psychological functioning. There is no known published literature validating the Bandura model to group situations.
Thomas & Velthouse (1990) expanded on the previous model by identifying empowerment within a type of motivation referred to as intrinsic task motivation. They were critical of Conger and Kanungo (1986) in that self efficacy may be a necessary but not sufficient condition to produce intrinsic motivation. Workers may feel competent but lack the drive or incentive to complete the task. In addition, the former model ignored individual’s judgment regarding personal efficacy. Thomas & Velthouse (1990) extended the cognitions outlined by Bandura applying factors influencing individual assessment of tasks (Appendix 4). They are competency, impact, meaningfulness and choice. The model was limited to individuals assessing tasks and did not focus on generalisations across tasks.

The end result or behaviour resulting from both the Conger and Kanungo (1988) and Thomas and Velthouse (1990) model is the initiation, and high effort placed in completing tasks and persistence in the face of obstacles. The Thomas and Velthouse (1990) model also identified that individuals may not only work in the absence of close supervision but may also demonstrate flexibility in controlling their own task accomplishment; initiate new tasks as problems or opportunities arise and sustain motivation in the face of obstacles or ambiguity.

Thomas & Velthouse (1990; p679) identify their own model’s shortcoming. “The issue of how to provide such changes has been relatively unexamined in the organisational empowerment literature.” They suggest that one approach may be through the “alignment of organisational processes and structures to consistently enhance individuals task assessments.” There is no known published literature verifying the Thomas & Velthouse (1990) model.

2.3.2.2.3 Leadership and empowerment models.
Three studies considered both leadership and empowerment. None of the studies reviewed the work of the others. Hayes (1994) conducted research while Vogt and Murrell (1990) and Bowen and Lawler (1995) describe theoretical models that have not been tested. Each model will be described below.

Hayes (1994 p96) conducted the only research study that has attempted to consider leadership and empowerment in a TQM environment. The definition of empowerment used by Hayes was that related to the Baldrige Criteria in the United States Quality Awards. Empowerment was the “Enhanced employee authority to act... such as when quality standards can be compromised.”

The study found that employees who scored high in empowerment also scored high in job satisfaction, the extent the employee feels valued within the organisation, the importance and variety of their task, and believed they participated in decision making. In addition, those who reported that their supervisors were committed to quality also scored high on the amount of task feedback they received and reported higher levels of job satisfaction compared to those who reported their immediate supervisor was not committed to quality.

The study concluded that empowerment may not relate to the behaviour of management but rather job design. Jobs that provide more autonomy, have more task variety and are perceived as important might result in feelings of empowerment. The study found no correlation between feelings of empowerment and task feedback, task identity (completes entire piece of work), co-workers commitment to quality, job stress or employee’s intention to quit. In a second study, supervisors had higher empowerment scores than non-supervisors. Length of company tenure did not significantly predict empowerment scores.

The difficulty with the Hayes (1994) study was that the design of the scales may be invalid due to attribution error. The employees could be attributing positive leadership behaviours because it is a desired state rather than a reflection of the reality of the situation.

The Vogt and Murrell (1990) model is unique in that it identifies that an individual may have varying contexts of empowerment. An individual can be viewed as an individual, as a member
of a team, eg, self directed work team, and as a member of an organisation. The model also departs from previous models as it introduces a new concept that teams may actually be the vehicle to translate individual empowerment to organisational wellbeing.

The pathway from self to the organisational well being as indicated by Vogt & Murrell (1990) is outlined in Figure 4:
FIGURE 4 Process Model of Empowerment

Organisational Culture

Two Way Communication

Trust

Self

Participation

Commitment

Empowered Self

Confidence

Empowered Selves

Teamwork

Organisational Well Being

Quality

This process model recognises that a culture valuing, openness, and a communications process that is multilevel and honest is the critical first stage to empowerment. Communication requires listening, and encouraging everyone’s input. Such a communications system (face to face or system wide) creates the opportunity for each person to express his or her authentic self and to receive feedback that fosters growth and promotes participation.

Individuals must feel valued and respected in an environment of trust to allow for the desire and opportunity for intrinsic motivation to develop (Vogt & Murrell, 1990). This communication chain from trust, to the individual self, and to participation is almost an independent sub system that must itself be carefully tended to maintain a state of personal empowerment.

Part of this empowering process is the forming of a commitment, which is the foundation for interpersonal skill development. There must be a desire for this to occur. It is these skills at enhancing relationships, which will in turn a collection of individuals into a team (Vogt & Murrell, 1990). The team development will only occur if individuals within it have adequate knowledge about the task (competence) and have a strong commitment to using the group to accomplish the task. The process is one of being actualised and actualising.

The model identified that the social needs of people and the needs of personal growth vary in strength among people. Such differences may influence whether individuals seek or resist opportunities to participate in an autonomous work group.

Many of the individual components of the model have been supported by other theorists. Vogt and Murrell were the first to put the individual steps together. For example the importance of trust to encourage intrinsic motivation has been supported in leadership theories focusing on individual consideration (Bass & Avolio, 1985) and individual learning theory (Burgoyne, 1995; Cohen, 1991, Hedberg, 1981; Huber, 1991). Similarly other theorists support the notion that in an environment fostering growth, the individual develops self-confidence and competence (Conger & Kanungo, 1990).

Vogt & Murrell’s model (1985) view teams as mediators between individual and organisational empowerment. The team process allows, encourages and supports the individual actualisation. The empowering process of teams involves three competencies required for individual actualisation. Firstly a trusting environment is required which is made visible in face to face encounters. Trust is the pre-requisite for information sharing. Secondly proactive skills allows issues about work and other organisational relationships to be expressed and dealt with. Finally clarity of purpose and the role of the individual within it is developed. Teams become better at empowering through practice, similar to Argyris and Shon (1978) double-loop learning. Each time team members have a successful experience they become more capable of being successful in the next issue. Furthermore, the self esteem of the group as a whole increases.

Therefore, once the freedom of empowerment is attained, the individual feels an integral part of the system and becomes willing to commit him or herself to group and organisational goals. In such settings interpersonal and group skills, as well as technical expertise and the valuation of each person’s contribution, will produce teamwork, quality outcomes and organisational well being. Such well being might be defined in numerous ways, but the most useful definitions will include not just the traditional criteria of productivity and profitability, but also the kind of human and ethical values that lead to personal and organisational enhancement.

A difficulty with the model is that the leadership and empowerment behaviours listed appear endless. For example Murrell (1985) identifies the “empowerment behaviours related to the self” in the following list:

- Knowledge about how people and systems develop and how one’s own development fits within this developmental orientation
• Knowledge about empowerment and its implications and applications for self and the organisation
• Self awareness
• Ability to take risks and a willingness to do so
• Interpersonal communications skills
• Ability to listen
• Knowledge about the organisations operations.
• Knowledge of the organisations environment or context
• Technical competence in terms of ones job and/or role
• Recognition of the relationship between personal self and work
• Leadership / membership skills
• (If an executive manager, supervisor, or project coordinator) Clarity about the roles, functions, tasks and impact of the position and the ability to develop this clarity in others.
• Valuing differences and disagreements (also cross-cultural sensitivity and functional skills).
• Ability to handle ambiguity
• Collaboration and competition; knowing when and where each is important
• Ability to network and valuing of networking
• Conflict and confrontation skills
• Trust in, appreciation of, and ability to develop self and others
• Opportunity to examine ones own ethics and values
• Proactive orientation
• Skills creating meaning and purpose in ambiguous situation
• Ability to renew self or to seek help in doing so.
• Helping skills/perspective, supportive and mentoring skills.
• Ability to attend or to validate others being.
• Patience and perseverance, to see long term potentialities.
• Authenticity in self and relationship with others.
• Ability to transcend zero sums views of power and engage in creating power in self, situations and systems.

The most recent model was put forward by Bowen & Lawler (1992) who makes reference to the application of their empowerment model to the TQM environment. Bowen and Lawler (1992; p73) define empowered work environments “where all employees (not just management) are encouraged to think strategically about their jobs and the business”. Bowen and Lawler emphasis the importance of using multiple management systems to create high involvement organisations. This involves all the structures, practices and policies being focused on employee empowerment.

The key factors required for empowerment is firstly the distribution of power. This involves structures that result in participative management e.g. self managed teams, quality circles, job enrichment. Secondly information flow is required involving companies disseminating information by sharing customer expectations and feedback and financial information. Third knowledge is a key component. Employees need to know about the business goals and objectives as well as the full-service delivery process of which they are a part. Finally rewards are required throughout the organisation. Service firms should allocate rewards based on how effectively employees use information, knowledge, and power to improve service quality and the company’s financial performance. Rewards can be stock options, profit-sharing plans, gain sharing, and other plans that tie employee’s financial rewards to the organisation’s success.

The model proposed by Bowen and Lawler (1992) is presented as an equation i.e. empowerment = power x information x knowledge x rewards. A multiplication sign, rather than a plus,
indicates that if any of the four elements is zero, nothing happens to redistribute that ingredient, and empowerment will be zero. The formula reminds managers to avoid the common error of giving employees more discretion (power) but not the necessary support to exercise that discretion wisely.

The empowered state of mind of employees is where they feel more personal control on how to perform the job, more awareness of the business and strategic context in which the job is performed, and more accountability for performance outcomes. The positive outcome for employees is that they feel more satisfied with their jobs and more motivated to perform.

The model has not been tested. The model has a heavy emphasis on leadership strategies rather than empowered state of mind or the linkages between them. There are similarities between the Vogt and Murrell (1990) model and the model proposed by Bowen and Lawler (1992). Both emphasis participative management techniques and for employees to feel competence in performing their jobs.

In conclusion it appears that the leadership for empowerment models and motivational models of empowerment provide limited guidance on how to guide leaders in contemporary TQM. Many of these models offer a formula based approach with no guidance as to how to apply them in a workplace setting. Alternatively the theories have an endless array of leadership strategies or empowerment behaviours that results in confusion as to which are more relevant than others and why. Relatively few have attempted to test their theoretical construct. Part of the difficulty is the lack of acknowledgment in the model’s theoretical development of the work of others. This has restricted theoretical development to leadership or empowerment rather than the interaction between the two.

Attempts have been made to specify leadership strategies (eg Joiner, 1985) to understand employee behaviour (eg Conger & Kanungo, 1988) and to understand the linkages between them. (Hayes, 1994). Research is yet to provide a framework on the interaction between leadership and empowerment. How will managers know whether their leadership strategies are empowering the workforce? Similarly how will leaders know when their strategies are succeeding?

2.3.3 Learning Organisations and Total Quality Management

The contribution Learning Organisation Theory has had on TQM is its acknowledgment that adaptability to continuous change is based on the principle of organisational learning.

2.3.3.1 Definitions Of A Learning Organisation

There is no agreed definition of a learning organisation. Definitions include:

Organisational learning has been defined in terms of processes that enable the organisation to develop through the learning of its members and through the integration of that learning into appropriate organisational systems, structures, routines and culture (Crossan, Lane & Hildebrand, 1993; Burgoyne, 1995).

An organisation growing in knowledge of itself and its environment and applying that knowledge to improve its performance (Adler & Docherty, 1995).

Organisational learning requires the development of appropriate action skills so the organisation can increase its capacity to innovate and be creative (Normann, 1985; Senge, 1990).

An entity learns if, through its processing of information, the range of its potential behaviours is changed (Huber, 1991).

Organisations are seen as learning by encoding inferences from history into routines that guide behaviour (Levitt 1975).
Learning organisations have demonstrated the ability to continuously improve their products, services, and financial results and to change them as required by the actual and anticipated demands of the market place.

True learning organisations are, by definition, change organisations. (Sennet 1993).

2.3.3.2 Similarities Between TQM And A Learning Organisation

The literature often refers to the similarities between TQM and learning organisations. Both emphasis, implementation of continuous improvement (McManus, 1991), offer an ingredient to attain customer loyalty use systems thinking and are a result of a linear development effort. Senge and others however disagree with the similarities. They view a learning organisation as the next step after TQM (Senge, 1990). Senge (1990; p61) “I believe that the quality movement as we have known it up to now in the United States, is in fact the first wave in building “learning organisations – organisations that continually expand their ability to shape the future”.

Senge (1990) describes the evolution of learning organisation as a series of waves. The first wave was when managers championed continual improvement and removed impediments that disempowered workers (e.g., unnecessary bureaucracy). The first wave also supported new practices such as quality training that drives process improvement. The second wave of quality focus shifts from improving work processes to improving how we work – fostering ways of thinking and interacting conducive to continual learning about the dynamic, complex, conflicting issues that determine system wide performances. In the second wave, the primary focus of change is the managers themselves. Japan introduced the second wave with mass deployment of quality tools. These two waves gradually merge into a third, in which learning becomes institutionalised as an inescapable way of life for managers and workers alike.

The principle criticism of the literature on learning organisations is that it is highly descriptive of desirable states but is lacking in providing guidance on the processes for achieving those states. The question remains what actions need to be taken by leaders to provide effective learning experiences. Garvin (1993; p 78) summarises the literature on learning organisations as “despite the encouraging signs, the topic in large part remains murky, confused and difficult to penetrate”. Questions raised by Garvin (1993; p 79) are “will managers know when their companies have become learning organisations? What concrete changes in behaviour are required? What policies and programs must be in place? How do you get from here to there?”

2.3.3.3 Learning Organisation And The Individual.

The literature on learning organisation focuses on the growth of individuals.

“The person who figures out how to harness the collective genius of people in his or her organisation is going to blow the competition away.” (Wriston cited in Senge, 1990). Senge (1990; p1) stresses the importance of intrinsic motivation.

“The prevailing systems of management has destroyed our people. People are born with intrinsic motivation, self esteem, dignity, curiosity to learn, joy in learning. The forces of destruction being with the toddlers – a prize for the best Halloween customer, grades in school, gold stars – and on up through the university. On the job, divisions are ranked – reward for the one at the top, punishment for the one at the bottom”.

Senge (1990) is critical on the extrinsic motivation of western business. It predisposes that people only modify their behaviours when there is some external motivation to do so. Intrinsically motivated people will naturally look for ways to do things better. That is, they are committed to continuous improvement.
The difficulty with the focus on individual is his lack of definition of the intrinsic motivational construct. A shortfall of the work by Senge (1990) is that in his focus on the individual there is a lack of emphasis on individual learning. Senge also ignores the fact that adult learning has been found to be dependent on interests in resolving relevant problems and on individual learning styles (Kolb, 1984).

2.3.4 Culture and Total Quality Management

Much of the literature on organisational culture and the performance of a firm can be interpreted as suggested that culture can have significant positive economic value for a firm (Akin & Hopelain, 1986; Deal & Kennedy, 1982; Dennison, 1989; Vaill, 1984; Stevenson & Gumpert, 1985; Ouchi, 1981). Corporate culture and its influence on business performance has led to a renewal in the interest of culture that is taking the theoretical construct out of its existing discipline to the management literature. Examples of these modern day classics include: William Ouchi’s — Theory Z; Thomas J Peters & Robert H Waterman” — In Search of Excellence; Richard, Pascale & Anthony Athos’ — The Art of Japanese Management; Terrence Deal & Alan Kennedy’s — Corporate Cultures; and Rosabeth Kanter’s — The Change Masters.

One of the principle reasons given for the failure of TQM in the 1980’s is the belief that culture of organisations was not an important consideration to the implementation of TQM. (David, 1984; Tichy, 1983; Weick, 1982). This is contrasted to the 1990’s literature which considers the creation of a total quality culture (Dale & Cooper, 1992; Sashkin and Kiser, 1993; Sinclair & Collins, 1994; Smith et al., 1994) and the need to consider the culture of the organisation as the context for introducing change (Bass & Avolio, 1994; Critchley 1992; Offerman & Gowing, 1990; Saunders & Preston, 1994).

Sinclair and Collins (1994; p 210) indicated the need to change the emphasis in the TQM movement: “By introducing a more pluralistic perspective and one which sees culture as problematic with norms, attitudes, behaviours and beliefs not being under the full control of management we are faced with a much more complex and volatile situation which correspondingly calls for a more informed and realistic approach to TQM and its implications for companies seeking to become TQM organisations.” Dale & Cooper (1992) supported this premise.

Saunders and Preston (1994) argue that it is necessary to study, ensure and make use of the existing culture in order to implement TQM. The organisational culture unveils what the organisational members understand by quality and how this quality is accomplished and implicitly “controlled”. Perceiving the concept of quality in this way elaborates on the findings of Garvin (1988), who stresses the importance of the use of different definitions of quality in and between different organisations taking into account cultural differences. Shadur (1995) argues that culture based interventions are more fragile and difficult to implement on a permanent basis than standards based systems, and can be better used in a supporting role to structural changes.

2.3.4.1 Definition Of Culture

The importance of managing culture is well recognised however the difficulty is in defining the culture paradigm. “Few concepts in organisational theory have as many different and competing definitions as “organisational culture” (Barney, 1985). Smircich (1983) cited five classes of definitions in her review of the literature on organisational cultures. A comprehensive review of the concept of culture in the early literature contained 164 definitions (Kroeber and Kluchhohn, 1952). Siehl and Martin (1983) identifies the principle attribute of all the definitions of culture as vagueness. The conclusion is that if it cannot be defined it cannot be imitated (Barley, 1983; Berger & Luckman, 1967; Clarke, 1970; Gregory, 1983; Lippman & Rumelt, 1982; Stinchrombe, 1965; Zucker, 1977).
2.3.4.2 Formula Based Approach To Culture

The principle criticism on the literature on leadership and culture is that it implies that organisational culture is “controllable” i.e. to be used as another management tool (Athos and Pascale, 1981 in Quinn et al., 1988; Deal and Kennedy, 1982; Kilmann et al., 1985; Lundberg, 1985; Peters and Waterman, 1982). Gordon, Martin and Baker in Kilmann et al (1985) actually states that “culture is a controllable variable” (p 423) and that “managing corporate cultures is now possible” (p 431).

The difficulty is the volume of studies outlining the formula for successful cultural change. These studies usually identified a number of “steps” to follow. For example: Allen and Kraft (1984) in their normative systems approach to organisational change, list four interlocking and over-lapping steps and their ideas were later taken up by Allen and Kraft (1984). Tichy (1992) see culture as one of three problem areas (technical political culture - TPC) that require continuous attention and lists seven ways of bringing about change strategically, keeping the three strands of the TPS theory together. Kanter (1983 a,b) details five “building blocks” of change in a later article (Kanter, 1989) lists seven “tried and true” approaches to promote synergy and cooperation.

Davis (1982) takes a theoretical approach to culture change, referring to it as the “management of context” and later (1984a, b) draws attention to ten pitfalls that managers need to diagnose, prevent and correct. Deal and Kennedy (1982) devote a whole chapter to advice on changing culture. Peters and Waterman (1982) describe eight attributes of “excellent” companies to serve as models for change. Koch and Steinhauser (1983) explain their views on how corporate culture can be changed using computer information systems. Albert (1985) suggests culture should be developed through an organisation’s human resources system and later (1987) suggests the use of case stories.

Lundberg (1985; 1989) constructs a cyclic organisational learning process developed from a broad base of three phases of action planning mapped against four levels of cultural meaning. Gagliardi (1986) provides conceptual framework for understanding cultural change as an incremental process, where new values are simply different from, but do not conflict with the old values. Kleiner and Corrigan (1989) and Poupart and Hobbs (1989) give advice on culture change according to the type of culture already in existence and the type of culture desired.

Thomas and Stickland (1983) recommend four steps to create a future “which is fully harmonized with the strategic plan.” Utal (1983:p 385) “lists the CEO’s change agenda.” Albert and Silverman (1984a, b, c) adopt Lewin’s (1951) three-stage plan of “unfreezing, changing and re-freezing”, Buckley and Perkin (1983) present of seven-stage transition cycle and state that a fully integrated process requires an organisation to move through all seven stages sequentially. (Kilmann, 1984, 1989) prescribes a five stage plan that he says goes beyond the “quick fix”.

2.3.4.3 Strong Culture Theories

The literature has narrowed the focus on culture theory by linking culture and performance. Strong cultures have been related to improved performance and organisational success (Deal & Kennedy, 1982; Peters & Waterman, 1982; Pascale & Athos, 1979; Ouchi, 1981; Tichy, 1983; Sathe, 1983). The same firms that are used as examples of successful organisations applying TQM principles are also used by cultural theorists as displaying strong cultures (eg IBM, Hewlett Packard, Proctor and Gamble, Disneyland, McDonalds). Many articles examining the success of Japanese companies in TQM infer strong cultural conditions as the principle reason for success (Cole, 1979). The culture related literature also points to firms with strong cultures as reason for their competitive success (Deal & Kennedy, 1982; Peters & Waterman, 1982; Tichy, 1983). Mechanisms for modifying the cultures of other firms to approximate closely the cultures of successful firms have also been proposed (Tichy, 1983; Quinn, 1980).
Strong cultures have been defined as homogeneous (Ouchi & Price, 1978), stable and more intense (Schein, 1984), thick and widely shared (Sathe, 1983), cohesive and tight knit (Deal & Kennedy, 1983). They are characterised by congruent rule-based expectations highly differentiated (Schein, 1985), and coherent (Weick, 1982). A strong culture has distinctive traits, particular value beliefs and shared behaviour patterns (Safford, 1988).

The presence of a strong humanistic culture has been tied by implication, if not firm empirical evidence, to increase productivity or profitability (Ouchi, 1981; Pascale & Athos, 1979). Sathe (1983) identifies five areas in which culture increases organisational efficiency – communication, cooperation, commitment, decision making and implementation. The strong culture hypothesis proposes that positive cultural traits will boost performance proportional to the strength of their manifestation.

The mechanism through which strong cultures increase productivity has been attributed to cultures offering a shared interpretation of organisational events, so that members know how they are expected to behave (e.g., Clark, 1970; Edelman, 1977; Hampden & Turner, 1990; Ouchi, 1980; Selznick, 1957; Sproull, 1979, Wilkins, 1978). Weak cultures do not determine the actions of organisational members (Smith & Kleiner, 1987).

Strong culture firms are said to generate an almost intangible social force field of energy that “empowers” employees and drives the organisation toward superior performance. Strongly shared values have been connected with commitment, self-confidence, ethical behaviour and reduction of job stress. Values shared among employees provide for the integration of individuals into the work setting (Ouchi, 1981; Wilkins, 1988). If people in a culture shared beliefs and values, there is a greater degree of commitment (Ouchi, 1981).

The largest criticism of strong culture theory is provided by Meek (1988) who argues against the body of literature, which assumes that culture is a unifying force within an organisation or the existence of a universal homogenous culture. Meek (1988: p 458). states that these theories of culture rest on the premise of the norms, value and beliefs or organisational members are factors that create consensus, predict behaviour and create unity. He believes that this leads to conclusions that are: “little more than statements about management’s responsibility to reward positive behaviour and attitudes. to foster the self-esteem and self-confidence or organisations members; to encourage allegiance to organisational goals and missions; to inform members of the need for change when it arises and to create a feeling of esprit de corps within the organisation.”

Meek (p 459) feels strongly about the role of leaders in culture creation. “Most anthropologists would find the idea that leaders create culture preposterous. Leaders do not create culture, it emerges from the collective social interaction of groups and communities.” Corporate success is dependent far more upon external environmental influences and the vagaries of the market place than on internal, or interpersonal dynamics. More importantly the assumption that a corporate culture can be created so as to unite members for the effective and efficient attainment of corporate goals flies in the fact of almost everyone’s experience of organisational life (Gregory, 1988 in Meek, 1988).

2.3.5 Conclusion To The Theoretical Approach To TQM

The immature status of theoretical development of TQM and merging disciplines makes research advances difficult. All of the theories outlined in this chapter have similar criticisms. All the theories are vague and do not have agreed definitions or boundaries. This results in the lack of differentiation between theories presented in the current section. By not considering theories of a similar nature during their development they have actually failed to address many of the criticisms surrounding them. Given that all the theories are very general in nature and struggle to find clear testable propositions raises the question whether they are theories at all? They may just be a list of leadership or empowerment traits.
The greatest frustration with the theories presented in this section is that they are very weak in application to day to day management. They offer a formula based approach that has not been tested in a workplace setting. The theories individually may partly explain what leadership attributes are important, and may provide partial explanation as to why they are important but offer no practical advice on implementation. Questions remain as to what are the behavioural characteristics of employees in this new environment, what leadership characteristics contribute to these behavioural characteristics and what is the relationship between leadership characteristics and employee behaviours.

The question arises whether leadership theories may assist in understanding the nature of leadership and empowerment. Leadership theories that consider motivation as their key construct are considered in the next Section.
2.4 Theories Of Leadership

2.4.1 Introduction

The aim of Section 2.4 is to show, through an analysis of leadership theory, that there is today no acceptable theory of leadership that would provide a framework to answer the questions raised in the current research. The section will commence by summarising the reviews on leadership (e.g. McGrath, 1964; Miner 1979; Yuckl, 1989). Their consistency is that they have all emphasised the lack of an acceptable definition, the conceptual disarray, and methodological ambiguity surrounding the construct.

The Section considers the principal leadership theories focusing on human growth and development and highlights their individual inadequacies. Only a brief statement on the intent of each theory is provided. A detailed description of each theory is provided in the Appendices. The focus of this section is to argue the theories inadequacies as a framework for the current research. The general criticisms in the methodology of data collection and theory development will follow.

The conclusion drawn to the review is that the narrow focus of theory development only allows the consideration of what leadership behaviours are recommended, without sufficient detailed explanation of why they are important and the anticipated employee behaviour changes resulting from the improved leadership style. Collectively the theories do not have sufficient explanatory power to be able to translate the theories into different settings.

The Section identifies that a new approach to leadership theory development is required which gives consideration to the nature of leadership as a social process, its determinants, and its consequences. Understanding the nature of leadership will:

- assist in determining what leadership variables should be included or excluded from a workplace setting.

- assist in determining the characteristics of subordinate behaviour changes, eg competence, resulting from the improved leadership style.

- an understanding of subordinate characteristics will then focus leadership research into considering what other determinants besides leadership may influence the subordinate behaviour change.

The argument is put forward that the answers will only be achieved by the measurement of leadership and subordinate behaviour in a single study.

2.4.2 Definition Of Leadership

There is no consensus on the definition of leadership. Stoghill (1972) concluded, "there are almost as many definitions of leadership as there are persons who have attempted to define the concept" (p 259). Bennis and Nanus (1995; p20) after reviewing the definitions on leadership concluded that they did not want "to further muddle the bewildering mélange of leadership definitions". Smith and Peterson (1988; p 1) cited 451 definitions in their review of leadership theory and research. They warned their readers "Commutatively the chapters delineate the impasse which many researchers on leadership have diagnosed in recent years and which had lead quite a few practitioners to conclude that research into leadership has little to offer them".

Leadership has been defined in terms of group processes, influences, personality, compliance, particular behaviours, persuasion, power, goal achievement, interaction role differentiation, and a combination of two or more of these (Miner, 1979). Many definitions of leadership involve an
influence process but the numerous definitions of leadership that have been proposed appear to have very little else in common. The leadership definitions are different in who exerts influence, purpose of influence attempts and the manner in which influence is exerted (Yukl, 1989). Differences between researchers in their concepts of leadership have lead to differences in the choice of phenomena to investigate and to differences in interpretation of the results.

Many articles on leadership do not define leadership. Rost (1993) conducted a thorough review of the literature on the definition of leadership as distinct from the dictionary definition. These works on leadership were based on books and chapters from books rather than journal articles. Between 1900 and 1989, 221 articles on leadership had a definition. In the same period 366 did not have a definition.

2.4.3 Overview of the Evolution of Leadership Theories

The confusion regarding the definition of “Leadership” extends to the theories of leadership. A difficulty has been the narrow focus of most researchers and the absence of broad theories that integrate findings from the different approaches. Leadership has been studied in different ways depending on the researcher’s conception of leadership and methodological preferences. Warren Bennis (1985; p 259) stated that “of all the hazy and confounding areas in social psychology leadership theory undoubtedly contends for the top nomination and ironically probably more has been written and less known about leadership than about any other topic in the behavioural sciences “.

Most reviews of research on leadership, such as Yuckl (1989) have taken pains to point out that we have yet to produce an acceptable theory. After making an extensive review of 3,000 leadership studies, Stogdill (1972:p 7) concluded, “the endless accumulation of empirical data has not produced an indicated understanding of leadership”. Bennis & Nanus (1985; p4) wrote, “thousands of empirical investigations of leadership have been conducted in the last seventy-five years alone, but no clear and unequivocal understanding exists as to what distinguishes leaders from non-leaders”. Perrow (1992;p86) has bluntly stated, “The history of research in this area is one of progressive disenchantment”.

Mintzberg (1983; p250) made the following comments on the state of leadership literature.

“When I first looked at the literature in the mid 1960’s I was frankly appalled. Traits persuade fruitlessly for decades consideration and initiating structure being discredited and so on. And what has changed since the 1960’s? Every theory that has since come into vogue and I shall not name them for fear of losing my friends, has, for me, fallen with a full thud. None that I think of has ever touched a central nerve of leadership”. He goes on to say “even the titles of the theories, new no less than old, reveal the nature of their content. Plodding and detached. Since the beginning there seem to have been a steady convergence on the peripheral at best and all too often on the trivial and irrelevant.”

Pfeffer (1977) wrote an article entitled “The Ambiguity of Leadership” which spoke of the leader primarily as a symbol implying the actual leader performance was of little consequence. Miner (1979) suggested that we should give up and abandon the concept of leadership altogether.

Leadership theories can be grouped into four categories each with a distinct orientation around the type of question investigated. These categories are listed in Table 4.

It was initially believed that effective leaders could be identified on the basis of their traits, such as personality or intelligence. The next phase of research activity, after World War II, focused on identifying the behaviour that made leaders effective. Both these implicitly endorsed a “great man” (sic) notion of leadership. In the late sixties and early seventies, researchers moved to more complex contingency models that suggested the appropriateness, and thus effectiveness, of different behaviour varied according
to a range of other factors, such as task characteristics, or the ability and skills of subordinates. More recently, charismatic and transformational leadership approach which emphasis influencing followers and often turning poor organisational performance around, have become predominant. To an extent these reflect a partial return to the trait approaches.
### TABLE 4. Evolution Of Leadership Theory

#### Period 1. Great Man and Trait Theories

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<th>Trait Theories</th>
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<td>*</td>
<td>Galton, 1969</td>
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<td>Bass, 1981; Kotter, 1982; Boyatzis, 1987; Miner, 1979; Morrison, White, &amp; Volser, 1987; Shetty &amp; Ross, 1983; Yukl, 1989;</td>
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#### Period 2. Human Growth and Development Theories

| Employee Centered | Likert, 1961, 1967 |
| Theory X & Y | McGregor, 1960, 1966 |
| Action Theory | Argyris, 1964; Argyris & Schon, 1974; |
| Consultative Theory | Carey, 1967 |
| Expectancy theory | Vroom, 1964 |

#### Period 3. Contingency Theories

| Contingency Theory | Chemers & Maher, 1976; Fielder, 1967; Fielder, Chemers & Maher, 1976; |
| Path Goal Theory | Evans, 1986; House & Mitchell, 1974; Indik, 1986; |
| Leader Member Exchange Theory | Coach & Yetton, 1987; Dansewreau, Graen & Herga, 1975; Scandura & Graen, 1984; Vecchis & Gobdev, 1984; Waka Bayaski & Graen, 1984 |
| Follower Maturity | Blanchard, 1989 |

#### Period 4. Transformational Leadership Theories

| Charismatic Leadership | Bass, 1985; Conger & Kanungo, 1987; House, 1977 |
| Transformational Leadership | Bass, 1985; Bass & Avolio, 1990; Burns, 1978; |
| Augmentation Model | Bass and Avolio, 1990 |
2.4.4 Human Growth and Development Theories

2.4.4.1 Introduction

Human growth and development theories in the 1960’s (Argyris, 1965; Likert, 1967; Maslow, 1960; McGregor, 1960) were the first set of motivational theories which focused on the personality growth of the individual. These theories were developed from questionable foundations. The development of the individual in these theories was largely based on Maslow’s (1970) hierarchy of needs which itself has been heavily criticised (Brockett, 1988; Richie and Miles, 1970). Human growth and development theories were also consistent in their premise that participative management was critical for employees to reach their full potential. The difficulty was the lack of theoretical and operation definition of participation (Locke & Schweiger, 1979; Locke et al., 1986; Strauss, 1982).

The chapter outlines the criticism surrounding the common human growth and development theories (Arroyo and Schon, 1974; Blake & Mounton, 1964; House, 1971; Likert, 1967; McGregor, 1966; Ouchi, 1981). It is argued that these theories and their modern counterparts (e.g. Campbell, 1990) have little practical utility as they are over simplistic, and ignore organisational or environmental issues that support participation. Often these factors are assumed to be held constant in experimental design (Dobbins, Cardy, Carson, 1991). Furthermore, human growth and development theories do not actively measure employee motivation as an output variable, ignore meaningful utilisation of subordinate capabilities (Locke & Schweiger, 1979; Richie & Miles, 1970) and do not acknowledge the importance of individual differences (Kerr & Jernier, 1978).

2.4.4.2 Maslow - Hierarchy of Need Theory

Maslow’s (1960) hierarchy of needs are organised into a hierarchy of relative prepotency. Once a lower level need is gratified then a higher level need emerges and dominates the person. The base needs commence at the physiological level, followed by safety needs and social needs. The ultimate goal is the satisfaction of esteem needs and self actualisation. Satisfied needs no longer serve to motivate the individual.

The model has been criticised for being over simplistic (Alderfer, 1969). Many individuals seem to be required to work on all these levels in the hierarchy at the same time. Also, the identified needs may be related in some way and seem to be dependent, rather than independent as was claimed. Maslow’s theory has been tested many times and its critics have highlighted the fact that some individuals will focus on one need satisfaction at the cost of the others, i.e. some monks may focus on high ideals, yet lead reasonably deprived lives physically. Some individuals concentrate on satisfying two or three of the five needs. The influence of the needs may also change in response to the human life cycle, involving different periods in an individual’s life.

A principle concern regarding Maslow’s theory for the current research is that the theory did not provide a clear basis for measuring needs. Furthermore there was no measurement for when needs changed and how these actual changes can be measured. Therefore their effect on individual and group behaviour and performance can never be identified.

2.4.4.3 The Importance of Participation

The Human Growth and Development theories’ key leadership processes were based on the premise of participative management (Argyris, 1964; Likert, 1967; McGregor, 1960). It was believed that participation in decision making by subordinates is an integral part of the leadership style found to be characteristic of effective managers (e.g. Kanter, 1979; Kouzes & Posner, 1988; Peters & Austin, 1985; Peters & Waterman, 1982). The assumptions underlying the importance of participation is described by French, Israel and As (1960:p5): “When management accords the workers participation in any important decision, it implies that workers are intelligent, competent, and valued partners. Thus, participation directly affects such aspects of worker-management relations as the perception of being valued, the perception of common goals, and
co-operation. It satisfies such important social needs as the need for recognition and appreciation and the need for independence."

There is agreement in the human growth and development theories that the principle aim of participation is to mitigate against the negative effects of hierarchy or bureaucracies. (Block 1987, Kanter 1979, Lawler 1992). Bureaucratic control has been associated with negative performance and commitment. (Tichy 1983 Trice and Bever 1993). The degree of participation is often reflected in an Autocratic-Democratic behaviour continuum (Tannenbaum & Schmidt, 1973). At one extreme the leader dictates decisions to subordinates and at the other the leader shares decision making with subordinates.

The difficulty with theories on participation is that there is no agreed definition of “participation” either conceptually or operationally. This has been concluded in the review of participate management by Dachler & Wilpert, (1978); Locke & Schweeyer, (1979) and Strauss, (1982). Contrasting definitions of participation can be identified in French, Israel and As (1960; p130).

Disagreement in the definition of participation is in the form and nature of employee involvement in decision making. The situation is made complex as participation is not a unitary concept but made up of elements, for example, influence, interaction and information sharing (Wall and Lischeron, 1977). Agreement on the total number of elements has not been reached (Cotton et al, 1988). Their lack of agreement has made it difficult to be able to compare research results. Furthermore, Vroom (1960: 10) defined psychological participation as “the amount of influence an individual perceives he has on decision-making”. Thus, Vroom did not consider the actual amount of influence (for example, objective participation) the individual has as crucial but the amount of influence he perceives. Participation as perception has been supported (Fleshman, 1965; Hoffman and Maier, 1959; Patchen, 1970). The reviews of the literature on participation therefore have not concluded on the nature of the phenomenon, its determinant or it’s consequences (Dachler and Wilpert, 1978).

2.4.4.4 Theories on Human Growth and Development

The human growth and development theories seek an instrumental understanding of individuals and their capabilities. They are based on the premise that individuals can be manipulated towards maximum output through appropriate social technologies. Descriptions of the principle theories advocating participation are provided in Appendix 5. They are:

- Argyris - Double Loop Learning (1964)
- McGregor - Theory Y (1966)
- Likert - System 4 (1967)

These theories concentrate on two clusters of leadership behaviour (McGrath, 1964). These clusters have been variously labelled as autocratic, authoritarian, task-oriented, and initiating on the one hand versus democratic, equalitarian, permissive, group-oriented, and considerate on the other. The leader can either take the responsibility for making decisions and for directing the group members (“I make the plans and you carry them out”) or they can, to a greater or lesser extent, share the decision-making and coordinating functions with the members of their group.

Further studies identified the characteristics that differentiated different styles of management based on the two clusters of leadership behaviour identified above. The first and most prominent of these studies were referred to as the Ohio State University studies (Fleshman 1973). These studies provided the foundation for the development of further theories. The Ohio State University studies and one of its derivative the managerial Grid (Blake & Mouton, 1964) are outlined in Appendix 5. A variation to the human growth and development theories was put forward by Vroom (1964). The expectancy theory argues that the strength of a tendency to act in
a certain way will be followed by a given outcome based on the attractiveness of that outcome to the employee. The expectancy theory is also outlined in Appendix 5.

2.4.4.5 Criticism of Human Growth and Development Theories

The human growth and development theories have been criticised as being over simplistic. They have little utility in a workplace setting. The criticisms include:

The autocratic - democratic continuum has been criticised as a highly simple view of a highly complex issue (Dachler & Wilpert, 1978). The theories concentrate their social system to the individual’s actual work related tasks and ignore the broad range of organisational issues in the participatory decision making system (Dobbins, Cardy & Carson, 1991). The majority of human growth and development theories do not question which individual group or organisational conditions support the intended participatory making arrangements. Many of these theories attempt to model work performance by assuming that environmental factors could be held constant either experimentally, statistically or judgmentally. These theories assume increases in productivity as a correlate of individual and group development. There may be other reasons that account for the results other than those outlined by the theory. Furthermore the human growth theories generally gave no insight into how to change the culture of the organisation, only indicating that the culture needed changing.

The theories ignore the fact that the leadership style may vary depending on the complexity of decision making. For example an authoritarian system may be the most effective for the implementation of a simple solution. For complex solutions requiring co-operation between units within the organisation and participative approach may be required (Schein, 1985). The supportive style of management could not be sustained across all situations. Bureaucratic formalisation has been found to positively influence commitment by facilitating job and role clarity. The presence of written rules may help ameliorate ambiguous situations and thereby provide the means to achieve original goals. The presence of formalised rules may also help employees perception of the organisations dependability, a characteristic that has shown to be related to commitment.

Ouchi (1978) is critical of the human growth theories as they suggest membership in groups is an anecdote to hierarchical dependency but offer no explanation as to why the hierarchical form has persisted.

Most of the human growth theories have not consistently been supported by research. Several reviews have attempted to summarise participative research (Cotton, Vollrath, Froggatt, Lengneck-Hall & Jennings, 1988; Miller & Monge, 1986; Wagner & Gooding, 1987). The various reviewers do not agree, and the research evidence is not sufficiently strong and consistent to draw any firm conclusions. Of principal concern to this research is the lack of explanatory basis for why the inconsistencies in results have been obtained. A review by Locke and Schweiger (1979: p 316) reported that with respect to the productivity criterion, there is not a clear trend in favour of participative leadership as compared to more directive styles. Similar conclusions were drawn by Filler, House and Kerr (1976). A number of criticisms of such a conclusion have been aired. For example, Cotton et al. (1988) suggested that such a conclusion is misleading because it ignores conceptual differences between various forms of participation and their relationships with output variables.

Wagner and Gooding’s (1987) reanalysis of the Miller and Monge’s (1986) study using a meta analysis concluded that the evidence substantiating positive participation-outcome relationships may be artifactual. The results may be due to the inflation of effect in percept-percept correlations where data was obtained from the same respondents using the same questionnaire at the same time. Mathieu and Zajac’s (1990) meta analysis on participative decision making and organisational commitment identified that in the majority of studies over 95% of the variance was unaccounted for.
Many of the theories are based on indepth interviews resulting in the lack of comparability between variables across studies. It is unlikely that studies could be replicated. Therefore consistency of results is more apparent than real.

Furthermore to assume all employees desire participation is contradictory to the notion of individual differences (Collins, Ross & Ross, 1991; O’Brian, 1978; Singer, 1974). Studies have found that different professional groups prefer different leadership styles. The human development models often ignore the meaningful utilisation of subordinate capabilities. (Richie & Miles, 1970; Locke & Schweiger, 1979).

The theories ignore the possibility of leadership substitutes or moderators. Kerr & Jermier (1978) summarise some of the difficulties when considering the two clusters of leadership behaviours by identifying a taxonomy of situations which will neutralise each of the leadership behaviours.

There have been significant criticisms regarding the validity of the Ohio State Scales which have served as the foundation for the next generation of human growth and development theories. Studies have found the measures of consideration and structure have a lack of discriminant validity (Schriesheim & Kerr, 1974). Evidence summarised by Schriesheim & Kerr, (1974) suggests all four versions of the Ohio State Scale suffer from content validity problems. Schriesheim & Kerr (1974) identified that the scales generate skewed item response distributions, possibly due to contamination by social desirability, leniency, or halo. The scales contain an inadequate number of reflected (reverse-scored) items, leading to an inability to control for agreement response tendencies (predisposition to respond using only one side of the response scale, regardless of item content). Others have pointed out that the scales have response categories which have been empirically demonstrated to be of unequal intervals (Bass, 1985; Schriesheim & Kerr, 1974). This often leads to data analysis problems and possible erroneous conclusions, particularly when parametric statistical techniques are applied with small samples.

2.4.4.6 Conclusion on human growth and development theories

The human growth and development theories are limited in being able to contribute to the current research, as they are over simplistic. They have little utility in a workplace setting. A major criticism is the separation of micro or macro issues. Human growth and development research is concerned with topics ranging from individual motivation and ability considerations, through leadership and group dynamic issues, to organisational factors and socio-political structures and processes within and between societies. Unfortunately, there are very few indications in the literature that the micro and macro issues are being integrated.

2.4.5 Contingency Theories

2.4.5.1 Introduction

Contingency theories recognise for the first time that leadership was not found in any of the pure unidimensional forms. In essence effective leadership was contingent or dependent on one or more of the factors of behaviour, personality, influence and situation. Contingency theories on leadership identify different factors, such as task requirements or the characteristics, expectations and behaviour of subordinates that can influence leadership behaviour. They focus on determining which factors are most important under a given set of circumstances and predicting the leadership style that will then be most effective. Different assumptions are relaxed in each of the main contingency models. Appendix 6 outlines the key contingency theories. They are:

Fielder; Least Preferred Co-worker
House; Path Goal Theory
2.4.5.2 Criticism of Fielder's Contingency Theory

Fielder's (1964) theory is a trait-contingency model in which the situation determines the effectiveness of the trait of the leader. In respect to the current research the greatest concern with Fielder's Contingency theory is the criticism of the incompleteness of the theory. The theory does not specify either the variables that are excluded by the theory or the logic or procedures to be used to determine whether and when new variables should be added (Vecchio, 1987; Yuckl, 1981).

Furthermore, the theory provides a description of how its variables are expected to interact but fails to explain why these interactions are expected. Ashour (1973, p 375) states "the contingency model merely suggests a set of relationships without offering meaningful explanations of them.....it is not a theory". The theory does not consider subordinate behaviour changes, satisfaction measures or levels of motivation. Without this information the theory has limited practical utility in a workplace setting.

The theory has been criticised for the lack of internal consistency. The testing of the theory often results in the inclusion of additional variables. This has resulted in internal inconsistencies (Kerr 1974; Schreisheim & Kerr, 1977). The lack of external consistency is a further shortcoming of the theory. The theory was built and developed post hoc, with the same studies used to construct it and to provide empirical support for it. Since the theory has developed inductively, being shaped to fit known results, it is impossible for it to conflict with these results (Ashour, 1973).

Research investigations pertaining to the theory have employed different measuring instruments, some of which have been shown to have little convergence. Thus the comparability of these studies is impaired, and the usefulness of combining results (as is sometimes done to support the theory) is limited (Ashour, 1973).

Data offered in support of the theory often fail to meet commonly proposed standards of statistical significance (Ashour, 1973). The measure of leader motivation-orientation, (LPC), has been the subject of continual redefinition, and has inadequately demonstrated construct validity. Furthermore, the current definition of LPC as an indicator of motivational hierarchy is speculative. From this standpoint alone the empirical validity of the Contingency Theory must be considered questionable, since the theory is built entirely around LPC.

The theory has been criticised for the lack of content validity. Several studies have reported clinical analysis (Kerr, 1974:) or empirical (factor-analytic) analysis (Fox, Hill and Guertin, 1973; Shiflett, 1972) which indicates that the LPC scale does contain items which measure task relevant attributes which strongly suggest that the LPC instrument suffers from content validity. The theory has also failed on Test-Retest reliability. (Fox et al 1973, 1976; Stinson and Tracy, 1974). Fox et al was led to conclude that LPC score stability shows "a marked deterioration.....with the passage of time", and that "apparently, a transient rather than durable state is being described" (1973; p 450).

The theory fails to take into account the effects of subordinate performance upon subsequent leader behaviour. This has found to affect LPC scores in particular. A Leader Match Training Program was developed from the model targeting in particular when an error in selection or a mismatch occurs. The training program has been heavily criticised (Jago 1982, Ragan, 1986a,b).

Recently, Fielder reconceptualised the theory to deal with some of the oversights. Recent outside evaluation of the revised model was not supportive (Vecchio, 1990). It is acknowledged (Fiedler, 1993; Yukl, 1978b) that although the findings are promising, they can only be regarded as preliminary at this stage.
2.4.5.3 Criticism of the Path Goal Theory

The Path Goal Theory (Evans, 1970; House, 1973; House and Mitchell, 1974) argues that both high and low initiating structure and consideration can be appropriate depending on the situation. The Path-Goal theory has strong applicability to the current research in that it identifies the importance of leadership as a relationship between the leader and the subordinate. However, recent research on expectancy theories has not provided strong support for this conceptualisation of determinants of employee effort, performance, and satisfaction (House and Mitchell, 1974). Thus, to the extent that expectancies and valencies may not be important determinants of subordinate outcome states, the conceptual underpinnings of Path-Goal Theory are certainly questionable.

Similar to Fielders theory the Path-Goal theory has been criticised for being too general and lacking specification of what variables should be included or excluded from the theory. Osborn (1974;p57) indicates that the theory is not sufficiently operational to provide clear, testable propositions. “The exact dimensions of the subordinates’ environment are not clearly defined. Different aspects of the environment could have differential effects. For example, do tasks routinisation, the clarity of group norms, as well as the nature of formal authority and control systems all have an identical impact on the relationship between leadership and employee satisfaction?.....When could the reduction of uncertainly by the leader yield a condition which might be classified as routine?”

Like most leader-behaviour theories developed during the 1970’s the initial propositions of Path-Goal-Theory (House, 1973) were formulated in terms of broad behaviour categories, therefore, reducing the likelihood of finding strong relationships to criterion variables. Although, some improvements where made in the revision (House and Mitchell 1974), further conceptual refinement is needed.

The theory ignores other variations in subordinate behaviour that may influence leadership style. The path-goal theory focuses on subordinate motivation as the explanation process for the effects of leadership while ignoring other explanatory processes such as leaders influence on task organisation, resource levels and skill levels (Yukl, 1981).

The theory contains several assumptions, which are not wholly consistent with available research. The theory assumes that instrumental leader behaviour and task structure are the major determinants of subordinate role clarity, and highly structured tasks are always less inherently satisfying than less structured tasks. The facts are, however, that: “Task structure and instrumental leader behaviour may not be the only nor the major determinants of role clarity in some instances. For example, in highly bureaucratic, formalised organisations....subordinates may have clear perceptions of their work roles even when task structure....is low. The assumption concerning the inherently dissatisfying nature of highly structured tasks also seems questionable. Recent literature on job enlargement and enrichment indicates that, in fact, some persons are not dissatisfied with highly structured, routine tasks” (Schriesheim and Kerr, 1977, p 14-13).

Yukl (1989) indicated that it would be better to replace instrumental leadership with narrow task oriented behaviours such as clarifying roles, setting specific objectives, giving contingent rewards, planning what work, problem solving and monitoring. As yet, only a few studies have explored this possibility (e.g. Fulk & Wendler, 1982; Yukl & Clemence, 1984).

House (Filley et al., 1976; House & Dessler, 1974) has observed that some studies (Dessler, 1976; House, Burrell & Dessler, cited in Filley et al., 1976) have found complex moderator interactions between task structure and subordinate authoritarianism and that “more than one moderator and more than one kind of leader behaviour (may) interact simultaneously to determine the effects of any given leader behaviour” (Filley et al., 1976, p 261). Thus though the theory has not been shown to be invalid, there seems little doubt that “its predictions.....would be improved by
revising the theory to include more complex interactions of its variables" (Filley et al., 1976, p 261-262).

2.4.5.4 Conclusion On Contingency Theories

The principal concern with contingency theories in contributing to the current research is the failure to isolate critical situational factors that affect leadership effectiveness. Indeed, the number of research studies, articles and books exceeds 5,000 (Bass, 1981) suggesting that consensus on the critical situational factors is still far from being resolved. There is no agreement as to what situational variables are important (Bass, 1981; Howell, Dorfman & Kerr, 1986; Lawrence & Lorsch, 1967; Thompson, 1967). Several approaches to isolating key situational variables have proven more successful than others and as a result, have gained wider recognition. (Howell, Dorfman and Kerr, 1980).

While some Contingency approaches have generated strong empirical support (e.g Jago 1982) and are still heavily utilised in contemporary leadership study, they have substantial drawbacks. They are all very different from one another. All seem to have part of the answer to the leadership puzzle, yet none has all of the answers. Many are too cumbersome for systematic use in day-to-day managerial practice.

The contingency theories generally seem to have limited utility. Except for an important recognition of the interactive nature of the initial leadership eras, there was still little understanding of the nature of the interactions (Lawrence & Lorsch, 1967; Thompson, 1967; Woodward, 1965). The models are often presented not only as competing, but also as mutually exclusive, implying that if one is validated, the others must be wrong. Because most researchers defend one model at the expense of the others, the relative importance of the phenomena they address is inadequately discussed in the literature.

2.4.6 Transformational Leadership Theory

2.4.6.1 Introduction

Transformational leadership began to take prominence in the mid 1980’s when many companies in the USA have acknowledged the need to make major changes in the way things were done in order to survive in the face of increasing economic competition from foreign companies. The transformational leadership style was a catalyst to encourage change (Bass, 1985, ). Given the growth of transformational leadership theory occurred at a period in history similar to the development of TQM in the service industries the theory is often identified as suitable as a framework for TQM.

The contribution transformational leadership has made to TQM is in its emphasis on the leadership style required to succeed in building organisations that are adaptable to continuous change. Bass (1985) reported that the Malcolm Baldrige winners had organisations that were run by leaders who were seen as more transformational than those from comparable organisations in their industry.

This group of theories focuses on the individual leaders who have a major impact on their organisation and have taken into account the ideological and motivational elements of their roles. They contrast with the preceding theories of leadership, which have focused primarily on the performance, and/or satisfaction of subordinates. Transformational leadership theories focus on the leader-subordinate relationship. Charismatic and transformational theories deal with the motivation of followers to perform above and beyond the “call of duty” (Bass, 1985; Burns, 1978; House, 1977; Tichy & Devanna, 1986). The outcome of transformational leadership is the alignment between leaders and followers. The relationship aims to raise the level of human conduct and ethical assumption of both the leader and the led.
2.4.6.2 Characteristics Of Transformational Leaders

Common elements of transformational leaders as identified by Tichy & Devanna (1986) and Bennis (1985) are as follows. Leaders are visionaries able to transform visions into reality throughout the organisation. They have the capability to communicate the vision to gain alignment and to maintain the focus during difficult times. Leaders are entrenched in a world of ideas, they don’t argue for a seat of the pants management or a non-conceptual approach to running the business. They are life long learners. Failures were seen as learning experiences, continuous self learning and development is paramount. This leads to the leader attitudes, behaviours and approaches to managing and leading being very adaptable, they spend time self-reflecting and many have made dramatic shifts in their styles and approaches to management.

Transformational leaders are not dictators they believe in people. They are sensitive to the needs of other people and ultimately work towards the empowerment of others. Success is a matter of getting commitment from people. Transformational leaders have a set of principles for dealing with motivation, emotion, pain, trust and loyalty. Transformational leaders are prudent risk takers, individuals who took a stand in the larger interests of the organisation. They identify themselves as change agents. Each of the leaders see their role as to make a difference and transform the organisation for which they had responsibility (Tichy & Devanna, 1986).

2.4.6.3 The outcome of transformational leadership

The outcome of transformational leadership according to Burns (1978) is a relationship in which the purposes of the leader and followers become fused, creating unity, wholeness, and a collective purpose. The change must impact positively on the well being of both the leader and followers, consistent with their values. Bennis & Nanus (1985; p 71) describe the outcome of transformational leadership as “measured by the extent to which ‘compelling vision’ empowers others to excel; the extent to which meanings are found in one’s work; and the extent to which individual and organisation are bonded together by common commitment in a mutually rewarding symbiotic relationship.”

The characteristics of followers in a transformational environment is that their level of awareness is raised of the importance of achieving valued outcomes and the strategies of reaching them. They transcend their own self-interest for the sake of the team, organisation or larger society (Yuckl, 1989). This results in followers achieving more than they originally thought possible. The original expectation for performance is linked to an initial level of confidence in the followers’ ability and power. Thus, followers’ perceptions of self-efficacy or confidence, as well as their developmental potential, are enhanced. (Bass, 1985).

Tichy & Devanna (1986; p 29) identify the end result of transformational leadership on an organisation as one that values change as healthy. It has the characteristics of a self-renewing organisation. “People admit mistakes, examine the causes, and learn from them. There’s an emphasis on risk-taking and innovation, and responsibility is realistically accepted and shared. Goals are set and constantly revised. Decision-making processes value intuition and creativity, and there is less emphasis on purely analytic approaches. People perceive power as a non-zero-sum game; there is expansion in sharing. Uncertainty is confronted, not denied. Interpersonal relationships are open, and there are high levels of trust” (Tichy & Devanna, 1986, p 32).

2.4.6.4 The Multifactor Leadership Questionnaire (M.L.Q)

Transformational leadership theory most in use is based on the M.L.Q. (Bass & Avolio, 1995). A brief description of the transformational factor labels is provided in Table 5 together with transactional leadership factors. An explanation of the four transformational leadership dimensions and supportive evidence is provided in Appendix 7. The detailed description of transactional leadership is provided in Appendix 8.
TABLE 5 Multifactor Leadership Questionnaire
Factor Labels and Descriptions

<table>
<thead>
<tr>
<th>Transformational Leadership</th>
<th>DESCRIPTIONS</th>
</tr>
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<tbody>
<tr>
<td>Charisma (Idealised Influence)</td>
<td>Builds confidence and trust; attracts the following; has much reference power</td>
</tr>
<tr>
<td>Inspirational</td>
<td>Raises expectations and beliefs concerning the missions and vision</td>
</tr>
<tr>
<td>Intellectual Stimulation</td>
<td>Challenges old assumptions and stimulates new ideas</td>
</tr>
<tr>
<td>Individual Consideration</td>
<td>Determines individual needs and raises them to higher levels</td>
</tr>
<tr>
<td>Transactional Leadership</td>
<td>Clarifies objectives and exchanges rewards for performance</td>
</tr>
<tr>
<td>Contingent Reward</td>
<td>Takes corrective action when mistakes occur; disciplines when necessary</td>
</tr>
<tr>
<td>Management - by – Exception</td>
<td></td>
</tr>
<tr>
<td>Nonleadership</td>
<td></td>
</tr>
<tr>
<td>Laissez - Faire (Avoids / Ignores)</td>
<td>Is not around when needed</td>
</tr>
</tbody>
</table>


2.4.6.5 Criticism of Transformational Leadership Theory.
The greatest concern with transformational leadership theory is that it repeats themes of the 1960’s although the descriptions are often described in different jargon. Transformational leadership identifies its outcome as self-actualisation of both the leader and the workforce. This identifies the theory as related to motivation. The need to empower subordinates and develop a sense of ownership for what goes on in the organisation in transformational leadership theory is similar to the emphasis on power sharing, mutual trust and participative decision making outlined by writers such as Argyris (1964), McGregor (1960) and Likert (1967). Being a motivational theory, transformational leadership ignores a wide range of leadership practices that have been found to influence employee motivation. These issues include organisational structure, policies and procedures, the need for collaboration over conflict, delegation and participative management practices. To be useful as a theory, there is need to identify the similarities and differences between it and other motivational related humanistic theories found in the writings of Argyris, McGregor and Likert. The fact that these issues are implied rather than stated questions whether it is a theory or a set of leadership traits.

A further criticism with the set of leadership behaviours in transformational leadership is that they are so broad that they cannot be easily distinguished from participative leadership theories. There were many similarities between behaviour theories dimensions of a people-oriented to task oriented continuum with that of the transformational theory continuum. For example, the Ohio studies are not dissimilar to transformational leadership theory with leaders high in initiating structure having similar characteristics of transactional managers. Transformational leaders should equate to those high in consideration structure who has a relationship with subordinates of mutual respect, trust and takes into account individual consideration.

Similarly, the managerial grid (Blake & Mouton, 1964. 1978) has two leadership dimensions that are similar to the transformational leadership dimensions. The Managerial grid views the laissez-faire (1,1, style) as impoverished management having little regard for developing relationships with subordinates. This equates to the Laissez-Faire factor in the M.L.Q (Bass, 1985).

Graham (1988) views transformational leadership theory as having a striking resemblance to the difference between supervision and leadership. Jago, (1982 p 300) defines “leadership” as the
influence of group members through interpersonal process without resort to authority or power derived from an empowerment contract. Supervision is the influence on group members through use of formal rewards and punishments.”

Transactional leadership appears to be a revisit of a number of previous theories from the behaviour theories, path goal and leader-exchange theories. In those theories, leadership involves transactions between the leader and subordinates that affect their relationship. The leader-exchange theory acknowledges that the leader may have different types of transactions and different relationships with different subordinates. Not only are the themes of the human growth and development theories repeated but also all the criticisms outlined previously regarding the human growth and development theories equally apply to transformational leadership theory.

Transformational leadership theory is very weak in assisting in providing guidance toward implementation. Transformational and charismatic leadership theory stress their favoured context are during periods of severe political and economic crisis (Burns, 1978). This may minimise the cultural context of leadership. The fact that culture is ignored suggests it is mealy another formula based approach that may not have application to day to day management. The theory ignores transformational leadership dealing with day to day managing of organisations. In this respect, transformational leadership and TQM literature are similar. They both may explain what to do and may provide a partial explanation of why it was done but offer no practical advice on how it can be done.

When considering the leadership dimensions in the multifactor leadership questionnaire, it becomes apparent that there are too many questions left unanswered for the theory to be utilised in a practical setting. Unanswered questions include:

- why have these behaviours been presented and not others (Yukl, 1989)?
- What are the criteria for inclusion and exclusion of leadership behaviours?
- How do the leadership characteristics, eg individual consideration translate into actual behaviours and strategies required for implementation?
- Of the leadership dimensions outlined what is their interrelationship? Are some dimensions more important than others?
- What happens if one leadership dimension is excluded?

When considering the behavioural outcome of followers, transformational leadership, similar to other theories of leadership, usually infers subordinate behaviour from measuring leadership behaviour alone. The problem is the possible leadership substitutes. Employees might be intrinsically motivated, be part of self managed work teams, or have available to them other technical or organisational “substitutes for leadership” which contribute to their effective performance. Because of the potential of other factors to influence results besides leader behaviour, the study of transformational leaders by means of psychological analysis (Avolio & Bass, 1985) is questionable.

The M.L.Q. has been questioned for its validity. Yukl (1989) identified that the scales are mixed with items measuring intervening outcomes and behaviours. There is strong likelihood of attribution error with the questionnaire measuring the respondents perception of an attitude towards leadership, even in studies with independent criteria. Bass (1985) found that despite anonymity of the data processing, if the leader rather than an independent authority contact the peers rating the leader, the ratings are inflated by a consistent amount.

In addition to the questionnaire, research has concentrated on descriptive and qualitative techniques. (Bennis and Nanus, 1985; Peters & Austin, 1985; Tichy & Devanna, 1986). In this research, the usual approach is to analyse the descriptive information as described in biographical account or content analysis or a leader’s speech and writings. This is the principle approach used by Burns, (1978). The descriptive research is too imprecise for reaching firm conclusions about
specific relationship and only provides some insights into the nature of transformational and charismatic leadership.

2.4.6.6. Augmentation Model

To answer some of the criticisms of their original model, Bass & Avolio (1995) proposed a augmentation model of transformational leadership. This model views transformational and transactional leadership as distinct but not mutually exclusive processes and recognises that the same leader may use both types of processes at different times at different situations. The model is reviewed in Appendix 9.

2.4.7 General Criticism Of Methodology Of Data Collection

In addition to criticisms regarding each particular theory, the common approaches applied to measurement have also been heavily criticised. The principal concerns are outlined below. In relation to the methodology of data collection criticisms include attribution error in measuring, questionnaire validity, and the pitfalls of qualitative research.

2.4.7.1 Attribution Error in Measuring

When subordinates are asked to describe the behavioural patterns of their leader, descriptions of the same individual vary based on the perceptions of leader behaviour by those responding. (Bartölke, 1988). For example, subordinates asked to rate the behaviour of a leader are likely to attribute most desirable behaviours to leaders of high performing groups, rather than leaders of low performing groups, even though the actual behaviour of the leaders is the same (Green, 1977).

Rater perceptions are also likely to rely heavily on stereotypes of what a good leader should be. (Hunt and Larson 1979). It is the problem of espoused versus theory in use. Levinthal, Lansky and Andrews (1971) demonstrated that many of the lecturing skills observed by students in their lectures were frequently those they believed to be highly desirable. Often groups performing effectively will lead to the conclusion that it is also cohesive, high in communication, high in mutual influence and highly satisfied (Bartölke, 1988).

It is feasible that perceptual measures are actually measuring leader behaviour in critical incidents. Such measures are based on recall, and recency and affective content influence recall. The follower may, therefore be describing how the leader behaved in a situation (or situations) which was affectively significant to the follower. If so, perceptual measures provide little information regarding how frequently the leader actually engages in specific behaviours.

Further, if perceptual measures are based on leader behaviour in critical incidents, the researcher using a general perception measure has no control over the situational aspects of those incidents. For example, when confronted with general stimuli, “to what extent is your supervisor friendly and easy to approach?” One subordinate might think of an incident when he/she was experiencing some type of problem. Another, an incident when the leader was under time pressures. The responses could be quite different with neither being a valid description of the general behaviour of the leader (Vroom 1974).

Another reason why subordinate descriptions of leader behaviour may be biased is that rater’s perceive and remember all the leader behaviour displayed in a given situation and then are able to accurately access this information at a later time when filling out a behavioural questionnaire. What is more likely is that rater’s rely heavily on stereotypes and implicit theories to reduce the amount of information processing required in perceiving and understanding the behaviour of others.
2.4.7.2 Questionnaire Validity

The questionnaires used in most of the research on leadership behaviour have come under severe attack about their validity (Schriesheim, Bannister & Money, 1979; Schriesheim & Kerr, 1974; 1977.). Schriesheim & Kerr (1977:p33) concluded that "Leadership is today without any instrument of demonstrated validity and reliability."

Questionnaire and rating forms that use fixed response items are known to be susceptible to a variety of biases when the items do not involve specific observable behaviours (Schriesheim & Kerr 1977). Accurate measurement is unlikely when respondents are given the difficult task of retrospectively rating how often or how much a leader exhibits some behaviour over a period of several months or years. This leads to high degree of selective recall and halo bias on the part of raters. Schriesheim & Kerr (1977) equate the typical practice of correlating subordinate questionnaire measures of leader behaviour with performance ratings of leaders based on perceptions by superiors as like comparing apples and oranges.

There have been questions raised regarding the intention and overlap of leadership scales. The question is raised as to whether it is "attitude" or "behaviour" that is being measured. Positive relationships have been occurring between two leadership variables because the measures of the two variables cover the same area. For example, measure of Consideration (Fleishman et al 1969) and Job Satisfaction Scales (Smith et al, 1969) include essentially the same elements. This could explain the positive correlation between participation and job satisfaction in some studies.

Bartölke's (1988) review of the leadership literature identified obscurities of what are controllable and uncontrollable variables. Many theories have narrowly defined leadership scales (e.g. consideration and initiating structure) that are not representative of outcomes of leader-subordinate interactions. Other factors may be contributing to the results.

2.4.7.3 Difficulties With Qualitative Research

General criticisms of qualitative research is also applicable to leadership research involving a leader observation system for the measurement of leader behaviour. Standards for the application and evaluation of qualitative methods are not as explicit as those traditional quantitative measures and interpretations based on qualitative methods are sometimes very subjective (Yucikl, 1989). The data collection methods in qualitative description research are also susceptible to biases and distortions. Information obtained from critical incidents and interviews may be biased by selective memory for aspects for behaviour consistent with the respondent's stereotypes and implicit theories about effective leadership. Direction observation is susceptible to selective attention and biased interpretation of events by the observer due to stereotypes and implicit theories. When an observer or interviewer has information about unit performance, attribution errors may also occur.

Qualitative research in the area can be superficial. In some observation studies, the observer merely checks off predetermined categories to classify events rather than writing narrative descriptions of them to be coded at a later time. The predetermining of observational categories involves making a prior assumption about the nature of managerial activities and adopting such a system, therefore begs the question that it is presumably asking. This highly structured observation may focus attention away from the most interesting aspects of events being observed and unlike narrative description it precludes other researchers from verifying the coding of reclassifying events in terms of different category systems.

When observers do ask leaders about their behaviour they increase the likelihood of becoming involved in the very process under observation thereby risking objectivity.

Observational leadership research gives no indication into the meaning and intention of the observed action (Mintzberg, 1983). Mintzberg provides an example of when a manager requests information from a subordinate he or she may be simultaneously motivating, training, allowing,
participating in decision making and/or monitoring the subordinates performance. Consequently, it appears to be difficult to separate the different types of leadership behaviour per se. There are no empirical criteria on the basis on which one could decide that some action is more appropriately designated as “supportive” as opposed to “manipulative” (Gregen, 1982). The studies suggest that it is doubtful whether leadership traits can be unambiguously identified by careful and systematic observation.

Graen and Cashman (1975, p. 151) noted, “multimethod procedures are available to estimate method variance and convergent validity. Though designs employing these controls tend to be quite expensive, improvement in the quality of the data base must precede any real improvement in leadership theory”.

2.4.8 Conclusion On Leadership Theory Development

This section outlined the criticism of the individual leadership theories. The conclusion outlines the principle underlying themes that emerged which inhibit leadership theory contributing a framework to the current research.

Each of the theoretical developments occurring in the evolution of leadership had their own concerns. Most of the human growth theories have not consistently been supported by research. The research evidence is not sufficiently strong and consistent to draw any firm conclusions. Of principal concern to this research is the lack of an explanatory basis for why the inconsistencies in results have been obtained. The principal concern with contingency theories in contributing to the current research is the failure to isolate critical situational factors that affect leadership effectiveness. The greatest concern with transformational leadership theory is that it repeats themes of the 1960’s although the descriptions are often described in different jargon. In relation to the methodology of data collection the bulk of leadership research can be criticised due to attribution error in measuring, questionnaire validity, and the pitfalls of qualitative research.

One of the principle shortfalls of leadership theory as a discipline is the narrowness of research and the isolation of leadership variables. Isolation occurs in a number of ways. Firstly, leadership models have been developed assuming that environmental factors could be held constant either experimentally, statistically or judgmentally. This is a criticism in participative management (Dobbins et al., 1991) and leadership theories in general (Blumberg & Prindle, 1982; Waldman 1984).

The isolation of leadership from organisational theory has had two major consequences. First, researchers haven’t controlled or taken into account organisational variables in research designs. Second, since organisational variables haven’t been taken into account, the interaction effects of leadership dimensions and organisational variables haven’t been identified. The result is that leadership studies have had little possibility of revealing any meaningful generalisations.

The failure to control for organisational variables would be inconsequential if the influence of organisational variables, relative to leadership variables, was unimportant or the organisational variables were randomised in a research design. Neither of these conditions have been met (Melcher, 1976).

Organisational variables sharply influence behaviour and performance. Variables such as organisational culture, structure, delegation, work flow, task complexity, delegation and reward systems have powerful impacts on intragroup and intergroup behaviour (Melcher, 1976, p 61-116, 147-90, 254-312). It has been suggested that organisational variables may have a greater influence on behaviour than leadership. For example, if one explores the effects of participation in setting standards, the degree of participation is likely to have relatively small effects compared to level of standards that are set (Melcher, 1976).
Many organisational variables interact with leadership dimensions. In some cases, the main effects may be incidental, but the interaction effects may be important. For example, Melcher, (1976) has indicated that the interaction effects of delegation and participation are probably of greater impact than the single effects of each of these two variables. Apparently no studies have explored these variables in combination. A high degree of delegation is probably acceptable if it is associated with a high degree of participation. While individuals and groups may value autonomy itself, they probably value even more the opportunity to present their information, views, and special perspectives. This proposition requires empirical exploration.

Secondly leadership theories are heavily criticised for being too narrow in focus, using single theoretical ideas, and involving too few antecedent variables (Blumberg & Pringle, 1982; Griffin, Welsh & Moorehead, 1981; Straw, 1977; Waldman & Spangler, 1989). The narrowness of the research and the focus on only a few key variables may lead to the misinterpretation of results. Other factors that may have contributed to the results may have been ignored. This is a key criticism of contingency theories (Yukl 1981; Schriesheim & Schriesheim 1975) and Human Growth and Development Theories (Kerr & Jermier, 1978).

Third leadership studies have been criticised for isolating variables and ignoring the importance of individual differences. Some employees prefer different leadership styles. Not all employees desire participation in decision making or satisfaction of higher order needs. Both individual differences and system factors and the linkages between them may influence the results. The forth criticism of leadership research in respect of isolation of variables is with the basic unit of analysis in the majority of leadership research. The individual leader is examined and the individual employee is asked their opinion of the leader. Group leadership practices are not common in leadership research or are the interaction effects of individual and group leadership practices. Leadership in a group context may produce different results from measuring individual performance (Schriesheim & Stogdill, 1976). Groups form their own relationships and their own perception of reality based on group norms, drive and cohesiveness. Interrelationship among group members may have an influence on leadership behaviours. Leadership theories in general have been criticised for not taking into account the interaction effects of leadership dimensions and organisational variables (Melcher 1976).

Finally, the majority of leadership studies ignore employee behaviour changes. Most leadership studies define leader effectiveness in terms of performance involving efficiency and productivity, (Bass, 1960; Stogdill, 1972). Principally if leadership studies do not achieve expected results on task performance the theory is disbanding regardless of morale and member satisfaction. Most leadership research views issues of subordinate behaviours, personality, ability and motivation as “error variance” which reduces the relationship between leader attributes and group performance. It is these rejected subordinate behaviour characteristics that are of interest in the current research.

The general conclusion to the review of the criticisms of leadership research is that the narrowness of the research reduces its explanatory power to translate to different situations. The theories have not been sufficiently operational to provide clear testable propositions. This has been a criticism of human growth and development theories (Schriesheim & Kerr 1974; Yukl 1989), Contingency Theories (Schreishmeim & Schriesheim 1975) and leadership theories in general. This concern has been well recognised by both leadership theorists and researchers who are highlighting that a new approach to leadership needs to be developed using an integrative perspective that cuts across a range of disciplines (Strand, 1988). The issue has been summarised as “unfortunately, the focus has been on a few trees, and there has been little or no attempt to show how these trees form the interrelated patterns that are the forest” (Blumberg & Prindle, 1982, p 561).
2.5 Conclusion To The Literature Review.

At the commencement of the literature review in Section 2.2 it was argued that the issues resulting from the rise in international competition are pointing to the need for industries in the new millennium to display the following characteristics. Firstly, a workplace environment adaptable to continuous change. Secondly, employees to be creative and innovative and prepared to risk take. Thirdly, employees that are competent and able to make business decisions. Finally, employees that understand the need for continuous change and are committed to take responsibility for their part of the change process. Collectively these concepts have been referred to as workforce empowerment.

Section 2.2 highlighted that many of the issues surrounding these four concepts are contradictory to traditional TQM thinking. The contradictions are of major concern given the wide prevalence of the TQM approach both in Australia and internationally. These contemporary issues are made increasingly important when considering the results of studies indicating that Australian managers lack the leadership skills advocated as required to empower employees. Australian managers have been criticised for their lack of commitment to people management issues and innovation. Their autocratic style of management is of particular concern given the findings that Australian employees are highly motivated when the leadership style is non-autocratic, communicative and caring.

In Section 2.3 of the literature review it was argued that today there is no theoretical model that would provide the framework to investigate the questions raised in the previous section. The major concerns with the TQM discipline itself are that it has no widely recognised theoretical framework. The national quality awards or their derivatives are usually accepted as theoretical models. The lack of a theoretical foundation was tenable during the highly successful evolution of TQM up until the 1980's. This allowed TQM thinking to develop in isolation from other theoretical disciplines. With the consideration of the “soft” or human resource issues in TQM, as distinct from system issues, other theoretical disciplines began to incorporate TQM concepts in their development.

Each of the disciplines merging with TQM added confusion in the attempt to develop a theoretical base for the discipline. There are a number of reasons why this has occurred. Firstly each of the theoretical disciplines merging with TQM have evolved independently of each other. This is evident by the fact that up to the late 1980's the practices and programs of each field did not take into account the significant development and research of each other (Bass and Avolio, 1994; Saffold, 1988). For example TQM first appeared in culture “data bases” in 1989. Up to that time the culture literature ignored TQM (Lewis, 1996).

Secondly each of the related disciplines had to consider TQM due to advances and popularity of the quality movement. Each discipline however provided its own interpretation based on their area of interest. Adding to the complexity is that the disciplines merging with TQM are in themselves at an evolutionary stage and not well understood. (Conger and Kanungo, 1988). The disciplines are also without agreed theoretical basis and are therefore without boundaries in their definitions and considerations.

The third reason the disciplines merging with TQM are creating confusion in the development of a theoretical base is that none of the disciplines have been well researched, particularly in workplace settings and largely rely on anecdotal evidence.

Furthermore after an exhaustive review of the literature the theories analysed all lack practical utility in a workplace setting. A consistent theme throughout the empowerment literature is that behaviours, traits and organisational issues by themselves are not sufficient to empower a workforce. A combination of a large number of factors is paramount. The empowerment theories and leadership theories identify an endless range of leadership behaviours, traits and other issues
required to produce effective leadership or to empower a workforce. Which particular factors are both necessary and sufficient have not been well researched.

Previous research on empowerment and leadership has attempted to separately measure and theoretically model the constructs. If there is a relationship between leadership and empowerment the literature review identifies that the relationship has not been defined or tested. The incompleteness of existing leadership and empowerment theories makes it difficult to translate from the general (and doubtless correct) tenets of the theory to either a set of testable propositions about the conditions under which empowerment leadership strategies will or will not be effective.

The question remains how to establish a framework to allow the integration of disciplines? At the end of reviewing the theoretical literature associated with TQM the question remains on how to guide industry leaders into developing the appropriate leadership strategies and understanding the required employee behaviour changes. A theoretical model is needed to provide a guide on:

- What actual leadership behaviours and strategies are required in a practical situation to supervise the empowering process?
- What does employee empowered behaviour actually look like to know that the leadership behaviours are succeeding?
- What is the relationship between leadership and employee empowerment?

After reviewing leadership theories in section 2.4 the general conclusion to the review of the criticisms of leadership research is that the narrowness of the research reduces its explanatory power to translate to different situations. This concern has been well recognised by both leadership theorists and researchers who are highlighting that a new approach to leadership needs to be developed using an integrative perspective that cuts across a range of disciplines.

With the literature review failing to provide an adequate framework by which to address the key questions raised in the current research two key points are being put forward to direct the thinking in developing an appropriate theoretical framework. The first point that this thesis is arguing that there is a need to refocus the way leadership theoretical development and research is conducted. Historically the output of the majority of leadership studies is the actual leader behaviour or output from leadership behaviour, ie efficiency measures, attendance, and productivity. It is argued that the output of leadership behaviour should be the required employee behaviour changes. That is, the theories and subsequent research need to focus on both leadership strategies and subordinate behaviour changes resulting from improved leadership style. If the leadership style is to improve subordinate feelings of competence and intrinsic motivation, then these issues need to be addressed in leadership studies. This will only be achieved by the measurement of leadership behaviour and subordinate behaviour in a single study.

This approach will focus the attention on the nature of leadership and the mechanism by which leadership can serve the empowerment process. In understanding the way leadership actions attempt to shape and interpret situations to guide organisational members into feelings of empowerment provides a powerful means of understanding the fundamental nature of leadership as a social process. This understanding will significantly advance leadership theory and leadership practices generally.

The second principle point that this thesis is arguing is that as the current research arose from the need for industries to change their TQM orientation, there is a need for the theoretical model developed to have practical application to industry. The model is developed in the next Chapter.
CHAPTER 3.0;

DEVELOPMENT OF A MODEL ON THE RELATIONSHIP BETWEEN LEADERSHIP AND EMPLOYEE EMPOWERMENT FOR SUCCESSFUL TQM.

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CHAPTER 3.0

DEVELOPMENT OF A MODEL ON THE RELATIONSHIP BETWEEN LEADERSHIP AND EMPLOYEE EMPOWERMENT FOR SUCCESSFUL TQM.

3.1 Structure Of Chapter Three

The theoretical model for the present study is developed in four stages. Each stage is a section within this chapter. The sections are as follows:

Section 3.2 presents the first stage of the development of the theoretical model and is developed from consideration of empowering leadership behaviours and employee empowerment behaviours identified as important when considering the Australian Quality Awards (AQA) criteria.

Section 3.3 presents the second stage in the model’s development and identifies the importance of context in which empowerment behaviours and leadership strategies emerge. The three contexts identify an employee as an individual, a member of a team (team empowerment) and as a member of the organisation (empowered workforce).

Section 3.4 presents the third stage of the model which considers the antecedents to empowerment that may influence employee perception of feeling empowered in each of the three context. These antecedents are viewed as moderators or substitutes for leadership.

The three stages are integrated into the fourth stage (Section 3.5) which is the presentation of the final model. The chapter concludes with the hypotheses generated from the completed model (Section 3.6). The hypotheses are presented in the context of the original research questions identified in Chapter One.
3.2 Stage 1: The Foundations Of The Model-The Australian Quality Award Criteria.

3.2.1 Introduction to Stage 1

The introduction to stage one is in three sub sections. Subsection 3.2.1.1 identifies the reason why the AQA was chosen to provide the framework for the first stage of the model’s development. It also defines the definition of empowerment applied in this thesis. The sub section then describes how the framework is applied in the development of the model. Each category of the AQA and its description from the traditional TQM literature provides the framework for the domains of empowerment to be considered. The domains of empowerment equate to the contemporary approach to TQM described in previous chapters.

Sub section, 3.2.1.2 details how the rest of the chapter will be structured when considering each of the categories of the AQA with particular reference to separating the description of the traditional TQM approach from the empowerment approach. The sub section describes how the concepts developed from the description of empowerment behaviours will contribute to the development of the model to be tested.

Sub section, 3.2.1.3 provides a summary table of Section’s 3.2.2’s principle findings in comparing the traditional TQM approach from the empowerment approach.

3.2.1.1 Why the Australian Quality Awards Were Chosen

The principal aim of this study was to assist industry leaders to understand the nature of employee empowerment, the leadership strategies required to guide employee behaviour changes and the interaction between the two. The practical utility of this study can only be achieved if an understanding of the two concepts and their interaction is developed based on actual business strategy applied in industry. For this reason the first stage of the model for the present study was developed from consideration of leadership and empowerment variables identified as important when considering the Australian Quality Awards criteria. The Australian Quality Awards Category were chosen as:

- It is the principle organisational framework that is used by industry across Australia for the application of TQM
- It has both Federal and State Government endorsement.
- It combines the teachings of a range of quality leaders from a number of disciplines.
- It is aligned closely with national awards in other countries and in particular the Malcom Baldrige Award in the U.S.A.
- Experts in the field are continuously updating it.
- It encompasses the principle agreed to in the majority of TQM literature.
- It is often used a substitute for the lack of theoretical framework for TQM.
- Organisations who have won an AQA have been identified as having achieved business results over an extended period. Therefore it is assumed that these organisations are most likely to display the leadership and employee behaviours required in the empowerment approach.

The Australian Quality Awards provided the guiding framework to select the domains of empowerment and leadership for consideration. In other words the boundaries for leadership and empowerment behaviours in a TQM environment have been set. This approach is consistent with theorists who argue that constructs whose definitions are without boundaries are better understood by limiting the research to a specified domain of the construct (Cameron & Whetten, 1983, p 267).

Therefore the leadership variables are not meant to be exhaustive of the factors in a work system that may affect the feelings of empowerment. Those selected are included because of the emphasis placed on them in the Australian Quality Awards. The boundary on leadership
behaviours is further defined as those variables that have been shown to influence (enhance or constrain) employee empowerment. This study places a boundary on empowerment behaviours by focusing on behaviours that are particularly influenced by leadership practices within a TQM environment.

The difficulty with this approach is to define the word and the discipline of "empowerment." In this study empowerment is used as an integrating term to define those concepts related to the discussion on empowerment in the contemporary approach to TQM described in Chapter 2.1 and the theoretical foundations of TQM outlined in Chapter 2.2. Empowerment was introduced in Chapter 2.1 as displaying the following characteristics required to address growing international competition.

- A workplace environment adaptable to continuous change.
- Employees to be creative and innovative and prepared to risk take.
- Employees to be competent and able to make business decisions.
- Employees to understand the need for continuous change and be committed to take responsibility for their part of the change process.

Consideration of these issues requires the integration of concepts related to empowerment from the disciplines of empowerment, learning organisation, transformational leadership and cultural change. The Australian Quality Award Criteria will provide the guidance to integrate the concepts from the various disciplines. This approach, of integrating these disciplines, has not previously been conducted. The basic difficulty in this approach is that rarely did the disciplines separate leadership strategies from employee behaviour changes. Both concepts were often used interchangeably.

The model being developed through this process addresses the plea by both leadership theorists and researchers that a new approach to leadership needs to be developed using an integrative perspective that cuts across a range of disciplines.

The model developed also addresses the need for a more practical approach to leadership which can provide a framework to guide leadership behaviours in an industry setting. Previous researchers have argued that concepts being generated by the TQM literature should be considered in theory development (Dobbins, Cardy & Carson, 1991).

The limitations in using the Australian Quality Awards Criteria relate to their interpretation. The boundaries within each category has not been clearly defined. The categories have been written broadly to enable applicability to a range of industries. To address this issue the AQA criteria being considered in this research will be from the 1997 AQA Evaluator’s Handbook produced and published by the Australian Quality Council. The handbook’s definition of each category was chosen for its simplicity and because it outlines the intent of the category under consideration. Further detailed description of each category is provided in Appendix 2 which compares the Australian Quality Award criteria to international comparisons.

### 3.2.1.2 Structure Of Section 3.2

This structure of section 3.2 will involve the investigation of each category of the AQA in detail. Each category of the AQA will be considered from a traditional TQM approach, and an empowerment approach. Each category will be concluded with the components of leadership and employee empowerment behaviours that will be used to develop the theoretical model.

The presentation of each category of the AQA is as follows:
To identify each new category their description will be boxed for ease of identification. There are 6 principle categories in the AQA criteria with two of the categories having a number of subcategories.
The traditional approach to TQM for that category will then be summarised. The traditional TQM approach has been previously defined in chapter 2.1 as the period where TQM implementation was heavily influenced by its manufacturing base. This will provide the boundaries or framework for the issues relevant to empowerment to be considered. It will also provide comparison between the traditional and empowerment approaches and thereby create insight into the concept of empowerment. This sub section shall be titled:

Discussion on “Sub section Heading” From The TQM Literature. “Sub section Heading” refers to the sub section of the AQA criteria under discussion.

The empowerment approach will then be examined. This sub section will be titled: Discussion on “Sub section Heading” From The Empowerment Literature. Each AQA category will end with an outline of the empowerment behaviours that will be used to develop the model to be tested in the current research. This will involve both leadership and employee behaviours. The information to be included in the model will be titled: The contribution of the “Sub section Heading” In The Theoretical Model Being Developed.”

3.2.1.3 Summary Table Leadership, Empowerment And The Australian Quality Awards

A summary of the similarities and differences between traditional TQM and empowerment related literature for each of the AQA categories is presented in Table 6. The principal focus in TQM is to improve the systems within the organisation. The principal focus in empowerment is the development of business acumen in staff at all levels. This is achieved by focusing on developing the competence of each employee, their self confidence and commitment in achieving the goals of the organisation.
### TABLE 6 Comparison Between Traditional TQM And Empowerment.

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<th>Traditional TQM</th>
<th>Empowerment</th>
</tr>
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<tbody>
<tr>
<td>1.0 Leadership</td>
<td>Leaders controlling the system</td>
<td>Leaders restructuring and removing</td>
</tr>
<tr>
<td>1.1 Executive Leadership</td>
<td>Emphasis on Values</td>
<td>decentralised decision making barriers</td>
</tr>
<tr>
<td>1.2 Organisational</td>
<td>Work within existing structures.</td>
<td>Flat structure to enhance decision making.</td>
</tr>
<tr>
<td>Structure</td>
<td>Often mechanistic. Parallel</td>
<td>Organic structure.</td>
</tr>
<tr>
<td></td>
<td>decision making. Quality Circles</td>
<td>Self Directed Work Teams</td>
</tr>
<tr>
<td>1.3 Leadership</td>
<td>Leadership less important further</td>
<td>Leadership throughout organisation.</td>
</tr>
<tr>
<td>throughout</td>
<td>down the hierarchy</td>
<td>All employees act as responsible business people.</td>
</tr>
<tr>
<td>organisation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.4 Leadership</td>
<td>Role modelling to show</td>
<td>Behaviour to create culture change: Role</td>
</tr>
<tr>
<td>Behaviour</td>
<td>leadership commitment</td>
<td>modelling, mentoring, listening skills, trust.</td>
</tr>
<tr>
<td>2.0 Strategy, Policy and</td>
<td>Top down development and</td>
<td>Employee participation in the formulation of plans.</td>
</tr>
<tr>
<td>Planning</td>
<td>implementation. Plans deployed</td>
<td></td>
</tr>
<tr>
<td>3.0 Customer Focus</td>
<td>Need to understand external</td>
<td>All employee having ability to solve</td>
</tr>
<tr>
<td></td>
<td>customer needs</td>
<td>customer problems on their own</td>
</tr>
<tr>
<td>4.0 People</td>
<td>Follows from organisational</td>
<td>Is the basis for the organisational business</td>
</tr>
<tr>
<td>4.1 Human Resource Planning</td>
<td>business plan. Aligns H.R.</td>
<td>plan. Strategies to enhance employee</td>
</tr>
<tr>
<td></td>
<td>systems eg performance review</td>
<td>intrinsic motivation</td>
</tr>
<tr>
<td>4.2 Employee</td>
<td>Recommendations fed upwards</td>
<td>Employees integrated into organisational</td>
</tr>
<tr>
<td>Involvement</td>
<td>incorporated into strategies</td>
<td>decision making</td>
</tr>
<tr>
<td>4.3 Performance</td>
<td>Either ignored as it focuses on the</td>
<td>Critical to develop intrinsic motivation in employees Focus on individual</td>
</tr>
<tr>
<td>Management</td>
<td>individual or limited to team or</td>
<td>self development -values, capabilities, goal</td>
</tr>
<tr>
<td></td>
<td>system issues.</td>
<td>alignment, mentoring, coaching</td>
</tr>
<tr>
<td>4.4 Communication</td>
<td>Human resource issue rather than a</td>
<td>Leadership strategy to create an</td>
</tr>
<tr>
<td></td>
<td>leadership issue.</td>
<td>environment of trust: Open and honest two way communication</td>
</tr>
<tr>
<td>4.5 Training and</td>
<td>Quality related knowledge eg</td>
<td>Focus on developing competencies to</td>
</tr>
<tr>
<td>Education.</td>
<td>statistical process; problem</td>
<td>ensure employees act as responsible</td>
</tr>
<tr>
<td></td>
<td>solving; customer focus</td>
<td>business people.</td>
</tr>
<tr>
<td>4.6 Reward and</td>
<td>Ignore individual rewards. Some</td>
<td>Intrinsic rewards, eg verbal praise, to</td>
</tr>
<tr>
<td>Recognition</td>
<td>Extrinsic rewards.</td>
<td>competence and motivation</td>
</tr>
<tr>
<td>5.0 Information and</td>
<td>Information required on customer</td>
<td>Information required to enhance the</td>
</tr>
<tr>
<td>Analysis</td>
<td>need and control techniques to</td>
<td>capability and competency of staff to assist</td>
</tr>
<tr>
<td></td>
<td>reduce error.</td>
<td>decision making, i.e useful, freely</td>
</tr>
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<td>6.0 Quality of Products</td>
<td>Core of TQM is improvement in</td>
<td>accessible and appropriate.</td>
</tr>
<tr>
<td>and Services</td>
<td>design operation and support</td>
<td></td>
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<td></td>
<td>processes.</td>
<td></td>
</tr>
<tr>
<td>7.0 Performance</td>
<td>Use of composite results and indicators</td>
<td>Success identified based on empowerment</td>
</tr>
<tr>
<td>Management</td>
<td>showing improvement</td>
<td>strategy under consideration. Overall business results.</td>
</tr>
</tbody>
</table>
3.2.2. The AQA And Comparison Of Traditional TQM And Empowerment.

The three subheadings as described in section 3.2.1.2 will be used to differentiate the traditional TQM literature from empowerment literature.

3.2.2.1 Category 1 - Leadership

This category is concerned with leadership and the way the quality concepts are becoming a way of life in the organisation as exhibited in its management practices.

The first item in this category involves senior executive leadership, their collective and personal commitment, involvement and visibility in creating the values of the organisation and developing and maintaining an environment for quality.

3.2.2.1.1 Introduction

The traditional TQM approach is fundamentally different from empowerment literature in the role of executive leadership. The differences in approach has an impact on the following leadership concepts:

- Organisational Structure
- The Role Of Executive Leadership
- Leadership Throughout The Organisation
- Leadership Behaviour.

Each will be described below.

3.2.2.1.2 Organisational Structure

Robbins (1987) defines structure as the degree of complexity, formalisation, and centralisation in an organisation. Structure is defined by Mintzberg (1983) simply as the sum total of the ways in which labour is divided into distinct tasks and how coordination is achieved among these tasks. This thesis identifies structure simply as the degree of centralisation of decision making within the organisation.

Discussion on Organisational Structure From The TQM Literature

The emphasis on structure and the reduction of bureaucracy does not appear to be a major focus in traditional TQM literature (Lawler, 1994; Peters, 1991). The traditional TQM organisations based in the manufacturing sector were bureaucratic and displayed many characteristics of a mechanistic structure (Spencer, 1994). It has been expressed that bureaucratic structures are encouraged in TQM organisations by their focus on enhancing productivity and efficiency (Crosby, 1979; Deming, 1982) through reducing variation in individual processes or getting processes "in control" (Juran, 1976; Deming, 1986). As a result of monitoring variation, standards are set, performance monitored, and procedures are measured including the sequence in which they are to be done. A number of Baldrige Award winners have cited strong bureaucratic organisations. They include Federal Express, I.B.M, Xerox, General Motors, Motorola (Peters, 1991).

Reference has been provided to a number of successful organisations commencing TQM with both a bureaucratic and authoritarian approach that forced the continuation of TQM during the initial stages of resistance. (Pascale, 1991; Preston & Saunders, 1989). Bureaucratic structures are also commonly cited if TQM was applied to get a company out of a crisis. "The boat can’t hold everyone, and not everyone is contributing to the boat’s forward motion. Therefore,
ineffective hands are thrown overboard and employees come to learn this is their potential fate” (Bremer, Ivey & Grover, 1991, p. 50).

The TQM literature’s reference to breaking down the “bureaucratic phenomenon” usually refers to improving decision making processes internally within the organisation and between the organisation and its customers and suppliers (Crozier, 1964; Denny, 1986; Wilkinson & Witcher, 1991; Schonberger, 1990). The decision making process is improved through the concept of team work (Arajs, 1991; Atkinson, 1991, Mellum, 1990) built into the existing structure (Harari, 1993; Peters, 1991). The two team concepts introduced were the importance of the internal customer and the introduction of quality circles (Nielsen, 1986; Faergerbaum, 1983). Together, the concepts were seen as the answer to the problem of “rigid hierarchies which isolate top management, confine middle management to administrative roles and frustrate operational and supervisory management in their decision making” (Thurley and Wirdenius, 1989, p. 91). Both of these concepts will be discussed briefly in the sub section below.

i) Internal customer. The concept of internal customer is based on the notion that each employee or work team have their own ‘customer’ who is another employee or team within the organisation (Dale & Plunkett, 1990).

The horizontal design is based on the flow of work processes across the organisation. The emphasis is on each employee or work team discussing the quality of their performance with those who receive their output, in order to improve the service they provide to the ‘customers’ (Ishikawa, 1985). It is recognised that organisations, as systems, cannot be effective if subunits emphasis their own outcomes over those of others (Dean & Bowen, 1994). Oaklands (1989) describes an internal customer environment by focusing on internal customer expectations all along the supply chain to the final customer in the market place.

ii) Quality Circles. Quality circles, also known as Quality Improvement Teams (QITs) is the most commonly discussed form of participative management in TQM (Mellum 1990, Hill 1991). Quality circles have been defined as “a small groups of employees from the same work unit together in weekly team meetings to identify, analyse and solve work-related problems.” The definition has been extended to include cross functional teams (Hill 1991).

Quality circles originated in Japan in the 1960’s by Dr Ishikawa whose aim was to shift the responsibility for problem identification and problem solving to those on the factory floor. Hill (1991) surveying U.S companies found that the general aim of QIT’s was for rank-and-file shopfloor and office employees to participate actively in the improvement process. It was hoped this would in turn increase job satisfaction, stimulate personal growth, lead people to identify more with the quality of their own work and the managerial objectives of higher quality and efficiency throughout the company, and so increase employees’ sense of involvement in their firms.

The introduction of QIT’s in organisations practicing TQM is widespread. Collard (1989) reports evidence to show that around 400 British companies operated Quality Circle programs in 1985. The actual number of QIT’S in any one organisation is often substantial. Blackburn and Rosen (1993; p. 53) provide examples from Baldrige winning companies: “Federal Express has 4000 Quality Action teams, and Motorola has 2200 Total Customer Satisfaction teams. Westinghouse CNFD has 200 self-formed and self-managed problem-solving teams.” A further description and research results outlining the benefits of quality circles is outlined in Appendix 10.

The literature typically accepts the continuation of the existing hierarchy within organisations who develop QIT’s. The focus of QIT’s in regard to organisational structure is to realign the existing infrastructure within the existing hierarchy. (Johnston, 1991; Farquhar, 1991; Maccoby, 1990; Rohan, 1990; Panchak, 1992). The result of QITs is on incremental improvements in the system. There is evidence that some companies reduce the level of middle management during...
their TQM program, however, this usually occurs as an outcome of a QIT review rather than a deliberate strategy to flatten the organisation (Binney, 1992; Lawler, 1994).

It is important to note that the lack of emphasis on structural change is a key reason advocated for the failure of TQM in organisations. Sinclair and Collins (1994, p210) describe the thinking: “Work related to quality and especially total quality tends to be acontextual in nature. No account is taken of past history, current problems, issues and opportunities and future scenarios when identifying the important features of TQM and the achievement of continuous improvement.” Harari (1993) summarises his observations. “Applying some supposedly all purpose or universal restructuring strategy to whole ranges of entirely different types of companies, in entirely different industries with entirely different corporate cultures, product mixes and competitive markets, is virtually destined to result in a list of business strategy failures”.

The “formula” based approach of the 1980’s has increasingly being criticised as the principle reason why many companies failed in their attempt to implement TQM (Garvin, 1993; Harari, 1993; Peters, 1991; Sinclair and Collins, 1994). The principle concern with the “formula” based approach was that it resulted in a situation being described as organisational dualism where quality was not integrated into the structure of the day to day operations of the organisation (Goldstein, 1985; Lawler, 1994). The result of QIT involved team members presenting for endorsement to management the solutions, the costs and the benefits of solving a problem. They differ from self directed work teams as participants of quality circles are not responsible for making the final decision for implementation. This dual structure is not uncommon (Cohen, 1991; Miller, 1993). “The parallel organisation is an attempt to institutionalise a set of externally and internally responsive, participatory, problem solving structures alongside the conventional line organisation that carry out routine tasks” (Stein & Kanter, 1980, p. 372). Appendix 11 outlines the characteristic of Bureaucratic and Parallel Organisations as defined by Stein & Kanter, 1980.

Wilkinson And Snape, (1991) and Melum (1990) indicated that staff may view TQM as only applying to those areas where quality circles are conducted. Hill (1992:p555) researched the application and failure of quality circles in Great Britain. The conclusion was: “The ultimate absurdity was to train rank and file employees to use modern techniques of quality management while their managers remained largely in ignorance of these”

Harari (1993:p 8) describes the problem as “too often in TQM painful, structural changes play second fiddle to the more visible carnival of motivational balloons and wall posters, innumerable classes with big binders and slick presentations with fancy graphics.” Similar conclusions were cited in Hill (1993), and Lawler et al (1993).

The quality initiatives have also been viewed as a way of reinforcing the bureaucracy whereby top managers tell middle managers what to do with the workers (Wilkinson, and Snape 1991). Reger et al. (1994) present a cognitive theory of why TQM initiatives often fail, and argue that employees resist total quality because their beliefs about the organisation’s identity (its culture) constrain understanding and create cognitive opposition to radical change.

The TQM formula approach has been criticised for taking many of the perceived easily transferable Japanese quality initiatives out of context. (Lilrank and Kano, 1989) The Japanese system included features of high trust and welfare corporation encouraging the full participation of all employees (Ishikawa, 1985).

Discussion On Organisational Structure From The Empowerment Literature

The empowerment literature view the structure of the organisation as integral to empowerment: “A person is only as powerful as the structure will allow them to be. All the participative
management in the world will not produce an empowered organisation unless the structure allows for it” (Murrell, 1985, p35). The importance of structure is found in the literature on empowerment (Murrell, 1985; Kanter, 1983), learning organisations (Bennis & Nanus, 1985), and in change management theory (Schein, 1985).

The empowered literature emphasis on self directed work teams has been detailed in sub section 2.2.3.3.1. Organisational structures required to build adaptability are flat not hierarchical and organic as distinct from mechanistic in character (Bell & Zemke, 1988; Bennis & Nanus, 1985; Brocka & Brocka, 1992; Peters, 1987; Price, 1968; Tichy, 1983). This involves a reduction of vertical or hierarchical co-ordination and better horizontal or cross-functional co-ordination which gives an additional impetus to wider roles at each hierarchical level as people collaborate across the organisation rather than push issues upward (Burke, 1986; Block, 1987, Firth, 1989; Hall, 1977).

The empowerment literature integrates employee decision making into its system through the establishment of self directed work teams. Self directed work teams have been defined as an interdependent collection of individuals who share responsibility for specific outcomes for their organisation. In other words “these groups represent a democratic form of work organisation that ascribes to a group of employees’ responsibility for the regulation, organisation and control of their jobs and the conditions immediately surrounding them” (Sundstrom, De Meuse, Futrell, 1990, p120). A much greater emphasis is placed on control from within rather than from outside the group (Manz & Sims, 1987; Poza & Markus, 1980; Walton, 1977).

Cummings (1977; p 625) summarised a review of the literature identifying common characteristics of self managed teams: “as a group which has a relatively whole task; members who each possess a variety of skills relevant to the group task; workers’ discretion over such decisions as methods of work, task schedules and assignment of members to different tasks; and compensation and feedback about performance for the group as a whole.”

The empowerment literature stresses some key decision making responsibilities to be present for the structure to be considered self managing. Firstly teams need to make their own operational and structural decisions as well as govern their own policy development (Batey & Lewis, 1982; Wallace, 1996). Secondly budgetary control is a significant feature of the required structural change (Galbraith, 1977; Hill et al, 1988). Thirdly self directed teams have responsibility for day to day decision making. This ties directly into the idea of employees being responsible for performance and customer satisfaction (Mohram, et al 1989; Sundstrom de Meuse & Futrell, 1990). Day to day control allows self directed work teams adapt quickly to any problem in production and service delivery (Nixon, 1990) and can give a situation specific appropriate response quickly to individual customers (Elbin, 1994). Further discussion on self directed work teams using industry examples is provided in Appendix 12.

**The Contribution Of Organisational Structure In The Theoretical Model Being Developed**

A key characteristic of an empowered organisation is to have a structure that is made up of self directed work teams. The self directed work teams have a set of characteristics involving delegation of authority on a permanent basis.

<table>
<thead>
<tr>
<th>Extent of Delegated Authority in:</th>
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<tbody>
<tr>
<td>• Policy decision making</td>
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<tr>
<td>• Budgetary control</td>
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<tr>
<td>• Day to day decision making</td>
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</tbody>
</table>
3.2.2.1.3 Role of Executive Leadership

Discussion On The Role Of Executive Leadership From The TQM Literature

Sub section 2.2.1.3 outlined that the traditional TQM literature stressed the importance of executive leadership in controlling the systems that impacted on team and organisational behaviour and performance. Systems were under the control of management with rank and file employees viewed as lacking authority to put things right.

The literature also stresses the need for executive to transform the vision for the organisation into a compelling vision that is shared among employees (Johnson, 1991; Sashkin and Kiser, 1982; Stolle, 1993; Zeger, 1989). The AQA identifies the establishment of organisational values as an important first step. There are anecdotal examples in the literature of the application of values in TQM oriented organisations. In the formulation of values the TQM literature often identifies aligning organisational member values with quality values of customer focus, continuous improvement and teamwork (Burke, 1985; Cound, 1987). No research has been found by the author on leadership and values in the TQM literature.

Discussion On The Role Of Executive Leadership from the Empowerment Literature

There is a fundamental difference between the traditional TQM literature and empowerment literature in relation to the role of executive leadership. The role of executive leadership was to focus on developing employees as innovative, competent and committed to the process of continuous change as described in Section 2.2.3.3. It involved extending leadership throughout the organisation and will be expanded on in the next subcategory of the AQA.

In addition to making key structural changes as described in the previous subcategory the empowerment literature emphasis as a first step removing the barriers that result in employees feeling powerless (Kanter, 1979, 1983). "These organisational responses recognise that empowerment isn’t something given. It is a process of releasing the individual employees power or capability by removing the barriers that prevent their expression" (Zemke and Schauf, 1989, p 85). Davis-Blake and Pfeffer (1989) argued that situational effects were probably more important than independent dispositional qualities in influencing employee attitudes and behaviours in organisations. This premise has received empirical support (Kim and Campagna, 1981).

A key factor in employees feeling powerless is organisational instability. (Murrell, 1985; Nadler, 1982). The most common factors contributing to instability include major organisational change and transitions. These transitions may be spurred on by financial emergencies, loss of key personnel, labour problems, significant technological changes, acquisition or merger activity, major changes in organisational strategy, rapid growth, and/or the introduction of significant new products or new management teams. These events induce significant alterations in organisational structures, communications links, power and authority relations, and the organisation’s goals, strategies, and tactics. In these cases, existing organisational norms and patterns of action are likely to change (Nadler, 1980). These major organisational changes may seriously challenge employees’ sense of control and competence as they deal with the uncertainty of change and accept new responsibilities, skills, and guidelines for action and behaviour (Tichy & Devanna, 1986).

Both the traditional TQM and empowerment literature do not place emphasis on factors external to the organisation that may influence executive leadership behaviour. These factors include industry sector, organisational size, and structure in relation to affiliated organisation, industry regulations (Fielder, 1967; Stogdill, 1948; Yuckl, 1981).
The Contribution Of The Role Of Executive Leadership In The Theoretical Model Being Developed.

A key characteristic of an empowered organisation is organisational stability. Factors resulting in instability that will be investigated in the current study are defined as follows:

<table>
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<tr>
<th>No Evidence of Organisational Instability:</th>
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<tr>
<td>• Financial Crisis</td>
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<tr>
<td>• Changes in Organisational Structure</td>
</tr>
<tr>
<td>• Labour problems and industrial disputes</td>
</tr>
<tr>
<td>• Significant technological change</td>
</tr>
<tr>
<td>• Other issues identified by staff</td>
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3.2.2.1.4 Leadership throughout the Organisation

Discussion On Leadership Throughout The Organisation In The TQM Literature

The TQM leadership focus was on executives leading efforts to improve the system. The TQM literature appears to assign far less importance to the leadership role further down the hierarchy (Dean & Bowen, 1994; Kerr & Jermier, 1978). There is substantial evidence identifying the power of middle managers in stifling quality initiatives. Therefore, their influence cannot be ignored. There has been no research to the author’s knowledge, considering the role of managers at middle and lower levels of the organisation in the change process except for in leading and coaching quality improvement teams. Mention has been made of the qualities of a leader leading quality improvement teams (Atkinson, 1991; Arajs, 1991; Braunstein, 1989; Melum, 1990).

The TQM literature often defines the boundaries of delegated authority in employees by defining the extent employees have discretionary power (often referred to as empowerment) over customer dealings. Xerox defines an empowered employee as one who feels that “I can do what is needed, subject only to boundaries of morals, ethics, law, process capability and price exposure” (Bowen and Lawler, 1972, p 77). Xerox also defines empowerment from a customer perspective. They ask customers whether frontline employees can and do take action to do the right thing for them as customers, thereby making it easy and pleasant to do business with Xerox (Bowen and Lawler, 1995, p 77). Ritz Carlton sets boundaries in dollar limits of $2,500 per employee. Hampton Inn Staff at every level are empowered to use the guarantee of “100% satisfaction or don’t pay” without asking the general manager for permission (Bowen and Lawler, 1992). Federal Express won a 1990 Baldrige Award, the first service company to compete successfully for the award. Peters, (1988, p 292) believes delegation extends to “all workers are routinely expected to take whatever initiative is required to fix problems and/or extend first rate service to a customer”.

There is debate in the literature as to the applicability of discretion in industries where a production line approach and standardisation of procedures is paramount to quality and is often required by law with common examples provided being the MacDonalds food chain, airlines and hospital clinical procedures (Lawler, 1992).

Discussion On Leadership Throughout The Organisation From The Empowerment Literature

The role of leadership involves extending the concept of leadership throughout the organisation. (Thomas & Velthouse, 1990). The transformational leadership literature refers to a “falling dominoes effect” (Burns, 1978, Bass, 1981) where transformational leaders have been identified among non supervisory project directors at the lowest level of management, as well as among high ranking managers at the top levels of organisations (Bass & Avolio, 1990). Transformational leadership behaviour was discussed in further detail in Chapter 2.4.6 of this thesis.
The empowerment literature stresses that all employees should feel both competent and committed to the change process. The importance of competence is described below. The importance of commitment is related to intrinsic motivation and will be addressed in subsection 3.2.2.2 related to goal alignment and subsection 3.2.2.4.3 related to performance management.

The empowerment literature strongly argues that empowerment through delegated authority will fail if staff are not competent (Kramer & Schmalenberg, 1993). Competency is commonly aligned to the attainment of skills to allow employees to take increased responsibility for their work (Bowen & Lawler, 1992; Diez, 1989; Kanter, 1983; Trofino, 1989). Bowen & Lawler (1995, p74) argue that empowerment programs fail when their focus is on “power” alone. “The result is that frontline employees have the power to act as “customer advocates” doing whatever it does to please customers but do not have the training to act as responsible business people”. Similarly Zemke & Schaal (1989, p66) emphasises the competency of front line staff. “In a service-focused organisation, frontline employees – those people who deal most directly with the customer – should have the skill, knowledge, tools, time and authority to do whatever it takes to meet a customer’s needs”.

There is debate in the empowerment literature surrounding the extent of delegated authority or the level of the organisation that the sharing of decision making is extended (Conger and Kanungo, 1988). For organisations that have been described as empowering there is diversity in the boundaries or degree of decision making autonomy allowable by employees. Autonomy may be defined as the degree of freedom or discretion a person has over the task domain (Ashforth, 1990), that is, the boundaries of decision making (Bowen and Lawler, 1995). Some ignore the issue and equate autonomy to generalised concepts such as “participative” (Schlesigner and Heskett, 1991) or shared governance (Jenkins, 1991).

There is growing consensus that the boundaries of decision making need to be identified, checked and evaluated (Waterman, 1988). Waterman (1988, p 75) insisted that empowerment needs to be placed within a context he calls “directed autonomy” where people are empowered “within a context of direction. People know where they should act on their own and where not. The boss knows that his or her job is to establish those boundaries then truly get out of the way”. Waterman (1988) is firmly convinced that delegating responsibility to others is perhaps the single most powerful high leverage activity there is and outlines areas that need to be clearly defined before it can occur: This involves identification of the desired results, the framework within which the individual should operate including potential problem areas and the organisational, financial and human resources that are available.

A number of definitions define empowerment as the right to make discretionary and binding decisions within employee scope of practice (Batey and Lewis, 1982; Lewis, 1993; Wallace, 1996). Batey and Lewis (1992) argues that the staff on the “front line”, those who deal with the customers (both internal and external) every day, know what customers want. If front line staff are allowed to act on this knowledge (as opposed to moving it up and down the line of command) responsiveness will increase, and customers will be better served.

The opposite to autonomy has been defined as powerlessness. The end result of powerlessness has been described by Martinko and Gardner, (1982; p 196) as a state of “organisationally induced helplessness” and reduced job and organisational involvement (Ashcroft, 1989; Matinko and Gardiner, 1982). Individuals develop the cognition of being unable to effect organisational outcomes. Work designed on the basis of autonomy can enable feelings of freedom and power to effect change in the system (Lofquist and Davis, 1969).

The literature associates competence with self confidence and the ability of individuals to initiate action in problem solving. Competence is the “springboard of confidence, courage and proactivity” (Bell & Zemke, 1988). Competence is not only knowing, but knowing that you know (Bandurra, 1977). The confidence with which knowledge is held, pride in the knowledge
and correspondingly high valuation of self-related to possession of knowledge and skills in an important precursor to autonomy. (Wells & Maxwell, 1976).

The Conger & Kanungo (1988) theory of empowerment focused on developing competency and self-confidence (referred to as self-efficacy). The model is outlined in Sub Section 2.3.2.2 and was based on the previous work of Bandura (1976, 1977, 1986) who identified that performance accomplishment based on personal accomplishments, raised mastery expectations which then generalises to other situations (Bandura, Jeffery & Gajdos, 1975; Bandura, 1977). This description is similar to what Senge (1990) identifies are "personal mastery". Empirical studies of self-efficacy have found an association between self-efficacy and work performance dealing with life insurance salesperson university research productivity and coping with difficult career-related tasks (Bandura, 1977). There has been considerable support that the stronger their perceived self-efficacy the more vigorous and consistent are their efforts and the more likely they are to initiate and persist in problem solving (Bennis & Nanus, 1985; Burns, 1978; Dean & Kennedy, 1982; House, 1977; Schein, 1985).

The Contribution Of Leadership Throughout The Organisation In The Theoretical Model Being Developed

A key characteristic of an empowered organisation is for employees to have the competencies to enable them to make business decisions and feeling confident in their ability to initiate action in problem solving.

<table>
<thead>
<tr>
<th>Employee empowerment behaviour</th>
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<tr>
<td>Competence defined as:</td>
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<tr>
<td>1) Employees feel confidence in their capability / skills to complete tasks.</td>
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<tr>
<td>2) Employees have ability to initiate action in problem solving</td>
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3.2.2.1.5 Leadership Behaviour

Discussion On Leadership Behaviour From The TQM Literature

Leadership behaviours are the particular acts in which the leader engages in the course of directing and co-ordinating work. These behaviours may differ from situation to situation (Schein, 1992). The principal leadership behaviour advocated in the TQM literature is role modelling. The need for leaders to act as role models is well documented in the TQM literature (Garvin, 1991, 1993; Harari, 1993; Johnson, 1991, Norden & Powers, 1994; Stolle, 1991). The emphasis is on the actions of leaders rather than the rhetoric. The concern was to ensure employees did not believe TQM is a short term fad to which management is giving lip service (Johnson, 1991; Juran, 1976; Stolle, 1991; Zenger, 1989).

There is a wealth of anecdotal literature identifying the lack of leadership commitment in TQM resulting in its demise. Sinclair and Collins (1994:p211) point out that managers often make "Glib statements about managing culture change. On the one hand they want the workforce to be more responsible, accountable and flexible in their work attitudes, while on the other hand they cling to the traditional belief that "workers must be directed and controlled by management if quality results are to be achieved". The literature warns of the danger of the CEO supporting TQM more in words than in actions (Nwabueze, Morris and Haigh, 1993; Dunphy and Stace, 1990). The most commonly cited reason for lack of commitment is managers not giving up power and control. TQM may weaken the power base of supervisors and middle managers (Hill, 1992; Roth, 1997; Sinclair and Collins, 1994; Wilkinson et al., 1992). Herrington (1991) cites a major
reason for the failure of TQM as the catch 22 situation that senior manager's face. They must personally change in order to install a total quality environment, however, many senior managers have previously been promoted because they have succeeded in and been role models for the old entrenched culture.

Discussion On Leadership Behaviour From The Empowerment Literature

The empowerment literature identified the importance of leadership behaviour, in the context of creating a culture change in the organisation. The culture literature supports the premise that top managers are the major influences of the shape of the culture in their organisations (Lorsch, 1985; Kilmann et al., 1985; Green, 1986; Bennis, 1989; Davis, 1984a and b; Dyer and Parker, 1975; Kotter, 1982).

The literature has numerous examples of studies on culture where leadership was considered the dominant variable (Schwartz & Davis, 1981). Plant and Ryan (1988) studied the culture of a company and found that the organisation was a reflection of the behaviour of its top executives. Schein (1981) identified six primary mechanisms of how leaders embed and transmit culture in an organisation (Appendix 13). The literature identifies that the behaviour of leaders must be embedded in their belief system. Some of the mechanisms of communications are unconscious and therefore the leader may be sending mutually contradictory messages (Kets de Vries & Miller, 1987 in Schein 1990).

The leadership behaviours that are identified as important in this research are behaviours identified in transformational; intrinsic; motivation; empowerment; cultural change and learning organisations literature. They are:

- Role modelling
- Self insight and self development
- Mentoring (teachers, facilitator, coach)
- Listening skills
- Integrity and trust

These behaviours are examined below. Together, they provide the framework for creating an organisational culture that will be more amenable to learning (Schein, 1990).

i) Role Modelling.

Role modelling of leaders is an essential leadership behaviour in both TQM and empowerment literature. The distinction between the two disciplines is that empowerment literature considers role modelling as important for personal development of individuals as well as to enhance motivation toward the vision.

The transformational leadership literature emphasises the value base of the leaders themselves (e.g. integrity, self respect, quality). Leaders can only become role models for followers if their end-values match those of the organisation (Kuhnert & Lewis, 1987). The empowerment literature relating to learning organisations and transformational leadership identify the importance of "charismatic" leadership. Adamson (1989) suggested that leaders should be charismatic, having an attractive vision and captivating and exciting speaking skills which communicate this vision, and ability to excite others, and being high in energy so that they are seen as dynamic. Atkinson (1991) used the words "charismatic" and "inspiration". Peters (1991) wrote of the need for dazzle factor and passion, while Bemowski and Sullivan (1992) commented on the need for enthusiastic participation in TQM. Charismatic leaders set an example in their own behaviour which arouse motivation to complete the task (Bass, 1985; Conger and Kanango, 1987; House, 1977). By acting as role models, charismatic leaders permit organisational members to identify with them and internalise their values and assumptions (Bass, 1985; Bennis, 1990).
Role modelling is an important learning experience for individuals. This has been advanced in transformational leadership theory (Bass, 1985; Eden, 1984), empowerment literature (Conger & Kanango, 1987) and leadership studies (Bennis & Nanus, 1985). Research has supported that watching the mastering of a task by others has lead to increased confidence and ability to persist with problems (Bandura, 1976). By observing co-workers performing the task results in an “if others can do it so can I attitude” (Bandura, 1976; Kazdin, 1975) particularly when individuals lack knowledge of their own capabilities. Conversely visualising others who cannot perform the task lowers belief in self efficacy.

ii) Self insight and self development.
Leaders need to know that they are personally striving for improvement. This is a form of role modelling to ensure that they have an understanding of what a learning culture entails (Herrington, 1991; Main & Langan, 1987). Leaders must also acknowledge the cost of their own sub-standard performance in planning, delegating, motivating and communicating and the benefit of listening and learning from others (Atkinson, 1991). Given that leaders convey both their conscious and their unconscious behaviours, leaders must have tremendous self insight and recognise their own role not only in creating the culture but also in their responsibility in embedding their culture (Schein, 1992).

iii) Mentoring.
Mentoring is more personal as it is based on a closer emotional attachment between the leader and employee than other leadership behaviours (Murrell, 1977). The literature identifies the importance of the leader to be a teacher, facilitator and coach (Kanter, 1983; Murrell, 1977; Senge, 1990). The intimate involvement in the development of others is needed so that they may learn to lead. The demands made on employees in empowered organisations are far broader than those in traditional systems, considerable time and attention are necessary to prepare employees for their responsibilities (Kanter, 1983; Murrell, 1987).

The leader as teacher is the process of assisting staff achieve more insight and empowering reviews of reality (de Press, 1989). Synonyms used to this type of leadership is coach, guide or facilitator (Peters & Austin, 1985). The leader as steward is described as an attitude. Leaders’ sense of stewardship operates on two levels: stewardship for people they lead and stewardship for the large purpose or mission that underlies the enterprise. The first type arises from a keen appreciation of the impact one’s leadership can have on others (Miller, 1994; Senge, 1990).

Mentoring has a direct role of building another’s competence and self confidence (Murrell, 1977). Bandura (1986) identifies the impact mentoring has on people’s emotional state which influences feelings of personal competence. This issue is discussed in further detail in Category 4, People, sub section 3.2.4.2 Performance Management. The person who serves as a mentor can also gain increased power from seeing others do well and from providing a model of success for the organisation. When members of an organisation play the mentor role for one another, the net result is likely to be increased power for the system as a whole (Murrell, 1977). The primary role of leader is to get the right leadership talents to the right place. It produces feelings of self work in the leader by allowing and encouraging and assisting others to get the job done. Manager’s whose ego is supported through control do not function in this type of environment (Vogt & Murrell, 1990).

iv) Listening/Interpersonal Communication Skills.
Listening skills are paramount to genuine participation (Schein, 1991). The empowerment literature identifies the need for leaders to listen to employees contribution to decision making (Main & Langdon, 1987).

There is a need for two way communication to allow leaders to make strategic decisions which will further enhance the organisational performance and therefore leaders must be able to listen and learn (Atkinson, 1991; Murrell, 1976). For this to happen, leaders must be accessible. Emphasis is placed on the need of the leader to encourage questioning of decision making. Any
fear that the messenger bearing bad news will be punished has to be eliminated from the organisational culture (Axline, 1991; Bemowski & Sullivan, 1992; Townsend & Gebhardt, 1988).

v) Integrity and Trust.

The importance of trust in an empowering environment is identified in Category 3 of the AQA in sub section 3.1.6.4 titled ‘Communication’.

**The Contribution of Leadership Behaviour in the Theoretical Model Being Developed**

The model being developed needs to take into consideration the importance of supporting leadership behaviours involving verbal and non verbal behaviours that transmit the culture in organisations.

- Role modelling
- Self insight
- Mentoring
- Listening skills
- Trust

### 3.2.2.2 Category 2 – Strategy, Policy and Planning

In the AQA this Category is concerned with the way that the organisation develops its strategies, policies and plans and communicates and deploys them.

The importance of developing a shared vision among all employees is of importance to both the TQM literature and the empowerment literature. Senge (1990, p9) explains the association, “If any one idea about leadership has inspired organisations for thousands of years, it’s the capability to hold a shared picture of the future we seek to create. One is hard pressed to think of any organisation that has sustained some measure of greatness in the absence of goals, values and missions that become deeply shared throughout the organisation”. Both the TQM literature and empowerment literature differ significantly in how the vision is developed and implemented.

**Discussion On Strategy Policy And Planning In The TQM Literature**

The TQM literature has been mixed in the best way of setting the strategic direction of the organisation. The most common strategic planning method is based on traditional strategic thinking (eg Forrester, 1971). This involves a small number of senior managers being responsible for formulating strategic and policy direction. The TQM literature is somewhat superficial in its treatment of the inherent tension between the autonomous setting of organisation direction at the macro level and the democratic processes of establishing a shared vision and moving towards it. (Preston & Saunders 1990)

The focus in the TQM literature is on the implementation of the strategic plans rather than on employee participation in the process of developing the plans. The desired method of strategy implementation has been well researched. (Lascelles & Dale 1988). Juran (1989) emphasised the involvement of all parts of the organisation in implementing quality plans as part of his quality
planning-control-improvement trilogy best known TQM approach to strategy implementation is *hoshin kanri*, a Japanese term translated as policy deployment (Imai, 1986; King 1985). In this approach, top managers annually develop strategic priorities (e.g. improved quality, better safety) for their firm. These priorities are then deployed throughout the organisation, with progressively more detailed plans for achieving them established at each level. This approach has been supported (Braunstein 1989, Lascelles & Dale 1988, Kazemek 1991, MacCoby 1990, Zenger 1989). Exceptions to this approach were identified by Blanchard (1989) and Towensend and Gebhardt (1989), both of whom discuss the need for leaders to be flexible in their style depending on the task. Farquhar (1991) reports a different approach at Xerox where management deliberately did not proclaim a vision, thereby challenging employees to create their own. The claimed result was deep cultural change and a better and more permanent match between the Xerox culture and that needed to achieve the vision. There is debate in the literature on what issues are relevant to TQM strategic planning. The issues are outlined in Appendix 14.

Even with the emphasis on implementation the lack of a unified vision throughout the organisation has been commonly cited as a reason for failure of TQM in organisations (Cound, 1987; Darling, 1988; Tenner and Detoro, 1993; Johnson, 1991; Senge, 1989; Senge, 1990). There are examples of visionary executives who are unable to translate their vision to an organisational action plan. Nadler and Cushman (1990) cited the example of the company called People Express. Their vision to expand and capture the business traveller was not coupled with changes in organisational infrastructure procedures and/or roles. The company was unable to execute this vision without a committed senior team and associated structure and systems.

A further reason for lack of leadership implementation in planning involved the entrenched Western view of profits now rather than technical excellence in ten years time (Lawrence, 1984). Wilkinson, Marchingdon, Goodman and Acher (1992) provide an example of a company (Busoc) where the need to justify expenditure in both resources and time meant TQM could never be introduced on a full scale. Quality related activities were simply regarded as a cost unless it was clearly demonstrated otherwise. The measurement process thus drove "systems" improvement rather than the reverse. There are numerous examples in the literature where leaders, wanting TQM to provide a "quick fix" approach, concluded that the program cost too much to implement in terms of time, human and financial resources with slow results (Mathews and Katel, 1992).

**Discussion On Strategy Policy And Planning In The Empowerment Literature**

There is common agreement in the literature on empowerment to the need of a shared vision among all employees (Bennis & Nanus, 1985); Berstein, 1960; Burns, 1978; Frederick, 1992; Peters, 1987; Robbins, 1993; Schmieding, 1993). The empowerment literature stresses the importance of goal alignment through employee involvement in the formulation of the plans and the importance of employee commitment to their achievement. (Johnson, 1993)

Each of these concepts are described below.

i) Goal Alignment.

The importance of fostering strategic thinking through goal alignment in as many employees as possible is an issue of competence and is based on the premise that having the authority with no sense of direction related to where the authority should be applied is useless. If employees do not understand the overall direction in which the organisation is headed, they will not understand why they are empowered, or how or where to apply this empowerment. (Bennis & Nanus 1985, Hawks 1992). "Empowering the individual where there is a relatively low level of alignment worsens the chaos and makes managing the team even more difficult" (Murrell 1995, p 561). Empowerment literature emphasises the importance of employee involvement in the formulation of the plans through consensus oriented models. (Floyd & Wooldridge 1992, Mason & Mitnoff 1981, Mintzberg 1987, Murrell 1995, Senge 1990).
ii) Fostering Commitment.
The empowerment literature emphasises the need for all employees to share the commitment to achieve the organisation’s vision, mission and values (Bennis & Nanus, 1985; Darling, 1992; Hawks, 1992; Kanter, 1983; Marszalek-Gaucher & Coffee, 1990; Nadler & Tushman, 1990; Tenner & Detoro, 1993; Tibbet, 1993; Schmieding, 1993). The importance of commitment was identified in section 2.1.4.3 as the key requirement to business success in the 1990’s. This is achieved by ensuring the vision or mission are meaningful to individuals or teams (Bennis & Nanus, 1985; Block, 1987; Machehr, 1988).

The notion of meaningfulness is similar to the concept of meaningfulness in job design theory (Hackman & Oldham, 1980), collective purpose in the transformation leadership literature (Avolio & Bass, 1988; Burns, 1979), involvement and concentration of energy in the empowerment research (Kanter, 1968; Sjoberg, Olmon & Salay, 1983). Bennis & Nanus (1985,p71) describe the outcome of transformational leadership as “measured by the extent to which ‘compelling vision’ empowers others to excel; the extent to which meanings are found in one’s work; and the extent to which individual and organisation are bonded together by common commitment in a mutually rewarding symbiotic relationship.”

Meaningfulness by each employee is achieved by knowing the organisation’s vision mission and values and their own unique role in its achievement (Vogt & Murrell, 1995; Bennis & Nanus, 1985; Hawkes, 1992; Kuhnert & Lewis, 1987; Schmieding, 1993; Tebbit, 1993). In a transition to an empowered organisation leaders need to learn how to help people to become more aware of their own goals so that they can actively participate and eventually guide their own motivation (Argyris 1955, Machehr 1988, Rohan 1990). Transformational leadership identify the importance of the leader guiding the individual by communicating the vision through a range of strategies including the expectation the leader expresses of employees and through the leader personally demonstrating behaviours and activities that symbolize and further that vision (Nadler & Tushman 1990).

Employees committed to the achievement of the organisational goals can allow the organisation to: redirect or redesign its goals, roles systems management process and practices to most effectively achieve its purpose (Tebbit, 1993) and reduce controls. (Kanter, 1983; Walton, 1985). Underplay the differences in status (Semler, 1996); and allow individuals to act instinctively to benefit the organisation (Ouchi, 1980; Williamson, 1975). Eventually, the followers become leaders themselves as they grow and develop (Adam, 1984; Bass, 1985; Nadler & Tushman, 1990).

The empowerment literature while emphasising employee involvement in the formulation of plans ignores both the organisation wide methodology in implementation of plans and their content (Dean & Bowen 1994). This has been a major criticism of empowerment research. Egelhoff (1993) argues that in some environments implementation may be more important than formulation. Research evidence is available that performance is optimised when the strategic plan and its implementation process are closely matched.

The Contribution Of Strategy Policy And Planning In the Theoretical Model Being Developed
The current model identifies goal alignment and ensuring commitment by employees to the achievement of the plans as key leadership strategies. The model will identify the following leadership strategies.
Leadership strategies

Goal alignment and employee commitment developed by:
• Individual involvement in developing team goals.
• Team involvement in developing organisational goals
• Relationship of team plans to day to day activities
• Accountability through review of the planning process
• Feedback on organisational planning results

The model also identifies the importance of goal alignment and commitment as a competency required by all employees. This involves:

Empowered Employees

Display goal alignment and commitment by understanding:
• how their job is important to the team's goals
• the importance of team goals
• the importance of organisational goals

3.2.2.3 Category 3 - Customer Focus

The Customer focus Category of the A.Q.A. deals with assessment of customer expectation and organisational performance in meeting them, customer relations management and commitment to customers.

Customers in this Category are external customers or the ultimate individual customer. This is contrasted to the internal customer (staff) which is considered in Category 4.

Discussion On Customer Focus In The TQM Literature

The TQM literature describing the notion of exceeding customer expectation is detailed in the evolutionary stage of TQM outlined in subsection 2.2.1.2. of this thesis. Dean and Bowen (1994) indicate that the external customer emphasis on TQM has maintained a “manufacturing” type focus.

TQM type perspective’s on customer relations can be found in the ideas of: managing customers as “partial employees” in the co-production of services they consume (Bowen, 1986; Mills, Chase and Marguiles, 1980); in involving customers in the design of organisational practices to gain their commitment (Urlich 1989); in exchanging emotional and contextual control in the employee-customer encounter and in research on how customer perceptions of service quality are

Discussion On Customer Focus In the Empowerment Literature

Customer focus based on need identification and satisfaction receive little coverage in empowerment related literature (Peters and Waterman, 1982). This is a fundamental difference between TQM and empowerment literature. External Customer Focus is viewed as an end result of feeling empowered. The empowerment literature stresses customer focus from the point of view of employees having the knowledge, power and obligation to solve customer problems on their own. (Bell and Zemke, 1988; Bowen and Lawler, 1995; Firthwahld, 1989). The emphasis is on line workers who deal closely with service problems. Empowerment has been defined as “the act of resting substantial responsibility in the hands of people nearest the problems to be solved, i.e. the customers” (Bowen and Lawler, 1995 p 78).

Bowen and Lawler (1995) emphasis the importance of giving power to employees in service organisation where customers are often present during service creation and consumption. Customers are immediately and directly effected by service delivery mistakes and witness first hand whether employees are willing to correct them. Giving service employees more power may help them to recover from service failure or to get it right the first time. I.e. zero defects are impossible to service. However, empowering employees to fix mistakes quickly can be part of a recovery strategy in which the service goal of zero defections, i.e. no lost customers, is realised (Hart, Heskett and Sasser, 1990; Reichhel and Sasser, 1990). This idea has been supported by Schlesinger and Heskett (1991) who identified that the “time window” for recovery from many service errors is small.

Empowerment can result in pleasantly surprising customers with the initial service delivery and exceed their expectations instead of recovering from a service failure (Bowen & Lawler, 1995). Empowered employees are also said to feel better about themselves and interact with customers with more warmth and enthusiasm. Research support has been found for this premise (Schlesinger and Zornitsky, 1991).

Failure of empowerment initiatives will be identified when management advocate customer service but fail to provide staff with the necessary resources, or penalise them from taking action (Bennis, 1970; Balu, 1974; Parkington and Schneider, 1979).

The Contribution Of Customer Focus In The Theoretical Model Being Developed

This thesis concentrates on feelings of employee empowerment and not external customer perception. Therefore no specific leadership strategies for external customer focus will be considered in the developing model.

3.2.2.4 Category 4 – People

This Category in the A.Q.A criteria is concerned with the way in which people who work within the organisation, in whatever capacity are encouraged and enabled to make a personally satisfying contribution to the achievement of the organisation’s goals. The Category has a number of sub categories. They are:
3.2.2.4.1 Human Resources Planning

The first element in this Category is human resources management planning. This item investigated how the organisation's human resource plans are developed, managed and integrated within its overall planning process. Included in these plans are strategies used to achieve organisational goals, and enable the full potential of employees to be recognised.

Discussion On Human resource Planning In The TQM Literature

The TQM literature views human resource plans as being developed following the completion of the organisational business plans. (Beaumont, 1992). McCormack (1992) advanced a convincing argument that commitment to a continuous improvement philosophy must be followed with a strategic framework for implementation, which involved ensuring that the organisation's systems (including HR systems) and procedures are aligned. Baum and Sparrow (1992) present a useful approach to ensuring that human resource systems mesh with corporate strategy through a model of vertical and horizontal integration. The content of human resources plans in TQM organisations is typical of those advocated in strategic human resource management (Foerbrum, Tichy and Devanna, 1984; Wright and McMahon, 1992). They include items such as performance review, compensation, recognition and training (Butler, 1990, Knill, 1992; Melum, 1990; Milakovich, 1990; Townsend and Gabhardt, 1988).

Human resource planning in the TQM literature has been criticised as being viewed as separate to the organisational business plan. Chief executive commitment and drive, the agreement of the board and middle management, and the establishment of a clear business mission and customer policy were all being seen as being more important than human resource issues (Costin, 1994; Dawson and Webb, 1989; Hill, 1991; Storey, 1991). An example of TQM literature ignoring human resource strategies in the overall business strategy is in the field of industrial relations. A study of Develin and Partners (1989) found that quality managers and managing directors did not consider it important to establish union agreement or a positive working climate before implementing TQM. Costin (1994) also identified that in its early stages, TQM is regarded as essentially a management policy and outside the union sphere of influence. The neglect of industrial relations is also evident in the textbooks on TQM. For example Oakland's (1989) standard work does not mention trade unions at all. However, unions are likely to be a countervailing source of power and loyalty (Wilkinson et al, 1992).

Discussion On Human resource Planning In The Empowerment Literature

In the empowerment literature the human resource plan is the organisational business plan. The focus involves clear organisational strategies for enhancing employee competence motivation, contribution, commitment and involvement. Therefore human resource strategies, policies and practices are viewed as critical components of the competitive strategy. Murrell (1985:p87)
identifies an empowered organisation with the following description "Commitment to human development goes well beyond the traditional human resource staff roles in use in many progressive corporations today. The concern and caring for others in a whole life perspective is part of the values of this organisation, which demand more from each person while offering more in return;"

The Contribution Of Human Resource Planning In The Theoretical Model Being Developed
As the human resource plan is identified as integral to the organisational business plan the leadership and employee empowerment behaviours required for developing this component of the model have previously been covered by Category 1 & 2 of the AQA.

3.2.2.4.2 Employee Involvement

This item examines the way in which employees at all levels are encouraged and enabled to contribute to achieving organisational objectives and the continual improvement of the organisation. This item requires evidence that the administrative systems have been changed to make employee involvements easier and a part of working life. It is about allowing employees to realise their full potential.

Discussion On Employee Involvement In The TQM Literature
Employee involvement in TQM organisations have been described in "bottom-up" communication to ensure that employee voices are heard in the managerial and executive suite (Blackburn & Rose, 1993). The emphasis is on improvements in upward communication rather than active involvement of employees in decision making. The most common reference is to suggestion schemes and the use of quality circles (Atkinson, 1991; Main & Langdon, 1987). Quality circles have been discussed in detail in Category 1 of the AQA. Annual employee attitude and satisfaction surveys represent another mechanism for upward communications. Motorola, Federal Express, IBM Rochester and Wallace all use comprehensive employee attitude survey to monitor employee satisfaction and identify problem areas. These surveys typically ask employees to rate their supervisors on such dimensions as leadership, communication and support.

Discussion On Employee Involvement In The Empowerment Literature
Employee involvement is the essence of empowerment, which aims to ensure that front-line people "own the process". This is viewed as a strategic issue in the empowerment literature and involves the establishment of self directed work teams as identified in Category 1 of the AQA. It also involves the ability of employees to act as responsible business persons as identified in Category 1 of the AQA.

The Contribution Of Employee Involvement in the Theoretical Model Being Developed.
Employee involvement issues are covered by Category 1 of the AQA and will not be repeated in this section.

3.2.2.4.3 Performance Management

Performance management is the way the organisation manages and evaluates the contribution of its people in achieving organisational objectives.
Discussion On Performance Management In The TQM Literature

Performance management is a controversial issue in the TQM literature. Deming maintains that performance is due mainly to systems factors beyond an individual's control and therefore individual performance appraisal should be abolished. Scholtes (1990) raises the concern similar to Deming that staff appraisal systems may reduce the possibility of co-operation. In other words without teamwork, there can be no quality. Some TQM advocates argue that if appraisals are done they should be done on a gross instrument with the majority of workers receiving an average rating (Dobins et al., 1991).

Despite these concerns staff performance management systems are common in TQM oriented organisations. Baldrige winning companies appraisal system are provided as examples. Westinghouse CNFD uses a management by objectives performance review system with quality improvement representing one of the major objectives against which employees are evaluated. Similarly, Federal Express rates employees on both "quality of work" and "customer service" dimensions in the context of performance reviews. Xerox rate employees on such quality used dimensions as "continuous improvement", "problem solving" and "team contributions" (Blackburn & Rosen, 1994, p 56).

Recent TQM advocates are adopting appraisal methodology from the empowerment literature. Cadillac replaced their traditional performance "review" system with a Personnel Development Planning Process. Managers meet with employees to set future expectations, identify training needs, provide coaching, and reward continuous improvement. (Blackburn & Rose, 1994).

Discussion On Performance Management In The Empowerment Literature

The importance of performance management in empowerment literature is to develop individual competencies and commitment to perform tasks. Competencies has already been described in Category 1, subsection 3.2.2.1.4. The empowerment literature identifies competence and commitment as outcomes of intrinsically motivated employees,(Campbell & Pritchard, 1976; Kanter, 1990). The finding that motivation is inherently individual suggests that organisations need to rethink strategies for motivating people according to their unique personal and developmental circumstances. It also heightens the importance of the leader effectively diagnosing not to situation and its needs but to the values, needs and capabilities of their employees. (Bass, 1985;Murrell, 1975; Kanter, 1979).

The difficulty with the literature on intrinsic motivation and individual differences is that variations occur in interpretation based on the theoretical discipline under consideration. Senge (1990) identifies the need for leaders to take into consideration individual's mental models representing a person's explicit and implicit view of the world. Transformational leadership theory identifies the importance of individual consideration in understanding the needs and capabilities of staff (Bass & Avolio, 1990; Offerman & Gowing, 1990). The cultural change literature seeks to manage the paradigm shift that alters individual's assumptions about themselves that occurs during the change process (Blackburn & Rosen, 1993; Steiner, 1996). Further explanations on individual motivation can be found in concept theories (Kelly, 1955), Job Design theory (Hackman & Oldham, 1980), expectancy theory (Lawler, 1974), locus of control learned helplessness (Abramson, Seligman & Teasdale, 1978),and locus of causality (Deci & Ryan, 1985). Many of these disciplines introduce concepts that are comparable to concepts identified by other disciplines. However their similarities have not always been acknowledged.

There is substantial evidence that an important ingredient for staff to gain both competence and commitment is that they feel valued. (Alderfer, 1969). Feeling valued is directly related to self esteem in individuals (Brockner, 1988; Brockner & Hess, 1986) and self image reinforcement (Buchanan, 1974; Schein, 1982). The opposite to feeling valued is learned helplessness. Learned helplessness is similar to the concept of people powerlessness in the empowerment literature with
personality attributes identified as dampened ability to recognise opportunities, reduced motivation, self-esteem, and depressed effect (Abramson et al., 1978). Feeling valued is based on how individuals interpret their tasks. The principle interpretations are outlined in Figure 5 and are briefly described below.
i) Meaning: My job is making a difference. Valued employees perceive that their job is making a difference in the organisation (Buchanan, 1974). Gist (1987: p 83) summarises the importance of value, "When an organisation determines that employees are valued, needed and can make a difference and puts in place actions enabling them to demonstrate this on a regular basis enthusiasm will spread." Gist (1987: p 55) provides a description of the required thinking: "of creating a culture at work in which it is acceptable to be a whole person with feelings and not merely an instrument. We need to value people for who they really are if we want to offer their full potential."

ii) Impact: I am fairly treated. Impact refers to the degree to which an individual obtains the outcomes expected from a certain level of performance, i.e., that they are fairly treated. (Thomas & Velthouse, 1990) This will influence that person's future performance-outcome instrumentalities and, thus, future motivation. For example, if an individual originally believed that a certain level of performance would result in a specific pay bonus, and the pay bonus actually materialised after that performance was achieved, future performance-bonus beliefs would be strengthened (Folger & Konovsky, 1989). Research has confirmed the motivational impact of contingent reinforcement practices (Komak, 1986; Luthans et al., 1975; Podsakoff, 1982). Impact is similar to performance - outcome expectancy in Expectancy Theory (Lawler, 1975) locus of control (Rutter, 1996) learned helplessness (Abramson, Seligman & Teasedale, 1978) and knowledge of results in job design theory (Hackman & Oldham, 1980).
iii) Self Determination: I have the freedom to make decisions. Feeling valued implies having the freedom to make discretionary decisions (Thomas & Velthouse, 1990; Tibbet, 1993). Discretionary decision making involves input to how their job is designed and their ability to respond when something goes wrong (Bowen & Lawler, 1992; Deci & Ryan, 1985). Bowen & Lawler (1992) identify an empowered state of mind as having control over what happens on a job, freedom of choice among different ways of doing a job.

The perception that one has influence on the job and work unit has been found to have a direct impact on employee's commitment to the task (Hartman, 1984; Tibbett, 1993), enthusiasm, ownership of the task, organisational citizenship behaviour (Organ, 1990); feelings of competence (Deci & Ryan, 1985) and enhanced intrinsic motivation. Conversely task-contingent rewards (e.g. Lepper, Greene & Nisbett, 1973), negative performance feedback and controlling forms of surveillance have been shown to undermine intrinsic motivation. Leaders ability to make organisational members feel stronger and in control of their own destinies is an essential ingredient of transformational leadership theory. (Deci & Ryan, 1985).

*Contributions Of Performance Management In The Theoretical Model Being Developed*

Performance management in the development of competency is a key leadership strategy. An outcome of individual development is the importance of employees feeling valued. The issues relevant to the development of the current model are:

**Leadership Strategies**

- Performance management to identify training needs
- Access to education and training opportunities that have been identified.

An outcome of performance management is the development of intrinsic motivation of employees.

**Employee empowerment behaviour**

Intrinsic Motivation evidenced by:

- The desire to learn and for personal growth
- Employees achieving more than first anticipated.

The model recognises an outcome of performance management is that each employee feels valued. This involves the feeling of:

**Employee Empowerment Behaviour**

Employee: feeling valued as evidenced by:

- Employees perceive they are fairly treated
- Employee job is essential for the team to succeed.
- Employee perceives they are having an influence in decision making.
3.2.2.4.4 Communication

The intent of this item in the AQA criteria is to emphasis the importance of effective communication and the need for systematic approach to be taken to all communication.

Discussion On Communication In The TQM Literature

The fact that the Australian Quality Awards places communication in the human resource Category issues rather than with Category 1 Leadership is an indication of the distinction between the TQM and empowerment literature. The issues of communication have previously been addressed in the section on employee involvement in Category 1.

Discussion On Communication In The Empowerment Literature

The empowerment literature emphasises establishing a culture of trust through the establishment of two way communication mechanisms (Conger, 1988; Dunphy, 1990; Gibb, 1978; Murrell, 1985; Tibbet, 1985). Trust is associated with intrinsic motivation. When distrust exists in an organisation, people need outside pressure to motivate them. When trust exists, people are motivated from the inside out by being self-directed (Murrell, 1985; Tannenbaum & Davis; 1969).

The relationship of trust involves open and honest information exchange between a leader and employee. A trusting leader is more willing to be open and vulnerable, they will communicate more fully, more accurately, and in a more timely manner (Haney, 1967; Machler, 1988; Murrell, 1985; Tibbet, 1993). Employees will accept that the information and knowledge provided from managers is accurate only if they trust them (Carbon et al., 1995, p 77). Employees in turn will disclose more accurate, comprehensive, and timely information about facts, thoughts, and feelings. This interchange strengthens feelings of mutual trust (Zand, 1972).

The term “idealised influence” of charismatic leaders in Transformational leadership represents the building of trust and respect in followers, it provides the basis for accepting radical and fundamental changes in the way the company conducts its business. The characteristics of honesty, openness, ability to raise any issue; open communication, genuineness, mutual respect, courtesy, acceptance of people and valuing of others are vital to forming a nurturing and caring environment (Bass, 1991). Without trust and commitment to the leaders intentions, attempts to change and redirect the organisational missions are likely to be met with extreme resistance (Bass, 1985). The leadership role in creating trust has been identified as the basis for the development of a collaborative learning culture in their organisation (Senge, 1990; Jaccaci, 1989).

Contribution Of Communication in the Theoretical Model being developed

The characteristics of an empowered organisation is an environment of trust. The model on empowerment needs to take into consideration the creation of an environment of trust as a key leadership strategy.
Leadership Strategy

Building of trust as evidenced by:
- Staff two way consultation mechanisms exist
- Staff are able to raise any issues with their leader.
- Open and honest communication

3.2.2.4.5. Training and Education

This item in the AQA criteria examines how employees are developed through education and training. Of importance is how the education and training is linked to the goals of the organisation.

Discussion On Training and Education In The TQM Literature

The majority of companies advocating TQM would have training programs emphasising the importance of problem solving skills (Sashkin and Kiser, 1993) and customer service. The emphasis in the training programs often depended on the definition of quality. Organisations emphasising statistical process control have training programs that advocate statistical tools and techniques (Lawler, 1995). TQM organisations with broader definitions of quality have a more comprehensive training program (Snell & Dean, 1992). These TQM advocates emphasise continuous training not only in technical aspects of the job but also with quality related knowledge and skills (Brown, 1992; Deming, 1986; Juran, 1989; Walton, 1986). The TQM literature has been criticised for not taking a more contingent approach to training and development based on the products being provided (Sitkin, Sutcliffe & Schroeder, 1994).

Blackburn & Rosen (1993) reviewed training programs in Malcolm Baldrige winning companies. For example every Xerox BP & S employee received twenty eight hours of training on a range of quality tools including benchmarking. At Federal Express, all employees attend two day programs where they receive instruction on the basics of quality management and quality team development. Wallace required forty hours of training on “The People Side of Quality”. IBM Rochester employees focus on “Market Drive Quality” in their training and Motorola employees master the fundamentals of statistical process control, cycle time and six sigma (defect reduction) programs. Xerox Corporation used immediate supervisors to educate team members. Xerox Corporation calls this process “the training cascade” (Riddle, 1990).

Recent TQM literature aligns with empowerment thinking. For example (Sashkin and Kiser, 1993) in discussing the implementation of a Japanese style just in time (JIT) system in American organisations argued that the greater the number of high quality training programs related to power shifting between management and workers, the faster its (JIT’s) rate of adoption and the better the firm’s performance.

Discussion On Training and Education In The Empowerment Literature

The empowerment literature strongly argues that empowerment through delegated authority will fail if staff are not competent (Bowen & Lawler, 1992; Diez, 1989; Kanter, 1983; Trofino, 1989). Competency has already been discussed in sub section 3.2.2.1. Performance management
is viewed as critical to the development of competencies. Performance management is discussed in subsection 3.2.2.4.

**Contribution of Training and Education in the theoretical model being developed**

The issues in regard to training and education have already been discussed and will not be repeated in the development of the model.

3.2.2.4.6 Reward and Recognition

**Discussion On Reward and Recognition In The TQM Literature**

Although the theoretical literature on TQM argues against extrinsic rewards and individual recognition systems there is substantial evidence that this practice is being ignored. Extrinsic rewards are contrary to the work of Deming who advocates abandoning the individual based incentive pay system as it represents another case where management is focusing on the person instead of the system.. Dobbins et al (1991) and Oakland (1989:p303) argued against financial incentives as it reinforce a short term, focus inconsistent with TQM. When employees anticipate extrinsic reinforcements, employees begin focusing on earning rewards and lose interest in their work. Thus, intrinsic motivation is inadvertently undermined, (Burn, 1982; Meyer, 1975). Studies have found that people who expect to receive an extrinsic reward for completing a task do not perform as well as those expecting no reward (Rich and Larson, 1987; Jenkins, 1986).

Furthermore if an individual comes to expect a reward each time a task is performed, the reward may be perceived as a right rather than as a discretionary bonus. Withholding the reward may then be interpreted as a coercive act (Crosby, 1976). A reward may be perceived as a bribe, (Bachman et al 1966), which can diminish trust and lead the employee to label the manager as manipulative. (Levinson 1987). Hae Gere (1991) identified that rewards will channel employee thinking about what they will get from engaging in a task they will be less inclined to take risks and be creative. This finding has been supported by Locke, (1976). Labich (1992) pointed to the danger on focusing extrinsic rewards on productivity in a TQM environment due to the possibility of impropriety.

Reward systems based on extrinsic factors are common in Baldrige winning companies. The most common recognition scheme outlined in Baldrige winning companies are those related to employee suggestion schemes with the aim of encouraging all employees to improve continuously. Examples of rewards given include financial, days off, and employee of the month (Hodgett, 1993).

TQM literature is increasingly advocating reward system innovations that are being based on the empowerment, management and employee involvement literature (Lawler, et al., 1992). However, the emphasis is not on individuals but on the systems where all workers work together responding to intrinsic rewards to perform well (Walton, 1986, p92). The Japanese TQM approach identifies recognition for achievement based on the success of the organisation. These usually involve gainsharing approaches. Gainsharing involves sharing with all employees some portion of the gains in performance, productivity, and profit that are achieved as a result of employees’ efforts to find ways to do jobs as well or better while reducing costs. The gain is shared with employees, often as a bonus, on the basis of a formula that has been agreed on by all parties (LeSeiure 1958).
Discussion On Reward and Recognition In The Empowerment Literature

The empowerment literature focuses on intrinsic rewards rather than extrinsic rewards. These types of rewards relate to verbal praise for outstanding work and encouragement involving continuous constructive feedback. The aim of intrinsic reward is twofold. Firstly to enhance employees feelings of competence (Bandura, 1986; Kanter, 1979; Kanungo, 1987; Lawler, 1977).

Secondly the aim of intrinsic motivation is to enhance employee motivation to complete the tasks. The most important recognition is in the leaders psychological support to enable employees to perform in the face of challenging goals. This enabling is achieved in several ways. Leaders demonstrate empathy, the ability to listen, provide constructive feedback, understand and share the feelings of those in the organisation. (Nadler 1982).

The empowerment literature identifies the need to reward innovation and risk taking even when mistakes are well intentional and efforts fail (Zemke and Shaaf, 1991; Wallace, 1993). Risk taking will severely decline if failures are unacceptable or meet with punishment. Both failures and successes present opportunities for learning. (Wallace, 1993). When organisations do not provide rewards for employee competence, initiative and persistence in innovative behaviour, the employees sense of powerlessness increases (Sims, 1977; Szilagyi, 1980). It is argued that reward systems that emphasis innovative unusual performance and high incentive values, foster a greater sense of self-competency (Kanter, 1979).

Very little research has been carried out on perceived leader reward behaviour and employee performance. The literature reviews typically conclude that positive reinforcement techniques are more effective in controlling behaviour than are punishment techniques (Hammer, 1974; Luthans and Kreitner, 1975; Ward, 1972). Positive reinforcement has also been linked to employee satisfaction (Reitz, 1971; Sims, 1977; Szilagyi, 1980) and managerial effectiveness (Oldham, 1976).

The empowerment literature does not totally reject extrinsic rewards. These are appropriate if they increase the amount of knowledge, information and decision making that exists at the lowest level of the organisation. Examples of extrinsic rewards include schemes such as gainsharing, employee ownership and skill-based pay (Lawler, 1994).

The Contribution Of Reward And Recognition In The Theoretical Model Being Developed

A key characteristic of empowered organisations is the focus on intrinsic rewards including verbal praise and encouragement. The current model being developed identifies the following leadership strategies as important.

<table>
<thead>
<tr>
<th>Leadership Strategies</th>
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<tbody>
<tr>
<td>Evidence of Verbal Recognition :</td>
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<tr>
<td>• For outstanding work</td>
</tr>
<tr>
<td>• Continuous constructive feedback</td>
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<tr>
<td>• For innovation</td>
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</table>
**Category 5 – Information And Analysis**

Within the Australian Quality Award criteria, this Category is concerned with the ability of the organisation to collect data around key stakeholders and core activities and to convert this data into meaningful information and to deploy this increased knowledge to continually improve processes, outputs and results.

The first element within this criteria is the scope and collection of data. The intent is to focus on the integrity and usefulness of the data being collected and how it is intended to help the organisation understand, control and improve its processes with particular emphasis on increasing the value of its activities to the customer and to the organisation.

The second element within this criteria examines how data is analysed, converted into meaningful information and used to support the organisation’s overall objectives. A major focus is on management and the making of decisions based on fact.

**Discussion On Information and Analysis In The TQM Literature**

The emphasis in the TQM literature is in the gathering, analysing and using accurate information for all decisions (Dean & Evans 1994). The importance of the understanding of variation (difference among individual output of a process) by employees at all levels is identified as critical (Ishikawa 1985). Deming has said “If I had to reduce my message for management to just a few words, I’d say it all had to do with reducing variation”.

The following description of the use of information by Sahney & Warden (1997; p11) is typical of TQM writings. “Employees at every level of the organisation should be trained to perform simple statistical measurements, data analysis and data display. Employees must become accustomed to displaying quality data and monitoring the progress over time. Time-based displays and graphical displays must be used to communicate with the employees.” The emphasis on statistical information in the quality related literature is supported by studies showing information processing is related to organisational effectiveness (Daft & Weick, 1984; Galbraith 1977; Jelinek & Goldhar, 1984; Thomas Clark and Giora 1993 & Smith Grimm Gannon & Chen 1991).

There is concern however, that the TQM correlation between analysis of information and high performance may be over simplistic. The TQM literature ignores the literature that argues that information and analysis may actually inhibit organisational effectiveness (Tamis & Sitkin 1993; Rice & Aydin, 1991; Slancik & Pfeffer, 1978; Zalesny & Ford, 1991). The reasons put forward for the need to refocus TQM oriented statistics is outlined in Appendix 15.

**Discussion On Information and Analysis In The Empowerment Literature**

The empowerment literature does not emphasise statistical process control, cost of quality measures, and other quality indices central to TQM programs. The empowerment literature emphasises the importance of information to enhance the capability and competence of all staff to assist in their ability to make informed decisions (Johnston 1992; Machler 1988; Schmieding 1993; Murrell 1985; Kanter 1983; Bowen & Lawler 1992; Tibbett 1993). Data that is relevant is not only technical data but any data that the employee perceives as necessary to carry out their work or implement ideas (Harari 1993). This may included political, intelligence, financial, or information on organisational performance (Bowen & Lawler 1992).
There are three principle issues identified in the empowerment literature in regard to information. Firstly, the importance in staff being able to use the information received in decision making. Second the accessibility of information on the basis that information is a source of power. Third the appropriateness of the information available. A brief description of the three uses of information is provided below.

i) Usage of Information.
Similar to the Total Quality Management literature which identifies the need for continuous improvement through the application of information and analysis, the empowerment literature also identifies the use of information and analysis to establish the necessary learning environment. Emphasis is placed on the importance to educate staff to increase their capacity to use the information gathered. (Bennis 1985, Kanter 1983).

ii) Accessibility of Information.
Vogt & Murrell (1994) identify that managers need to persuade their co-workers that the whole organisation must devote the time and energy necessary to develop and clarify information-sharing guidelines and procedures that will make information an empowerment device. The reference of information as a source of power is well documented Kazemek (1991). Murrell (1985) identifies the principle barriers to empowerment as the blocking of information or the dissemination of guarded or distorted information.

iii) Appropriateness of Information.
The empowerment literature relates appropriateness of information to ensuring that the information used and accessible is the most relevant available. Employees with the most relevant information are the ones who are best prepared to plan the appropriate responses to the accelerated change (Jolson 1992).

*The Contribution Of Information And Analysis In The Theoretical Model Being Developed*
A key characteristic of an empowered organisation is the usage of information for decision making. The current model identifies the importance of information for decision making as follows:

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<table>
<thead>
<tr>
<th>Leadership Strategies</th>
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<tbody>
<tr>
<td>Information:</td>
</tr>
<tr>
<td>Availability</td>
</tr>
<tr>
<td>Usage</td>
</tr>
<tr>
<td>Appropriateness</td>
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The current model also identifies that the usage of information is an important competency for empowered employees, ie

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<table>
<thead>
<tr>
<th>Empowered Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees can use information to make business decisions</td>
</tr>
</tbody>
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3.2.2.6 Category 6 - Quality Of Products And Service

This Category deals with the processes whereby the organisation supplies quality products and services to its customers and improves those products and services. Items addressed in this Category include innovation in design, supplier relationships, the management and improvement of processes and measurement indicators.

Discussion On Quality Of Products And Services In The TQM Literature.
In TQM literature this Category entails the way the organisation improves its design, operational and support processes. It is the core of the continuous improvement philosophy. This Category is closely aligned to stage 1 of the quality evolution i.e. statistical quality control as described in Section 2.2.1 of this thesis. The TQM literature does not place emphasis on physical resource requirements for continuous improvement.

Discussion On Quality Of Products And Services In The Empowerment Literature
The intent of this Category is not emphasised in the empowerment literature. This may be due to the TQM literature focusing on statistical quality control and other quantitative measures. The empowerment literature focus is on incorporating psychological and sociological constructs into their model of performance. Dean & Evans, (1994; P408) indicate “attempts to improve through process change are guilty by association with a simplistic management-centred and efficiency-obsessed conception of organisations and management”.

The empowerment literature identifies providing the equipment and supplies necessary to completing the task at a decentralised level as a prerequisite of empowerment (Babbar & Rai 1993, Kanter 1983). Resources include proper tools, information, support material and educational opportunities. (Dean & Evans, 1994; Kanter 1983). The lack of adequate resourcing results in lack of initiative, thwarting of organisation goals and resisting change. (Browne & Shultz 1991, Schmieding 1993).

A key resource issue in empowered organisations is the development of policies and procedures to assist staff rather than to create barriers to achievement. Murrell (1985). This view has been supported. Tom Peters (1970) argues that to get the best efforts possible from people it is necessary to ‘dehumiliate’ work by eliminating the ‘policies and practices’ (almost always tiny) of the organisation which demean and belittle human dignity. It is impossible to get people’s best efforts, involvement and caring concern for things you believe important to your customers and the long term best interests of your organisation when we write policies and procedures that treat them like thieves and paperclip bandits.” (Tom Peters, 1970; p 50). Similarly Zemke & Schae (1989; p68) indicate that if service is to succeed it is critical that employees know how to do their jobs and do them well. “But the creation of a perfect procedural manual isn’t the means to that end. If anything, it represents the antithesis of what it takes to create a high quality, responsive service.” Policies have been related to building trust. “Policies have been developed to safeguard company interests from a few rotten apples. You might say that you trust an employee, but do your policies echo your words or betray them?” (Tenner & Detoro, 1983, p181). Bowen, Ledford & Nathan (1991) describe how policies can serve to constrain variation in work performance. This attitude appears in direct contradiction to TQM literature arising from a manufacturing base identifying standardisation and control.
The Contribution of The Quality Of Products And Services In The Theoretical Model Being Developed

A key characteristic of an empowered organisation is to provide employees with adequate resources to complete the tasks. The model identifies the following leadership strategies for Quality of Product and Services.

<table>
<thead>
<tr>
<th>Leadership strategies</th>
</tr>
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<tbody>
<tr>
<td>Quality of Resources evidenced by:</td>
</tr>
<tr>
<td>• Available Equipment and Supplies</td>
</tr>
<tr>
<td>• Supporting policies in place</td>
</tr>
</tbody>
</table>

3.2.2.7 Category 7 - Organisational Performance

This Category considers the trends in business results arising from introducing a quality approach. The AQA criteria considers business results for each of the Awards Criteria as well as for overall financial performance.

Discussion On Organisational Performance In The TQM Literature

It is assumed that improvements in each of the six Award Criteria contribute to overall company performance including financial performance. The use of a composite of result indicators helps to ensure that company strategies appropriately balance short and long term considerations, as well as external and internal goals. Furthermore, the use of a composite of results and indicators recognises the importance of companies not inappropriately trading off among important company objectives or responsibilities. The outcome of successful TQM is outlined in Sub section 2.2.1.4.

Discussion On Organisational Performance In The Empowerment Literature

The empowerment literature usually refers to research which identifies success in the individual management practices associated with empowerment (Bowen & Lawler, 1995). The outcome of empowerment is discussed in Sub section 2.2.3.6.

Organisational performance will not be measured in the current study and therefore will not be considered in the theoretical model being developed for this study.
3.2.2.8 Conclusion: Summary of leadership and empowerment characteristics for successful TQM.

In Section 3.2.1.1, the empowered organisation was described as adaptable, innovative, competent and committed to change. Through the application of the AQA as a framework for studying the empowerment related literature on leadership behaviour and employee empowerment the theoretical model for this study is beginning to emerge. Using the empowerment characteristics described above and the analysis of the AQA criteria undertaken earlier in this Section it has been shown that the empowered organisation has employees that

Are competent:
- They display an understanding of goal alignment between the different levels of the organisation and how their job is critical in the achievement of organisational objectives.
- It is important that employees must feel competent in their decision making process.

Are committed:
- Committed employees feel valued in the organisation. Employees must feel not only that they are important but that they are fairly treated and have an influence on decision making.
- Committed employees show feelings of intrinsic motivation including the desire to learn and grow and initiate problem solving.

Are innovative:
- The employees show evidence of being innovative in their approach to problem solving.
- Employees are prepared to take risks and initiate ideas.

The structure required in organisations that are attempting to empower their workforce involves the introduction of self-directed work teams and the removal of barriers that make employees feel powerless. The extent of self direction in work teams is evident in the degree of delegated authority in the organisation. The removal of barriers is evident in the extent of organisational stability within the organisation.

The leadership characteristics identified as belonging to an empowerment environment fall into the following groupings.

Competence
Competence in staff is achieved by:
- Strategies to foster goal alignment among staff and commitment to their achievement.
- Information systems providing available, useful, and accessible information
- Resources are available to complete tasks including supportive policies and procedures.

Innovation
- Recognition systems being in place to encourage innovation and risk taking

Commitment
- Performance management systems being in place focusing on the individual and developing intrinsic motivation.
- Building an environment of trust through having appropriate communication mechanisms being in place.

Each of the above leadership strategies are supported by behaviours that are both verbal and nonverbal including role modelling, self insight, mentoring; listening and developing trust.
The leadership and empowerment behaviours are not mutually exclusive. For example the importance of goal alignment in empowered employees is both a competence and a behaviour related to commitment. Competence is understanding the concept of goal alignment, and commitment in working towards their achievement.

The leadership strategies and empowerment behaviours are interactive in that there is an anticipated flow from leadership to employee behaviour.

The leadership behaviours and strategies and consequent employee empowerment behaviours grouped as described above are outlined in Table 7. They form the first stage of the theoretical model development.
<table>
<thead>
<tr>
<th>Leadership</th>
<th>Empowerment Behaviours</th>
</tr>
</thead>
</table>
| **Competence** | • Goal Alignment. Participation by employees in individual, team and organisational goals.  
• Data that is useful, accessible, appropriate  
• Resources available to complete tasks  

**Innovation** | Recognition system encourages risk taking  

**Commitment** | • Environment of Trust through two way communication  
• Performance Management focusing on individual intrinsic motivation  

• Goal alignment. Employees understand the interaction between individual goals, team goals, and organisation’s goals  
• Employees feeling competent and self confident in achieving the goals set  

• Employees prepared to initiate action and to risk take  

• Feeling Valued. Employees feel they impact decision making, are fairly treated and view their job as important  
• Intrinsically Motivated to reach their full potential  
• Employees have the desire to learn and grow and to achieve  

The literature review (Chapter 2) identified a number of shortcomings to leadership and empowerment models. These shortcomings were also evident when analysing the empowerment literature relating to the categories in the Australian Quality Awards. The first concern is that the empowerment literature failed to distinguish between empowerment contexts. The literature appears to interchange concepts of empowerment based on individual intrinsic motivation with concepts of organisational wide empowerment. Consideration of the AQA does raise the possibility of three types of empowerment. The first relates to intrinsic motivation of individuals, the second to the behaviour of self directed work teams, and the third to the organisational wide culture of empowerment. This raises a further question if empowerment is related to context (ie individual, team and organisational) do leadership strategies also relate to context?

The second concern was the failure to consider issues relevant to individual differences. Some people may not want to be intrinsically motivated involving the satisfaction of higher order needs. Furthermore given that empowerment is about perception not reality, there is a need to consider factors that may contribute to perception. In other words it cannot be assume that the relationship between leadership and empowerment is direct until other factors that may have contributed to empowerment have been excluded.

Two theories from organisational behaviour research, that are consistent with the concepts of empowerment, assist in addressing the issues raised above. They are Organisational Commitment Theory and Organisational Citizenship Behaviour. The major contribution of Organisational Citizenship Behaviour is that it acknowledges the three contexts of behaviour. The major contribution Organisational Commitment Research makes to the model is that it identifies characteristics of an empowered organisation. It also focuses on the antecedent issues that may account for organisational commitment (empowerment) other than leadership. The two theories are the focus of the next section.
3.3 Stage 2: The Context Of Leadership And Empowerment

3.3.1 Introduction to Stage 2

The previous Section recognised that individual and team empowerment may be different concepts. The aim of this Section is to argue that there are indeed three contexts of empowerment. The employee can display empowerment behaviours as an individual, as a member of a team (to the team itself) and as a member of the organisation (to the organisation). Similarly it is argued that leadership mirrors the same three contexts. This Section outlines the behavioural dimensions of team empowerment and empowerment behaviours related to the organisation. It is further argued that individual empowerment must be present before an individual feels empowered in a team context. Similarly team empowerment must be present for workforce to feel empowered.

The importance of context is argued by introducing two theories from organisational behaviour research. Both theories have been ignored by TQM, empowerment and leadership research. This may be due to their lack of recognition of the importance of context. The two theories are:

Organisational Commitment Theory
Organisational Citizenship Behaviour

Both theories have been identified as vital attributes for organisational success (Bateman and Organ, 1983; Smith, Organ and Near, 1983, Graham, 1986).

Organisational Commitment research considers how the bond between the individual and the organisation is developed. The major contribution organisational commitment research makes to the understanding of empowerment is twofold. Firstly it examines the behavioural dimensions of organisational empowerment through its identification of a concept of organisational commitment. Secondly the research gives consideration to antecedent conditions that may account for organisational commitment by employees. These antecedent conditions may be considered as substitutes of leadership and are considered further in the next Section.

Organisational citizenship behaviour relates to the individual discretionary behaviour of employees that are not explicitly recognised by the formal reward systems of the organisation (Graham, 1986; Organ, 1988). The importance of this research to the development of the model in this thesis is the identification of three contexts of employee behaviour: The individual, the team and the organisation (Graham, 1988). Its concepts of team work group collaboration assist in formulating the variables of team empowerment.

Both theories point to the need to include the factor of job satisfaction in the theoretical model. The three contexts of empowerment are further supported from theories on empowerment, organisational development theory and learning theory.

3.3.2 Organisational Commitment

Most definitions of organisational commitment share a common theme relating to the bond or linking of the individual to the organisation. (Hall, Schneider and Nygren, 1970; Morrow, 1983; O'Reilly III and Chatman, 1986; Sheldon, 1971;). Commitment has been defined as where “the goals of the organisation and those of the individual become increasingly integrated or congruent” (Hall, Schnider and Nygren, 1970, p176). The importance of commitment is that it has been found to be stable over time (Porters, Steers, Mowday and Boulian, 1974).

Organisational commitment has been identified as imperative to maintain organisational competitiveness (Katz and Kahn, 1978), improve productivity and enhance worker quality (Mathieu and Zajac, 1990). The characteristics of organisational commitment appear to be closely aligned to the concept of empowerment described in previous Sections of this thesis.
3.3.2.1 Types of Organisational Commitment

The difference in definition of organisational commitment is in terms of how the bond between the individual and the organisation is developed (O’Reilly III and Chatman, 1986). There are three different types of commitment based on the processes through which one becomes committed:

3.3.2.1.1 Affective (Emotional) Commitment

The concept of affective commitment is based on intrinsic reward and not extrinsic rewards (Becker, 1969; Etzioni, 1961; Gould, 1979; Hall, Schneider and Nygren, 1970; Kidron, 1978; Meyer and Allen, 1984; Porter, Crampon and Smith, 1976). Buchanan (1974: p533) defines affective commitment as “a partisan affective attachment to the goal and values of the organisation, to ones role to the relation to the organisation for its own sake apart from its purely instrumental worth”. Mowday, Steers and Porter (1979:p225) offer a similar definition: “a state in which an individual identifies with a particular organisation and its goals and wishes to maintain membership in order to facilitate these goals”. There are a number of attitudinal and behaviour characteristics that are viewed as consequences of affective commitment. They will be used in this thesis to describe organisational commitment and are as follows:

A strong belief in, and acceptance of the organisations goals and values (Bowlby, 1982; Mowday, Steers and Porter, 1979; O’Reilly and Chatman, 1986). This is extended to include performance and obedience to organisational policies (Angle and Perry, 1981; Galanter, 1980).

- Willingness to exert considerable effort on behalf of the organisation involving an effort to strive for excellence (Ferris and Aranya, 1983; Mowday, Steers and Porter, 1979; Scholl, 1981).

- There is an energy to try new ideas including creativity and innovation (Katz and Kahn, 1978; Mowday et al, 1982).

- Strong desire to maintain membership in the organisation (Dalancik, 1977; Mowday, Steers and Porter, 1979; Werbel and Gould, 1984). The feeling of unity involves expressions of positive affect, pride and loyalty to the organisation (Kanter, 1972; O’Reilly and Chatman 1986).

- Reduction of withdrawal behaviour including lateness, turnover (Mowday et al, 1982) and absenteeism, (Mathieu and Zajac, 1990). Others however argue that these behaviours are heavily influenced by “individual” factors in addition to organisational commitment (Mowday et al 1982; Reicherm 1985; Steers and Rhodes, 1978).

The characteristics of organisational commitment are similar to the concept of inspirational motivation in Transformational leadership theory involving a leader raising individuals awareness and commitment to the organisation’s mission and vision (Bass & Avolio, 1985). These behaviours can also be aligned to Organisational learning in the literature on learning organisations (Semler., 1996; Senge, 1990; Schein, 1992), self renewing organisation in the transformational leadership theory (Bass, 1985; Tichy & Devanna, 1986), proactivity in problem solving in the cultural change literature (Schein, 1992) and to a strong culture which is widely shared and deeply held (Ouchie & Price, 1979). In strong cultures everyone knows the goals of the corporation and are working towards them (Deal & Kennedy, 1983). Strong cultures are homogeneous (Ouchie & Price, 1979), stable (Schein, 1984), thick and widely shared (Sathe, 1983), cohesive and tight-knit (Deal & Kennedy, 1983).

Affective commitment has the characteristics similar to that described as an empowered workforce in section 3.2.1.1. of this thesis. Its characteristics will be used in this thesis to describe employee empowerment relating to the organisation. One factor not included in the affective commitment literature was the commitment to continuous change. The importance of adaptability
in organisations was identified in Section 2.1 as critical to address issues of increasing competition. This factor will be included in the developing model.

Therefore in the rest of this thesis empowerment relating to workforce empowerment will be referred to as organisational commitment. Organisational commitment will relate to affective commitment. Affective commitment has been contrasted with Calculative commitment and commitment related to a Protestant work ethic.

3.3.2.1.2. Calculative Commitment
Calcualtive commitment relates to the perceived cost of leaving the organisation (Ritzer and Trice, 1969). Calculative commitment to the organisation involves a tendency to engage in consistent lines of activity based on the individual’s recognition of the cost (or lost side bets) associated with discontinuing the activity. (Becker, 1969). Kanter (1968; p504) defined this as “cognitive - continuance commitment” which occurs when there is a “profit associated with continued participation and a cost associated with leaving”. Stebbins (1970; p527) identifies the “immense penalties in making the switch”.

The most commonly used measures of calculative commitment (Hrebinjak & Alutto, 1972; Ritzer & Trice, 1969) have been criticised as the scales are saturated with affective commitment scales. For example scales reflecting an unwillingness to leave the organisation in spite of attractive inducements to do so may reflect affective attachment (Meyer & Allen, 1984; Stebbins, 1970). Studies have found predictive validity of affective commitment being higher than calculative commitment (Meyer & Allen, 1984).

3.3.2.1.3 Protestant Work Ethic or Obligation to the Organisation
Protestant work ethic commitment defined by Kidron, (1978, p 421) involves a “totality of internalised normative pressures to act in a way which meets organisational goals and interest, and suggests individuals exhibit behaviours because ‘they believe it is the right and moral thing to do’”. Although not referred to as commitment other authors have identified personal norms or internalised moral obligations as important contributors to behaviour (Prestholdt, Lane and Matthew’s, 1987; Schwartz, 1973; Schwartz and Tessier, 1972; Wiener and Vardi, 1980). Studies have found a positive correlation between Protestant work ethic commitment and affective commitment (Kidron, 1978; Morrow, 1983).

Meyer and Allen (1990) summarise the difference between the three types of attitudinal commitment. Employees with:

- strong effective commitment remain because they want to,
- strong calculative commitment because they need to,
- strong normative commitment because they ought to.

There are also a number of other forms of work commitment that are identifiable within a single organisation. These will not be described in this thesis but include professional/career commitment, union commitment, job involvement (Morrow, 1983).

There has been debate in the commitment research of the separation of attitudinal commitment from the behaviour components or overt manifestations of organisational commitment (Salancik, 1977; Matthieu and Zajac, 1990). Many definitions do not separate the two. (Mowday, Steers and Porter, 1979). For example; Matthieu and Zajac, (1990) define organisational commitment as “the relative strength of an individuals identification with and involvement in a particular organisation as well as the willingness to exert effort and remain in the organisation”.

3.3.2.2 Job Satisfaction and Organisational Commitment
Job satisfaction is defined as a “pleasurable or positive emotional state, resulting from the appraisal of (a person’s) job experience” (Locke, 1976; p1300) which enables the employee to
view his or her work favourably. The distinction between job satisfaction and affective organisational commitment is that the former relates to an individual's specific task environment whereas organisational commitment reflects a general affective response to the organisation as a whole (Mowday, Steers & Porter, 1979).

Studies have found a relationship between job satisfaction and organisational affective commitment. There has however been disagreement as to the direction of causal ordering. Job satisfaction has been found to be a precursor of commitment. (Brief, 1980; Farrell and Rusnultz, 1981; Iverson and Roy, 1994; Koch and Steers, 1978, Mathieu and Hamel, 1989; Porter and Steers, 1982; Price and Mueller, 1981; Steers, 1977; Stevens, Beyer and Trice, 1978; Williams and Hazer, 1986). Furthermore, Porters, Steers, Mowday & Boulian (1974) viewed job satisfaction and organisational commitment as having a temporal relationship. The conclusion from the study was that job satisfaction would develop more quickly than commitment as it is an immediate aspect of work environment rather than a global assessment of their relationship to the organisation. The reverse has been found however by Bateman & Strasser (1984). Studies have found organisational commitment to be a precursor of job satisfaction (Bateman & Strasser, 1984; Vandenberg and Lance, 1992; Weiner and Vardi, 1980). Other studies simply found job satisfaction and organisational commitment to be correlated (Porter et al., 1974). Studies also found no evidence of a causal relationship in either direction. Adding to the inconsistent results Glisson and Durick (1988) found that subjects with low levels of satisfaction had moderate levels of commitment.

3.3.2.3 Organisational Commitment and Leadership Research

Very few studies on organisational affective commitment consider it as an end result variable. It is commonly used as a mediator in casual models predicting the influence of personal characteristics (Lachman and Aranya, 1986; Stumpf and Hartman, 1984) on employee behaviour e.g.; turnover.

Studies have investigated the association between Organisational Commitment (O.C.) and leadership behaviours. The results support the concept raised in the previous Section that decentralised decision making, participative management including strong communication are key leadership strategies required for employee empowerment. The results however are inconclusive. Jermier & Berkes (1979) found participating leadership most effective at influencing commitment levels of police officers working in unpredictable environments. Morris & Steers (1980) suggested that perceived decentralization is likely to be associated with perceived decision making and increased commitment through greater employee involvement. This was however not supported by a meta analysis of the results (Mathieu & Zajac,1980) with over 95% of the variance among the four samples remaining unaccounted for. Mathieu & Zajac (1990) performed a meta analysis on 12 studies involving the leader initiating structure and organisational commitment. The results showed medium positive correlations. The significance between study variance remained following the correction for artifacts.

3.3.3 Organisational Citizenship Behaviour (OCB)

Organisational Citizenship Behaviour (OCB) is a new concept, which was developed independently of commitment research. Organ (1990, p46) defined OCB as "contributions that participants choose to provide or withhold without regard to considerations of sanctions or formal incentives". The theoretical and empirical work on OCB assumes the boundary between in-role and extra-role behaviour is agreed upon and clearly defined and that OCB is the same for all employees (Nichoff & Mourman, 1993; Organ, 1988; O'Reilly & Chatman, 1986).

Studies have found that OCB has a positive relationship with affective commitment (Morrison, 1994; Organ, 1988). Both fields of research are similar in considering the bond between the individual and the organisation. Similar to Commitment research, OCB has been identified as a vital attribute for organisational success (Bateman & Organ, 1983; Smith, Organ & Near, 1983).
3.3.3.1 Types of OCB

An important point for the current research is identified by Graham (1986) who identifies that an individual may display three distinctive types of OCB. They are the individual attitude to task accomplishment, work group collaboration and organisational civic virtue. The three concepts are described below:

Firstly individual dependable task accomplishment concern individual task performance. All these behaviours are familiar indicators of the hard-working employee who is attentive to detail and responsive to instruction. The behaviours are consistent with those anticipated from intrinsically motivated employees as described in the previous sub section 3.2.2.4. Behaviour includes the basics of regular on-time attendance, reliable effort expended on both quality and quantity of output, efficient use of resources, and common-sense handling of unforeseen contingencies. It involves instances in which organisation members carry out certain role behaviours well beyond the minimum required levels (Kongvsky, 1986; Organ, 1988). It also includes sportsmanship which refers to activities that employees refrain from doing, such as complaining and filing petty grievance.

A second category of contribution - work group collaboration - differs from the first by focusing on interpersonal co-operation in the workplace (Organ 1990). Illustrative behaviours include sharing information, tools and other resources with others, helping newcomers and those with heavy workloads, representing the group favourably to outsiders, and responding flexibly to inconveniences occasioned by others’ mistakes. It includes altruism which involves discretionary behaviour that have the effect of helping a specific other person with an organisationally relevant task or problem. Graham (1986) dubs this factor ‘neighbourliness’ and Puffer (1987) uses the term ‘prosocial behaviour’. Courtesy is also important and includes such actions as giving others advance notice, issuing reminders to others, checking with others before taking action, and passing along information. These cooperative behaviours reflect a generosity of spirit and loyalty to the group as a whole. While theoretically distinct from the task-focused behaviours in the first category, work group collaboration presumes that the individual’s assigned task is also performed reliably.

Reference to the term “citizenship”, also suggests a third from of contribution, civic virtue, or constructive participation in organisational governance (Graham, 1986). This form of OCB is consistent with the behaviours identified for organisational commitment. This form of OCB is less obvious and more controversial than the other two (Graham, 1986). It includes keeping informed about issues of organisational importance, attending non required meetings, giving decision-makers timely information and input about organisational policies and practices. Employees for the sake of the organisation are seen as providing reasoned arguments for proposed changes, listening to other points of view and generally get involved in organisational activities in order to assist and improve the organisation. Such behaviours assume a capacity for independent critical analysis and may require moral courage to deliver bad news or defend a minority point of view.

The three categories of participant contribution are theoretically distinct, and in general each builds on the previous one. Graham (1986) points out that conflicts are conceivable between civic virtue and the other forms of contribution. Responsible participation in governance has long been recognized as a vital contribution of active citizens (Inkeles, 1969), and can also play an important role in helping organisations to stay up-to-date and avoid wrong doing. However it may be seen as inconvenient or even threatening by those who put a premium on individual task accomplishment and/or smooth-running group collaboration. (Graham and Verma, 1991).

OCB has been supported by Wallace, (1996, p2) who described the organisational environment. “Empowerment organisations are composed of empowered persons, although it is not necessarily true that a group of empowered persons automatically creates an empowered organisation”.

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3.3.3.2 Research on OCB

Empirical support for OCB has been provided in two studies employing confirmatory factor analysis (Moorman et al., 1991; Podsakoff et al., 1990; Williams et al., 1986). Empirical analysis of existing measures has not shown entirely consistent results (Bateman and Organ, 1983; Graham, 1986; Organ, 1988; Organ and Near, 1983; Puffer, 1987).

There are many similarities between the results of research on OCB and organisational commitment research. OCB research has identified statistically reliable associations between job satisfaction and OCB (Bateman & Organ, 1983; Graham, 1986; Puffer, 1987; Smith et al., 1983). The direction of causation between OCB and satisfaction is unclear (Graham, 1991). Fehr et al., (1990), suggested that the reason previous research has found significant correlations between job satisfaction and OCB, is that they are common effects on leader fairness and employee trust in the leader. Participative leadership was found to be the main determinant of OCB found by Smith, Organ & Near (1983). They found a two-factor description of organisational citizenship (factors the authors labelled "generalised compliance" and "altruism"). Bateman & Organ (1983) found only a single factor. There is evidence that OCB is related to transformational leadership (Podsakoff et al., 1990).

The most significant criticism of OCB research is that no definitive measures of OCB exists. Most researchers have had the immediate supervisor provide ratings of OCB for subordinates. The use of supervisor ratings for OCB, present problems. Firstly some factors are no doubt more likely than others to come to the attention of the boss. Supervisors, however, may feel confident in generalizing the ratings of those forms of OCB that they do know about to the others that are only inferred. Secondly, when supervisor's rate subordinates, they often do so with global, indiscriminate evaluations - meaning the managers might fail to distinguish between OCB versus superior in-role performance and productivity. Third, having the superior rate of the OCB of subordinates runs the risk of compromising the very essence of the concept of OCB. "We want our measure of OCB, to capture the constructive actions not performed under an implied promise of obtaining "brownie points". At the very least, we do not want the measure dominated by mere variance in boot-licking tendencies among the subject within our sample" (Graham, 1988, p35).

Furthermore OCB is not a clear-cut construct because the boundary between in role and extra role behaviour is ill-defined and varies from one employee to the next and between employees and supervisors (Graham, 1988; George and Brief, 1992; McAllister, 1991; Morrison, 1994; Van Dyne Cummings and Parks, 1992).

There are many similarities between the writings on organisational commitment and organisational citizenship behaviour, including their relationship with certain leadership behaviours and job satisfaction, although the two fields do not acknowledge each other in their research.

3.3.4 Characteristics Of Empowered Teams

Section 3.2.2.1.2 above identified the importance of self directed work teams in empowered organisations. The work on organisational citizenship behaviour in relation to work group collaboration provides insights into the characteristics of empowerment behaviours in self managed teams. Work group collaboration is similar to the concept of strong teamwork implied in organisational commitment research. In the development of the theoretical model team empowerment will have characteristics described from organisational commitment research and OCB. They are as follows:

- Employees understand the team goals and purpose (Bennis & Nanus, 1985; Hawkes, 1992) and are committed to achieving them (Adam, 1984; Bass, 1985; Roberts, 1984; Tichy & Ulrich, 1984).
• Strong collaboration in all aspects of tasks and processes (Wallace, 1996). Graham (1991) described cooperative behaviours reflecting a generosity of spirit and loyalty to the group as a whole. This conscientiousness in interpersonal relations among team members (Graham, 1986; Smith, Organ & Neer, 1983) is an indication of pride in belonging (Kanter, 1979) and internalization of values (O'Reilly and Chatman, 1986). Individual members must be attracted to stay with the team (McGrath, 1984) due to there strong emotional commitment and investment in the group (Cummings, 1981).
• Perseverance involves resilience to obstacles standing in the face of problems and ambiguity (Ferguson, 1988) even if it means going beyond the call of duty (Mowday et al., 1982).
• Enthusiastic and going well beyond the minimum required levels (Kongvsky, 1986; Organ, 1988). Commitment to the team related to these extra role behaviours include co-operation, altruism, spontaneous unrewarded help (Smith, Organ & Near, 1983).
• Enthusiastic having intense interest or zeal and a willingness to work hard to make things happen (Gitlow & Gitlow, 1994).

3.3.5 Substitutes Of Leadership Supporting The Context Of Empowerment

A consideration of the substitutes for leadership or moderators of empowerment (Section 3.4) clearly supports the importance of context. There are factors influencing the individual in a team situation that may be particular to that team. The range of variables that have an influence on commitment of team members to work together to meet organisational goals suggests that it cannot be assumed that individual empowerment is the same as team empowerment. Factors influencing team behaviours that has been identified in Section 3.4 include:

• Organisational context
• Subcultures
• Team norms and cohesion
• Team structure
• Job characteristics of the team.

The types of leadership moderators described raises the question whether individuals may perceive leadership in three distinctive context? The first relates to the relationship the subordinate has with the leader influenced by individual demographic characteristics. The second relates to the leadership influences of the group which are a result of such factors as subcultures and norms. The third relates to the perception the individual has of organisational climate influencing their perception of leadership in the organisation.

Gitlow and Gitlow (1994; p 24-25) identified the important linkages between individual motivation, team and organisational characteristics that work together to contribute to creativity. “Consider, for example, an individual with a strong need for independence and autonomy, who has honed her innovation and team-building skills. Assume that this person is supported by an organisational structure that permits boundary-crossing activities, so that people from different departments, professions or backgrounds interact. Assume further that the company culture tolerates risk-taking and experimentation. This individual is likely to behave creatively and produce outcomes of value to herself and the organisation. If the behaviours are rewarded, she will receive the clear message that the organisation values creativity, and she will be likely to repeat her creative behaviour in the future”.

The theories identifying the team as a mediator between individual and team empowerment outlined below also support the consideration of context. In conclusion there is a need for a clear understanding of the activities of individuals, groups and organisations and the complexities involved in their interaction with each other. This critical issue of context has been ignored in previous research.
3.3.6 Team Empowerment As A Mediator Between Contexts

The notion that empowerment may relate to context was previously raised by Vogt and Murrell (1990) in their model of leadership and empowerment as described in Section 2.3.2.2. Their model identified individual empowerment as a prerequisite to team empowerment, which in turn influenced organisational wellbeing. The notion that teams act as mediators between individual empowerment and organisational wellbeing is indirectly supported by Covey (1990) who argue that sustainable cultural change takes place within an organisation only when individuals first change themselves. "not only must personal change precede organisational change , but personal quality must precede organisational quality." (p 265)

Considering teams as a vehicle for empowerment raises more questions than answers. If teams are the mediators between individual and organisational empowerment then many of the previous reasons of why TQM failed may not be entirely correct. The reason may relate to the lack of developing team learning skills within the organisation.

There is argument towards identifying team learning as being the prerequisite to individual learning contradicting the notion that teams have a mediating role between the development of the self and organisational wellbeing. This is evidenced in studies involving various small group techniques, especially the T-group and team building. The study of T-groups, encounter groups were assumed to originally have direct links to organisational well being by having a strong impact on organisational processes and their outcomes. (Tannenbaum et al., 1961). However more recent studies identify the important goal of group learning as the facilitation of personal awareness, sensitivity to group dynamics, and personal growth. (Porras and Berg, 1978; Strauss, 1973) The underlying assumption is that people who have such experiences will be personally centred and therefore more able to contribute to society in constructive ways.

Organisational Learning theory is still at its embryonic stage and points to the importance of group learning on individual development. (Burgoyne, 1995; Cohen, 1991; Hedberg, 1981; Huber, 1991). Most of the explanation of group learning comes from the research on experiential education (Kolb, 1984). Emphasis on learning theory is the identification of complete group learning processes which identifies that when people with different learning strengths learn together they not only learn more but they gain an appreciation of the experience of others and the benefits of reciprocity.

Similar conclusions have been drawn from studies on Organisational Development. Porras & Berg (1978) identify Organisational Development techniques as a people and process orientated approach to change that relies on small group techniques. Of interest, is the finding by Porras & Berg (1978) that the data supports the belief that organisational development does not have an important impact on overall organisational processes but instead impacts primarily on the individual. These findings are consistent with other evaluations of the lack of success of organisational development techniques. For example Walton (1973) has observed that even a successful change effort in a plant rarely diffuses to other parts of the same company.

3.3.7 Conclusion

The conclusion is that there are three contexts of employee empowerment. It is argued that the empowerment behaviours described in the empowerment and related literature in Section 3.2 are mainly focused on individual feelings of empowerment. This is evidenced by the emphasis in the literature on intrinsic motivation which is an individual matter.

Organisational affective commitment as described in this section has behaviours similar to an empowered workforce as described in section 3.2.1.1 of this thesis. The theoretical model being developed identifies organisational empowerment as synonymous to organisational affective commitment. In addition to the characteristics of Organisational Commitment outlined in this section the theoretical model will add a further variable involving employee commitment to
continuous change. This adaptability was identified in Section 2.2.3.3 as critical to manage international competition.

The research on organisational commitment has introduced the importance of job satisfaction in empowerment research. Job satisfaction relates to employee individual tasks and therefore, in the development of the theoretical model, is identified as a factor of individual empowerment. In line with the majority of the literature job satisfaction is identified as antecedent to commitment.

Organisational citizenship behaviour research supports the notion of context in empowerment and provides insight into team empowerment involving work group collaboration.

There is anecdotal argument that empowerment is in fact a staged process. Individual empowerment is antecedent to team empowerment which in turn is antecedent to organisational commitment. The power of the arguments for the contexts of empowerment raises the question whether there are context of leadership behaviour? For the development of the theoretical model it is assumed that leadership does vary between context. Due to lack of available literature to support the proposition the individual leadership behaviours will be extended to team leadership and organisational wide leadership behaviours.

Organisational commitment research did not focus on leadership variables but on the possibility of environmental and personality variable influencing the feelings of commitment to the organisation. This research raises the question regarding antecedents that may contribute to the results. These antecedents can be viewed as moderators, neutralisers or substitutes for leadership behaviour (Mathieu and Zajac, 1990; Porter et al 1974). These antecedents or leadership moderators are investigated in the next section.

3.3.8 The Development of the Theoretical Model.

The current model identifies that leadership and empowerment behaviours may change according to context. These contexts are:

- The Individual
- The Team
- The Organisation

The current model identifies organisational empowerment as synonymous to organisational commitment.

Organisational Commitment involves:
- Alignment to Organisational goals/objectives
- Commitment to continuous change/adaptability
- Strive for excellence for the benefit of the organisation
- Energy to try new ideas on behalf of the organisation
- Loyalty to the organisation openly expressed

The behavioural characteristics of team empowerment are defined as follows:
Team empowerment involves:
- Pride in belonging to the team
- Committed to team goals and objectives
- Perseverance to work within the team in the face of obstacles
- Enthusiasm by all team members to complete tasks going beyond minimum requirements.

The model acknowledges the importance of job satisfaction as associated with individual feelings of empowerment.

Job satisfaction is viewed as being associated with intrinsically motivated employees.

Following on the Vogt and Murrell (1990) model of leadership and empowerment the current model identifies the characteristics of individual empowerment as being antecedent to team empowerment which is antecedent to organisational commitment. i.e

\[
\text{Individual empowerment} \rightarrow \text{team empowerment} \rightarrow \text{Organisational commitment}
\]

The issue of context is considered in the next section, which considers the antecedents to empowerment. These antecedents are also considered as moderators of leadership behaviour.
3.4 Stage 3: Moderators Of Leadership Behaviour

3.4.1 Introduction to Stage 3

The aim of this section is to show that there are antecedents to employee empowerment behaviours that can be considered as substitutes for leadership behaviour. The information is gathered principally from organisational commitment research, which identifies “antecedents” to organisational commitment. These antecedents can be viewed as moderators, neutralisers or substitutes for leadership behaviour (Weiner, 1972; Mathieu and Zajac, 1990; Porter et al, 1974; Mowday et al, 1982). The variables may influence employees perceptions of various aspects of the organisation as well as their relative reactions to it (Mathieu and Zajac, 1990; Salancik and Pfeffer, 1978).

The antecedents chosen in the current study are from a number of sources. Firstly those that have substantial research supporting their influence on organisational commitment. It is assumed in the development of the theoretical model that these antecedents may also have an influence on other contexts of empowerment. Secondly the studies identifying that leadership varies depending on level of the hierarchy indicate that hierarchy may be an antecedent to empowerment. Thirdly the power of subcultures and group norms influencing employee behaviour may act as antecedents to empowerment. It is understandable from consideration of these antecedents as to why attribution theory questions the role of leadership in organisational effectiveness (Pfeffer, 1977; Brown, 1982) as discussed in section 3.4.5. The section will conclude with the list of antecedents that will be incorporated in the theoretical model being constructed.

3.4.2 Demographics

Organisational commitment research identifies demographic variables as the principle antecedent to empowerment. Demographic characteristics are statistical comparisons between individuals and usually involve items such as age, sex, education, marital status, salary, position and organisational tenure. Most research outside of organisational commitment research include demographic information as descriptions of their target population rather than encompassing these characteristics as part of their theoretical model. Organisational commitment research has found individual differences in commitment in the following areas:

3.4.2.1 Level of Education

The results have generally shown a negative correlation between level of education and organisational commitment (Angle and Perry, 1981; De Cottis and Summers, 1987; Mowday et al, 1982; Mathieu and Hamel, 1989; Mathieu and Zajac, 1980; Morris and Steers, 1980; O’Reilly and Caldwell, 1981). Mowday et al (1982) concluded that the inverse relationship may result from the fact that more educated individuals have higher expectations that the organisation may be unable to meet. It may also result from the more educated having more job options (Mathieu and Zajac, 1990). A third explanation was provided by DeColis and Summers (1987) indicating that subjects felt that the rewards did not adequately reflect the level of education, knowledge and skills. However not all studies have found negative correlations (Battersby et al, 1990).

The issue of education is complex with studies showing that education may interact with other variables. (Filley, House and Kerr, 1976; Mathieu and Hamel, 1989; Meyer and Allen, 1988). For university educated employees organisational commitment was mediated by the intrinsic aspects of the job, such as challenge, responsibility and opportunities for growth (Dunette, et al 1966). Morris and Sherman (1981) reported that age, education and perceived competence were variables that interacted with each other.

3.4.2.2 Gender

Gender differences have been found in individual empowerment and organisational commitment measures. Females have been found to be more intrinsically satisfied in relation to job
satisfaction and displayed greater commitment to an organisation (Grusky, 1966). It has been argued that these factors may be due to woman having to overcome more barriers to achieve success. These results have been questioned with one study finding that professional women reported less organisational commitment compared to their male counterparts (Mathieu and Hamel, 1989).

Considerable research on gender differences in leadership style has yielded conflicting and inconclusive results. A number of scholars assert that men and woman have markedly different leadership styles, as well as in their whole approach to the tasks of leadership. On the other hand the Centre for Creative Leadership in the U.S found little evidence of substantial differences in terms of dominance, confidence, sense of security, capacity to lead, influence, motivate, humanitarian approach, understanding or capacity to reduce interpersonal friction.

3.4.2.3 Length of Service
Organisation commitment research has indicated that feelings of commitment to an organisation may change over time. The issue of organisational commitment and length of service are complex with an array of variables interacting with each other in different ways over time. Results have found pre-entry expectations to be a determinant of employee commitment and satisfaction. (Mabey, 1980; Porter and Steers, 1973; Meyer and Allen, 1988). Experiences at work, in the early months of employment, not living up to the expectation is credited with causing documented decline in job satisfaction, organisational commitment and high turnover rates (Dunnette, 1966; Pierce et al 1989, Porter et al 1974, Wanous, 1980; Webel and Gould, 1984). Organisational Commitment has decreased over time.

3.4.2.4 Employment Status
Organisational commitment studies have found a negative correlations for part-time employees and a positive correlation for full time employees (Still, 1983). Still (1983) concluded that status aspects of the job may have little impact on commitment levels of employees for whom work is of secondary importance.

It is important to note that the impact of the leadership moderators on empowerment may not be direct. In other words factors other than those being measured may have had an impact on the results. (Mowday et al., 1982; Steers and Rhodes, 1978). Mathieu and Zajac (1990) meta analysis on the relationship between organisational commitment and 37 employee behaviour characteristics did not produce large correlations as they appeared to be moderated or mediated by other factors. Mathieu and Hamel (1989) found that antecedent factors involving organisational characteristics were mediated by two factors. They were job satisfaction and mental health. They concluded that some antecedents of organisational commitment may be spurious because of their shared relationship with other affective responses not included in the analysis.

3.4.3 Leadership Behaviour and Level within the Hierarchy
There is substantial evidence that the behaviour of leaders may vary depending on the level they have attained within the organisational hierarchy. This is akin to the trait theory of leadership which tried to ascertain what factors distinguished leaders from non leaders and the extent of those differences. Personality variables that have been found to vary depending on level within the hierarchy can be viewed as antecedents to empowerment.

Executive managers have been referred to as culture creators (Katz and Kahn, 1978) who are capable of making significant changes because of their broad source of power and influence (Mintzberg, 1983; Waldman, 1994). Executives are mainly free to choose various courses or action that can include significant changes to the internal system (; Mintzberg, 1983; Stewart, 1983). Mintzberg (1983) and Donaldson and Lorsch (1983) also described a number of scenarios whereby external factors can put constraints on top executives. Increasingly, at lower levels
power and system-imposed constraints may not allow individuals enough freedom to seriously affect the system (Ashour and Johns 1983; Waldman, 1994). This has been described as bureaucratic control processes that limit actions (Mintzberg, 1983). There has been general agreement in the TQM literature that middle managers often feel disempowered or powerless resulting from the devolution of responsibility (Collard and Dale, 1978; Goldstein, 1985; Labich, 1992; Lewis, 1993; McLaughlin, 1992).

At higher management levels of performance of managers have been found to be related to personality factors independent of the system (Dobbins, Cardy and Carson, 1991; Hambrick and Finkelstein, 1987). Porter (1961) found that differences in perceived need and ability to satisfy higher order needs varied depending on the level within the hierarchy. There is some evidence that leaders in large hierarchical organisations tend to have a strong need for power, moderately strong need for achievement and a relatively weak need for affiliation (Cornelius and Lane, 1984).

Both Lundberg (1989) and Tichy and Devanna (1986) have implied that charismatic leadership is only of importance at the highest management levels. Furthermore, Katz and Kahn (1978) presented a model suggesting that charisma is the most important “affective” skill for top level executives. Empirically, Bass (1985) have found some tendency for more charisma to be shown at higher management levels.

Organisational commitment studies have found a positive relationship between organisational climate and organisational commitment at lower levels of the hierarchy (Mathieu and Hamel, 1989). The study concluded that at lower levels employees may be more influenced by the larger design of the organisation. Other studies have found no relationship of organisational climate and organisational commitment (Bateman and Strausser, 1984; Morris and Steers, 1980). Weiner (1972) argues organisational climate normative influences and affect members organisational commitment by shaping their belief system. In this sense, organisational contexts may interact with individuals predisposition to become committed.

3.4.4 Group Norms

The importance of work teams and quality improvement teams, in a total quality management environment indicates that subcultures may be a substitute for leadership behaviours in these organisations.

All groups have established acceptable standards of behaviour that are shared by the group’s members which are called ‘norms’. Norms can provide an indication of the culture of a group (Schein, 1985). Norms tell members what they ought and ought not to do under certain circumstances. When agreed to and accepted by the group, norms act as a means of influencing the behaviour of group members with a minimum of external controls (Bassin, 1988). Norms differ among groups, communities and societies (Bettenhausen and Murningham, 1991; Feldman, 1984).

Norms that appear in most groups (Goodman, Ravin and Schminke, 1987) are firstly performance related processes identifying how hard employees should work, how to get the job done, their level of output and appropriate communication channels. (Bassin, 1988; Hackman, 1987). Secondly appearance factors including appropriate dress, loyalty to the work group, when to look busy and when to relax. The third norm relates to informal social arrangements which influence interactions within the group. (Hackman, 1976; Janis, 1972). These norms influence friendships on and off the job, whom group members eat lunch with and social activites. (Davies, 1966). The final norm is allocation of resources including assignment of difficult jobs and allocation of new tools and equipment.
3.4.5 Attribution Theory

Most leadership research makes the explicit or implicit assumption that leadership is an important determinant of organisation effectiveness. However, some writers question this assumption. Brown (1991) and Pfeffer (1977) have indicated that leadership is merely an attributional phenomenon whereby the importance of leadership is exaggerated by the need for people to explain events in a way that fits their assumptions and implicit theories. The theory is gaining increasing support (Kerr, 1976).

Attribution theories argued that the emphasis on leadership as a cause of organisational events reflects a common cultural bias towards explaining experience primarily in terms of the rational action of people as opposed to uncontrollable natural force or actions by random events. The attributional biases about leaders are exploited and magnified by political leaders and top executives who seek to create the impression that they are in control of events. Symbols and rituals such as inaugural ceremonies reinforce the perceived importance of leaders (Pfeffer, 1977). Symbolic action is most likely when situational constrains and unpredictable events make it impossible for management to exert much influence over organisational performance (Brown, 1991).

Pfeffer (1977) argues that there are several reasons why the observed effects of leaders on organisational outcomes would be small. First, the selection process in constrained by the internal system of influence in the organisation. Norms concerning age, gender, education and experience are likely to be applied in the selection process. Selection is a critical decision, is also affected by the internal power distribution of the organisation as well as critical contingencies facing the organisation.

Self-selection processes affect the selection of persons to leadership positions as well. Once consequence of these processes is the selection of homogeneous managers with respect to background, values, attitude, and behaviour. Thus by the time a leader is selected into the position of chief operating officer, that leader will likely have similar attributes, values, and behaviours to those in the organisation at the time. Pfeffer (1977) also argues that the leader is embedded in a social system that constrains behaviour. The leader has a role set in which members have expectations for appropriate behaviour. Pressures to conform to the expectations of peers, subordinates, and superiors are all relevant in the determination of actual behaviour. Accordingly, leader behaviour is also constrained by both the demands of others in the role set and by organisationally prescribed limitations on the sphere of activity and influence. Pfeffer further contends that leaders are constrained by the external environment in which the organisation operates. He argues that costs are largely determined by the operation of commodities and labour markets and demand is largely affected by external factors such as interest rates, availability of mortgage money, and economic conditions that are affected by governmental policies over which the executive has little control. (Kerr, et al 1978; Pfeffer, 1977).

Succession studies examined changes in performance occurring after the changes in leadership. It is assumed that if a leader is important changes in top leadership should be associated with changes in performance of the organisations (Salancik and Pfeffer, 1977). These studies have been compounded by methodological problems. Selection of a appropriate criteria of organisation performance has been a particular problem. Day and Lord (1989) found that the results of studies by Pferrer and Salancik (1977) and Lieberson and O'Connor (1972) were understated due to methodological problems such as failure to correct for the size of the organisation, failure to correct dollar dominated criteria for effects of inflation and the use of inappropriate criteria that are not influenced directly by leaders, for example—stock prices. These studies can be criticised for failing to allow for enough time for new leaders to influence quantitative performance outcomes.
Studies that have taken these methodological problems into account have indicated that the magnitude of the leaders influence is dependent on the leaders skill and on some situational conditions, such as whether there is an inside or outside successor, and how much support is provided from key stakeholders to changes to strategies.

The Path-Goal Theory does recognise that under some circumstances both goals and paths to goals may be clear, and attempts by the leader to provide clarification will be redundant. Even in such instances, however, the theory predicts specific consequences for subordinate satisfaction, morale, motivation, and acceptance of the leader (House and Dessler, 1974; House and Mitchell, 1974). While certain leader behaviours are therefore recognised by the theory to be redundant and unnecessary in particular situations, in no situation are they explicitly hypothesised to be irrelevant.

3.4.6 Conclusion

The organisational commitment research while not considering the antecedents to organisational commitment as moderators of leadership behaviour provides sufficient evidence for these factors to be included in the current study. That leadership moderators exist is also supported by considering the variation in leadership behaviour in various levels of the hierarchy and by considering the issue of group norms influence on team members behaviour. In previous studies many of these variables were usually used to describe the study population rather than being an integral component in the research.

3.4.7 Development of the theoretical model

For leadership studies to be effective they need to explore the interaction effects of organisational variables that may account for the results with the leadership variables under study. Within the current model the following antecedents to organisational commitment or moderators of leadership behaviour will be investigated.

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<th>Leadership Moderators</th>
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3.5 Stage 4: A Theoretical Model On The Relationship Between Leadership And Employee Empowerment For Successful TQM.

3.5.1 Introduction

This Section will provide a summary of the argument put forward as to why there was the need to develop a theoretical model on the relationship between leadership and empowerment for successful TQM. This is then followed by an overview of the sequential development of the theoretical model covered in detail in Sections 3.1 to 3.4. The Section concludes with the presentation of the final model, which will be tested in the current research.

The argument for a reassessment of the TQM literature commences in Sub Section 2.2.3.3 of this thesis, which identified the contemporary issues confronting Australian industries. For example, international competition and rapidly changing technology. It is argued that there are four common themes emerging from the literature as prerequisites to companies becoming successful in the next millennium. The themes are:

- Adaptability to change. Increased competition is creating organisations that face continuous uncertainty, chaos and huge pressures. The emphasis is on building adaptable organisations that can respond to the changing circumstances. To achieve adaptability, the trend has been to decentralise authority in order to give lower managers and workers more direct control of the environment in which they are expected to operate.

- Innovation and creativity. Increasing competition has lead to the argument that companies that remain tied to the dominant market of the time trying to create continuing efficiencies may become redundant as markets continuously change. Companies must create an organisational culture that has the energy to try new ideas. The organisation is innovative and prepared to risk take in the sense of anticipating new market opportunities and committing to those opportunities in real terms.

- The development of business competence in each employee. Associated with the concepts of adaptability, innovation, creativity and risk taking is the notion of ensuring all employees understand the need for change and accept their individual responsibility for being part of the change process.

- Employee commitment to the change process. An employee may possess the skills and have a strong sense of competence to perform a task but may choose not to because they lack the incentive or motivation.

Collectively the above themes are related to a concept known as workforce empowerment. This thesis argues that workforce empowerment has concepts that are contradictory to the traditional approaches to TQM. The contradictions are related to their respective area of emphasis: the system or the individual employee. In the traditional TQM approach the focus is on the system as the key to business success. Workforce empowerment emphasises the importance of the individual employee. These contradictions are of major concern given the wide prevalence of the traditional TQM approach both in Australia and internationally.

Further support of the importance of addressing the contemporary issues in Australia through consideration of the concept of workforce empowerment is provided from the results of studies indicating that Australian managers lack the leadership skills that have been advocated as necessary to empower employees. Australian managers have been criticised for their lack of commitment to people management issues and innovation. Their autocratic style of management is of particular concern as empowerment is related to participatory management. Furthermore
research findings have identified that Australian employees are highly motivated when the leadership style in non-autocratic, communicative and caring.

Having argued the importance of workforce empowerment the following question arises. How do you guide industry leaders into developing the appropriate leadership strategies to encourage workforce empowerment and what are the required employee behaviour changes? A theoretical model was needed to provide a guide to answering the following questions:

- What are the characteristics of employee behaviour (empowerment) that describes a successful TQM organisation?
- Can an individual have different feelings of empowerment related to context; the individual, as a member of a team and as a member of the organisation?
- Is there an interrelationship between the various empowerment contexts?
- What are the leadership strategies that contribute to employee empowerment behaviours?
- What is the relationship between employee behaviour and leadership strategies in the organisation?
- Are their antecedents to empowerment that can be identified as Substitutes or moderators of leadership behaviour?

Section 2.4 highlights the existing inadequacies in the current theoretical literature on empowerment in answering the above questions. The principle concerns with empowerment and related leadership theories is that they normally only focus on part of the equation. They focus either on empowerment or leadership but not both. Furthermore, none have the required practical utility to be able to guide industry leaders in their application in an industry setting.

The theoretical model developed in Chapter 3.0 aims to provide answers to each of the proposed questions. The Chapter has three Sections. Each Section contributes a principle component part to the development of the model.

Section 3.2 applies the Australian Quality Awards (AQAs) as a guiding framework to focus the review of the literature on empowerment and the leadership behaviours related to empowerment. This resulted in a list of leadership strategies and employee behaviours relating to empowerment anticipated in a TQM environment. This represents the first stage in the development of the model.

Section 3.2 outlines that Individual employees feel empowered if they:
- Are Competent: They display an understanding of goal alignment between the different levels of the organisation and how their job is critical in the achievement of organisational objectives. It is important that employees must feel competent in their decision making process.
- Are Committed. Committed employees feel valued in the organisation. Employees must feel not only that they are important but that they are fairly treated and have an influence on decision making. Committed employees show feelings of intrinsic motivation including the desire to learn and grow and initiate problem solving.
- Are innovative: The employees show evidence of being innovative in their approach to problem solving. Employees are prepared to take risks and initiate ideas.

The empowerment behaviours are not mutually exclusive. For example the importance of goal alignment in empowered employees is both a competence and commitment behaviour. It is a competence in the need to understand the concept of goal alignment, and a commitment in their desire to work towards its achievement.
In the development of the theoretical model leadership is defined as supervisory strategies which are the responsibility of leaders who have delegated responsibility for individual performance. The leadership characteristics identified as required for empowerment are:

i) Development of competence in staff. This is achieved by:
- Strategies to foster goal alignment among staff and commitment to their achievement.
- Information systems providing available, useful, and accessible information.
- Resources are available to complete tasks including supportive policies and procedures.

ii) Encouraging Innovation
- Recognition systems being in place to encourage innovation and risk taking.

iii) Encouraging Commitment. This is achieved by:
- Performance management systems being in place focusing on the individual and developing intrinsic motivation.
- Building an environment of trust through having appropriate communication mechanisms in place.

Each of the above leadership strategies are supported by behaviours that are both verbal and nonverbal including role modelling, self insight, mentoring; listening and developing trust. Similar with empowerment the leadership behaviours are not mutually exclusive. The leadership strategies and empowerment behaviours are interactive in that there is an anticipated flow from leadership to employee behaviour.

While the AQA provided an adequate framework to consider the concepts of empowerment, the literature appeared to interchange three contexts of empowerment. The first involves intrinsic motivation of individuals, the second was the behaviour of self directed work teams, and the third was the organisational wide culture of empowerment. In this thesis it is argued that the empowerment behaviours described in the empowerment and related literature are mainly focused on individual feelings of empowerment. This is due to the focus on the development of intrinsic motivation in individuals.

Section 3.3 presents the second stage in the development of the model. In the Section it is argued that there are three contexts of empowerment. Introducing two theories that have previously not been recognised in the TQM or the empowerment literature supports this. They are Organisational Commitment Theory and Organisational Citizenship Behaviour. The Section identifies Organisational Commitment as having four characteristics similar to the common themes described above as prerequisites to companies becoming successful. That is, workforce empowerment. In the development of the current theoretical model organisational empowerment is identified as having the characteristics similar to organisational commitment. The current model also introduced an additional factor to explain organisational commitment. This was to include a characteristic required for company success described above and not included in commitment theory. The factor involves the need for all employees committed to continuous change.

The literature on organisational commitment and citizenship behaviour makes reference to a characteristic of cohesive teamwork or interpersonal relations. It has been these references on interpersonal skills that have been the focus of understanding team empowerment in the development of the current theoretical model.

Section 3.3 also argues that any model on empowerment should consider the issue of employee job satisfaction. Job satisfaction was a significant factor in theories on organisational commitment and organisational citizenship behaviour. Given that these two theories were the foundation for describing team empowerment and commitment to the organisation it was considered necessary
to include job satisfaction in the current model. Job satisfaction relates to employee individual attitude to their tasks and therefore in the development of the theoretical model is identified as a factor of individual empowerment.

The theoretical model being developed accepts the work of Vogt and Murrell (1990) outlined in Section 3.3.6 who predict that team empowerment is the vehicle to translate individual empowerment to organisational commitment.

The power of the arguments for the contexts of empowerment raises the question of the context of leadership behaviour? The relationship the supervisor has with an individual many change in a team context. Therefore, it cannot be assumed that the perception an individual has regarding the supervisor will be the same as the perception the same individual has of the team leadership skills of the supervisor. The supervisory climate of the organisation reflects the overall leadership strategies of the organisation.

Section 3.4 expands on the organisational commitment research, which identifies "antecedents" to organisational commitment. The theory was concerned with the possibility of environmental and personality variables influencing employees feelings of commitment to the organisation. This research raises the question regarding antecedents that may contribute to employee empowerment in each of the three contexts? These antecedents in the theoretical model being developed are viewed as moderators, or substitutes for leadership. The variables may influence employee’s perceptions of various aspects of the organisation as well as their relative reactions to it.

In prese, considering the contributions of the various Sections of Chapter 3.0 the final theoretical model presented has four principle component parts. They are:

- Empowerment and its three contexts; individual, team, organisation,
- The staging of the three empowerment contexts,
- Leadership strategies of the supervisor,
- Antecedents to empowerment that can be viewed as moderators of leadership behaviour.

3.5.2 The Theoretical Model Of The Relationship Between Leadership And Employee-Empowerment For Successful TQM

The completed model with the component parts is outlined in Figure 6. The model proposes that the leadership and empowerment behaviours required for successful TQM have the ultimate aim of achieving employee commitment to the organisation. The Table number within each square refers to the Table in which the factor is described in detail.
Figure 6 The Theoretical Model Of The Relationship Between Leadership And Employee Empowerment For Successful TQM.

3.5.2.1 The Characteristics Of Each Component Of The Model

The characteristics for each of the components of the model are detailed below.

3.5.2.1.1 Empowerment and its three contexts.
The first stage of the model identifies the characteristics of individual empowerment. The characteristics are listed in Table 8.
TABLE 8 Characteristics Of Individual Empowerment

<table>
<thead>
<tr>
<th>Empowerment Behaviours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual empowerment has the following characteristics:</td>
</tr>
<tr>
<td>Competence</td>
</tr>
<tr>
<td>• Goal alignment. Employees understand the interaction between individual goals, team goals, and organisation's goals</td>
</tr>
<tr>
<td>• Employees feeling competent and self confident in achieving the goals set.</td>
</tr>
<tr>
<td>Innovation</td>
</tr>
<tr>
<td>• Employees prepared to initiate action and to risk take</td>
</tr>
<tr>
<td>• Innovative approach to problem solving</td>
</tr>
<tr>
<td>Committed</td>
</tr>
<tr>
<td>• Feeling Valued. Employees feel they have an impact on decision making, are fairly treated, and view there job as important</td>
</tr>
<tr>
<td>• Intrinsically Motivated to reach their full potential</td>
</tr>
<tr>
<td>• Employees have the desire to learn and grow and to achieve.</td>
</tr>
<tr>
<td>Job Satisfaction</td>
</tr>
<tr>
<td>• Employees enjoy the tasks they perform</td>
</tr>
</tbody>
</table>

The characteristics of team empowerment and organisational commitment are outlined in Table 9.

Table 9 Characteristics Of Team Empowerment And Organisational Commitment

<table>
<thead>
<tr>
<th>Team empowerment</th>
<th>Organisational commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pride in belonging to the team</td>
<td>Loyalty to the organisation openly expressed</td>
</tr>
<tr>
<td>Alignment to team goals</td>
<td>Alignment by all staff to organisational goals</td>
</tr>
<tr>
<td>Perseverance to work within the team in the face of obstacles</td>
<td>Energy to try new ideas on behalf of the organisation</td>
</tr>
<tr>
<td>Enthusiasm by all team members to complete tasks going beyond minimum requirements.</td>
<td>Strive for excellence for the benefit of the organisation</td>
</tr>
<tr>
<td></td>
<td>Commitment to continuous change throughout the organisation</td>
</tr>
</tbody>
</table>

A further indicator of team empowerment is whether the teams display the characteristics of self directed work teams in the organisation. An indicator of self directed work teams is the extent of delegated authority within teams in the organisation. The important characteristics of delegated authority is that it is displayed in key decision making areas such as policy decision making, budgetary control, and day to day decision making. The extent of delegated authority will be measured in the current study to assist in describing the concept of team empowerment.

3.5.2.1.2 The Staging Of Empowerment

Empowerment is identified as a staged process. Individual empowerment must exist before team empowerment can occur. Team empowerment provides the basis for organisational commitment.
3.5.2.1.3 Leadership Strategies Of The Supervisor

In the development of the theoretical model leadership is defined as supervisory strategies which are the responsibility of leaders who have delegated responsibility for individual performance. The leadership behaviours and strategies are outlined in Table 10.

**TABLE 10 - Principal Leadership Characteristics For Successful Empowerment In TQM Oriented Organisations.**

<table>
<thead>
<tr>
<th>Competence</th>
<th>Goal Alignment. Participation by employees in individual, team and organisational goals.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Data that is useful, accessible, appropriate</td>
</tr>
<tr>
<td></td>
<td>Resources available to complete tasks</td>
</tr>
<tr>
<td>Innovation</td>
<td>Recognition system encourages risk taking</td>
</tr>
<tr>
<td>Commitment</td>
<td>Environment of Trust through two way communication</td>
</tr>
<tr>
<td></td>
<td>Performance Management focusing on individual intrinsic motivation</td>
</tr>
</tbody>
</table>

For the development of the theoretical model it is assumed that leadership does vary between context. Due to lack of available literature to support the proposition the individual leadership behaviours will be extended to team leadership and organisational wide leadership behaviours.

3.5.2.1.4. Leadership moderators

The model considers the antecedents of empowerment other than leadership. These are viewed as moderators of leadership behaviour. The moderators considered in the present model are those discussed in Section 3.4 and are identified in Table 11.

**Table 11 Leadership Moderators**

<table>
<thead>
<tr>
<th>Demographics: -length of service</th>
</tr>
</thead>
<tbody>
<tr>
<td>- education</td>
</tr>
<tr>
<td>- gender</td>
</tr>
<tr>
<td>- employment status</td>
</tr>
<tr>
<td>-Level within the organisational hierarchy</td>
</tr>
<tr>
<td>-group norms</td>
</tr>
</tbody>
</table>

3.5.2.2 The steps to achieving organisational commitment

The current theoretical model predicts the first step is to succeed in achieving individual employee empowerment behaviour. The leadership strategy involves focusing on developing the individual employee to feel competent and confident in completing tasks as well as being committed to their achievement. Recognition and reward systems should support innovation and creativity including acceptance of mistakes and trial and error necessary for innovation.

In addition to leadership behaviour of the individual supervisor there may be other antecedents of empowerment that may interfere with individual leadership strategies. These antecedents include demographic characteristics of the individual eg, gender, level of education, and the group norms in which the individual may operate.
Leaders will know when individual empowerment behaviours are being achieved by employees displaying the following empowerment related characteristics:

Firstly competence displayed by employees expressing feelings of competence and self confidence to perform their job. Employees also will understand the alignment of their job to the team and organisational goals.

Secondly employees will be committed to the achievement of their goals displayed by their expression of feeling valued in their team and their desire for personal growth. Thirdly innovative behaviour will be displayed by employees being creative and prepared to initiate ideas and risk take for the benefit of the team.

Once an individual has attained individual empowerment, team empowerment behaviours can develop. The leadership characteristics are the same for individual empowerment although applied in a team context. The antecedents other than leadership are also a intervening factor. Leaders will acknowledge team empowerment is evident when the team displays the following behaviours:

• Firstly a pride in belonging to the team.
• Secondly alignment to team goals
• Thirdly perseverance to work within the team in the face of obstacles
• Finally enthusiasm by all team members to complete tasks going beyond minimum requirements.

Once team empowerment is achieved then the process repeats itself and the final stage to organisational commitment is reached. Organisational commitment is achieved when:

• Loyalty to the organisation is openly expressed by employees
• Alignment by all employees to organisational goals is evident
• There is an energy to try new ideas on behalf of the organisation
• Employees strive for excellence for the benefit of the organisation
• There is a commitment to continuous change throughout the organisation

The model is not predicting that the leadership behaviours are occurring in isolation. It is predicting what leadership behaviours have the greatest impact on various empowerment behaviours. That is, individual leadership practices will influence individual empowerment, team leadership will influence team empowerment, and organisational climate will have an influence on organisational commitment. Leadership moderators will have an influence on empowerment in all three contexts however the exact interaction is unknown. The executive leadership systems will not be tested for their interaction on leadership strategies or empowerment behaviours. It is predicted that the systems will be consistent with those predicted as conducive to workforce commitment. The information will also be used to validate some of the conclusions drawn from the analysis.

The model developed in the current study identifies a framework for analysis. The model provided a starting point from which systematic research on leadership and empowerment can proceed. As a result of the research the model will be tested and refined with the aim of developing a coherent theory on the relationship between leadership and workforce empowerment.
3.6 Stage 5: Research Hypotheses Generated By The Theoretical Model

The theoretical model shown in Figure 6 has been produced to examine and test the various aspects of the relationship between leadership and empowerment in a successful TQM environment. The model incorporates a number of hypotheses for testing. The original research question is repeated prior to the hypothesis being stated.

3.6.1 Research Questions And Hypotheses Related To Empowerment

<table>
<thead>
<tr>
<th>Research Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) What are the characteristics of employee behaviour, related to empowerment, that describes a successful TQM organisation?</td>
</tr>
<tr>
<td>2) Can an individual have different feelings of empowerment related to context; The individual, as the member of the team and as a member of the organisation?</td>
</tr>
<tr>
<td>3) Is there an interrelationship between the various empowerment contexts.</td>
</tr>
</tbody>
</table>

**Hypothesis 1.0**

Empowerment behaviours will vary in the same individual depending on the context in which it is being measured, ie individual, team, organisational commitment.

**Hypothesis 2.0**

Organisational commitment will be correlated with the following characteristics:

- Loyalty to the organisation openly expressed
- Alignment by all staff to organisational goals
- Energy to try new ideas on behalf of the organisation
- Strive for excellence for the benefit of the organisation
- Commitment to continuous change throughout the organisation

**Hypothesis 3.0**

Team empowerment will be correlated with the following characteristics:

- Pride in belonging to a team
- Alignment to team goals
- Perseverance to work within the team in the face of obstacles
- Enthusiasm by all team members to complete tasks going beyond minimum requirements.

**Hypothesis 3.1**

Team empowerment will display the characteristics of self directed work teams. That is, within teams in the organisation delegated authority will include policy decision making, budgetary control and day to day decision making.

**Hypothesis 4.0**

Individual empowerment will be correlated with the following characteristics:

- Goal alignment. Employees understand the interaction between individual goals, team goals, and organisation’s goals
- Employees feeling competent and self confident in achieving the goals set
- Employees prepared to initiate action and to risk take
- Employees display innovative approach to problem solving
- Feeling Valued. Employees feel they have an impact on decision making, are fairly treated, and view their job as important
- Employees are intrinsically motivated to reach their full potential
- Employees have the desire to learn and grow and to achieve.
- Employees enjoy the tasks they perform

**Hypothesis 5.0**

Empowerment behaviour will be staged with individual empowerment being antecedent to team empowerment and team empowerment being antecedent to organisational commitment.

### 3.6.2 Research question and Hypotheses Related To Leadership

<table>
<thead>
<tr>
<th>Research Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>What are the characteristic leadership strategies relating to empowerment within an organisation?</td>
</tr>
</tbody>
</table>

**Hypothesis 6.0**

The perception of leadership will vary in the same individual depending on the context in which it is being measured: the individual, the team, organisational climate.

**Hypothesis 7.0**

Individual leadership will be correlated with the following characteristics:

- **Competence**
  - Goal Alignment. Participation by employees in individual, team and organisational goals.
  - Data that is useful, accessible, appropriate
  - Resources available to complete tasks

- **Innovation**
  - Recognition system encourages risk taking

- **Commitment**
  - Environment of trust through two way communication
  - Performance Management focusing on individual intrinsic motivation

**Hypothesis 8.0**

Team leadership will be correlated with similar characteristics as individual leadership but will be relevant to a team context.

That is, Competence of the team

<table>
<thead>
<tr>
<th>Innovation of the team</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment to the team</td>
</tr>
</tbody>
</table>

**Hypothesis 9.0**

Organisational climate will be correlated with similar characteristics as individual leadership but will be relevant in an organisational wide context.

That is, Organisational leadership encouraging:

<table>
<thead>
<tr>
<th>Competence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation</td>
</tr>
<tr>
<td>Commitment</td>
</tr>
</tbody>
</table>
Hypothesis 9.1

In a positive empowered organisation there will be no evidence of organisational instability identified by staff in relation to:
- Financial Crisis
- Changes in Organisational Structure
- Labour problems and industrial disputes
- Significant technological change
- Other issues identified by staff

3.6.3 Research Question And Hypotheses Related To The Interaction Between Leadership And Empowerment.

Research Question

What is the relationship between the leadership strategies and employee empowerment behaviours?

Hypothesis 10.0

Hypothesis 10.1

There will be a direct relationship between:
Individual leadership and individual empowerment behaviour.

Hypothesis 10.2

There will be a direct relationship between:
Team leadership and team empowerment behaviour.

Hypothesis 10.2

There will be a direct relationship between:
Organisational climate and organisational commitment.

3.6.4 Research Question And Hypotheses On Moderators Of Leadership

Research Question

Are there antecedents to empowerment that can be identified as substitutes or moderators of leadership behaviour?

Hypothesis 11.0

Each of the moderators listed below will be correlated with each empowerment context: The individual, the team, the organisation.
- length of service
- education
- gender
- employment status
- level within the organisational hierarchy
- group norms
Hypothesis 12.0

Each of the moderators listed below will be correlated with each leadership context: The individual, the team, the organisation.

- length of service
- education
- gender
- employment status
- level within the organisational hierarchy
# CHAPTER 4 0

METHODOLOGY

TESTING THE THEORETICAL MODEL

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CHAPTER 4.0
METHODOLOGY

4.1 Introduction

This description of the research methodology is based on the chronological sequence of events that took place to complete the research. Sub Section 4.2 offers explanation as to why a single case study was chosen over other methods.

Sub Section 4.3 outlines the criteria and method of choosing a particular site to conduct the research.

Sub Section 4.4 provides a summary of the multi methods used for investigation as well as their value to the research questions to be tested.

Sub section 4.5 examines the development of the principle tools used for investigation. The development of the Leadership/Empowerment (L/E) Questionnaire is outlined. The lessons learnt in the three pilot studies conducted to test the validity and reliability of the L/E questionnaire is outlined. The site validation methods of the L/E questionnaire are examined. Other information to be collected at the site visit is outlined as well as an explanation as to their benefit to the current study.

Sub Sections 4.6 to 4.9 provides detailed description of the processes followed during the site visits including the interview processes and the means of gathering data.

Sub Section 4.10 concludes the chapter by outlining the limitations of the case study methodology.

4.2 Reasons For Multistrategy Single Case Study

There were a number of factors that influenced the decision to use a multistrategy single case study design. The model put forward to study leadership and workforce empowerment in a TQM environment is general in scope reflecting the paucity of theoretical development and associated research. The use of a variety of study methodologies that are exploratory in nature in the one environment will enable the model to be further elaborated and made more specific. The results will allow initial development of a coherent theory of how leadership and workforce empowerment relate to develop the interventions aimed at managing empowerment.

One of the difficulties that the current study needs to address is to ensure that measures of leadership and empowerment are not measures of the one construct. If this were the case the correlations would be expected. To overcome this concern multiple sources of information were used to test and validate the leadership and empowerment construct.

The key measurement in the survey (questionnaire) data is employee perception and not objective fact. Anastasi’s (1982, p 55) general comments about psychological tests apply equally to all scales measuring perception. “It is only through the empirical investigation of the relationship of test scores to other external data that we can discover what a test measures”.

To aid in understanding perception, the use of one to one interviews was chosen to give insights into individuals and relationships, which are impossible to collect using surveys. Interview techniques also provide data on past events, interpretation of events and the nature of interpersonal relationships that have occurred (Merton, Fiske & Kendell, 1990).

The questions raised regarding the potential impact that moderators of leadership and contingency theories may have on the results also raises concern in using multisites to test the model during the early stages of the current model’s development.
The question of causality is raised by any investigation of purely correlational design. If two variables are shown to be related, there is little justification, on the grounds of research design alone, for inferring that one is the determinant of the other. The causal link might be in either direction. It may also be that the empirically demonstrated association stems from the relationship of each of the variables in question to a third, perhaps unmeasured, variable. The absence of a correlation between two variables does, however, demonstrate that they are not causally related. The consideration of a range of methodologies in a single case study allows the use of several contingency issues that may explain some of the results.

A particular bias that may be evident in the current study is the perception that staff should be responding as an organisation that is an Australian Quality Award Winner. This may preface responding in what they perceive as appropriate rather than the reality of the situation. The notion of "real" versus "ideal" is common in leadership research. Levinthal, Lansky & Andrews (1971) demonstrated that many lecturing skills observed by students in their lectures were frequently those they believed to be highly desirable. It can be argued that raters in perception and attribution leadership research rely heavily on stereotypes and implicit theory of what a "good" leader should be (Argyris, 1979). This argument is relevant in all situations where leadership is not defined within the context of specific concrete situations, with all the influences and complexities involved in "real" events.

The current study will consider a range of methodologies to verify the responses to the principle questionnaire in the study. The causal links between leadership and empowerment may not exist. The "real life" interventions may be too complex for survey or experimental strategies. The multistrategies may provide some insight if this occurs.

Many of the readily quantifiable measures of leadership have been heavily criticised for their reliability and validity (Schriesman, Bannister & Money, 1979; Schriesman & Kerr, 1977). There has also been substantial criticism of observational leadership techniques in natural settings. A complete analysis of the concerns of existing leadership research is set out in Chapter 2. of this thesis. The use of multistrategies to measure the same construct in the current study will address many of the concerns raised of single strategy research outcomes.

4.3 Criteria For Selection Of Case Study Site

The following criteria was applied to determine the case study site. The organisation:

- Had won a high commendation or Australian Quality Award in the last three years.
- Had no significant external issues that may be severely adversely influencing the operations, eg restructuring by parent company.
- Is actively pursuing quality management as identified by the corporate plan and during the interview with the General Manager.
- Was a large organisation of over 200 staff. This criteria was considered to assist with the statistical analysis. The optimal size for factor-analytic procedures is a sample size of 200. In sample sizes below 200 the correlations being analysed are increasingly subject to the effects of outliers and of random sampling variations and therefore the more the factor structure is affected (Comrey, 1988).
- Was within 2 hours travelling distance by car from the researcher’s home address. This criteria was required due to the large number of site visits.

From this criteria four organisations were approached. Two organisations were considered unsuitable after telephone discussion with the organisation’s Quality Co-ordinator. One company was undergoing internal restructure and rationalisation, the second was questioning the usefulness of their quality program following the recent departure of the Chief Executive Officer. As both these companies identified stresses in the pursuit of quality, they were eliminated. A mature,
relatively stable organisation would reduce the number of contingency factors that may influence the results.

Two organisations were selected as possible settings to conduct the study. An appointment was made to visit the General Manager of each site. The study was identified as investigating leadership practices in TQM oriented organisations. The methodology was then briefly described.

The organisation chosen was a local city council (Wollongong City Council – W.C.C.) that had won a commendation in the Australian Quality Award in 1996 and went on to win the Australian Quality Award in 1998. It had 436 employees in their principle administrative site during the period of investigation. This site was chosen for the study as the General Manager displayed personal interest in “the study” and indicated the results would be useful to the organisation. In addition the researcher had previously given a paper at a Conference organised by the organisation under investigation. This provided credibility of the researcher to the senior staff in the organisation. This assisted in their willingness to participate in the study. At the initial interview the General Manager indicated that the Human Resource manager for the organisation would act as the organisation’s liaison person for the duration of the study.

Follow-up meeting with the Human Resource Manager indicated that he has been in the position for 11 years, has extensive knowledge of the organisation and was willing to take the time to ensure the study was implemented correctly.

4.4 Strategies Used For Investigation

4.4.1 Sources of Information

The current study used a range of strategies to gather information. They were:

i) Administration of the Leadership / Empowerment Questionnaire. (L/E)

ii) Structured interviews using existing questionnaires on:-

- Organisational Stability
- Adequacy of Authority
- Critical Incident Reporting
- Best And Worst Features In Working In The Organisation

iii) Structured interviews repeating questions from the L/E questionnaire to validate responses to the Leadership / Empowerment Questionnaire.

iv) Interview with the General Manager and Deputy General Manager.

v) Reports obtained from the organisation to verify both the results from the interviews and the Leadership / Empowerment Questionnaire. The principal reports were:

- Feedback Report on the 1996 Application for an Australian Quality Award
- List of internal training programs conducted over the last two years.
- The Human Resources policy document and files.
- The 1996 Enterprise Agreement Survey
- Recorded statistics and reports on Quality Improvement Activities for the past two years.
- CSIRO consultancy report on Organisational Performance Indicators (Dated 11/4/97).
- Organisational Staff Culture Survey.
4.4.2 Methodology Matrix

The actual strategy applied was determined by the research question under investigation. Table 12 provides an outline of the hypothesis, principle methodology and supporting information used in the study relating to particular hypothesis. The reports obtained from the organisation listed above were common in a range of hypothesis and are not repeated in Table 12.

**TABLE 12 - Methodology Matrix**

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Principal Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hypothesis 1 Empowerment between context</td>
<td>Leadership / Empowerment Questionnaire (L/EQ)</td>
</tr>
<tr>
<td>Hypothesis 2 Organisational Commitment</td>
<td>L/EQ</td>
</tr>
<tr>
<td>Hypothesis 3 Team Empowerment</td>
<td>L/EQ, Adequacy of Authority Questionnaire</td>
</tr>
<tr>
<td>Hypothesis 4 Individual Empowerment</td>
<td>L/EQ</td>
</tr>
<tr>
<td>Hypothesis 5 Empowerment: Individual&gt;Team&gt;</td>
<td>L/EQ</td>
</tr>
<tr>
<td>Organisational Commitment</td>
<td></td>
</tr>
<tr>
<td>Hypothesis 6 Leadership between Context</td>
<td>L/EQ</td>
</tr>
<tr>
<td>Hypothesis 7 Individual leadership</td>
<td>L/EQ, Repeat questions at interview</td>
</tr>
<tr>
<td>Hypothesis 8 Team leadership</td>
<td>L/EQ, Repeat questions at interview</td>
</tr>
<tr>
<td>Hypothesis 9 Leadership climate</td>
<td>L/EQ, Organisational Stability Questionnaire, Critical incident reporting, Repeat questions at interview.</td>
</tr>
<tr>
<td>Hypothesis 10 Interaction Leadership &gt;Empowerment</td>
<td>L/EQ</td>
</tr>
<tr>
<td>Hypothesis 11 Moderators for Empowerment</td>
<td>L/EQ</td>
</tr>
<tr>
<td>Hypothesis 12 Moderators for Leadership</td>
<td>L/EQ</td>
</tr>
</tbody>
</table>
4.5 Development Of Tools Used For Investigation.

4.5.1 Development of the Leadership and Empowerment Questionnaire

The research had to develop its own survey instrument on Leadership and Empowerment as no scales had previously been developed to cover the specific dimensions of TQM addressed in the model.

The process for the development and testing of the questionnaire is set out in a flow diagram (Figure 7). The development of the questionnaire followed the process recommended by Hayes (1994) and Sekaran (1992). The literature review identified the Leadership strategies and empowerment behaviours required for the development of the questionnaire. These variables were placed in a table using the headings of the Australian Quality Award. This provided the framework for questionnaire development.

Questions for each variable were developed through consideration of existing scales of measurement that aimed to measure the same or similar construct. Existing scales were obtained from a detailed review of the literature in the area of leadership, empowerment, organisational commitment, organisational change, job satisfaction and group learning. The lists of scales considered are set out in Appendix 16. This process generated many similar items in wording and intent. The number of variables needed to be reduced.

Five experienced evaluator’s from the Australian Quality Awards Foundation were asked to assess the clusters of variables to determine which best describes the leadership qualities and empowerment behaviours using the Australian Quality Award definitions as the guiding framework. The evaluator’s were consulted individually.

- Literature Review.
  Australian Quality Awards as a guiding framework

- Leadership for Empowerment and Empowerment Behaviours generated

- Questions generated from the known validated questionnaires

- Questions selected using experts with TQM backgrounds

- Pilot 1
  Pilot of Questionnaire
  Readability and ambiguity of questions to a normal population

- Pilot 2
  Pilot of Questionnaire

- Pilot 3
  Pilot of Questionnaire

- The Final Questionnaire distributed
The AQA evaluators were selected because they had been on the evaluation panel for 4 or more years, have consistently held quality related positions and were involved in the review committee assessing the AQA criteria. There were 3 males and 2 females. They were from five different organisations, three from private industry (all large organisations) and two from the public sector. None of the evaluators had previous research experience.

To select the most appropriate question from each cluster, the questions were presented on a 5 point Likert scale. The clusters separated questions based on context (individual, team, organisation). The evaluators were asked to rate each question according to the extent it describes the definition it provided. Below each cluster was a blank line for evaluators to include questions if they felt the existing questions were inappropriate. These spaces were not used. Questions that received unanimous support (strongly agree) were automatically placed in the final questionnaire.

The actual number of questions were not of principle concern at this point in time as correlation co-efficients were to be performed during the pilot. The revised set of questions was represented to the evaluators as a group and a discussion occurred on content validity of the questionnaire. The researcher asked the question whether they may have overlooked additional components of empowerment. Respondents did not mention other factors relevant to empowerment that were not initially anticipated.

The difficulty with the approach was that there were many more questions generated for the individual leadership and empowerment scales than for other context. This was principally due to the lack of existing questionnaires considering team leadership/empowerment and organisational climate/commitment. The researcher had to change the text of some of the questions decided. This was done with the assistance of those evaluators who had completed the original questionnaire.

The revised questions were then presented to a second group of four evaluators. Similar instructions were provided as with the initial set of evaluators and a five point scale was provided. The two males and two female evaluators had similar backgrounds to those in the first set. Although the evaluators were asked to complete the questionnaire without discussion, these instructions were ignored. They decided to pool their efforts while the researcher left the room. Upon re-entering it was decided to continue the process as the discussion was beneficial. The issues discussed mirrored the first group of evaluators (no known contact between evaluators occurred). The principal issue raised is that this form of analysis of leadership and empowerment using the AQA definition raised a further concern of “vagueness” around the interpretation of the Award criteria itself.

The actual layout and design of the questionnaire was based on the recommendations of Sekaran (1992). Acquiescent response bias was controlled to some extent by reversing the scoring of some items in each section and intermixing empowerment questions with leadership questions (Babbie, 1990).

The sequencing of questions was based on the general principle in questionnaire design, which is to start with simple questions which require little or no thought on the part of the respondent. This encourages a positive attitude and provides an incentive to continue with the rest of the questionnaire (Sekaran, 1992).

The title of the questionnaire “Organisational Structure and Functioning Questionnaire” was purposefully vague to reduce the possibility of response biasing (Quine, 1985). The pilot questionnaires are set out in Appendix 17.
4.5.2 Piloting of the Leadership and Empowerment Questionnaire

4.5.2.1 First pilot test

The aim of the first pilot was to identify the readability and absence of ambiguity of the questions. The generated questionnaire items were compiled in a trial questionnaire. Thirty five questionnaires were distributed to staff at Campbelltown Hospital during a staff training seminar. Given an indication of the levels/responsibilities of these staff they should be similar to the final respondents. The staff had been divided into three groups for purposes of training. Each group was approached separately. Respondents were asked to read each question and indicate on a five point scale (confused to perfectly clear) whether they were clear on the meaning of the questions. They were not asked to respond to the questions in the questionnaire.

After the completion of the questionnaire the respondents were asked to comment on the difficulties that they had with the questionnaire:

- Format
- Sequencing of questions
- Interpretation of questions
- Jargon
- Any other comments they wished to make.

The responses to the focus group identified the following difficulties:

- Changes in tense from past to present caused confusion.
- Ambiguity in meaning. The word “recently” was changed to the last 12 months. The word “often” was changed to continuously.
- The questionnaire was boring and monotonous.
- Some questions were double barrelled by the word “and”.
- There was a tendency for respondent response sets where the same rating was given to a series of answers.

Taking into consideration the feedback from the pilot the questionnaire was changed.

4.5.2.2 Second pilot test.

The revised questionnaire items were compiled in a trial questionnaire. Fifty pilot Questionnaires were given out by the Registrar of Sydney University to staff working in the University Administration Building. Staff included clerical, professional and managerial positions. The Registrar distributed the questionnaire during an inservice and requested return in the envelope provided to an internal postal address. Thirty four completed questionnaires were returned via the internal mail system. Seventy eight percent of respondents were women. The age range was from 17 to 54. Only 12 percent were casuals.

Visual observation of the raw data did indicate a tendency for respondent response rate sets. This involved long strings of repeat ratings. This was addressed by interweaving questions on empowerment into the leadership scales. This mixing was done randomly.

A further concern was that respondents rarely committed to the extreme responses on the 5 point Likert scales, resulting in difficulty in discrimination. This was resolved by increasing the scales from five to seven points. The seven point scale ranged from “never” to “absolutely always”. Seven points was chosen as a number of studies have shown increased reliabilities with seven point scales (Nishisato & Torii, 1970). The other advantage of the seven point scale is that it allowed for the provision of a category of “no opinion” or neutral position (Streiner & Norman, 1981). Three questions had over 90% of responses highly skewed in the positive direction. The questions were replaced by a similar question from the original list of questions.
After the second pilot the questionnaire was revised in format. The questionnaire was divided into four sections. The introductory section was made up of easy questions designed to establish information about the person filling in the questionnaire. These were in fact the leadership moderators for testing. Section one was made up of questions relating to the individual. The questions were concerned with how “you feel” as an employee. Section two was made up of questions relating to their immediate work group. Section three was made up of questions relating to the organisation.

The questions were also coded to assist with analysis of responses. The coding was based on clusters of the leadership strategies as follows:

\[
\begin{align*}
P & = \text{Planning} \\
I & = \text{Information} \\
E & = \text{Education} \\
C & = \text{Communication / Trust} \\
R & = \text{Recognition} \\
T & = \text{Teamwork / Delegated Authority} \\
Q & = \text{Quality of Resources.}
\end{align*}
\]

Further coding was related to context:

\[
\begin{align*}
A & = \text{Individual} \\
B & = \text{Team} \\
C & = \text{Organisation}
\end{align*}
\]

Therefore question PA4 related to Planning. Individual leadership and was the fourth question in the planning cluster.

**4.5.2.3 Third Pilot Test**

Fifty revised questionnaires were distributed to staff working in the Department of Medicine at Liverpool Hospital. Staff within the organisation were full time employees whose occupations ranged from professional, technical to clerical. Completion of the questionnaire was arranged during 6 internal computer training courses.

The researcher introduced the study and asked respondents to complete the questionnaire and return it upon completion to the inservice educator the same day. A chocolate frog was in the envelope to thank them for their co-operation. Thirty nine questionnaires were returned.

Visual inspection of the raw data did not reveal long strings of repeated ratings. This led to the conclusion that respondents did make distinctions between questions. Inter correlations were conducted and indicated that the variables satisfied the criterion of relatedness. Variables generally correlated with each other as predicted to define a measure (for example the questions relating to communication appeared to correlate well with each other and less with other measures. This suggests a reasonable level of internal consistency.

Some questions were deleted as the correlation with other questions were so high (greater than 0.7) that they could be defined as alternate forms of the same question. The frequency data for individual items were examined. The spread of responses indicated no skewing and showed good dispersal.

The final questionnaire was professionally printed to allow scanning of results. The questionnaire was red, white and black in colour so that it was conspicuous enough to assist in the respondents maintaining interest. The final questionnaire is set out in Appendix 18.
4.5.3 Information Gathered At The Site Visit In Addition To The Leadership and Empowerment Questionnaire.

Information gathered at the site visit in addition to the leadership and empowerment questionnaire was as follows.

- Repeating the same questions at a site visit interview and comparing the results.
- Adequacy of authority questionnaire to measure delegated authority in teams
- Critical incident reporting to measure leadership communication strategies
- Organisational stability questionnaire to measure organisational climate
- Best and worst of working for W.C.C.
- Comparisons with the staff culture survey.
- Information gathered from reports on the organisation and other sources gathered during the site visit. The list of principle sources of information is provided in section 4.3 of the methodology.

Each of the methods will be described in further detail below.

4.5.3.1 Validation of the leadership/empowerment questionnaire through Repeat Questions

Eight questions in the questionnaire were repeated at the site visit interviews to ascertain whether:

- The questions were being interpreted correctly at all levels of the organisation.
- If there was any variation in emphasis of responses at different levels of the hierarchy.
- Any contingency factors that may have influenced the results.
- Whether responses at the individual, team and organisational level were answered within the appropriate context.
- Whether there may have been a reason for omitting an answer from the original questionnaire.

The eight questions were randomly selected within the following context. In regard to questions relating to the individual, questions were selected from each of the leadership strategies under investigation. Questions selected were:

- EA4 (Education)
- IA2 (Information)
- CA1 (Communication)
- PA4 (Planning)

For the team responses and organisational responses two questions were randomly selected from each group. They were:

- TB3 and CB2 (Team )
- TC4 and EC2 (Organisation )

The question asked during the interview was:

“For each of the questions raised indicate whether you feel the best answer is either Poor, Satisfactory or Good and please explain your answer”.

A paper was placed in front of those being interviewed with the three choices listed. The three category scale was chosen over the seven category Likert scale in the original questionnaire because the emphasis on this part of the research was the reasoning behind the responses and not the responses themselves.
4.5.3.2 The Adequacy of Authority (Level of Decision Making) Questionnaire

The questionnaire was used to assess the extent of decision making within teams. House & Rizzo (1972) to test the adequacy of the authority an organisation gives an individual to make certain decisions developed the questionnaire. The items in the questionnaire focuses on the respondents perception of whether decisions are made at a level that is too high rather than allowing them to make the decisions themselves.

House & Rizzo (1972) reported internal consistency estimates of reliability of 0.73 and 0.67. Lafollette & Sims., (undated) report similar coefficients of 0.68 and 0.74. House & Rizzo (1972) postulated that Adequacy of Authority is related to a measure of “Leader Total Freedom” and in 2 samples obtained significant correlations of 0.49 and 0.32.

The Adequacy of Authority Questionnaire is outlined in Appendix 19. The questionnaire was placed on the table in front of the respondents (see section 4.7.1 for population interviewed) throughout the period allocated for the questionnaire. This ensured that memory was not a factor (Streiner & Norman, 1991). Respondents were asked to read the question, chose a response alternative and provide an explanation as to why that response was chosen.

4.5.3.3 Organisational Stability Questionnaire

The Organisational Stability Questionnaire was used to assess the organisational climate. It was developed to be given during the site interview. The questionnaire is outlined in Appendix 20.

4.5.3.4 Critical Incident Reporting

To assess the nature of delegated authority the study had intended to incorporate the interviewing of staff regarding the formulation and/or implementation of a strategy that had a significant impact on at least 50% of employees. Similar to critical incident reporting by Patton (1991) the intention was to gain insight into the consultative approach taken at different levels of the organisation.

The difficulty was in finding a strategy that had impacted a large number of employees. It was important that the strategy under consideration had occurred in the last 12 months due to the difficulty of recall with a longer time frame.

After discussion independently with the General Manager, Deputy General Manager and Human Resource Manager, no major issue was identified. The decision was made to consider the formulation and implementation of the latest policy introduced in the organisation. The policy was on “carers leave”. The Human Resources Manager was first interviewed and indicated that the formulation of the policy was largely developed within his department. Staff at different levels of the organisation were asked to comment on the ease with which the policy was being implemented and any recommendations for improvement. The intention was to ascertain if there were any differences in authority to implement and identify clarity of understanding and interpretation of their roles and responsibilities at different levels of the organisation.

The following question followed the “Adequacy of Authority Questionnaire”.

This is the “Carers Leave” policy (page opened in the human resources manual).
How easy has it been for you to implement the policy?
How could the policy be improved?
4.5.3.5. Best and Worst of the Organisation

The final questions asked during the interview were:

“What is the best reason for working at Wollongong City Council.
What is your greatest frustration?”

4.5.3.6 Organisational Culture Survey

Whilst it was intended to conduct a separate culture survey to validate the responses to the original questionnaire permission from the organisation was not granted. This was due to the similarity of many of the questions in the proposed culture study to an existing culture survey conducted within the organisation. The General Manager felt it would create duplication and confusion. Questions from the organisation culture study responses were compared to similar questions in the leadership and empowerment questionnaire. The difficulty with the organisation’s own culture survey was that the only information made available was mean scores for individual questions. Access to the raw data was not available.

4.5.4 Interview Technique

The interview technique was chosen for two reasons. Firstly full explanations and the interviewer obtained clarifications by probing (follow up questions) and observing non-verbal responses especially on those aspects of the question that the respondent did not agree. Secondly a friendly and strong rapport between the interviewer and the interviewee was developed resulting in a lot more questions being asked, clarifying issues.

The personal interview technique was guided by the technique applied by David & Cosenza (1993). Personal interviewing has been defined by Davis & Cosenza (1993) as a person to person(s) discourse initiated by the interviewer for the purpose of obtaining relevant research information. Davis & Cosenza are of the opinion that personal interviews as a data collection method is equally applicable to both ex post facto and experimental research.

The interview technique was piloted on five subjects attending a qualitative research design seminar. Three of the subjects were full time employees in the public sector. Two were mature age students enrolled in post graduate degrees. The principle lesson learnt from the pilot was the sequencing of the questions. It was agreed that questions relating to organisational stability were suited to be the first questions asked. This was due to the ease of understanding the question, the level of sensitivity of the questions compared to other questions raised, and the opportunity it provided to build a rapport with those being interviewed.

4.6 Outline Of Field Visits

4.6.1 Scheduling of Field Visits

The sequencing of data gathering was designed to maximize information received during each visit and ensuring that information gathered would not influence the responses to the Leadership and Empowerment questionnaire (Schatzman & Strauss, 1973). The sequencing of events is set out in Table 13.
<table>
<thead>
<tr>
<th>Time</th>
<th>Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>One month prior to first site visit</td>
<td>Meeting with General Manager and Human Resource Manager outlining the study, methodology and organisational requirements. Copy received of corporate plan, organisational charts and internal telephone directory.</td>
</tr>
<tr>
<td>visit structured interviews</td>
<td></td>
</tr>
<tr>
<td>One week prior to first site visit</td>
<td>Letter from general manager lending support for study goes to all staff. Staff identified for interview. Human Resource Manager informs each divisional manager of staff to be interviewed and arranges time. Jargon identified</td>
</tr>
<tr>
<td>visit structured interviews</td>
<td></td>
</tr>
<tr>
<td>Site Visit One (SV1) (November 1, 1996)</td>
<td>Interview with Human Resources Manager. Copy received of organisational culture survey, Human Resources policies and training program. Interview times agreed, verification of access procedures for interviews. Meeting rooms for interviews booked. Clarification of organisational structure.</td>
</tr>
<tr>
<td>Site Visit Two (one week after SV1)</td>
<td>Distribution of Leadership and Empowerment questionnaires. Interviews with General Manager, Assistant General Manager.</td>
</tr>
<tr>
<td>Site Visit Three (two weeks after SV2)</td>
<td>Interviews one to one. Picked up completed questionnaires Gathering of documentation</td>
</tr>
<tr>
<td>Site Visit Four (one day after SV3)</td>
<td>Interviews one to one Gathering of documentation</td>
</tr>
<tr>
<td>Site Visit Five (two days after SV4)</td>
<td>Focus groups</td>
</tr>
<tr>
<td>Site Visit Six (four weeks after SV5)</td>
<td>Feedback results to Executive and Divisional Managers. Comments received and documented</td>
</tr>
</tbody>
</table>
4.6.2 Preparation For The Commencement Of The Questionnaires And Interviews

4.6.2.1 Clarification of Organisational Structure

Clarity of the documented organisational structure during the first site visit indicated that it was technically incorrect. The structure was based on divisional lines of reporting rather than hierarchical level. For example, in some divisions the clerical staff were placed alongside assistant managers. This gave the impression the clerical staff member may have significant line authority. This required the researcher and human resource manager to check each hierarchical level with the human resource files. Checking the files indicated that some team leaders did not appear in the hierarchy. A corrected structure was prepared and used for the current research.

4.6.2.2 Initial Approach to Staff

The approach to staff regarding co-operation in the research followed the approach recommended by Dillman (1978).

The general manager of the organisation endorsed the research during a meeting with all managers present by signing a letter to divisional managers seeking their support (Appendix 21). Support was also provided by allowing time during work hours for staff to complete the questionnaire and by allocating time for discussion of results with managers after completion of analysis.

It is also noteworthy that the letter signed by the General Manager included a statement that this study was part of a national benchmarking study. This was done without consultation with the researcher (Benchmarking was an item of the General Manager’s performance agreement).

4.6.2.3 Clarification of Jargon

Ten words were selected from the L/E questionnaire and eight persons in the organisation were chosen to define each word or phrase. The persons chosen were those who walked past the interview room where the researcher and human resource manager were meeting at the time of the first interview. Those interviewed were the human resource manager, secretary to a divisional manager, two team leaders and three clerical assistants. The words were coded as correct or incorrect. Those incorrect were not used in the final survey. Words rejected were corporate, inter team (confused with “intra”). These words were deleted from the questionnaire.

Each of the respondents was also asked what word related best to the person they reported to. The options were boss, team leader, supervisor, direct report. Supervisor was unanimously chosen. Consequently it was identified that “supervisor” was the term used in the organisations own culture survey. The word supervisor had also been used in the previous pilots of the questionnaire.

4.7 The Interview Process

4.7.1 Selecting The Population To Be Interviewed.

The numbers to be interviewed was based on the need to ensure a representative number of staff at each level of the organisation and within each division were interviewed. There were 12 divisions. The total number interviewed was:

- Managers 12
- Assistant Managers 24
- Team Managers 14
- Others (Groups) 6 x 6
Due to the large number of "other" staff in each division focus groups were developed. Six staff were chosen from each division to be in a focus group. During the interviews it was identified that some staff were from other divisions. They "switched" as they found the time for their focus group was inconvenient for them personally. This did influence the interpretation of results. Focus group responses could not be reported for each division.

The sample of population to be interviewed was identified by following guidelines for sampling as suggested by Martin, Frankel & Frankel (1987). Staff to be interviewed were chosen from the organisations telephone directory. The directory listed staff in alphabetical order without job title. Within each division's telephone listing a random starting point was chosen. Every fifth staff member was selected and placed in their professional category, eg Assistant Manager. This process continued until all staff were selected.

The human resource manager arranged interview times. The dates of the researchers availability were provided to assist with arrangements. Consideration was given to ensure sufficient time had elapsed between the completion of the questionnaire and the site visit interviews to minimise response bias. The interviews were conducted on consecutive days to minimise discussion between respondents.

4.7.2 Interview Sequence

The interviews were conducted in either the respondent's office or in the organisations conference room. The confidentiality of the study was emphasised and permission sought to tape the interview.

The sequence of questions asked was as follows:

- Organisational Stability
- Validation Questions For The L/E Questionnaire
- Adequacy Of Authority Questionnaire
- Critical Incident Reporting
- Best And Worst Of Working For The Organisation

The interviews took half an hour to complete. The variety of questions and techniques maintained the interest of respondents.

4.7.3 Interview with the General Manager and Assistant General Manager.

These interviews were conducted separately. The interviews were based on the questionnaires involving Organisational Stability and Adequacy of Authority. Each question was prefaced by what is the current situation and what is your vision for the situation.

4.8 Distribution Of The Leadership And Empowerment Questionnaire

The researcher at the end of each 8 compulsory computer training and quality improvement courses distributed the questionnaire for all employees. This approach allowed for the distribution of 426 questionnaires. Ten employees were eliminated from the study due to their absence from training courses. The respondents were provided 15 minutes to complete the questionnaire prior to breaking for lunch. The introduction to the questionnaire is provided in Appendix 22. Envelopes for the completed questionnaire were provided and a tender box for the placement of completed questionnaires. Alternatively the completed questionnaires could have been returned to the internal mail room. The envelopes were marked S & F questionnaire for ease of sorting.

This approach in meeting the researcher and allocating time for completion of the questionnaire during work hours was expected to produce a high response rate (Field & Morse, 1991).
4.9 Identification Of Division And Level In The Hierarchy On The Questionnaire

The divisions were identified on the questionnaire by having the number 1-12 corresponding to each division on the top of each page. Placing a coloured highlighter over the division number identified the level in the hierarchy. The colour responding to each level was as follows:

Yellow - Manager
Blue - Assistant Managers
Red - Team leaders
Green - Others

The identification of staff to their appropriate division and grade was done by Managers having their own training session. Assistant managers and team managers were identified prior to distribution by considering the computer course attendance sheet. The questionnaires, still in the envelopes, were placed on the appropriate person’s chair during a morning tea break by the Human Resources Manager. The computer trainer or quality improvement facilitator asked respondents to put the envelope to one side, as it’s contents and purpose would be explained at the end of the session. Verification of whether respondents did receive the right colour envelope was achieved by considering the response to question 6 “How many staff directly report to you?”

4.10 Limitations Of The Case Study Method

The following limitations of the case study approach are noted:
Conducting a case study requires the co-operation of the person interviewed. This study was limited to the extent to which employees and executives responded honestly, carefully, and independently to the interviews and in-company work.

As suggested by Field and Morse (1991) this method of research has no standard procedure to follow. Researchers must be flexible and attempt to glean information and insights wherever they find them. The freedom to search for whatever data an investigator deems important makes the success of any case study highly dependent on the alertness, creativity, intelligence and motivation of the individual performing the case analysis.

A major shortcoming of the present research was the lack of experience of the researcher in direct observation techniques particularly during the one to one interviews. There was substantial material lost during interviews when managers requested the interviewer to turn the tape recorder off. In addition some persons being interviewed lowered their tone of their voice during responses which caused them unease. This information was lost in the study. There was a wealth of anecdotal information gathered some of which could not be further verified. There was some difficulty in managing the volume of information accessed.
Chapter 5.0
PRELIMINARY ANALYSIS OF QUANTITATIVE RESULTS
AND PRESENTATION OF QUALITATIVE RESULTS

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   5.4.4 Adequacy Of Authority Questionnaire (AAQ)
      5.4.4.1 AAQ Question 1
      5.4.4.2 AAQ Question 2
      5.4.4.3 AAQ Question 3
      5.4.4.5 AAQ Question 4
      5.4.4.5 AAQ Question 5
   5.4.5 Critical Incident Reporting
   5.4.6 Best And Worst Of Working At Wollongong City Council
   5.4.7 Organisational Culture Survey

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CHAPTER 50
PRELIMINARY ANALYSIS OF QUANTITATIVE RESULTS AND PRESENTATION OF QUALITATIVE RESULTS.

5.1 Introduction
This chapter will present the preliminary analysis of the quantitative results from the research. Where a variety of methodologies may have been applicable reasons are given for the selection of particular analyses.

The chapter will commence with the quantitative analysis of the information gathered from the Leadership/Empowerment (L/E) Questionnaire. The analysis of the results will be presented in this chapter only. The actual items that make up the factors arising from the L/E questionnaire and their explanation will be presented in the next chapter. Following the presentation of results from the L/E questionnaire, the qualitative information resulting from the site visit will be presented. The exception will be the results from the repeat questions from the L/E questionnaire and additional information collected from the site visit. These will be provided in the next chapter to assist in drawing conclusions to the interpretations of the factors being considered. The interpretation of the findings in relation to the hypothesis being tested will be discussed in the following chapter.

5.2 Analysis Of The L/E Questionnaire Response Data
5.2.1 Questionnaire Completion Analysis.
A copy of the L/E questionnaire is provided in Appendix 18. Three hundred and forty nine questionnaires were returned. This was an 83% return rate. The distribution of the items was checked in order to identify outliers and the presence of skewness for each item. No outliers were identified and scores on the items were not markedly skewed. Individual questions with large non response returns were few (mean = 4 range 1.15) and were randomly scattered. The following questions had greater than 12 responses missing:

RB4 Your supervisor supports the promotion of a team member mainly on the basis of length of service (15 missing responses).
PC5 There is a strong sense of unity among supervisors (14 missing responses).
RC3 Promotions are given on the basis of merit (14 missing responses).

The fact that RB4 and RC3 are similar questions in different contexts may indicate a deliberate intention to avoid the question. These questions are analysed in sub section 5.4.3.5. on Organisational Stability.

The Divisions within the organisation were labelled from 1 to 12 for the purpose of analysis. The corresponding number in each division is set out in Table 14:
TABLE 14 Number Allocated To Each Division

<table>
<thead>
<tr>
<th>NUMBER</th>
<th>DIVISION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>“Property”</td>
</tr>
<tr>
<td>2</td>
<td>“Works”</td>
</tr>
<tr>
<td>3</td>
<td>“Design”</td>
</tr>
<tr>
<td>4</td>
<td>“Engineering”</td>
</tr>
<tr>
<td>5</td>
<td>“Recreation”</td>
</tr>
<tr>
<td>6</td>
<td>“Finance”</td>
</tr>
<tr>
<td>7</td>
<td>“Information”</td>
</tr>
<tr>
<td>8</td>
<td>“Dev. and Community.”</td>
</tr>
<tr>
<td>9</td>
<td>“Library”</td>
</tr>
<tr>
<td>10</td>
<td>“Health and Building”</td>
</tr>
<tr>
<td>11</td>
<td>“Planning”</td>
</tr>
<tr>
<td>12</td>
<td>“Human Services”</td>
</tr>
</tbody>
</table>

5.2.2 Detailed Analysis of the L/E Questionnaire Response Data

The questionnaire was tested using two distinct steps. The first was the validation of factors the second was the consideration of the relationship between factors. Each step will be described below.

5.2.2.1 The Validation of Factors

Exploratory factor analysis was used to develop the number and content of preliminary factors. A factor is a conceptual idea or dimension that determines the answers that people give on the items (Kerlinger, 1973). Exploratory was chosen over confirmatory factor analysis due to the early stages of theory development and the possibility of overlap between items. Exploratory Factor Analysis was conducted using SPSS.6.

Confirmatory Factor analysis was then used to test the fit of the factor structure as derived from the exploratory data. (Joreskog & Sorbom 1984). An acceptable fit signals the unidimensionality of each factor. Unidimensionality refers to the existence of a single trait or construct underlying a set of measures. (Hattie 1985). The validation of unidimensionality allows the assessment of reliability (internal consistency) of each factor applying Cronbach’s alpha (Holme-Smith & Rowe, 1994).

The use of confirmatory factor analysis for building and evaluating measurement scales developed from exploratory analysis is a relatively recent development (Gerbing & Anderson 1988). The use of confirmatory factor analysis for the evaluation of unidimensionality of scales identified in exploratory factor analysis provides a stricter interpretation of unidimensionality than can be provided by more traditional methods such as co-efficient alpha, or item-total correlations. (Gerbing & Anderson, 1988, Peter 1981). A difficulty with the traditional methods is that they measure internal consistency without ensuring unidimensionality (Gerbing & Anderson, 1988). They do not account for external consistency. The analysis may fail to discriminate between sets of indicators that represent different though correlated factors. (Gerbing & Anderson 1988).

The importance of unidimensionality has been described by Hattie (1985 p.49) “That a set of items forming an instrument all measure just one thing in common is a most critical and basic assumption of measurement theory”. For the current study, testing a new model, the model requires factors that are unidimensional to allow meaningful interpretation.
5.2.2.2 The Consideration of the Relationship between Factors

A full structural equation model was applied that simultaneously models measurement and structural relations (Bentler, 1980; Joreskog & Sorbom, 1992). The error of measurement contained within each scale was incorporated in the structural equation model allowing for a better estimate of the strength of the relationship between factors (Rowe, 1997). Lisrel 8.4 was used for both confirmatory factor analysis and structural equation modelling (Joreskog & Sorbom, 1993).

Exploratory factor analysis procedures provide a variety of factor extraction and rotation techniques. The statistics examined in the current research are briefly identified below.

The exploratory factor analysis had the following items computed: Kaiser-Meyer-Olkin Measure of Sampling Adequacy. This is an index to measure the appropriateness of using factor analysis on the results. It compares the magnitude of the observed correlation co-efficients to the magnitudes of the partial correlation co-efficients. Small values of the Kaiser-Meyer-Olkin measure (less than 0.5) indicate that a factor analysis of the items should not proceed since correlations between pairs of items cannot be explained. (Kaiser 1974).

Principal component analysis is the first step in all exploratory factor analysis procedures. It identifies linear combinations of the observed items, underlying all the items in an instrument. From the eigenvalues of the linear combinations the number of factors required to explain the relationships between the items is determined. The usual criteria of an eigenvalue of one or higher was used. An eigenvalue is a measure of variances accounted for by a given dimension (Gerbing & Anderson 1988).

Final statistics of communality of items and factor statistics were conducted after the desired number of factors were extracted. The communality of the item is the proportion of variance explained by the common factors. Final statistics judges how well the factors extracted describe the original items by computing the proportion of the variance of each item explained by the factors identified in the model.

Reproduced correlation matrix is the estimated correlations between the factors and the items. The magnitude of the residuals indicates how well the fitted model reproduces the observed correlations.

The analysis of the exploratory analysis follows a backward deletion strategy as identified by Klenbaum et al (1988). This was achieved by deleting the single item with the smallest communality factors.

This was needed to simplify subsequent analysis and interpretation. Removing superfluous items could substantially help control both Type 1 and Type 2 error rates. (Klenbaum, Kupper & Muller 1988).

Alpha factoring was used as a method for factor extraction. The alpha method considers the items in a particular analysis to be a sample from the universe of potential items. It maximises the alpha reliability of the factors and differs from most other factor extraction methods that consider the cases to be a sample from some population and the items to be fixed.

Oblique Rotation known as Direct Oblimin was used as it assumes that factors may be correlated. The method attempts to minimise the number of items that have high loadings on a factor.

The confirmatory factor analysis was conducted by a computer program, Lisrel, Version 8 (Joreskog & Sorbom 1993). The following analysis was conducted. Data analysis was conducted using Maximum Likelihood estimation procedures on the covariance matrix (Long, 1983a; Long, 1983b).
The Chi-Square values, associated degrees of freedom and probability levels for the models (.05 significance level) were developed as well as measures of overall adequacy of each model by Lisrel: root mean square residual, goodness of fit index, adjusted goodness of fit index and the normed fit index. In general these five measures represent the difference between the covariance matrix predicted by the model and the one actually obtained in the sample. There is no single fit index that is considered the "best" or "gold standard". Thus examining a number of such measures creates a picture. For the fit to be considered good the following criteria are employed for each of the fit statistics (Schumacker & Lomax, 1996):

- Chi Square = non significant, i.e. p. is greater than 0.05.
- Root Mean Square error of approximation = less than or equal to 0.05.
- Root Mean Square Residual = less than 0.9 (the smaller the better).
- Normed Fit Index = greater than 0.9.
- Goodness of Fit Index = greater than 0.9.
- Adjusted Goodness of Fit Index = greater than 0.9.

5.2.3 Organisational Commitment Scale

The questions analysed for organisational commitment are set out in Appendix 18. The Kaiser-Meyer-Olkin measure of sampling adequacy of the correlation co-efficients was 0.85 which is an excellent result indicating that factor analysis is appropriate. The principle component analysis indicated a one factor model (Eigenvalue 3.32) for organisational commitment. Final statistics identifying the commonalities and factor analysis after the desired number of factors has been extracted is outlined in Table i, Appendix 23. The table indicates that 47% of the total variance is attributable to the first factor.

The factor with all items had an Alpha reliability co-efficient of 0.83 indicating high reliability. The item-total statistics is in Table ii, Appendix 23. The table indicates that one item did not add value having the lowest multiple square correlation. This question was deleted from the final analysis. The final alpha for the five items was 0.83. The residual in the reproduced correlation matrix with the deleted question was reduced to 10%. In conclusion, the reliability analysis on organisational commitment identified five of the six original questions as belonging to the one factor. The item deleted was a reverse question. A confirmatory factor analysis was completed to verify the results.

The confirmatory factor analysis was conducted setting the variance of the factor to unity. The Lisrel maximum likelihood estimates for the five items is outlined in Table iii, Appendix 23. The table indicates that each item has a high loading (greater than 0.6) indicating high correlation of each item with the one factor.

Chi-square goodness of fit statistics is summarised in Table 15 as well as a response as to whether the statistics meets the criteria set for each of the fit statistics. The table indicates statistically non significant (p is greater than .05) goodness of fit, as predicted in the model. Similarly all other indicators were excellent and confirmed the model being tested.

![TABLE 15: Organisation Commitment](data:image/png;base64,iVBORw0KGgoAAAANSUhEUgAAAAEAAAABCAYAAAAfFcSJAAAABHNCSVQICAgIfAAQICAgOJxXQAAAABJRU5ErkJggg==)

<table>
<thead>
<tr>
<th>Goodness of Fit Statistics</th>
<th>Criteria accepted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi Square with 4 degrees of freedom (p=0.51)</td>
<td>=3.32</td>
</tr>
<tr>
<td>Root Mean square error of approximation</td>
<td>=0.0</td>
</tr>
<tr>
<td>Root Mean square residual</td>
<td>=0.05</td>
</tr>
<tr>
<td>Normed fit Index</td>
<td>=0.99</td>
</tr>
<tr>
<td>Goodness of fit Index</td>
<td>=0.9</td>
</tr>
<tr>
<td>Adjusted Goodness of fit Index</td>
<td>=0.97</td>
</tr>
</tbody>
</table>
The results indicate organisational commitment is a single factor as predicted in the hypothesis.

### 5.2.4 Team Empowerment

The questions analysed for team empowerment are outlined in Appendix 18. The Kaiser-Meyer-Olkin Measure of Sampling Adequacy was .91 indicating appropriateness of factor analysis. The principal component model indicated a one factor model (Eigenvalue 5.76) for team empowerment. Final statistics after extracting the factor (Table i, Appendix 24) indicates that 47.6% of the total variance is attributable to the factor. The factor loadings based on the Lisrel maximum likelihood estimates for the 6 items is outlined in Table ii, Appendix 24. The factor had a global alpha of 0.87. Chi square and other goodness of fit statistics are summarised in Table 16 as well as a response as to whether the statistics meets the criteria set for each of the fit statistics. The results indicate all goodness of fit statistics are as predicted in the model.

<table>
<thead>
<tr>
<th>TABLE 16: Team Empowerment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodness of Fit</td>
</tr>
<tr>
<td>------------------</td>
</tr>
<tr>
<td>Chi Square with 8 degrees of freedom</td>
</tr>
<tr>
<td>Root Mean Square error of approximation</td>
</tr>
<tr>
<td>Root Mean Square Residual</td>
</tr>
<tr>
<td>Normed Fit Index</td>
</tr>
<tr>
<td>Goodness of Fit Index</td>
</tr>
<tr>
<td>Adjusted Goodness of Fit Index</td>
</tr>
</tbody>
</table>

The results indicate that team empowerment is a single factor as predicted in the hypothesis.

### 5.2.5 Individual Empowerment

The questions analysed for individual empowerment are provided in Appendix 18. The Kaiser-Meyer-Olkin Measure of sampling adequacy of the correlation coefficients was 0.90 indicating that factor analysis was appropriate. The principle component analysis indicated a three factor model for individual empowerment. The final statistics (Table i, Appendix 25) indicated the three factors accounted for 53.7% of the variance. Factor loading using maximum likelihood estimates is shown in Table ii, Appendix 25. The goodness of fit statistics are summarised in Table 17 as well as a response as to whether the statistics meets the criteria set for each of the fit statistics. The Table indicates goodness of fit is as predicted in the model.

<table>
<thead>
<tr>
<th>TABLE 17: Individual Empowerment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodness of Fit Statistics</td>
</tr>
<tr>
<td>-----------------------------</td>
</tr>
<tr>
<td>Chi Square with 11 degrees of freedom</td>
</tr>
<tr>
<td>Root Mean Square error of approximation</td>
</tr>
<tr>
<td>Root Mean Square residual</td>
</tr>
<tr>
<td>Normed Fit Index</td>
</tr>
<tr>
<td>Goodness of Fit Index</td>
</tr>
<tr>
<td>Adjusted Goodness of Fit Index</td>
</tr>
</tbody>
</table>

The results indicate individual empowerment is a single factor as predicted in the hypothesis.

### 5.2.6 Individual Leadership

The questions analysed for individual leadership are provided in Appendix 18. The Kaiser-Meyer-Olkin Measure of Sampling Adequacy is 0.94 indicating that factor analysis is appropriate. The principle component analysis indicated three factors. The final statistic (Table i,
Appendix 26) indicated that the three factors accounted for 56.5% of the total variance. The factor loadings (maximum likelihood estimates) for the items is set out in Table ii, Appendix 26. The goodness of fit statistics are set out in Table 18 as well as a response as to whether the statistics meets the criteria set for each of the fit statistics. The table indicates statistical non significance (p is greater than .05) goodness of fit as predicted in the model.

<table>
<thead>
<tr>
<th>TABLE 18: Individual Leadership</th>
<th>Criteria accepted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodness of Fit Statistics</td>
<td></td>
</tr>
<tr>
<td>Chi Square with 138 degrees of freedom</td>
<td>252.29 (p= .1021)</td>
</tr>
<tr>
<td>Root Mean Square error of approximation</td>
<td>0.050</td>
</tr>
<tr>
<td>Root Mean Square residual</td>
<td>0.087</td>
</tr>
<tr>
<td>Normed fit Index</td>
<td>0.94</td>
</tr>
<tr>
<td>Goodness of Fit Index</td>
<td>0.93</td>
</tr>
<tr>
<td>Adjusted Goodness of Fit Index</td>
<td>0.90</td>
</tr>
</tbody>
</table>

That individual leadership has three individual factors. This was not predicted in the hypothesis.

5.2.7 Team Leadership

The questions analysed for team leadership are provided in Appendix 18. The Kaiser-Meyer-Olkin measure of sampling adequacy is 0.96 indicating that factor analysis is appropriate. The principle component analysis indicates two factors. The final statistics (Table i, Appendix 27) indicated that the two factors accounted for 63.2% of items. The factor loadings (maximum likelihood estimates) for the items is set out in Table ii, Appendix 27.

The Chi Square and other goodness of fit indicators are set out in Table 19 as well as a response as to whether the statistics meets the criteria set for each of the fit statistics. The table indicates the chi square is statistically significant (p=0.013) at the critical .05 value not supporting the model. However, the other goodness of fit statistics are of an acceptable level for continuation of the confirmatory analysis.

<table>
<thead>
<tr>
<th>TABLE 19: Team Leadership</th>
<th>Criteria accepted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodness of Fit Statistics</td>
<td></td>
</tr>
<tr>
<td>Chi Square with 51 degrees of freedom</td>
<td>87.23 (p=0.013)</td>
</tr>
<tr>
<td>Root Mean Square error of approximation</td>
<td>0.039</td>
</tr>
<tr>
<td>Root Mean Square residual</td>
<td>0.046</td>
</tr>
<tr>
<td>Normed Fit Index</td>
<td>0.97</td>
</tr>
<tr>
<td>Goodness of Fit Index</td>
<td>0.97</td>
</tr>
<tr>
<td>Adjusted Goodness of Fit Index</td>
<td>0.95</td>
</tr>
</tbody>
</table>

5.2.8 Organisational Climate

The questions analysed for organisational climate are outlined in Appendix 18. The Kaiser-Meyer-Olkin Measure of sampling adequacy of the correlation co-efficients was 0.91 which is an excellent result to indicate that factor analysis is appropriate. The principle component analysis indicated a two factor model for organisational climate. The final statistics identifying the commonalities and factor analysis (Table i, Appendix 28) indicates that 46.9 of the variances is attributable to two factors. The factor loadings (maximum likelihood estimates) for the items is set out in Table ii, Appendix 28. The goodness of fit statistics are summarised in Table 20 as well as a response as to whether the statistics meets the criteria set for each of the fit statistics. The
Chi square is significantly different (p= 0.046) not supporting the model. The other goodness of fit statistics (e.g. root mean square error of approximation, goodness of fit index) are of an acceptable level for continuation of the confirmatory analysis.

<table>
<thead>
<tr>
<th>TABLE 20: Organisational Climate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodness of Fit Statistics</td>
</tr>
<tr>
<td>Chi Square with 18 degrees of freedom</td>
</tr>
<tr>
<td>Root Mean Square error of approximation</td>
</tr>
<tr>
<td>Root Mean Square residual Normed Fit Index</td>
</tr>
<tr>
<td>Goodness of Fit Index Adjusted Goodness of Fit Index</td>
</tr>
</tbody>
</table>

5.2.9. Relationship Between Leadership and Empowerment

A structural equation model was used to investigate the relationship among the independent (leadership) and dependent (empowerment) items. Structural equation modelling takes into account the relationship between the observed items (questionnaire items) and the constructs they were designed to measure (latent item). (Hoyle, 1995; Schumacker & Lomax, 1996). Structural equation modelling was chosen over multiple regression and ANOVA for the following reasons:

Structural Equation Modelling allows the incorporation of error of measurement in understanding the strength of the relationships between factors. Traditional ANOVA or multiple regression assumes the properties of constituent items or relative contribution to the composites are measures without error. (Billings & Wroten 1978).

Two types of measurement error have been accounted for in structural equation modelling. First the possibility that some indicator items may contribute more to the measurement of the underlying trait than others. Second the unit weight addition of indicator items may invalidate the composite scale if one or more of the indicator items measure a latent trait other than the one under consideration (Kenny 1979).

The measurement part of the structural equation model allows for unequal contributions of indicator items towards the measurement of latent items and the models will fit only when the indicator items associated with any one latent item are valid indicators of that trait. Thus evaluation of the measurement model is an assessment of the degree to which the questionnaire responses are consistent with the theoretical definition of the construct they were designed to measure.

Structural equation models impose no restrictions on the relations between independent items. This is a restriction on ANOVA. Structural equation models include direct relations among dependent items. This is a restriction on multiple regression, ANOVA or multivariate ANOVA.

Structural equation models may include multiple equations that are estimated simultaneously. It is not constrained to bivariate correlations as would be the case in a rotated factor analysis model. This allows for the testing of mediation effects. (Baron & Kennedy 1986)

The current study sample size (349) is suited to structural equation modelling as it is estimated that sample sizes of less than 200 effects the stability of parameter estimated. (Bolmsma 1983, Gebrin & Anderson 1985). The maximum flexibility in modelling the relations among independent and dependent items was necessary due to the exploratory nature of the current research.
There are a number of limitations on the research design limiting inferences of causality. Firstly the data is being collected at the one time period and therefore making the inference of directionality difficult. To infer causality it must be demonstrated that the cause precedes the effect. The direction of influence in this study has been inferred from the theoretical literature designating independent and dependent items (Cohen & Cohen 1983). Secondly the need to isolate other potential causes of empowerment other than those being measured.

To assist with structural equation modelling, all contexts with more than one factor were subject to second order factor analysis. The second order factors were developed for each of the leadership context: Individual Team and Organisational Climate. The second order factors were used in all further statistical analysis. The results of the first order leadership factors are set out in Appendix 29. The second order factors are presented in the next section of this thesis. The empowerment behaviours did not respond to second order development.

Correlation coefficients between leadership items and between empowerment item are set out in Appendix 30. All relationships were statistically significant allowing the determination of the next stage of the structural equation model.

The goodness of fit measures are presented in Table 21. The Chi square measures are non significant (p=0.096) indicating that the model is supported. The fit statistics of the model lent support to the notion that the indicator items validly contributed to the underlying latent trait being investigated.

<table>
<thead>
<tr>
<th>TABLE 21 Structural Equation Modelling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodness of Fit Measures :</td>
</tr>
<tr>
<td>Chi-Square with 14 degrees of freedom</td>
</tr>
<tr>
<td>Root Mean Square error of approximation</td>
</tr>
<tr>
<td>Root Mean Square Residual</td>
</tr>
<tr>
<td>Normed Fit Index</td>
</tr>
<tr>
<td>Goodness of Fit Index</td>
</tr>
<tr>
<td>Adjusted Goodness of Fit Index</td>
</tr>
<tr>
<td>=21.21 (p=0.096)</td>
</tr>
<tr>
<td>=0.039</td>
</tr>
<tr>
<td>=0.17</td>
</tr>
<tr>
<td>=0.99</td>
</tr>
<tr>
<td>=0.99</td>
</tr>
<tr>
<td>Criteria Accepted</td>
</tr>
<tr>
<td>yes</td>
</tr>
<tr>
<td>yes</td>
</tr>
<tr>
<td>yes</td>
</tr>
<tr>
<td>yes</td>
</tr>
<tr>
<td>yes</td>
</tr>
</tbody>
</table>

It is important to note that the model is recursive i.e. All path co-efficients go in only one direction. This was not imposed on the model. The model could have well indicated bidirectionality (Hoyle, 1995).

5.3 Analysis Of Leadership Moderators

5.3.1 Introduction

The moderators were analysed using Multivariate Analysis of Variance (MANOVA). In the analysis leadership moderators multivariate tests of significance (Pillaise, Hotellings, Wilks and Roys) were carried out. The tests all produced similar results and therefore only the result of Hotellings test will be reported. For the leadership items two Analysis of Variance tests were conducted. The first related to the first order items i.e. the three individual leadership items, two team leadership items and organisation climate items.

The second Analysis of Variance was conducted on the second order items which identified one item for individual leadership, team leadership and organisation leadership. The multi item tests of significance (Pillaise, Hotellings, Wilks and Roys) produced similar statistical significance results for the first and second order tests. Therefore, the second order items were considered for
the detailed analysis. Further Analysis of Variance was carried out to confirm the direction of significance. This analysis was developed using the least squares difference tests (Bonferroni).

5.3.2 Divisional Results

The Division name, value label and number of staff (frequency) in each division are set out in Table 22.

**TABLE 22 Division Name, Value Label And Number Of Staff**

<table>
<thead>
<tr>
<th>Value Label</th>
<th>Value</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cum Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive</td>
<td>0</td>
<td>2</td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td>Property</td>
<td>1</td>
<td>25</td>
<td>7.2</td>
<td>7.7</td>
</tr>
<tr>
<td>Works</td>
<td>2</td>
<td>28</td>
<td>8.0</td>
<td>15.8</td>
</tr>
<tr>
<td>Design</td>
<td>3</td>
<td>41</td>
<td>11.7</td>
<td>27.5</td>
</tr>
<tr>
<td>Engineering</td>
<td>4</td>
<td>16</td>
<td>4.6</td>
<td>32.1</td>
</tr>
<tr>
<td>Recreation</td>
<td>5</td>
<td>27</td>
<td>7.7</td>
<td>39.8</td>
</tr>
<tr>
<td>Finance</td>
<td>6</td>
<td>43</td>
<td>12.3</td>
<td>52.1</td>
</tr>
<tr>
<td>Information</td>
<td>7</td>
<td>36</td>
<td>10.3</td>
<td>62.5</td>
</tr>
<tr>
<td>Dev. and Comm.</td>
<td>8</td>
<td>38</td>
<td>10.9</td>
<td>73.4</td>
</tr>
<tr>
<td>Library</td>
<td>9</td>
<td>18</td>
<td>5.2</td>
<td>78.5</td>
</tr>
<tr>
<td>Health and Building</td>
<td>10</td>
<td>30</td>
<td>8.6</td>
<td>87.1</td>
</tr>
<tr>
<td>Planning</td>
<td>11</td>
<td>31</td>
<td>8.9</td>
<td>96.0</td>
</tr>
<tr>
<td>Human Services</td>
<td>12</td>
<td>14</td>
<td>4.0</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>349</strong></td>
<td></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

The Analysis of Variance indicated statistical difference between divisions. (Hotellings F = .000). Significant differences were found between divisions in the areas of individual leadership, team leadership, organisational climate, individual empowerment related to both capability and job satisfaction, team empowerment and organisational commitment, i.e. individual empowerment related to intrinsic motivation was the only factor that did not reach significance (Appendix 31). The results of further factor analysis and least square difference test (Bonferroni) is outlined below.

i) Individual Leadership

The divisional results for individual leadership scores were statistically significant (F_{11,345} = 3.64, p = .001). The least squares difference test (Bonferroni) indicated that Division 1 with the highest mean was statistically different from eight other divisions. Six divisions were statistically different from the two divisions with the lowest mean (Division 10 and 3).

ii) Team Leadership

The divisional results for team leadership scores were statistically significant (F_{11,344} = 3.04, p = .004). The least square difference test (Bonferroni) indicated that Division 1 with the highest mean was statistically different from six other divisions. Five divisions were statistically different from the two divisions with the lowest mean (Division 10 and 3).

iii) Organisational Climate

The divisional results for organisational climate were statistically significant (F_{11,343} = 3.58, p = .000). The Least Square Difference test indicated that Division 1 was significantly different (better) than eight other divisions and that division 8 was significantly better than seven other divisions. Three divisions were significantly better than the two divisions with the lowest mean (Division 5 and 2).
The conclusion from consideration of leadership items, by division, is that individual leadership and team leadership results closely mirror each other in regard to best and worst performing divisions. The division with the highest mean is consistently significantly different across all three leadership scales. The organisation's own culture survey had similar results on poor performing divisions. The culture survey indicated that Divisions where employees were more critical of the performance of supervisors were 3, 10, 4 and 9.

iv) Individual Empowerment (Capability)

The divisional results for individual empowerment (capability) were statistically significant ($F_{11,344} = 1.73, p = 0.034$). The least square difference test (Bonferroni) indicated that Division 1 with the highest mean was statistically different from seven other divisions. Six divisions were statistically different from the division with the lowest mean (Division 10).

v) Individual Empowerment (Job Satisfaction)

The divisional results for individual empowerment (job satisfaction) were statistically significant ($F_{11,345} = 3.74, p = 0.002$). The least squares difference test indicated that Division 1 was statistically different (better) than eight other divisions. Division 8 was statistically different (better) than five other divisions. Four divisions were statistically different from the division with the lowest mean (Division 3). Three divisions were statistically different from the division with the second lowest mean (Division 10). These results mirrored the results from the organisation's own culture survey. Employees in Divisions 1, 8, 11 and 12 received high mean scores to the question "my work gives me a feeling of personal accomplishment". Divisions 2, 3, 4 and 10 had the lowest means.

vi) Team Empowerment

The divisional results for team empowerment were statistically significant ($F_{11,344} = 2.3, p = .001$). Least square significant test indicated that Division 1 and Division 8 were significantly different (better) than eight and seven other divisions respectively.

Five divisions were significantly different from the division with the lowest mean (Division 10) and 3 divisions were statistically different from the division with the second lowest mean (Division 3). On questions relating to teamwork, the organisations own culture survey identified the best performing divisions as Divisions 7, 8 and 11. The worst performing was Division 10.

vii) Organisational Commitment

The divisional results for organisational commitment were statistically significant ($F_{11,342} = 2.2, p = .003$). The least squares test indicated that Division 1 and Division 8 were significantly better than eight and seven other divisions respectively. Division 4 and 10 were statistically lower than Division 1 and 8.

In conclusion when considering all empowerment contexts by division, the results indicated that divisions 1 and 8 consistently had higher means and divisions 10 and 32 had consistently lower means.

5.3.3 Highest Education

The return information in regard to highest level of education is outlined in Table 23.
TABLE 23 Frequency of highest education

<table>
<thead>
<tr>
<th>Value Label</th>
<th>Value</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Certificate</td>
<td>1</td>
<td>57</td>
<td>16.3</td>
<td>16.9</td>
</tr>
<tr>
<td>HSC</td>
<td>2</td>
<td>42</td>
<td>12.0</td>
<td>29.3</td>
</tr>
<tr>
<td>Trade</td>
<td>3</td>
<td>39</td>
<td>11.2</td>
<td>40.8</td>
</tr>
<tr>
<td>Diploma</td>
<td>4</td>
<td>84</td>
<td>24.1</td>
<td>65.7</td>
</tr>
<tr>
<td>University</td>
<td>5</td>
<td>116</td>
<td>33.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Missing</td>
<td>.</td>
<td>11</td>
<td>3.2</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>349</strong></td>
<td></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

The Analysis of Variance indicated statistical significance (Hotellings F = .000). The detailed results are in Appendix 32.

i) Individual Empowerment (Capability)

Statistical difference in individual empowerment relating to capability ($F_{4,336} = 1.92, p = .029$) was identified with the least squares different test (Bonferroni) with Diploma and University graduates being statistically different (higher mean) from Higher School Certificate graduates.

ii) Individual Empowerment (Intrinsic Motivation)

Statistical difference in individual empowerment relating to intrinsic motivation ($F_{4,331} = 2.36, p = .003$) was analysed with the least square difference test (Bonferroni). The results indicated that Diploma and University graduates were statistically different (higher mean) from the three other education groupings.

The conclusion is that education has an impact on empowerment of the individual with the more highly educated groups showing higher empowerment scores.

5.3.4 Level In The Hierarchy

The return data on level within the hierarchy is outlined in Table 24.

TABLE 24 Frequency Within Level Of The Hierarchy

<table>
<thead>
<tr>
<th>Value label</th>
<th>Value</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cum Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive</td>
<td>1</td>
<td>2</td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td>Manager</td>
<td>2</td>
<td>12</td>
<td>3.4</td>
<td>4.0</td>
</tr>
<tr>
<td>Assist Manager</td>
<td>3</td>
<td>43</td>
<td>12.3</td>
<td>16.3</td>
</tr>
<tr>
<td>Team Leader</td>
<td>4</td>
<td>123</td>
<td>35.2</td>
<td>51.6</td>
</tr>
<tr>
<td>Others</td>
<td>5</td>
<td>169</td>
<td>48.4</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>349</strong></td>
<td></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Due to the low number in the Executive (2) the Executive and Managers were combined for statistical testing.

The multivariate test of significance on the data (Hotellings F = .000) indicated a statistical difference in each of the individual empowerment data (Appendix 33).

Further Analysis of Variance indicated that for individual empowerment related to capability ($F_{11,345} = 1.79, p = .05$) the executive / managers and assistant managers had statistically higher
means than “others” as indicated in the least squares difference test. For individual empowerment related to job satisfaction ($F_{11,345} = 4.25$, $p = .028$) the least squares difference test indicates that team leaders had statistically higher means than “others” as indicated in the least squares difference test. For individual empowerment related to intrinsic motivation ($F_{11,345} = 2.83$, $p = .003$) executive / managers had statistically higher means than team leaders and “others”. Assistant managers were statistically different from “others” as indicated in the least squares difference test. In conclusion the executive / managers achieved higher mean empowerment scores than “others”.

The question was raised whether there is an association between level in the hierarchy and level of education. If there is an association it cannot be claimed that the difference in empowerment is related to level in the hierarchy. A Chi-Square test of significance was conducted. The results are set out in Table 25 and indicated that there is a relationship between education and position in the hierarchy.

<table>
<thead>
<tr>
<th>TABLE 25 Education by Position in the Hierarchy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square</td>
</tr>
<tr>
<td>Pearson</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
</tr>
<tr>
<td>Mantel-Haenszel test for linear association</td>
</tr>
</tbody>
</table>

5.3.5 Employment Status

The questionnaire returns regarding employment status are set out in Table 26.

<table>
<thead>
<tr>
<th>TABLE 26 Employment Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value Label</td>
</tr>
<tr>
<td>Full Time</td>
</tr>
<tr>
<td>Permanent Part Time</td>
</tr>
<tr>
<td>Casual</td>
</tr>
<tr>
<td>Temporary</td>
</tr>
<tr>
<td>Missing</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Due to the low percentage of casual employees the casual and temporary employee status were combined for the conducting of statistical analysis. Employment status was considered across both first order and second order leadership items. Due to similar results second order items will be detailed. The multivariate test of significance indicates statistical difference (Hotellings $F = .016$) in three items as outlined in Appendix 34. Analysis of Variance indicated the following results.

i) Organisational Commitment

The statistical difference in organisational commitment ($F_{2,344} = 3.73$, $p = .013$) was identified by the least square difference, test (Bonferroni). Casual / temporary staff were statistically different (better) than both the full time and permanent part time staff.

ii) Team Empowerment

The statistical difference in team empowerment ($F_{2,346} = 2.64$, $p = .042$) was identified by the least square difference test (Bonferroni) indicating that casual / temporary staff had significantly different (better) mean scores than both full time and permanent part time staff.
iii) Organisational Climate

The statistical difference in organisational climate ($F_{2,343} = 3.38$, $p = .0312$) was identified by the least square difference test (Bonferroni), indicating that casual / temporary staff had significantly different (better) mean scores than both full time and permanent part time staff.

In conclusion in all three areas of statistical difference, casual staff received significantly higher scores than full time or part time employees. The question was raised regarding the divisional results possibly being attributed to employment status. A Chi-Square test was carried out on the results. The results are set out in Table 27. The results are non significant indicating that status of employees are the result of being in particular divisions, rather than an artefact of employment status between divisions.

<table>
<thead>
<tr>
<th>TABLE 27 Significance Tests : Employment Status by Divisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square</td>
</tr>
<tr>
<td>Pearson</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
</tr>
<tr>
<td>Mantel-Haenszel test for linear association</td>
</tr>
</tbody>
</table>

The feedback report on the 1996 application for the Australian Quality Award made continual reference to the lack of opportunities for casual staff. These were in relation to opportunities for training and for participation in quality improvement teams. The results from this study indicate that these factors may not have significantly contributed to commitment scores.

5.3.6 Years In The Organisation

The return data on years in the organisation are outlined in Table 28.

<table>
<thead>
<tr>
<th>TABLE 28 Years In The Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value label</td>
</tr>
<tr>
<td>0 – 1 years</td>
</tr>
<tr>
<td>2 – 4 years</td>
</tr>
<tr>
<td>5 – 10 years</td>
</tr>
<tr>
<td>11+ years</td>
</tr>
<tr>
<td>missing</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

There was no statistical difference based on years in the organisation. No further analysis was carried out.

5.3.7 First Language At Home

The number of employees whose language spoken at home (Table 29) was other than English was too low to conduct statistical analysis.

<table>
<thead>
<tr>
<th>TABLE 29 First Language At Home</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value Label</td>
</tr>
<tr>
<td>English first language</td>
</tr>
<tr>
<td>Other language first</td>
</tr>
<tr>
<td>missing</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>
5.3.8 Gender

The return rate based on Gender of the respondent is outlined in Table 30:

<table>
<thead>
<tr>
<th>Value Label</th>
<th>Value</th>
<th>199</th>
<th>Percent</th>
<th>Cum Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>1</td>
<td>199</td>
<td>57.0</td>
<td>57.0</td>
</tr>
<tr>
<td>Female</td>
<td>2</td>
<td>150</td>
<td>43.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>349</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The Analysis of Variance (Appendix 35) indicated a statistical significance for individual empowerment behaviour related to capability ($F_{2,344} = 4.76, p = .009$). Males had a significantly higher mean score.

5.3.9 Summary Of Outcome For Leadership Moderators

The conclusion on leadership moderators is that statistical differences were displayed for both leadership factors and empowerment factors. The moderator that had the greatest impact was the division in which the employee worked. Division influenced both leadership and empowerment. For leadership, statistical differences were found in the factors of individual leadership, team leadership and organisational climate. Division influenced empowerment factors in relation to individual empowerment related to capability and job satisfaction, team empowerment and organisational commitment.

Other moderators that had an impact on empowerment involved the employee’s highest education, level in the hierarchy, employment status and gender.

5.4 Information Gathered At The Site Visit In Addition To The L/E Questionnaire

5.4.1 Introduction

Information gathered at the site visit in addition to the L/E questionnaire was from five different sources. They were:
- Repeating questions from the L/E questionnaire at the site visit interview,
- Information from reports within the organisation,
- The organisation’s own culture survey,
- An interview question relating to the best and worst features of the organisation,
- Further information gathered during the site visit,

The taped information gathered during interviews was transcribed onto the computer. The computer package chosen was the 1996 version of QSRNUD-IST (Non-numerical Unstructured Data Indexing Searching and Theorising). This package is designed to handle non-numerical and unstructured data in qualitative analysis. The program was principally used to manage, explore and search the text of documents. The information was stored based on the scale of response to the question the respondent was seeking to answer. For example in the Adequacy of Authority Questionnaire the information was stored for each question and under the scale that they answered (i.e. agree - totally disagree). The outcome of this information gathering is detailed below.

5.4.2 Validation Of The Leadership And Empowerment Questionnaire By Repeat Questions

For each question used for the validation of the Leadership and Empowerment Questionnaire (L/EQ) the number of responses to the three ratings (poor, satisfactory, good) were collated. This
was done for each level of the hierarchy. The hierarchy was classified as follows. Level 1 related to managers, Level 2 to assistant managers, level 3 to team leaders and Level 4 to group responses. Given that groups were not homogeneous to any one division the divisional allocation to group responses was not provided. Factor analysis was conducted on the responses that indicate an association may exist with other responses in the L/EQ. The results are in the next section to assist in interpreting the factors being developed.

5.4.3 Organisational Stability Questionnaire

The questions analysed related to:

- 5.4.3.1 Financial crisis;
- 5.4.3.2 Changes in organisation structure;
- 5.4.3.3 Labour problems or industrial disputes;
- 5.4.3.4 Technological change;
- 5.4.3.5 Other issues.

5.4.3.1. Financial Crisis

Discussion with the General Manager and Deputy General Manager identified that for the past two years and for the next two years the organisation will have financial difficulties. The impact of these difficulties on the organisation had been discussed at all levels of the organisation. Both the General Manager and Deputy General Manager were confident that the budget forecast was accurate and a favourable outcome would be achieved in three years. The responses at each other level of the organisation are summarised as follows:

i) Manager Level

All twelve managers identified the cash flow problem as an issue. Only three of the twelve indicated that it caused high stress or instability in the organisation. The instability was caused by either a lack of faith in the projections, or a frustration caused by having insufficient budget to complete capital works projects in the community. This was a particular frustration for Division 8. “There is a feeling that we’ve got an optimistic projection. We don’t bring home the bacon in subdivision sales and income we’re going to be in slusher mode. I personally don’t believe we’re going to achieve projections.” (Division 5).

The lack of concern for the cash flow was due to either faith in the projection and/or having their budget protected. For example “I don’t think the financial impacts unsettle our team as much as they will other divisions because we don’t really get into capital works as such, though our budget has been protected almost.” (Division 11)

ii) Assistant Managers

The responses of assistant managers mirrored the level above. Three of the twenty-four interviewed expressed concern regarding the financial strategy. “Basically I think there is two camps and you can hang in there for a long time and it will be a good investment but the other argument is we shouldn’t be in this business as it’s causing a constraint on our day-to-day operations and so it’s a bad thing.” (Division 3)

iii) Team Leaders

Of the fourteen team leaders, only three identified financial instability. They were all representatives from the union and reiterated the inappropriate strategy rather than the financial crisis. “The union don’t see it as our core business to buy shopping centres, money needs to be redirected into much needed programs.” (Division 5).
iv) Others

No financial concerns were raised in group responses. Equipment maintenance, and desire for new equipment were raised as “nuisance factors”.

5.4.3.2 Changes in Organisational Structure

Discussion with the executive staff identified that the organisation’s last restructure occurred in 1991, seven years before the current study. The restructure involved reducing the number of deputy managers from four to two, the reduction in the number of divisions from fourteen to twelve and a downsizing of some existing divisions. There was considerable discussion on the opportunity provided to get rid of “dead wood”. (Reference by General Manager). The Deputy General Manager summarised the situation: “We’ve lost in the last three years, we’ve lost some key personnel by design. As an organisation we didn’t think those people were able to adapt to the culture that we were trying to promote. They were people who had been here twenty to twenty-five years and that’s not to say that they can’t adapt but they had a mind set. This is how we do things and we can’t change and why do we have to do this. We tried to change some people and some people didn’t and other people saw it as an opportunity to basically leave the organisation and allow us to bring people in who could pick up the cultural things we were trying to bring to the organisation.”

The responses at each level of the organisation are summarised as follows.

i) Managers

The restructure was mentioned by ten of the twelve managers. Five managers indicated the restructure was only two or three years ago. Three of the five indicated the restructure was still impacting negatively on the organisation. These three managers made mention of the loss to the organisation of a particular staff member and the unsatisfactory process involved in restructuring. Responses included: “He was committed to making things happen. I could talk to him, no-one trusts C.....” “I can see as clear as the nose on my face that there was another agenda there and we felt as a committee that was totally at odds with the whole idea of quality management.” (Division 2)

ii) Assistant Managers

Of the twenty-four assistant managers interviewed, fifteen referred to the previous restructure. Five of the fifteen viewed the restructure as still unsettling staff. Negative responses mainly included the hidden goal of executive in restructuring. Examples of negative comments included: “They obviously had an agenda where they said they want to get rid of some people so we are going to restructure, and these are the ones we really want to get rid of.” (Division 1) “There was a long period where this restructuring battle took place, particularly in the library. The manager was saying he wasn’t trying to do this and this and anyone who had an understanding could see that he was targeting somebody. I suspect he had to prove he had to get rid of somebody. I don’t care who knows that.” (Division 9)

One assistant manager (Division 1) was very vocal at a vacancy of a manager position. “Well the loss of our previous manager obviously had an impact. The fact that it has taken this long to replace is very unsettling and very bad for morale. I have to say I consider that the staff morale is very low and the fact that it had to be advertised twice and there were some questions over the process, yes I’d say.”

Similar responses were obtained for that Division at lower levels in the hierarchy. Eight assistant managers identified restructuring in the positive context of continuous improvement. For example: “Organisational structure I wouldn’t call it instability, I’d call it where we need to continually review what we’re doing and why we’re doing it so that we make sure that we’re
doing it in the right way. To be honest there may be a few people in my work area who may feel that because of change the traditional way of looking at things moving a different way, that may be an issue for them." (Division 5) “If it is seen as stressing it’s because people can’t cope with change. I’ve done well out of it.” (Division 11)

Three assistant managers perceived high turnover of staff in two divisions (9 and 4) as unsettling to staff. Seven assistant managers referred to the positive aspects of restructuring occurring within their own divisions. In all cases the restructuring involved staff consultation and a minimum of four months lead time.

ii) Team Leaders

None of the team leaders discussed issues of restructuring outside their own division. Six of the fourteen interviewed identified issues relating to interpersonal differences or difficulties resulting from staff absenteeism within their division. None indicated that it had a serious negative consequence on work output. There was positive feedback from four team leaders of the restructuring that had occurred within their own division.

iii) Groups

The issues raised in the focus groups were all short term and team specific including instability created by disgruntled staff member (two groups), temporary lack of staff to complete the workload (three groups) and uncertainty brought about by a position currently being vacant (two groups). None were identified as causing high stress.

5.4.3.3 Labour Problems or Industrial Disputes

The interview with the General Manager and Assistant General Manager identified that in the last three years the organisation had an enterprise agreement introduced and is currently introducing work place competencies at the assistant manager level. Of the two issues competencies was identified as the one that may be perceived as stressing. The reason for stress is that they were only half-way through implementation and that the concept is new in the organisation.

i) Managers

Competencies and their introduction were raised as an issue causing considerable stress by five of the twelve managers. "It probably is the biggest issue on the agenda at the moment which could split the organisation in two, management and union. We worked hard to try to not have these big issues split the overall organisation." “We didn’t have enough information at the beginning to say these are all the issues, this is how is involved, this is how compact it is, this is how long it’s going to take.” “I just think if we’re going to go down the path we need to put the resources in to make it happen within a short period of time because people become very frustrated this is going on on and on and on and nothing is happening, so what is coming out of that is, oh management is stalling, they don’t want to pay us extra money that sort of thing.” (Division 5)

The twelve managers were unified in their response that the industrial relations issues were improving with the introduction of enterprise agreement. “There was some fairly different sort of industrial issues that come up at that time or some personal targeting that happened so once we were over that, since the 1st January 1995 it’s been fairly plain sailing for this organisation in terms of comparison of the industrial history before .” (Division 12)

Divisions with wages staff (usually located in the community) identified a previous history of volatility. (Division 2, 3, 4, 5). “I generally believe that the industrial relations claim is less volatile, is less vitriolic than when I came aboard and I believe that is a function of changing some things in society; the systems we’ve got in place to communicate and also management
proactiveness and knowing the game and having a bit of a strategy and they blow up from time to time when we go in for a major change.” (Division 2).

ii) Assistant Managers

Fifteen of the twenty-four assistant managers referred to the introduction of competencies. All fifteen referred to the stressing nature of their introduction. Competencies resulted in the longest responses and at time hostility was shown towards the managers who introduced them. A range of common responses were as follows: “That has probably been more stressing than anything in this division. We felt that it was not communicated, it was certainly no consideration of asking staff what they thought of the system before it was placed on us and that’s the way it’s been brought in.” (Division 10) “Sounds all good in theory but it’s very difficult to put into practice.” (Division 8) “I get evaluated at entry level, two years later when the competencies come out I find out that I should be way up here. I’ve been doing the job at this level but being paid at the level now are you going to give me back pay for the last two years?” (Division 12) “The executive decided they wouldn’t inflict it on themselves or the managers because they already had their contracts but they’re only measured on ten things, twelve things it’s going to lead to us being measured on about 100.” (Division 5)

The manager responsible for the introduction of competencies in the organisation made this comment: “Some of the other divisions they saw that as an additional thing, additional workload or pressure on them and so they sat and listened to what I had to say, put it in the drawer and forgot about it. And in hindsight we should have got back to them saying, what’s happening, what’s your problem etc.? And then it got caught in the political arena where some other divisional areas said we rejected, we don’t see that as an avenue of progression, we will use the existing policy.” (Division 3)

iii) Team Leaders

Eight team leaders of the twenty-four interviewed referred to specific parts of the enterprise agreement. For example loss of leave loading or changing work practices for wages staff. Only two team leaders referred to competencies but what they were, was unclear. “We are supposed to be getting some competency thing now and I have been involved in that, but it has just ground to a halve.” “No I mean our staff were at the point of just saying, well we don’t want anything to do with it but from the reason that we don’t understand it, we don’t know where it’s coming from.” (Division 6)

iv) Groups

All groups identified specific “losses” due to enterprise agreements; e.g. leave loading, changes to rostered days off, staff appraisals. The groups did not identify these as major issues rather more as “gripes”. There was no major dissatisfaction with the enterprise agreement.

5.4.3.4 Technological Change

The interview with the General Manager and Deputy General Manager identified the principal technological change in the organisation as the widespread introduction of personal computers and specific software for management systems and ordering.

i) Managers

The managers identified the introduction of computers either positively or as a nuisance. All twelve identified their necessity.

ii) Assistant Managers
Similar responses as managers with more emphasis on the training programs. "No, we've been pretty good from that point of view. I think primarily because of the way the organisation goes about training its people regards to the technology we've got which has been pretty good."
(Division 2)

iii) Team Leaders

The team leaders identified the concerns stenographers (i.e. group responses) have regarding the possible loss of jobs resulting from the introduction of personal computers. "That's been unsettling to our stenographic staff; I'd have to say with computers and PC's, they're concerned about their jobs and I've tried to allay their fears to a degree in that short term but I think they're well founded." (Division 12).

iv) Groups

All five divisions with stenographers identified a concern regarding job loss. The most common concern raised by all twelve groups was the complete breakdown of the computers or the difficulty in getting particular programs to work effectively. There were four groups where individuals were negative about the technology being introduced but were non specific as to their reason. "There is a lot of difficulties arising from debugging and that sort of thing which creates a lot of problems." "There is a change in procedures and people taking on complex work which they really don't want to take on as they feel they are not being adequately rewarded for it."
"There are some difficulties with some people who don't really adapt to a change in technology."
(Division 5)

5.4.3.5 Other Issues

The consistent issue raised at management level was the national competition policy. It was raised by four managers and three assistant managers. This involved the possible contracting out of services. This is currently being considered for two divisions (Division 7 and Division 12). Typical response at the management level was: "On a broad scale, that is causing considerable stress. What is having an impact on us most is changes in government policy, things like national competition policy which puts emphasis on our services to try and get them to behave like and structure themselves like a business, is unsettling, is also a challenge. I see it positively but it can be stressing when we are asked to cost the exact price of delivering a service and that can be frightening and stressing." (Division 7).

5.4.4 Adequacy Of Authority Questionnaire (AAQ)

The Adequacy of Authority Questionnaire was conducted for managers and assistant managers. The questionnaire was abandoned for team leaders after five interviews as three of the five managers could not relate to the questions being asked. For example question one inquiring whether they should be making some decisions that are being made at higher level had responses such as:

"Should I be allowed to make some decisions that are now made at a higher level. I'd call it true there are some things that need to be made at a higher level".

"True – maybe the interpretation of a particular policy because it may have contents of another area"

"That's true – it depends on what your definition of decision is. Endorsement of it from a consultative perspective. Is that what you mean or decision by someone above me?"

The amount of explanation required by the researcher for the team leaders questioned the validity of the questionnaire for staff at that level within the organisation. All 12 managers and 24 assistant managers completed the questionnaire. The results to each question are outlined below.
The results are presented with a repeat of the questions, which is boxed for clarity, preceding responses.

5.4.4.1 AAQ Question 1

I should be allowed to make some decisions that are now being made at a higher level.

<table>
<thead>
<tr>
<th>TABLE 31 - Responses to AAQ Question 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level within hierarchy</td>
</tr>
<tr>
<td>-------------------------</td>
</tr>
<tr>
<td>Manager</td>
</tr>
<tr>
<td>Assistant Manager</td>
</tr>
</tbody>
</table>

Key:
A = very definitely true
B = definitely true
C = true
D = uncertain
E = untrue
F = definitely untrue
G = very definitely untrue

Of the 7 managers who indicated that decision making could be delegated a further 6 mentioned issues relating to decisions about staffing particularly salaries and job evaluation. Examples of responses were as follows: “In terms of staffing absolutely in terms of staffing how I use my budget particularly in relation to staffing regrading that should be as far as I’m concerned the managers role”. “Primary decisions about staff. If I have corporate objectives identified and council have adopted those as the objectives for this division and I have a budget to operate within and someone goes on leave without pay for whatever reason I should be able to use that salary saving to do whatever I want, that is within the objectives of the organisation”.

Five of the seven managers report to the one deputy general manager. Typical responses of the five managers are as follows. “I think that T… is very controlling and has a need to know exactly what is happening in detail. We have just gone through job evaluation process with one of my staff members here and it needs T…”’s signature to approve the entry on the upper level. I am happy with it, it is within our budget. Human Resources are happy with it and they have told him that and they just want him to approve it and he has made a comment that it is too high. If we have gone through the process, we followed the procedure, we have followed the policy, we have got an outcome that is within our parameters, what’s the problem? “

Two assistant managers complained of too much delegation. “Greatest frustration for me is for supervisors and managers to recognise and accept some of the responsibilities that they have”. “I get delegated with some functions that are their role and they give it to me because they say you’re a specialist”.

An assistant manager’s own comment on delegation: “I suppose if you ask the staff underneath me they would probably want me to delegate more but I make a lot of decisions having not a lot of staff and a high turnover, I’m still sorting my role out as assistant manager. I get a lot of discretion in that I’m happy with that.”
5.4.4.2 AAQ Question 2

I have enough authority to handle problems that come up in my group?

<table>
<thead>
<tr>
<th>Level within hierarchy</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td>1</td>
<td>6</td>
<td>4</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>12</td>
</tr>
<tr>
<td>Assistant Manager</td>
<td>20</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>24</td>
</tr>
</tbody>
</table>

Key:
A = very definitely true
B = definitely true
C = true
D = uncertain
E = untrue
F = definitely untrue
G = very definitely untrue

Managers felt comfortable with the authority to handle problems. The one untrue response identified a boundary of responsibility.

Assistant managers were comfortable with their authority to problem solve. It was more acceptance of the informal rules between themselves and their manager. For example, "If it's my area of responsibility basically I suppose if there's a decision to be made I have to take a recommendation up, explain to J... why I would do that and if he feels comfortable with it, which he normally does, then the decision is made. I'd say I have got 99.5% of control over the decisions that I make."

One of the managers responses comments to the responsibilities of assistant managers is as follows. "There has been quite a bit of push down in terms of decision making in to the lower levels there is. I think, the assistant manager level below me are still coming to terms with having those decisions placed within their control and there is a natural tendency to try and bring that back. Some people have taken up the challenge and see it as improving their work and their position whereas others are showing reluctance to take on that responsibility."

5.4.4.3 AAQ Question 3

I must get approval for certain decisions which I should be able to make alone?
TABLE 33 - Responses to AAQ Question 3

<table>
<thead>
<tr>
<th>Level within hierarchy</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td>5</td>
<td>3</td>
<td>-</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>-</td>
<td>12</td>
</tr>
<tr>
<td>Assistant Manager</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>18</td>
<td>4</td>
<td>-</td>
<td>24</td>
</tr>
</tbody>
</table>

Key:
A = very definitely true
B = definitely true
C = true
D = uncertain
E = untrue
F = definitely untrue
G = very definitely untrue

5.5.2.5 AAQ Question 4

I have enough authority to handle emergency situations adequately.

TABLE 34 - Responses to AAQ Question 4

<table>
<thead>
<tr>
<th>Level within hierarchy</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td>6</td>
<td>2</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12</td>
</tr>
<tr>
<td>Assistant Manager</td>
<td>1</td>
<td>4</td>
<td>19</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>24</td>
</tr>
</tbody>
</table>

Key:
A = very definitely true
B = definitely true
C = true
D = uncertain
E = untrue
F = definitely untrue
G = very definitely untrue

The responses by managers were positive except for one. Assistant managers were satisfied with their level of authority to handle emergency situations.

5.4.4.5. AAQ Question 5

Too many people have to be consulted before you can do anything around here.
TABLE 35 - Responses to AAQ Question 5

<table>
<thead>
<tr>
<th>Level within hierarchy</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td>2</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>3</td>
<td>-</td>
<td>12</td>
</tr>
<tr>
<td>Assistant Manager</td>
<td>4</td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>14</td>
<td>-</td>
<td>-</td>
<td>24</td>
</tr>
</tbody>
</table>

Key:
A = very definitely true
B = definitely true
C = true
D = uncertain
E = untrue
F = definitely untrue
G = very definitely untrue

There was considerable discussion among managers regarding consultation. Five of seven managers referred to consultation at senior level. Four of the seven referred to staff consultation processes. In regard to consulting at management level, comments were made regarding it being safer to over consult. "I'd say no and the reason I'd say no is because we've got ourselves into a consultative framework where we have set rules and I think that that draws out the processes and limits us and limits us in what we can do and so people feel frustrated and what not and in some ways I think we have locked ourselves into a certain way in which we consult".

The assistant managers concern with over consultation related to the functions of the position or the attempts to satisfy the councillors or the unions. "True, a lot of things need to go through a lot of different hands I suppose, because payroll is a sensitive area". "I think it's the nature of the organisation because of its values and because of the industrial framework we have here that we are very consulted with and that's the nature.

5.4.5 Critical Incident Reporting

The adoption of the Carers Leave policy was investigated in replacement of the analysis of critical incident reporting. The formulation of policies in the organisation largely follows a team process. Managers select a group of staff to formulate a policy. The draft policy is circulated to managers and executive staff for comment before implementation.

The introduction of a Carers Leave policy was instigated by the general manager following a U.S.A. tour of quality oriented organisations. Comments on the implementation of the policy was sought from staff at all levels of the organisation. A summary of comments are outlined in Tables 36A and B. Staff at all levels of the organisation identified difficulty in interpreting the policy and commented on the lack of definition. Staff identified areas requiring improvement.
TABLE 36A - Carers leave policy problems/comments

| Managers                     | Inconsistency across the organisation  
Guidelines unclear  
No limits set – problem  
Policy very general | Need definition of “short term”  
Being used for planned events.  
Open to interpretation.  
Emergency doubted. |
|------------------------------|---------------------------------------|
| Assistant Managers           | Guidelines required as to what it is and where  
use is appropriate.  
Open to abuse.  
Grey areas.                | Ambiguous as to when to be approved.  
Clearer definition required.  
What length of time can it be taken for. |
| Team Leaders                 | Too may grey areas.  
Too inconsistent.            | Not fully aware of this policy |

Table 36B Improvements to Carer’s leave policy

| Managers                     | Limit leave to 24 hours maximum.  
Clearer definitions.  
Abolish the leave and resort to flex time. | Need examples of when it is appropriate.  
Staff are confused about what constitutes carer’s leave.  
Tighter guidelines on when it is permissible |
|------------------------------|---------------------------------------|
| Assistant Managers           | Clearer defined guidelines.  
Definition of carer’s leaves. | How to determine non-genuine case.  
Consistency throughout the organisation with number of days allowed off |
| Team Leaders                 | Can Leading Hand approve carer’s leave  
More defined guidelines | Outline timeframe for use – how many days off? |

5.4.6 Best And Worst Of Working At Wollongong City Council

Main Questions:

*What’s the best thing about working for Wollongong City Council?*
*What’s the biggest frustration working for Wollongong City Council?*

Responses to the Questions were grouped into particular themes and the frequencies calculated. The frequencies do not reflect staff numbers as one staff member may have mentioned a number of responses. The responses are provided in Table 37. The questions were administered to Managers (12), Assistant Managers (24) and team leaders (14). They were not administered to focus groups. This decision was taken due to evidence of peer group pressure in the other responses.

The commitment to continuous improvement, autonomy in decision making and ability to be creative are viewed as intrinsic motivators. These responses accounted for thirty seven percent of responses. Many of the positive responses were focused on issues within the organisation with only four responding that they enjoy providing services to people.

The biggest frustration relates to barriers to empowerment. The greatest frustration was the lack of recognition (20%). Factors interfering with decision making collectively account for 38% of the negative responses. These include interference with unions, politicians, bureaucracy, lack of budgetary control, and slow decision making. Eight persons responded that they were restricted to working at the organisation for financial reasons.
TABLE 37 - Frequency of Responses: Best / Worse of WCC.

<table>
<thead>
<tr>
<th>Best</th>
<th>Frequency</th>
<th>Worst</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment to Continuous Improvement / quality organisation</td>
<td>8</td>
<td>Budgetary control</td>
<td>5</td>
</tr>
<tr>
<td>Working conditions</td>
<td>18</td>
<td>The organisation doesn’t practice what it preaches</td>
<td>6</td>
</tr>
<tr>
<td>Autonomy in decision making</td>
<td>5</td>
<td>Bureaucracy</td>
<td>3</td>
</tr>
<tr>
<td>Ability to be creative</td>
<td>7</td>
<td>Political interference or biased decision making</td>
<td>4</td>
</tr>
<tr>
<td>The people that work here</td>
<td>5</td>
<td>Decision making is too slow</td>
<td>3</td>
</tr>
<tr>
<td>Providing services to people</td>
<td>4</td>
<td>Diminishing job satisfaction and the realisation if it – I’m mortgaged / stuck</td>
<td>8</td>
</tr>
<tr>
<td>Education and training for staff</td>
<td>7</td>
<td>Poor implementation</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Poor policy implementation</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lack of recognition</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The interference of unions</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lack of unity between divisions</td>
<td>4</td>
</tr>
<tr>
<td>Total number of responses</td>
<td>54</td>
<td>Total number of responses</td>
<td>54</td>
</tr>
</tbody>
</table>

Examples of comments were as follows:

“For me, I’ve been here for 18 years and I have had absolutely wonderful opportunities for career advancement and support for my external studies and really good training, I can’t speak highly enough about that.”

“The best thing about working with Wollongong Council, I think from our divisional input, the organisation is very proud of what we do, very supportive of what we do, and prepared to allow us the freedom to get on and do it.”

“It would be good if there was kind of more global feeling about and I do feel that’s a little bit of department thing to do a little bit of complaining about each other and not knowing enough about what the other people do, that’s all”.

“My frustration – it’s the bureaucracy. You are always fighting somebody, obstacles one after the other – even here you are fighting with each other over silly little things. But that’s bureaucracy.”

“Greatest frustration with Wollongong City Council, that’s a good question. Probably lack or recognition in the pay packet, getting back to that, the greatest frustration would probably be the amount of hours that I have put in that’s never been recognised or even understood. Greatest frustration that, and perhaps even council’s not even knowing what I do.”
5.4.7 Organisational Culture Survey

The W.C.C conducts its own culture survey annually. The last survey occurred six months prior to the current research. The survey was made up of 195 questions. The same questionnaire had been used two consecutive years. Eight of the questions were similar to questions in the current study L/E questionnaire. The questions in the WCC culture survey and the L/E questionnaire are outlined in Table 38. The WCC culture survey only considers mean responses.

Table 38 indicates that related questions on merit based consultation and staff consultation process both received similar low mean responses. The other related questions achieved similar mean responses. Although the questions in the culture survey are not identical and therefore do not allow formal reliability testing, the similar means on related questions do imply that reliability exists.

<table>
<thead>
<tr>
<th>TABLE 38 Comparison: WCC Culture Survey and the L/E Questionnaire</th>
</tr>
</thead>
<tbody>
<tr>
<td>WCC Culture Survey</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>My immediate supervisor listens to our ideas and opinions.</td>
</tr>
<tr>
<td>I feel I am able to put my point of view with my immediate supervisor</td>
</tr>
<tr>
<td>There is good co-operation between our work group and other areas of council</td>
</tr>
<tr>
<td>My work gives me a feeling of personal accomplishment</td>
</tr>
<tr>
<td>In my section I have a say in decisions that affect my job.</td>
</tr>
<tr>
<td>In my section our work group receives recognition when it does a good job</td>
</tr>
<tr>
<td>Promotions in council are consistently based on a persons performance and skills.</td>
</tr>
<tr>
<td>There is adequate opportunity for consultation on employment related issues at council</td>
</tr>
</tbody>
</table>
CHAPTER 6.0
TESTING THE THEORETICAL MODEL
RESULTS AND DISCUSSION

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CHAPTER 6.0
TESTING THE THEORETICAL MODEL
RESULTS AND DISCUSSION

6.1 Introduction
The analysis of the results to test the theoretical model will be presented in a manner which will allow the hypotheses to be confirmed or denied in logical sequence. This chapter will be structured with each hypothesis stated then immediately followed by, the presentation, interpretation and discussion of the results. The results will involve both quantitative and qualitative information.

Both the leadership and empowerment contexts that resulted in more than one factor had second order analysis conducted after the initial confirmatory analysis. The empowerment factors did not result in a second order factor. The leadership contexts each resulted in a second order factor. For each of the leadership contexts the items making up the second order factor will be presented in this chapter with the first order factors presented in Appendix 29.

For empowerment contexts the results of the confirmatory analysis will be presented with the items or questions that make up the factor. Each question will be presented with the item loading resulting from the confirmatory analysis. The higher the item loading the more prominence the question had in the formation of the factor. The naming of the factor will be decided by the dominance of items that make up the factor. Dominance will involve both the item loading and frequency in particular types of responses. For each factor presented the alpha reliabilities will be provided to indicate the strength in achieving the same results in a repeat of the study.

The discussion on each of the empowerment factors will relate to research outcomes concerning particular hypotheses and the theories that they directly impact. The overall impact of the results on the disciplines of leadership and TQM will be discussed in the next and final chapter of this thesis.

6.2. Hypotheses Related To Empowerment Contexts

| Hypothesis 1.0 |
| Empowerment factors will vary in the same individual depending on the context in which it is being measured: the individual, team, organisation. |

The results support hypothesis 1.0 that empowerment is not a unitary factor in the organisation as assumed in past research. As predicted in the hypothesis, empowerment involves different factors in the same individual depending on the context in which it is being measured. All three empowerment factors had excellent goodness of fit statistics and reliabilities.

6.2.1 Organisational Commitment

| Hypothesis 2.0 |
| Organisational commitment will be correlated with the following characteristics: |
| Alignment to organisational goals and objectives |
| Loyalty to the organisation openly expressed |
| Commitment to continuous change |
| Strive for excellence for the benefit of the organisation |
| Energy to try new ideas on behalf of the organisation |

The items making up organisational commitment and their loadings are set out in Table 39. This is an excellent result and confirms hypothesis 2.0 as predicted for organisational commitment.
TABLE 39 Factor, Organisational Commitment

<table>
<thead>
<tr>
<th>Items</th>
<th>Item Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a commitment to continuously change to make things better</td>
<td>0.71</td>
</tr>
<tr>
<td>Staff are committed to achieving the organisation's goals and objectives</td>
<td>0.65</td>
</tr>
<tr>
<td>There is a strong sense of unity among the supervisors</td>
<td>0.58</td>
</tr>
<tr>
<td>Staff strive for excellent performance</td>
<td>0.59</td>
</tr>
<tr>
<td>There appears to be a lot of energy to try out new ideas</td>
<td>0.68</td>
</tr>
</tbody>
</table>

These results were supported from the site visit interviews relating to the best and worst aspects of working for WCC (Section 5.4.6). Twenty nine percent of favourable responses directly related to themes similar to the responses in the organisational commitment questionnaire. These responses involved commitment to continuous improvement and the ability to be creative.

6.2.1.1 Comparison Of Results With Organisational Commitment Research

The results of the current study mirrored previous research on Organisational Commitment. The items that made up the factor Organisational Commitment are similar to affective or emotional commitment (Buchanan, 1974; Mowday, Steers & Porter, 1979; O’Reilly & Charman, 1986; Sheldon, 1971). Interestingly the item with the highest loading, relating to continuous change, was an item not included in the original Organisational Commitment Research. The item was included to reflect the contemporary issues industries need to address outlined in Chapter 2. This raises the question of whether there are other items not tested in the current study that should be incorporated in future testing of commitment scales? Given the importance of the factor “trust” in the other two empowerment context suggests that items relating to trust should be considered in future research on organisational commitment.

The current model identified organisational commitment as affective. However the site visit identified strong evidence of calculative commitment. Calculative commitment relates to the perceived cost of leaving the organisation (Ritzer & Trice, 1969). Examples of calculative commitment found in the study included the identification of working conditions and extrinsic reinforcers as the best reason for working in the organisation. This accounted for 33% of responses to the question what is the best feature of working for WCC (Section 5.4.6). Responses related to work hours, job security, sick leave policy and other employee benefits. Largely females identified these responses.

Furthermore the organisation’s own culture survey identified that it would only take a small change in job circumstances for one in three employees to leave the organisation. Divisions with low commitment scores (Divisions 2,4,5) were also the divisions that had the highest number of staff reporting the desire to leave the organisation in the organisations own culture survey.

Research is needed to consider the role of outside factors (eg family commitments, travel times to work) more thoroughly to identify how these factors develop and contribute to organisational commitment. An alternate question (and an alternate explanation) is whether the extrinsic factors relating to calculative commitment may become internalised over time? In other words is there a difference in calculative and affective commitment as it affects the emotions of staff over time?

6.2.2 Team Empowerment

Hypothesis 3.0
Team empowerment will be correlated with the following characteristics;
- Pride in belonging to the team
- Commitment to team goals and objectives
- Enthusiasm by all team members to complete tasks
- Perseverance to work with the team in the face of obstacles.
Hypothesis 3.0 was supported. The items making up team empowerment and their loadings are identified in Table 40.

<table>
<thead>
<tr>
<th>TABLE 40 Factor: Team Empowerment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Items</td>
</tr>
<tr>
<td>-----------------------------------</td>
</tr>
<tr>
<td>Staff within your team trust that the information they receive from their supervisor is accurate and comprehensive</td>
</tr>
<tr>
<td>The success of your team in achieving their goals is crucial to the achievement of the organisation’s mission and vision.</td>
</tr>
<tr>
<td>If there is a problem your team will persevere until a high quality outcome is achieved.</td>
</tr>
<tr>
<td>There is a strong sense of pride within your own team.</td>
</tr>
<tr>
<td>Staff within your team are highly motivated and enthusiastic</td>
</tr>
<tr>
<td>Your team is very receptive to learning new ideas</td>
</tr>
</tbody>
</table>

The factor was labelled as Team Empowerment as 4 of the items are identified in the original questionnaire as relating to team empowerment. The other two items relate to intrinsic motivation within a team context in the original questionnaire. These results suggest that team empowerment and intrinsic motivation may be two components of the one factor. These results need to be replicated.

6.2.2.1 Exploring The Concept Of Team Empowerment

An important question that this study raises is whether the concept of team empowerment relates to a particular subculture within a particular work team or a general norm of teamwork within the organisation or both. An outline of the two alternate explanations is provided below.

Team subculture may develop within the immediate work environment where members interact over time and address problems co-operatively with collective understanding supporting concerted action (Bacharach & Lawler, 1980; Frost et al., 1985; Lucas, 1987; Mintzberg 1983, Robins, 1987). Frost et al., (1985; p37) states that as subgroup members interact over time and address problems co-operatively, a collective understanding forms to support concerted action. “These perspective’s are likely to pertain not only to the nature of the work and to the solution of task-related problems, but also to the nature of organisation”.

Team empowerment in this research may also be related to the norm of teamwork throughout the organisation. The fact that team empowerment was not influenced by the level in the hierarchy may indicate that team empowerment may describe consistent norms for team behaviour throughout the organisation.

There was documented evidence that the organisation was focusing on teamwork which was not always associated with their immediate work environment :-

- There is evidence that the systems in the organisation support the norm of teamwork.

Teamwork is an integral component of the organisation’s internal training program. Teamwork is a written “value” of the organisation. The recognition system in the organisation is focused on teamwork recognising quality improvement teams and business planning results.

- The business planning process varied in the organisation with some managers placing emphasis on division collaboration rather than immediate work team effort.

- Policy development and planning is conducted through the use of cross functional teams not immediate work groups.
• Strong teamwork was also evidenced by the relatively large number of active quality improvement teams, particularly at lower levels of the organisation. These teams often crossed divisional boundaries. These teams were also closely aligned to the organisational recognition systems. Records kept in the human resources department indicated that 42% of employees had been given an opportunity to participate in a quality improvement team to date. However a contrary view is presented in the staff culture survey which identified that one in two members of staff remain unconvinced that the quality improvement program is well managed within council.
• An example of cross team cooperation is provided from the response of a staff member to the repeat question on improving teamwork “Across the organisation? Cross functionally terrific, is great in terms of building roundabouts to informal planning meetings, setting up building a new community centre, fantastic at that level really great.” (Division 2)
• The feedback report on the 1996 application for an Australian Quality Award indicated that “WCC has a successful team structure”.

The concept of team empowerment also needs further investigation regarding its relationship to similar concepts in many motivational leadership theories including McGregor Theory Y (1966); Ouchi Theory Z (1981); Likert System 4 (1967); and Blake & Mouton Leadership style 9.9 (1964). Strong teamwork has been identified as shared insights and mental models in learning theory (Senge, 1990), inspirational motivation in transformational leadership (Bass, 1985) and a commitment to work together to make things happen in empowerment research (Gitlow & Gitlow, 1994).

This study raises the question as to how do the individual items that make up the concept of team empowerment interact to influence the effectiveness of the team? This knowledge is of consequence because the socio-dynamics that occur in such groups may be more important than the task-relevant skills of individual group members in determining group effectiveness. The current research indicates team empowerment as having strong interpersonal processes by displaying high levels of motivation and enthusiasm. Previous research has identified interpersonal skills as not well practiced by most individuals in organisations, nor are they easily learned (Argyris, 1969; Argyris & Schon, 1974). It is not a simple undertaking to assume individual members with relevant skills form a compatible mix (Hackman, 1985).

There is little research and therefore understanding of the synergy created through teamwork. Although social psychology literature has articles identifying the consequences of homogeneity versus heterogeneity of group membership (Hill, 1975; Schultz, 1958; Steiner, 1972), research has not considered the “softer” aspects of interaction, particularly involving those having to do with social skills, needs and relationships (Hackman, 1986). Research on team empowerment needs to take into consideration conditions under which the teams will be effective and specific action steps to be taken to create and maintain such teams in different settings.

A related question is what is the relationship between the norm of teamwork and team empowerment. (Schein, 1985). Norms influence work effectiveness relationship with other groups, influence personal growth and well being (Hackman, 1976), the degree of risk taking (Davis, 1969), social interaction within the group (Wooden, 1990), motivation and satisfaction of individuals within the team (Glick, Jenkins & Gupta, 1986).

6.2.2.2. Self Directed Work Teams

Hypothesis 3.1
Team empowerment will display the characteristics of self directed work teams. That is, within teams in the organisation delegated authority will include policy decision making, budgetary control and day to day decision making.
Hypothesis 3.1 was not supported. Self-directed work teams have delegated authority. The Adequacy of Authority Questionnaire was used in the current study as a measure of delegated authority within teams in the organisation. (Section 5.4.4). The results of the Adequacy of Authority Questionnaire identified that delegated authority was not evident at lower levels of the organisation. There was evidence in the organisation that delegated authority was significantly reduced at team leader level:

- The feedback report on the 1996 Application for an Australian Quality Award. The report made the following comments: “While responsibility for services and standards has been devolved to first line supervision in some areas of the Engineering Division and IT, there may be scope to encourage further devolution of responsibilities into other Divisions”. (Category 7, Leadership). Furthermore “There is an opportunity to extend consultation and input to the planning process to lower levels of the organisation” (Category 2 Planning).

- The organisation’s enterprise agreement survey. The survey indicated that only 40% of team managers have been involved in the development of business plans compared to 84% of assistant managers and 100% of managers.

- The site visit identified that teamwork in particular workgroups was more important in some divisions and in some tasks than others. For example an employee from Division 2 identified, “In a lot of incidences there isn’t a lot of overlap and there’s no need for people to have any team work because of the diversity of the division, there’s not a lot of opportunities for divisional team work, I don’t think.”

Before the conclusion can be drawn that team subculture was not evident in the organisation the question is raised why did 59.3% of staff respond in the survey that delegated authority could not be further delegated to team level? An explanation may be that the actual questions in the Adequacy of Authority questionnaire were not relevant to actual behaviours evident by supervisors at lower levels of the hierarchy. The questions of budget and human resource policy from the Adequacy of Authority questionnaire may be more relevant to managers higher up in the hierarchy who were responsible for strategy formulation. The questionnaire therefore may not be applicable to team managers at lower levels of the hierarchy who are responsible for day to day administration. From the site visit it became evident that team leaders had less input into the business planning process than assistant managers. Team leaders often gave more “hands on” responses involving day to day issues than assistant managers. Previous studies have found delegated authority at lower levels is influenced more from within the group rather than from outside the group. (Mantz & Sims, 1987; Poza & Markus, 1980; Walton, 1977).

The results of the Adequacy of Authority questionnaire is not supported by the L/E questionnaire, which found no difference between level in the hierarchy for team empowerment. Further strategies will need to be developed to measure the usage of self-directed teams within the organisation.
6.2.3 individual empowerment

**HYPOTHESIS 4.0**
Individual Empowerment Will Be Correlated With The Following Characteristics:

- Goal alignment. Employees understand the interaction between individual goals, team goals and organisation's goals.
- Employees feeling competent and self confident in achieving the goals set.
- Employees prepared to initiate action and to risk take.
- Employees display innovative approach to problem solving.
- Employees feel they have an impact on decision making, are fairly treated, and view their job as important.
- Employees are intrinsically motivated to reach their full potential.
- Employees have the desire to learn and grow and to achieve.
- Employees enjoy the tasks they perform.

Hypothesis 4 was partly supported. The results indicated that individual empowerment was three factors and not one as predicted by the model. The factors making up individual empowerment and their loadings are outlined in Table 41A, 41B and 41C. Only one item did not appear in any factor. This item related to employees displaying an innovative approach to problem solving.

<table>
<thead>
<tr>
<th>TABLE 41A Individual Empowerment : Capability (Alpha score=0.76)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Items</strong></td>
</tr>
<tr>
<td>You are confident in your ability to influence decisions with your supervisor related to your work</td>
</tr>
<tr>
<td>You can see how the team goals are achievable</td>
</tr>
<tr>
<td>You are confident in influencing decisions within your own team</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TABLE 41B Individual Empowerment Job Satisfaction (Alpha score=0.66)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Items</strong></td>
</tr>
<tr>
<td>Your job gives you a great deal of personal satisfaction</td>
</tr>
<tr>
<td>You have achieved more in your position than what you originally expected</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TABLE 41C Individual Empowerment Intrinsic Motivation (Alpha score=0.64)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Items</strong></td>
</tr>
<tr>
<td>You enjoy tasks that allow you to learn and grow</td>
</tr>
<tr>
<td>You are willing to take reasonable risks to increase the quality of your work</td>
</tr>
</tbody>
</table>

Table 41A was titled "Individual Capability". This was due to the fact that: two of the items directly related to confidence in influencing decision making i.e. capability in the original questionnaire. The third item is a characteristic related to capability in relation to goal alignment. Table 41B was titled "job satisfaction". The question on job satisfaction had the highest loading (0.84). The second question was consistent with the notion of job satisfaction. Table 41C was titled "Intrinsic Motivation".

Reliability analysis produced alpha scores of acceptable levels (shown in the Tables). The lower reliabilities for these factors is typical of factors that have only a small number of items.
The results on individual empowerment are similar to those found by Hayes (1994). Hayes (1994) found empowerment, defined as the extent to which employees believe they have the authority to act on their own to increase quality, was positively related to job satisfaction, employees feeling valued and higher levels of job variety, importance and participation. Each factor will be discussed below.

6.2.3.1 Individual Capability

Individual capability in the current study is related to the ability to influence decision making. Knowledge therefore is related less to staff being able to complete tasks (Schunk, 1984, Vandura & Cervone, 1986), and more to their involvement in the decision making process. Participative management theories view ego involvement in decision making as more important than the decision itself (Robbins, 1993; Rousseau, 1978; Vroom and Deci, 1960). Macher (1988) provides an example of highly competent persons with a sense of purpose who were totally frustrated due to their inability to do a good job because of bureaucracy or not being treated fairly within the system. The conclusion is that people must be able to exert power and influence while working in good faith with others.

There is general agreement that competence is integral to the concept of empowerment. (Bandura, 1972; Thomas & Velthouse, 1990; Hackman & Lawler, 1977). Individuals who are able to perform their job well can continue to be motivated. Individuals who do not have the knowledge and skill will become frustrated as greater effort will not lead to achievement. (Bandura, 1971, 1976, 1977, 1988; Conger & Kanungo, 1988; Senge, 1990). This study identifies that the ability to influence presents an alternate view on the important items that make up individual’s feeling of competence. Future research needs to expand the concept of influence in decision making. What type of influence is important?

The concept referred to as ability to influence in this study, has in previous research been directly related to feeling valued. (Thomas & Velthouse, 1990; Story, 1995; Tibbit, 1993). Valued employees perceive that their job is making a difference in the organisation (Buchanan, 1974; Hartmen, 1984; Tebbit, 1993). Reference is often applied to feeling valued and not being seen as an instrument (Nixon, 1994). Feeling valued enhances self esteem (Buchanan, 1974; Stumpf & Hartmen, 1984; Schein, 1984). Self esteem is a “global” evaluation of the self and is a prerequisite to satisfying higher order needs (Pierce, Gardener, Cumming & Dunham, 1989).

This research points to the need to consider the association between the construct of individual empowerment and organisation-based self esteem (OBSE). It has been defined (Pierce, Gardener, Cumming & Dunham, 1989: p 625), “as the degree to which organisational members believe that they can satisfy their needs by participating in roles within the context of an organisation”.

In the current study the ability to influence was associated with the individual’s alignment to team goals. Individual alignment to team goals has been identified as a prerequisite of empowerment as individuals must understand how the mission of the organisation is interpreted to their roles and the role of their team (Bennis & Nanus, 1985; Block, 1987; Bowen & Lawler, 1995; Macher, 1988). This results in an emotional commitment by employees to the team and the change process through accepting their individual responsibility for being part of the implementation process (Bennis & Nanus, 1985; Kanter, 1983; Marszalek, Gaucher & Coffee, 1990).

6.2.3.2 Job Satisfaction

The second factor for individual empowerment related to job satisfaction. The results of the current study are consistent with the majority of participation models. The participation models do not predict increases in productivity without initial increases in worker satisfaction. They argue that improved attitude reduces resistance to change and increases motivation through the satisfaction of needs (Cummings & Berger, 1976; Morse & Reiner, 1956; Porter, Lawler, and Hackman, 1965). This results in reduced absenteeism, turnover, sabotage and labour unrest

6.2.3.3 Intrinsic Motivation

The third factor for individual empowerment related to intrinsic motivation. This involved the willingness to take risks, and the ability to learn and grow. Intrinsic motivation is equated to satisfying higher order needs or the desire for personal growth (Bass, 1985; Hopfl, 1995; Jackins, 1980; Machler, 1988). The desire to satisfy higher order needs are based on early theories of motivation and employee participation in decision making (Alderfer, 1969; Maslow, 1970; Davis, 1966; McGregor, 1960; Strauss, 1973; Vroom, 1960, 1969).

An outcome of this study was that the item “risk taking” was identified as aligned to intrinsic motivation while the anticipated items relating to innovation did not appear in the factor on intrinsic motivation. This may be due to terminology. The staff used the terminology “continuous improvement” for any process and solution outcomes and did not refer to the terms “creativity” or “innovation”. The organisation has received four separate awards for innovation in various local government awards. The staff viewed these projects that received awards in terms of continuous improvement, not in terms of innovation and creativity. Furthermore due to limited opportunities for comparison outside the organisation staff did not appreciate their “innovativeness”. There was substantial evidence of innovation within the organisation principally through the end result of quality improvement projects. Projects involving creativity evidenced during the site visit included re-engineering of existing services and joint research projects with Universities.

In relation to individual empowerment future research is required on the impact of personality on an individual’s perception of empowerment. A personality item that should be investigated is locus of control. People who rate high in external locus of control are less satisfied with their jobs, have higher absenteeism rates, are more alienated from work setting and less involved in their jobs than are internal loci people (Lefcourt, Martin & Saleh, 1989; Spector, 1982).

6.2.4 Conclusion for Contexts Of Empowerment

This study supports the outcomes of organisational citizenship behaviour research that has stressed the importance of context. Empowerment is not one factor as assumed by past research but three depending on the context of the interaction.

Organisational empowerment is a concept similar to organisational affective commitment. The lack of research on organisational commitment as an empowerment factor and an end result of TQM can no longer be ignored. There was evidence of calculative commitment in the organisation. The relationship between affective and calculative commitment in relation to empowerment behaviour needs to be explored in future research. The concept of team empowerment in the current study had characteristics similar to the literature on team cohesiveness. Future research needs to identify whether team empowerment relates to the norm of teamwork throughout the organisation or to teamwork within the immediate work group or both. Individual empowerment is related to the ability to influence decision making with the team and the supervisor. The relationship between being able to influence and the feeling of being valued needs to be explored. Individual empowerment also involves job satisfaction and the willingness to learn and grow.

The current study has identified empowerment as an important area requiring further research. For each empowerment context there is a need to understand the intended meaning of each item and the relationship between items. This analysis is required both within and between contexts. Furthermore the items need to be analysed with respect to which are the psychological basis of empowerment (for example “values”) and, with respect to the likely consequences (for example “extra effort”).
Further investigation is required as to how to measure empowerment in an organisational setting. How is empowerment actively "lived" by employees? Is it the liveliness of discussion, or the amount of interest taken by workers? Only field experiments can adequately test the propositions that there is a concept of empowerment that is practiced in organisations.

Retest is an obvious first step towards further development of the theory on empowerment. A longitudinal study of the same organisation would be useful to test the stability of the measures over time. Similar studies need to be conducted with employees from a variety of organisations. This is an essential requirement in providing definitive answers to many of the questions raised by the outcomes of this research.

6.3 Hypothesis On Interaction Of Empowerment Factors

<table>
<thead>
<tr>
<th>Hypothesis 5</th>
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<tbody>
<tr>
<td>Empowerment behaviour will be staged with individual empowerment being antecedent to team empowerment and team empowerment antecedent to organisational commitment.</td>
</tr>
</tbody>
</table>

Hypothesis 5.0 on the relationship between empowerment behaviours was accepted. Individual empowerment was antecedent to team empowerment. Team empowerment was antecedent to organisational commitment. The paths were all in one direction. The association between the three contexts was complicated by individual empowerment having three factors. The total and indirect effects of the empowerment matrix is set out in Appendix 36 and identified in Figure 8. Individual capability had both a direct and indirect (via job satisfaction) relationship to team empowerment. Job satisfaction had a direct relationship to team empowerment and organisational commitment. Individual empowerment relating to intrinsic motivation did not link to any other factor. There was a strong direct relationship between team empowerment and organisational commitment.
This study addressed past criticism of research on organisational commitment that did not test reverse causation (Meyer & Allen, 1988). This study found no reverse causation.

This study agrees with Cooks & Rosseau (1988) who stated that rather than asking how an organisation’s generalised culture affects performance, it may be more accurate to study how its multiple subcultures interact to influence outcomes. There is substantial evidence in the literature of multiple subcultures in organisations affecting performance (Robbins, 1987; Smircich, 1983; Smith & Kleiner 1987). This study adds to this debate by identifying that there may be a linkage between subculture and organisational culture as identified in the linkages between empowerment factors. Furthermore, this study indicates that there needs to be an additional question investigated in relation to culture and performance. The question should be how does the interaction between the various empowerment contexts influence performance? The principle flows between empowerment contexts are discussed below.

6.3.1 Relationship Between Individual Capability And Team Empowerment

The current study found individual capability antecedent to team empowerment. The current model identifies that empowered teams are composed of empowered individuals (capability). The reverse cannot be assumed. This study found that team empowerment is not antecedent to individual empowerment, and therefore does not lend support to studies from T groups, and organisational development theory (Porras and Berg 1978), and learning theory (Burgeone, 1995) that support the proposal that team processes lead to individual development.

A group of empowered individuals based on individual capability do not automatically create an empowered team. The range of items antecedent to team empowerment indicates that individual empowerment is not the same as team empowerment. There are factors influencing the individual in a team situation that may be particular to that team. The empowerment literature to date has assumed the two empowerment constructs to be similar.

6.3.2 Relationship Between Team Empowerment And Organisational Commitment

Previous studies have found items relating to individual empowerment antecedent to organisational commitment. This study found an intervening step of team empowerment. The perception that one has influence on the job and work unit as identified in the factor on individual
capability has previously been shown to have a direct effect on commitment enthusiasm and organisational citizenship behaviour (Organ, 1988). Future research in this area should include items on team empowerment.

The results support the notion that empowered organisations are composed of empowered persons, although it is not necessarily true that a group of empowered persons automatically creates an empowered organisation. The relationship between team empowerment and organisational commitment needs to be replicated. Previous studies have found a positive relationship between group cohesion and organisational commitment (Store & Porter, 1975). However other structures have found a negative relationship has also been obtained (Howell et al, 1980). Mathieu & Zajac (1980) carried out a meta analysis on the three studies and confirmed results were not due to statistical artifacts between studies.

The fact that team empowerment acted as a strong mediator for items leading to organisational commitment supports the proposition that team members judgment about the organisation may be influenced more strongly by the people with whom they interact than by influence of the leader (Rice & Aydin, 1991; Salancik & Pfeffer, 1978). Studies clearly indicate that group norms, drive and cohesiveness are often more important than management, supervision, and other organisational factors in determining levels of individual and group productive output. (Green, 1979;). This suggests that team empowerment is the critical success factor for organisational commitment. Future research needs to investigate whether it is the subordinate not the leader who exert greater influence on the others behaviour. The effects of the group on individual performance may still be substantial.

Groups also serve as primary links with other groups at all levels, whether above, below, or laterally. How well the groups in an organisation network among themselves, recognising their independence and build ways to enhance it, may be a major determinant of organisational well being. In so far as it is successful in empowering and creating energy, the linking of individual and organisation through the group becomes even more important.

The importance of team empowerment indicates that future research needs to assess the importance of individual differences in their ability to work in teams (Driskell, Hogan & Salas, 1988). Previous research on Person –Organisational fit has considered involving matching the personality characteristics of individuals to the principle organisational culture (Brown, 1969; Hall., 1971, Kindron, 1978; Patchen, 1970; Steers, 1977).

6.3.3 Relationship Between Job Satisfaction And Organisational Commitment

Job satisfaction was found to be an important antecedent to organisational commitment. The current study found that the importance of job satisfaction is that it had a mediating role for both team leadership and individuals feeling capable leading to the factor of team empowerment. The direction was unidimensional.

The mediation role of job satisfaction is supported by commitment research, participation research, productivity studies and to TQM generally. This study supports previous research identifying job satisfaction as a precursor to commitment (Iverson & Roy, 1994; Koch & Steers, 1978; Marsh & Mannari, 1977; Mathieu & Haleml, 1989; Porter & Steers, 1982; Price & Mueller, 1981; Steers, 1977; Stevens, Beyer & Trice, 1978; Williams & Hazer, 1986). Future research needs to ascertain whether job satisfaction has a temporal relationship to organisational commitment as predicted by Porters Steers and Boulain (1974). Others have found no time lag (Curry, Wakefield, Price and Mueller 1986).

The TQM literature also advocates a strong relationship between job satisfaction and performance (Deming, 1993) and between job satisfaction and customer satisfaction (Schneider & Baren, 1993).
These results are supportive of motivational theorists who predict an increase in job satisfaction brought about by participative management (McGregor, 1960; Ouchi, 1981). However the results point to the nature of the participative leadership. Team leadership is important rather than individual leadership practices or organisational climate. The finding may address why some studies found no correlation between leadership and job satisfaction. They were measuring individual leadership practices.

Given that the correlation was unidimensional and not in the opposite direction argues against the notion that job satisfaction leads to certain leadership behaviours. Similarly no support was given that team empowerment results in increased job satisfaction.

6.3.4 Importance Of Intrinsic Motivation

In this study intrinsic motivation did not relate to team empowerment or organisational commitment or any other factor. Further investigation is required to determine whether the items were relating more to self development per se. In other words this factor relates to individual contribution, similar to need for achievement (McClelland, 1961) as opposed to affiliation with the team. A further explanation is that the essence of the factor was not captured by the availability of the right type of questions in the questionnaire. Organisational climate and not individual or team leadership influenced intrinsic motivation in this study. This result supports the theories that an employee’s attitude towards the organisation directly affects their perceptions of their self (Bem, 1972).

The linkages between the three empowerment context is similar to the description outlined in Ouchi’s (1981) Theory Z. The distinguishing factor is that this study identified behaviours under three contexts of empowerment while Ouchi described the behaviours in the context of organisational culture. Ouchi (1981) likens Z companies to clans in which the associations among people are intimate. A clan is a culturally homogeneous organisation, one in which most members share a common set of values or objectives and beliefs about how to coordinate efforts in order to reach common objectives. The clan functions by socialising each member completely so that each merges individual goals with the organisational ones, thus providing them with the motivation to serve the organisation. The merged goals socialise the individuals completely and provide them with information on the best way to get things done, thus making this decision making process almost instinctive.

6.4 Hypotheses Related To Leadership Contexts

<table>
<thead>
<tr>
<th>Hypothesis 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>The perception of leadership will vary in the same individual depending on the context in which it is being measured: the individual, the team, and the organisation.</td>
</tr>
</tbody>
</table>

The results indicate that hypothesis 6 was supported. The perception of leadership does vary depending on the context in which it is being measured. For individual leadership the goodness of fit analysis supported the model tested. For team leadership and organisational climate the goodness of fit indicators were within acceptable limits except for chi square. This indicates the need for caution in interpreting the results. The leadership factors may relate to items other than those identified in the questionnaire. Support for the acceptance of the hypothesis that leadership does vary between context is provided in the structural equation model where the three factors had varying influence on each of the contexts for empowerment.

The results from the L/E questionnaire and findings from the site visit will be outlined below for all three leadership contexts. The implications of the findings to Leadership Theory will be discussed at the conclusion to the section and in the next and final chapter of this thesis.
6.4.1 individual leadership

Hypothesis 7
Individual leadership will be correlated with the following characteristics

Competence
• Goal Alignment. Participation by employees in individual, team and organisational goals.
• Data that is useful, accessible, appropriate
• Resources available to complete tasks

Innovation
• Recognition system encourages risk taking

Commitment
• Environment of Trust through two way communication
• Performance Management focusing on individual intrinsic motivation

Hypothesis 6 for individual leadership was supported. Of the possible 20 items on individual leadership, 19 were involved in first order factors. Of the 19 only two were repeated in two factors. The items and their loadings making up the first order factor for individual leadership is set out in Appendix 29. The three individual leadership factors shown above were subject to second order factor analysis. The results of the second order factor analysis are presented in Table 42.

<table>
<thead>
<tr>
<th>TABLE 42 Individual Leadership—Second Order Factor Items.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your supervisor listens to your work related ideas on how to improve performance</td>
</tr>
<tr>
<td>Your supervisor communicates in such a way that you feel you could raise any work related issue with them</td>
</tr>
<tr>
<td>Your supervisor encourages you to think of old problems in new ways</td>
</tr>
<tr>
<td>Your supervisor ensured that you were involved in the development of goals and objectives for the team</td>
</tr>
<tr>
<td>Your supervisor clearly demonstrates to you their own personal commitment to the organisation’s goals and objectives</td>
</tr>
<tr>
<td>Your supervisor ensures that you fully understand the policies and procedures involved in carrying out your work</td>
</tr>
<tr>
<td>Your supervisor will take time out to assist you when you are unsure of a procedure related to your work</td>
</tr>
<tr>
<td>Your supervisor gives you constructive feedback on how you are performing</td>
</tr>
<tr>
<td>Your supervisor would personally pay you a compliment if you did outstanding work</td>
</tr>
<tr>
<td>Your supervisor would assist in gaining you a promotion if you consistently did outstanding work</td>
</tr>
</tbody>
</table>

The second order factor on individual leadership was made up of items from each of the three individual leadership factors. The second order factor indicates that individual leadership is supportive of the individual. The leader listens to the individual and communicates in such a way that the individual feels that they could raise any work related issues. The leader concentrates on
developing the capability of staff through their involvement in the formulation of goals and objectives. This also includes thinking of old problems in new ways. The leader ensures staff understand policies and procedures and would take the time to assist if the individual had difficulty in carrying out their work. The importance of role modelling the appropriate behaviour is an important leadership attribute. The leader throughout would give constructive feedback, and compliment the individual for outstanding work. The leader would support the individual in gaining a promotion for consistent effort.

6.4.1.1 validation of the individual leadership factor

Three questions in the individual leadership factor were repeat questions at the site visit. Each will be discussed below. A fourth repeat question is discussed that did not result as an item in the factor. A possible explanation for the exclusion of the item is provided. The repeat question will be identified followed by discussion of the results.

6.4.1.1.1 Individual Leadership Repeat Question Number 1: “Your supervisor listens to your work related ideas on how to improve performance.”

The frequency of responses at each level of the hierarchy to the site visit repeat question, on supervisory listening skills is outlined in Table 43.

**TABLE 43 - Responses To The Repeat Question On Supervisory Listening Skills.**

<table>
<thead>
<tr>
<th>Level within the Hierarchy</th>
<th>Poor</th>
<th>Satisfactory</th>
<th>Good</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3</td>
<td>2</td>
<td>7</td>
<td>12</td>
</tr>
<tr>
<td>2</td>
<td>5</td>
<td>10</td>
<td>9</td>
<td>24</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>7</td>
<td>4</td>
<td>14</td>
</tr>
<tr>
<td>4</td>
<td>9</td>
<td>3</td>
<td></td>
<td>12</td>
</tr>
</tbody>
</table>

Those interviewed appeared to have no difficulty interpreting the question. There was general concern with the lack of bottom up communication at all levels of the organisation. The nature of the response varied depending on the level in the hierarchy. Managers identified examples of where they felt they were not being listened. For example, “Well yes and no. There are some issues that there is no discussion on. When we stick our head out and say that we don't think this person is doing what is most helpful. It is not heard. It is not acted upon. I think there are other agendas going on that get in the way of getting the job done effectively.” (Division 5)

The assistant manager’s negative comments to the question on supervisory listening skills often referred to the lack of accessibility to managers or their availability to listen. An example “Yes sometimes it can be, you feel the lights are on but there’s no one home you know when you’re trying to case something if you want to make a point or you feel the point that you are making is very important but perhaps it’s not received that way. I mean the door is always open that’s not the problem. The listening process needs to be enhanced a bit more rather than the talking. We need to learn how to listen a lot better.” (Division 2).

The responses at team leader level were more task oriented. For example, “Does he listen to you? He basically wants you to go away and do it. He doesn't want to know unless he has to - that’s his style and that works well with some people - I don't mind it - but every now and again you feel a bit abandoned.” (Division 8)

In groups, this question did not generate much discussion. The general agreement as to the satisfactory nature of listening skills may have been due to concern that the information from the focus group may be repeated outside. Some staff did not see it as an issue. The site visit found that staff at lower levels of the hierarchy often had substitutes for leadership communication. The
further down the hierarchy the greater identification of unions as a possible substitute for leadership influence. “I’d suggest our organisation does have a problem. I really question how the outside staff really feel about it. But I’ve questioned whether people are saying what they really think. At meetings these people usually listen to the union not their boss.” (Division 3).

There were responses to the question on supervisory listening skills, which indicated a lack of trust in the organisation. “No what they say and what they do doesn’t match up - be better off biting my tongue on that matter because that’s going to get back. (Division 8). A second example “I think some trust some and maybe most trust most but we don’t trust each other. I am not sure where the mistrust is. I don’t think there is enough projects that actually bring the divisions together. I think there are opportunities to actually bring the divisions together and not just produce an outcome but actually learn something from the process. I don’t think there is enough trust for me to say I have made a big mistake about this. There is not that kind of honesty.” (Division 5).

Further evidence from the site visit identified that communication was more top down than bottom up. The lack of bottom up feedback was supported by the feedback report on the application for an Australian Quality Award in 1996: “While there was overwhelming approval of the visits made by the Executive Team to different work areas, there appeared to be a much greater variation in effectiveness of manager-staff communication.” “An opportunity exists to put in place a more systemic process which requires regular face-to-face communication between managers and staff, and to measure the effectiveness of this”. “Whilst surveys are undertaken to evaluate the effectiveness of communication, received by employees, there is an opportunity to extend the survey to determine the level of satisfaction employees have with their attempt to communicate upwards to management.”

6.4.1.1.2 Individual Leadership Repeat Question Number 2
“Your supervisor gives you constructive feedback on how you are performing”

To the repeat question at the site visit relating to constructive feedback on how an individual is performing the managers were consistent in their concerns regarding lack of feedback. The frequency of responses in each level of the hierarchy is provided in Table 44.

<table>
<thead>
<tr>
<th>TABLE 44 - Responses To The Repeat Question On Constructive Feedback.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Level within the Hierarchy</strong></td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
</tbody>
</table>

Those interviewed appeared to have no difficulty in interpreting the question. These responses are consistent with the previous factor of trust and limitations in bottom up feedback. The scoring of a “satisfactory” response to the question at the site visit was related to the fact that as managers, they didn’t expect feedback or only expected the feedback for bad performance. Typical responses included: “We don’t get a lot of pats on the back for being a productive group saying well done, and I think its more a function of the style of the two people above. They’re not very good at getting feedback at a personal level or positive feedback.” (Division 10). A second example: “You know because I’m a feedback junkie, so but you got to temper that with, no there’s not a lot there, you’re basically left to your own devices, you guys are big boys, you guys are workings to strategies, it’s like come on we don’t have to wipe your bottoms.” (Division 7)
6.4.1.1.3 Individual Leadership Repeat Question Number 3:
"Your supervisor ensured that you were involved in the development of goals and objectives for the team"

The frequency of responses to the question on involvement in the preparation of goals and objectives at each level of the hierarchy is set out in Table 45. The result raises questions on the interpretation of the question in the L/E questionnaire.

<table>
<thead>
<tr>
<th>Level within the Hierarchy</th>
<th>Poor</th>
<th>Satisfactory</th>
<th>Good</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>10</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>3</td>
<td>9</td>
<td>12</td>
<td>24</td>
</tr>
<tr>
<td>3</td>
<td>7</td>
<td>7</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>2</td>
<td>10</td>
<td>12</td>
<td></td>
</tr>
</tbody>
</table>

This question was open to a range of interpretations particularly at lower levels of the organisation. There was fairly high consensus at all levels that goals and objectives referred to either the corporate plan for the organisation or to the team business plan.

The confirmatory factor analysis to this question in the questionnaire indicated that managers had significantly different means from assistant managers, team leaders and groups. The results are in Appendix 37. This is consistent with the site visit where managers consistently interpreted the question correctly and had the most positive responses to the organisational goals and objectives. The direction of the means with the “group” having the lowest mean is also consistent with the site visit.

The confusion in interpretation increasingly occurred at lower levels of the organisation. This may be due to decreasing involvement of employees in the planning process lower down the hierarchy. Most assistant managers identified the linkages between business plans and the corporate plan which included the organisation’s goals and objectives. Only three of the twenty-four assistant managers were highly critical of the process. An example of a response; “There are problems of people reading the division’s business plan because of the jargon that we use in the course of writing the plan after seeking input from various people in the division.” (Division 5).

There was variability between team leaders in their knowledge between the team and organisational business plan or the content in the plans. For example; “The planning is very hierarchical in that we all plan for our own section and then it goes to the next level and the next level. It builds up that way like I’ll plan some on management accounting and I’ll bring that plan to our group meeting but generally I wouldn’t sit down with C.... and see what she’s planned. C.... doesn’t sit down with me.” (Division 10)

Some staff in groups were not aware of what the organisational goals and objectives were. In all groups a staff member was aware of the goals and objectives and identified them to others. Similar reactions occurred regarding involvement in their formulation. The majority automatically said no. However, after explanation of their planning days contribution to the organisational goals and objectives, their responses changed. For example; “No, I wasn’t part of the corporate plan. No, I wasn’t because the corporate plan is something that J.... does but all Jackie does is pull it together, it’s that hierarchy that develops it.”

"How can you say no? You’ve actually just done a business plan, you’ve had three hours of meetings for your business plan which is explainable for part of the corporate plan."
"Yes, well I agree with C....... things are a lot of people maybe in the division are maybe scared off by those words, the strategic plan, but if you really told them what it was about, then I yah well I'm a part of that."

A reduction in the involvement of lower level employees in strategic planning was further supported by additional information obtained during the site visit. The enterprise agreement survey for the organisation (September 1996) asked the question: "During the previous twelve months, have you been involved in the development of your Division's Business Plans?"

YES / NO

The responses are in Table 46.

**TABLE 46 Survey Results Enterprise Agreement-Planning Involvement**

<table>
<thead>
<tr>
<th></th>
<th>Managers</th>
<th>Assistant Managers</th>
<th>Team Managers</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>100%</td>
<td>84%</td>
<td>40%</td>
<td>27%</td>
</tr>
<tr>
<td>No</td>
<td>0%</td>
<td>9%</td>
<td>47%</td>
<td>58%</td>
</tr>
<tr>
<td>No Response</td>
<td>0</td>
<td>7%</td>
<td>13%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Furthermore the feedback report on the application for an Australian Quality Award indicated: "There is an opportunity to devolve business plans to all levels of the Wollongong City Council organisation to increase ownership."

A further factor that may have influenced these responses was the division of the employee. The organisation's own culture survey identified that 82% of the workforce were aware of the organisation's corporate goals and objectives. However there were differences in level of cooperation between divisions. The divisions with the greatest awareness were divisions 12 and 1. The lowest awareness divisions were divisions 2 and 10.

6.4.1.1.4 Individual leadership Repeat Question Number 4:

"Your supervisor provides you with enough factual information to enable you to do your work properly."

The repeat question in the site visit that did not result as an item in the factor was in the provision of factual information. One interpretation of why the item was excluded is that the interpretation of the word "factual" may have been interpreted differently from that intended. Factual may have been interpreted as "any information" rather than information that is either documented or quantitative. This may be due to the lack of system based information in the organisation. There is a range of site visit evidence indicating that documented or quantitative information is lacking in the organisation. The evidence is outlined below.

There is evidence in the next section on team leadership that the organisation has few policies and procedures. For example "I think probably from the level of assistant manager up, there is no policy, no procedure, no system at all." A further example "We have never had policies. This is the area they are focusing on now - process documentation. We are all confused about it. What are we documenting the procedures, step 1, step 2 or are we putting together these policies and if we are, do they then have to be adopted by council or are they God given things?" (Division 3)

This argument is supported by the CSIRO report on performance indicators. The report concluded: "There does not appear to be much emphasis on the efficiency of the management system in WCC in terms of the planning and reporting documentation as sighted." (p.37).

Similarly the feedback report on the 1996 application for the Australian Quality Award indicated: "The performance of the planning process could be significantly enhanced if the process was documented and the performance evaluated based on process measures." "There is an
opportunity to formalise the process of selecting, collecting and analysing organisational performance data to focus management on the Key Performance Indicators of the business.” “There is a need to make corporate goals more measurable and to align data collection and analysis processes.” “There is an opportunity to increase the skills and knowledge of divisional managers in data analysis techniques.”

This is not suggesting that staff identified the lack of information as a problem rather the interpretation of what constituted information is at question. The organisations own culture survey indicated that 68% of staff were satisfied with the amount of information received to get the job done.

The site visit identified differences between the assistant manager and team leader responses. At the assistant manager level the majority (57%) identified that sufficient information was available, however more was required. For example: “I get the information that I need to know to get the job done, I won’t necessarily get always information which fits into the nice to know category.” (Division 1). For team leaders 41% indicated information flow was poor. There was distrust whether the information that was received was correct. For example; “You don’t get all the information and it takes us some time to get what is the real issue and sometimes it takes Frank and myself sometime to research and say, well what’s really going on?” (Division 12) A second example “this position because it’s so below the next step below, you do you miss out on a lot of information simply because they don’t regard you as a manager.” (Division 3).

The conclusion on individual leadership is that the leadership characteristic resulting from the questionnaire related to items involving trust, capability and recognition. The goodness of fit analysis supported the model tested. The results from the site visit highlighted the difficulty in leadership research where the results of the questionnaire were not universally supported at the site visit. A partial explanation may be in the method of qualitative research applied in this study inadvertently favouring “exception to the rule” responses. This issue is considered in more detail in Section 7.3. This explanation relates only to the repeat questions and not the additional information gathered at the site visit. The results do support the need to validate leadership questionnaires through multiple methods of data collection.

6.4.2 team leadership

<table>
<thead>
<tr>
<th>HYPOTHESIS 8.0</th>
</tr>
</thead>
</table>

Team leadership will be correlated with similar characteristics as individual leadership but will be relevant to a team context. That is, Competence of the team, Innovation of the team, Commitment to the team.

Considering Hypothesis 8.0, the results indicated that the concept of team leadership may be different from individual leadership. There is a note of caution. With the significant Chi Square, team leadership may be a result of items other than those identified in the questionnaire. The original analysis resulted in two factors emerging. The factors merged to form a second order factor. The items making up the second order factor are outlined in Table 48.
TABLE 48 Team Leadership—Second Order Factor Items

<table>
<thead>
<tr>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your supervisor discusses his/her own work freely and listens to advice from team members</td>
</tr>
<tr>
<td>Your supervisor keeps team members informed of what is occurring in the organisation</td>
</tr>
<tr>
<td>Your supervisor ensures staff get regular feedback on how well the organisation is progressing in achieving its goals</td>
</tr>
<tr>
<td>Your supervisor ensures your team has input in decisions regarding the adoption of new policies and procedures</td>
</tr>
<tr>
<td>Your supervisor manages the team in a manner consistent with the organisation’s values</td>
</tr>
<tr>
<td>Your supervisor continuously tries to fulfil team training needs</td>
</tr>
<tr>
<td>Your supervisor encourages your team to work together and come up with solutions to its own problems</td>
</tr>
<tr>
<td>Your supervisor gives personal attention to members who need additional support</td>
</tr>
<tr>
<td>Your supervisor takes into account individual capabilities, wants and needs when allocating tasks</td>
</tr>
</tbody>
</table>

There are similarities between the second order factor for team leadership and the second order factor for individual leadership. For team leadership the three themes arising from the factor involved communication, developing team capability and considering the individual in a team context.

The team leadership strategy of communication involves openness and honesty between the leader and their team. The leader keeps team members informed of what is occurring in the organisation including feedback on progress made in meeting the goals of the organisation. The leader listens to advice from team members and ensures they have input in the development of new policies and procedures. Similar to individual leadership role modelling is an important team leadership attribute. The leader tries to develop the capabilities of the team through continuously trying to fulfil team training needs and encouraging them to work together to come up with solutions to their own problems. The leader in a team situation takes into account the individual employee providing individual support when required and taking into account their individual wants and needs when allocating tasks.

6.4.2.1 Validation Of The Team Leadership Factor

Two questions from the team leadership factor were repeat questions at the site visit. Each will be discussed below.

6.4.2.1.1 Team Leadership Repeat Question Number 1:
“Your supervisor keeps team members informed of what is occurring in the organisation”.

Frequencies of Responses for this repeat question at each level of the hierarchy are outlined in Table 49.
TABLE 49 Responses To Repeat Question On Keeping Team Members Informed

<table>
<thead>
<tr>
<th>Level within the Hierarchy</th>
<th>Poor</th>
<th>Satisfactory</th>
<th>Good</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>8</td>
<td>4</td>
<td></td>
<td>12</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>13</td>
<td>9</td>
<td>24</td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>10</td>
<td>2</td>
<td>14</td>
</tr>
<tr>
<td>4</td>
<td>7</td>
<td>5</td>
<td></td>
<td>12</td>
</tr>
</tbody>
</table>

Those interviewed appeared to have no difficulty interpreting the question. Assistant managers appeared fairly positive on communication. For example “Communication’s good, I think we have a good system where we meet on a weekly basis as a team we have a lot of minutes recorded and those minutes go out.” (Division 10). Team leaders were aware of recent discussion on the issue of communication being discussed at the management level. Team leaders were more critical of information flow. The majority of responses identified issues where they would like increased information. “If the decision was something that was being discussed at managers’ level, yes: if it’s something further up then I think there is a lot less, it’s I’d say, lip service I’m afraid so, it’s sad to say.” (Division 5)

The groups identified poor communication as an area of concern. “So I think we’re not good at getting the message down from the management down to the bottom floor. The management tend to rely on well, he’s got his staff news letter he’ll talk about that if he needs to.”

6.4.2.1.2 Team Leadership Repeat Question Number 2:
“Your supervisor ensures you have input in decisions regarding the adoption of new policies and procedures”.

The question repeated at the site visit involving team input into policies and procedures has the frequency of responses at each level of the hierarchy outlined in Table 50.

TABLE 50 Responses To The Repeat Question On Input Into Policies And Procedures.

<table>
<thead>
<tr>
<th>Level within the Hierarchy</th>
<th>Poor</th>
<th>Satisfactory</th>
<th>Good</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>8</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td>2</td>
<td>10</td>
<td>14</td>
<td></td>
<td>24</td>
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<tr>
<td>3</td>
<td>5</td>
<td>7</td>
<td>2</td>
<td>14</td>
</tr>
<tr>
<td>4</td>
<td>5</td>
<td>5</td>
<td>2</td>
<td>12</td>
</tr>
</tbody>
</table>

The results of the site visit indicate that there may be a discrepancy between input into policies and procedures and the employee’s attitude towards the consultation process. This is an important finding. Without the site visit it would have been assumed that consultation was a positive attribute. The results indicated that, although many staff at all levels may have indicated involvement in the development of policies and procedures, they may not have viewed the process positively.

There was clear confusion and frustration regarding involvement into policies and procedures. This was the reason why only 10% of the site visit responses indicated a “good” response to the site visit question. The negative reaction was due to the decision being made six weeks prior to the study to produce policy manuals for each division. However there was no direction provided as to the definition of a policy and the distinction between a policy and a procedure.

A further difficulty was that some staff had difficulty interpreting the question. The confusion centred on the word “Team”. Some staff who were involved in quality improvement teams in the formulation of policies may have been participating outside their normal team environment. It
has to be assumed that these staff interpreted the question as principally “supervisor ensures input” rather than the importance of what “team” was involved. An added difficulty is that many of the responses during the site visit related to individual’s involvement rather than team involvement. This may have been due to the one to one interviewing process.

The factor analysis for the question on staff involvement in the adoption of new policies and procedures for level in the hierarchy was statistically significant, with the results set out in Appendix 38. The least squares difference test identified that assistant managers and team leaders were significantly different from “other” staff. “Other” staff responses having the lowest mean and the highest standard deviation.

The results from the questionnaire are consistent with the responses to the site visit questions. At the site visit to the repeat question on policies and procedures only two managers were clear with what was required in the development of policies. The majority identified they were responsible for developing policies but were struggling with the concept. For example; “To be honest I think policies are put up where there is inadequate consultation with other managers and things tend to be a bit bulldoged into existence and I can’t give you any obvious examples but this organisation has been very, very weak on policy matters and procedures and I remember discussing this very early on when it became a big issue.” (Division 5).

Most of the groups had individuals who needed prompting from peers regarding involvement in policy development.

At the assistant manager level there was greater involvement than at other levels with policy and procedure development. For example: “And because I did the office process I’m pretty sure I know what I’m writing. I am still sitting on those with this documentation deciding if this is to be a policy; Mike doesn’t know either, and not sure what to do and in the end because we have a deadline on it, will end up being whacked together.” (Division 8). Team leaders viewed policies largely as something written by senior managers. They often had input into their development by participation on quality improvement teams.

The groups involved considerable discussion on procedures rather than policies. Many staff denied being involved in the process of development until corrected by other staff. A sequence of responses from a focus group provides an illustration. To the interviewer’s question, the initial response was:

K.....: “No.”

S....: “Yes Well, we looked after investments so I was involved in those procedures that are specific to my own area, yes I would be.

K....: “Yes, now that I think about, I was thinking about the organisational policy and procedures, yes to do with my area, yeah, not really policies mainly procedures, the changing ways we do things.”
6.4.3 Organisational Climate

HYPOTHESIS 9.0

Organisational climate will be correlated with similar characteristics as individual leadership but will be relevant in an organisational wide context.

That is
Organisational leadership encouraging:
Competence
Innovation
Commitment

Considering Hypothesis 9.0 on organisational climate the results indicate that organisational climate is a separate factor from individual and team leadership. Two factors emerged from the factor analysis. These two factors merged to form a second order factor. Caution needs to be taken when interpreting these results due to the lack of statistical significance regarding Chi Square results.

The items making up the first order, two factor organisational climate their loadings and analysis are set out in Appendix 29. The second order factor on organisational climate is provided in Table 51.

<table>
<thead>
<tr>
<th>TABLE 51 Organisational Climate-Second Order Factor Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is an atmosphere of open and honest communication between all staff</td>
</tr>
<tr>
<td>Listening skills of supervisory staff are perceived as adequate</td>
</tr>
<tr>
<td>There is a highly supportive atmosphere</td>
</tr>
<tr>
<td>Staff input into the planning processes is excellent</td>
</tr>
<tr>
<td>Staff training and development needs are being fulfilled</td>
</tr>
</tbody>
</table>

The factor that emerged for organisational climate has a range of items focusing on communication. The climate of the organisation involves open and honest two way communication including input into the planning process. The strong leadership listening skills are enacted through the fulfilling of staff training and development.

6.4.3.1 The Anomaly Between Questionnaire Results And The Site Visit

Consideration of information supporting items in the second order analysis reveals that positive responses should be reviewed with caution. There was evidence that there is a negative aspect with the responses to the question “staff input into the planning process is excellent.” Although input into the process is positive the study identified frustration in the organisation concerning the lack of implementation. In other words input into the planning process may have been excellent however the outcome, or lack of outcome, was of major concern. The evidence of lack of implementation is as follows.

- The site visit results confirms that the emphasis is on the planning and not the implementation of the plans or the evaluation of the results of the planning process. To the repeat question on the involvement in the development of goals and objectives for the organisation there was negative criticism regarding feedback on implementation. For example “we have to do a monthly report
which is to say how we are going on these corporate targets performance indicators etc. on a monthly basis. But I think a reporting for reporting sake is taking over from what is the actual outcome and I don’t think anyone actually reads it and as I’ve said, I’ve never had anyone come back and said well how come you’ve got the absences there or why aren’t you doing it better there?” (Division 3)

- The outcome of the first order factor, outlined in Appendix 29, identified that the item which received the highest loading was “The emphasis is on planning rather than on the organisation’s goals and objectives”.

- The feedback report on the 1996 application for an Australian Quality Award identified that the emphasis is on planning rather than on the implementation of plans: “Quality management would be enhanced if quality assessment results were more closely linked with action plans”. “There is an opportunity to encourage all divisions to produce work plans based on business plans linked to the corporate plan”.

- The CSIRO report to the organisation on performance indicators identified: “Many plans do not appear to be specific in terms of resources including timeliness. Plans, outside of the engineering domain, as observed, did not appear to be fully detailed and scoped to provide a basis for reporting status and progress” (p42). “Programs are nominated in the Corporate Plan. (They are also on the wall of the Council Chamber). However, they appear to play little role in the way WCC is managed day to day”. (p34).

6.4.3.2 Validation Of The Organisational Climate Factor

The responses to the repeat question related to the factor organisational climate is identified below.

6.4.3.2.1 Organisational Climate Repeat Question No 1: “Staff training and development needs are being fulfilled”.

The results to the question relating to the fulfilling of staff training needs are outlined in Table 52.

| TABLE 52 Responses to Question Regarding Fulfilling Staff Training Needs |
|-----------------|--------|--------|-------|-------|
| Level within the Hierarchy | Poor | Satisfactory | Good | TOTAL |
| 1                | 1     | -      | 11    | 2     |
| 2                | 4     | 10     | 10    | 4     |
| 3                | 7     | 5      | 2     | 4     |
| 4                | 4     | 3      | 5     | 2     |

Those interviewed had no difficulty interpreting the question. However the context of response related to individuals themselves rather than in an organisational context. The loading of the item in the factor was high (0.74).

At the site visit assistant managers were very supportive of educational opportunities. The majority provided examples relating to their own personal experience. “Well I think that’s one of the strong points of this council; they do a good job of training and tertiary assistance and sponsor students I think those sorts of things. We just went through an exercise yesterday where a working party was formed to process all the applications for sponsoring students in an organisation with almost 1,000 people. Surely you’re going to get a lot of requests but I think the bill this year is about $100,000.” (manager, Division 11). For some team leaders’ issues of accessibility and resource constraints became evident; “I haven’t had much training at all; my staff have been crying out for computer training but it hasn’t been available.” (Division 4). At
the group level issues of staff replacement became evident. For example “There are internal courses available but there’s too much sick leave for me to go.” A second example “If I go who will answer the phones?”

There is other evidence in the organisation that staff training opportunities decrease at lower levels of the hierarchy. The Enterprise Agreement survey (Sept. 1996) asked the question: “In the previous twelve months, have you had the opportunity to participate in the training that you require to carry out your work?”

YES / NO

The responses are outlined in Table 53 and indicate decreasing opportunities at lower levels of the hierarchy.

**TABLE 53 - Responses to Enterprise Agreement Survey**

<table>
<thead>
<tr>
<th></th>
<th>Managers</th>
<th>Assistant Managers</th>
<th>Team Managers</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>93%</td>
<td>87%</td>
<td>73%</td>
<td>43%</td>
</tr>
<tr>
<td>Not Answered</td>
<td>0</td>
<td>3%</td>
<td>3%</td>
<td>16%</td>
</tr>
</tbody>
</table>

The feedback report on the 1996 Application for an Australian Quality Award had the following comment. “It appears that casual staff in some areas have little access to training opportunities.” “Also, some permanent staff appear to have limited opportunity (because of the nature of the work role) to be away from their work stations in order to attend relevant training. Again, an opportunity exists to continue to ensure that all staff are able to attend the training they need.”

The organisational culture survey indicated that training opportunities may vary between division. Divisions 5, 8, 9 provided the worst scores for this question. Divisions 5, 9 and 10 also had the highest score of cancellations of booked training sessions.

**6.4.3.3 Organisational Stability As A Measure Of Organisational Climate**

In addition to organisational climate the current study also considered internal organisational systems that are the responsibility of senior management. Consideration was given to factors contributing to instability involving major organisational changes, including financial emergencies, loss of key personnel, labour problems, technological change, acquisition or mergers, changes in organisational strategy, introduction of new products or new management teams (Conger, 1986; Nadler, 1980; Tichy & Devanna, 1986).

Hypothesis 9.1
In a positive empowered organisation there will be no evidence of organisational instability identified by staff in relation to:

- Financial Crisis
- Changes in Organisational Structure
- Labour problems and industrial disputes
- Significant technological change
- Other issues identified by staff

A summary of the responses within levels of the organisation is outlined in Table 54. The detailed results are provided in Section 5.4.3.
TABLE 54 Percentage Of Staff Indicating Various Issues As Causing Considerable Stress

<table>
<thead>
<tr>
<th>Issues</th>
<th>Level within the Organisation</th>
</tr>
</thead>
<tbody>
<tr>
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<td>1</td>
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<td>Financial Crisis</td>
<td>25</td>
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<tr>
<td>Organisational Structure</td>
<td>25</td>
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<tr>
<td>Labour Problems / Industrial Disputes</td>
<td>41</td>
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<tr>
<td>Technology</td>
<td>-</td>
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<tr>
<td>Other Issues</td>
<td>33</td>
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</table>

Key: 1. Managers  
2. Assistant Managers  
3. Team Leaders  
4. Others (based on number of focus groups)

The current study found that staff at all levels of the organisation identified some issues as causing considerable stress. The issues varied at different levels of the organisation. Managers and assistant managers usually reflected issues raised by the General Manager and Assistant General Manager. The team leaders and groups identified issues that were more related to their immediate work practices, for example, computer breakdown, loss of award wages. The most frequent negative responses occurred in groups although this may be a reflection of staff responses prompting other issues to arise. The group responses did not evoke strong negative responses to any other questions.

There appeared to be an association between the severity of reported stress and the direct impact that issue was having on the individual employee work performance. Assistant managers identified the most negative and hostile response towards the introduction of competencies. It became apparent during the interview that many of the questions raised by assistant managers regarding competencies had not been adequately addressed by the human resources department. Many of the questions and problems had not been considered before implementation. No manager training had occurred on how to implement competency based assessment and there was variability between divisions resulting in further hostility.

The proportion of negative responses for the twelve managers has to be questioned. This is due to the breadth and depth of responses of the managers changing over time. It was apparent that at the commencement of the interview some managers were cautious of their responses. As the interview progressed the responses appeared more relaxed. Given that the organisational stability questionnaire was the first item to be discussed at interview, it was felt that a more conservative response was attained than if the same questionnaire was administered later on in the interview. This situation was not directly observable for interviews for staff at other levels of the hierarchy.

There were a number of divisions who had a high number of negative responses. These were divisions 2 (Works), 10 (Health and Building) and 11 (Planning). There were various explanations to explain the results. Divisions 2 and 10 had the highest number of field staff in the organisation and a history of union unrest. Union involvement however was not identified as causing stress in the organisation. The Planning Division results may be the reaction to the current manager being unsuccessful in reappointment to her position. Staff at the team manager and group level did not identify this as an issue causing stress, even though staff at this level had more negative responses compared to other divisions.

During the study issues other than those investigated in the site visit questionnaire were identified as possible stresses. Promotion on merit appeared to be a negative issue in the organisation. This may explain why in the preliminary analysis of the questionnaire two questions relating to promotion on merit had an unusually high number of missing responses. The question
"promotions are given on the basis of merit" had 14 missing responses. The question "your supervisor supports the promotion of a team member mainly on the basis of length of service" had 15 missing responses. The average number of missing responses was 4.

The question relating to "promotions are given on the basis of merit" received a low mean score of 4.17 in the leadership and empowerment questionnaire. There was substantial evidence that promotion on merit was an issue in the organisation. The organisation's own culture survey obtained a low score of 4.04 on the question related to promotions being based on performance. The culture survey identified that only 44% of the workforce believed promotions are consistently based on performance. Similarly 48% were satisfied with promotions within the organisation to date. Only 33% of employees believe they are receiving fair treatment at council. The average response rate for females was 29%. The worst performing divisions with these results are divisions 2, 7, 3 and 10. The favourable responses were from divisions 1, 8 and 12.

Promotion on merit during site visit interviews received considerable debate principally due to two positions being filled by "unobvious candidates" which appeared inconsistent with promotion on merit. An example raised by five managers was the filling of the Corporate Planning positions. The second was a manager who had recently been rejected for appointment to a position after acting in the position for the last two years with no negative feedback. In both cases the fact that the persons involved were female with rumours of sexual relations with executive staff appeared relevant. Throughout the organisation promotion was often referred to as being based on becoming "one of the boys". When the human resources manager was questioned on these observations, he confirmed hearing the rumours and dismissed them. "What occurs in their private lives is no-one's business". The manager then went on to say that the long hours and fairly isolating location would naturally lead to some relationships forming.

6.4.4 Conclusion On Leadership Context

The study identified three leadership contexts. The leadership contexts need to be viewed with caution. Except for individual leadership the other leadership contexts had significant chi square results which indicates the results need to be interpreted with caution. For each context the first order leadership factors merged to form second order factors.

There are similarities between the second order factor for individual, and team leadership and organisational climate. Taking into consideration the items that contributed to the leadership factors in the analysis consideration was given to any commonality of items across the three contexts; individual, team, organisation. The results are as follows:

6.4.4.1 Communication/Trust

Communication was relevant to all three contexts. All three contexts identified listening skills and open and honest consultation as important. The second order factor for individual leadership has the following leadership characteristics. The leader listens to the individual and communicates in such a way that the individual felt they could raise any work related issues. This includes thinking of old problems in new ways.

Similar to individual leadership for team leadership the important leadership attribute is communication. There is open and honest communication between the leader and their team. The leader keeps team members informed of what is occurring in the organisation including feedback on progress made in meeting the goals of the organisation. The leader listens to advice from team members and ensures they have input in the development of new policies and procedures. Similar to individual and team leadership the factor that emerged for organisational climate has a range of items focusing on communication. The climate of the organisation involves open and honest two way communication including input into the planning process. The strong leadership listening skills are enacted through the fulfilling of staff training and development.
6.4.4.2 Planning
Items relating to planning were in factors relating to each of the three leadership contexts. Planning appeared to be closely aligned to communication involving consultation. For individual leadership the leader concentrates on developing the capability of staff through their involvement in the formulation of goals and objectives. Furthermore the leader ensures staff understand policies and procedures and takes the time to assist if the individual has difficulty in carrying out their work. The site visit indicated that there may be a difference between input into the planning and the implementation of results that needs to be pursued in future research.

6.4.4.3 Information
Information was not a significant item for any factor in any of the three contexts. An explanation for this result comes from the site visit which identified the lack of factual information, in the form of performance measurement, documentation or policies, procedures, used in decision making.

6.4.4.4 Education (capability)
Education was relevant to all three contexts. Fulfilling education and training needs appeared in team leadership and organisational climate contexts. In a team situation the leader tries to develop the capabilities of the team through continuously trying to fulfil team training needs and encouraging them to work together to come up with solutions to their own problems. Both the individual leadership factor and team leadership involved items involving personal attention to those who need the additional support.

6.4.4.5 Recognition
Recognition was an individual matter in both individual and team leadership factors. In individual leadership the leader would give constructive feedback and compliment the individual for outstanding work. The leader would support the individual in a promotion for consistent effort. The leader in a team situation takes into account the individual employee providing individual support when required and taking into account their individual wants and needs when allocating tasks.

6.4.4.6 Team Delegated Authority
For team leadership, two team delegated authority items related to encouraging internal problem solving and input into policies and procedures were in one of the factors.

6.4.4.7 Quality of Resources
The items related to Quality of Resources were identified in an individual leadership factor. The item related to policies and procedures.

The current study identified the importance of leadership non-verbal behaviours such as role modelling for individual and team leadership practices. The importance of leadership role modelling in previous studies is considered of secondary importance to leadership strategies such as employee participation. A questions raised by this research is the relative benefit of non-verbal behaviours (eg listening skills) compared to behavioural strategies, (eg providing information), in contributing to empowerment?

The results of this study identified the most important communication skills is listening and consultation processes. The question raised is what is the relative importance of leadership listening skills to staff consultation processes? Participative management studies found that it was the consultation processes per se rather than the information within the content that was important (Robbins, 1993).
In summary, there is a difference in leadership strategies according to context. While some items are important to all three, others are distinct to particular context. The three areas which had items in all three context were Planning, Education and Communication/Trust. The item which had the least impact was Information. The item Recognition was only important for individual leadership. A partial explanation for some of these results are provided by information gathered in the site visit.

The results from the site visit indicated that the outcome from one to one interviews were often different from the findings from the Leadership/Empowerment questionnaire. A number of explanations have been discussed regarding these differences. The strength of the current research is in the fact that the results mirrored the results of the organisation’s own culture survey. Other external reports and assessments of the organisation have also supported the results.

6.5 Hypotheses On The Interaction Between Leadership And Empowerment Factors.

<table>
<thead>
<tr>
<th>Hypothesis 10.0</th>
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<tbody>
<tr>
<td>Hypothesis 10.1 There will be a direct relationship between individual leadership and individual empowerment behaviour</td>
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<tr>
<td>Hypothesis 10.2 There will be a direct relationship between team leadership and team empowerment behaviour.</td>
</tr>
<tr>
<td>Hypothesis 10.3 There will be a direct relationship between organisational climate and organisational commitment.</td>
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</table>

The total and indirect effects of leadership on empowerment are set out in Appendix 39. The conclusion to the hypotheses is as follows:

Hypothesis 10.1 on the relationship between individual leadership and individual empowerment was not supported. There was no relationship between individual leadership and any of the individual empowerment behaviours. Individual leadership was directly related to team empowerment.

Hypothesis 10.2 between team leadership and team empowerment was only partly supported. There was an indirect effect between team leadership and team empowerment. This relationship was mediated through job satisfaction. Team leadership had a direct impact on individual empowerment relating to the individual feelings of capability and job satisfaction. It is important to note that team leadership had both a direct and an indirect effect on job satisfaction. The strong total effect on team leadership on job satisfaction (1.15) is achieved by individual empowerment relating to capabilities acting as a mediator between team leadership and job satisfaction.

Hypothesis 10.3 on the relationship between organisational climate and organisational commitment was supported. There was a direct relationship between organisational climate and organisation commitment. Organisational climate also had a very strong relationship to individual empowerment behaviour relating to intrinsic motivation. This is the only relationship to intrinsic motivation in the complete study.

The paths described above were all in the one direction. There were no two way arrows. Leadership is an antecedent to empowerment. These results do not support previous studies arguing the existence of reverse causation (Greene 1976a; Sims, 1977).
The principal leadership and empowerment interactions are discussed below. The interaction between empowerment contexts has previously been described under Hypothesis 5.0.

6.5.1 The Interaction Between Individual Leadership And Team Empowerment

The current study identified individual leadership and not team leadership as having a direct effect on team empowerment. Conversely team leadership had a direct affect on individual capability and job satisfaction and not individual leadership characteristics. The correlation between individual and team leadership is low (0.3) indicating that the two factors are unlikely to be causally related.

A possible explanation of the results is that individual leadership practices may be influencing an individual’s ability to contribute to team efforts. The leadership style may minimise the dependence of subordinates on superiors and maximises the autonomy of the employee, which in turn is subject to the needs of the team. An important characteristic of such an organisation would be a climate in which superiors trust subordinates: With trust, the management may tend to feel less of a need to develop tight control mechanisms, thereby creating greater opportunity for team influences. In this situation the importance of the team takes precedence over the individual. The concept is similar to the exchange theories involving social relationships. Crouch & Yetton (1987) argue that work group members who have more frequent task contact form social relationships, and over time, stable cliques develop. A special downward exchange relationship with the team has resulted in greater loyalty and performance by the team (Vecchio & Gobbel, 1984).

The explanation is consistent with the rationale of participative management described by French, Israel & As (1960; p5): “When management accords the workers participation in any important decision, it implies that workers are intelligent, competent, and values partners. Thus, participation directly affects such aspects of worker-management relations as the perception of being valued, the perception of common goals, and co-operation. It satisfies such important social needs as the need for recognition and appreciation and the need for independence. These satisfactions and in addition the improvements in their jobs are introduced through participation lead to higher job satisfaction”. These results are speculative and require additional research.

6.5.2 The Interaction Between Team Leadership And Individual Empowerment

Consistent with the explanation provided above, the converse situation would also apply were team leadership influences individual empowerment. This study suggests that team leadership behaviour involving factors relating to trust allows the individual to develop the confidence of being able to influence decision-making within the team and the team leader (ie individuals feel capable). This feeling of individual capability is also achieved by the individual participating in a team, which has input into decision making (eg problem solving, policies and procedures). Integral to successful team leadership is that the individual gets personal attention from the supervisor when required. With their capability or level of confidence enhanced, individuals feel personally satisfied with their job.

This interpretation of results is likely given the fact that the leader in this study was in many cases the supervisor of the team. This analysis raises a question concerning the interactive role the supervisor has in a team. Is a supervisor identified as an additional team member who facilitates the group by coordinating tasks?

The importance of team leadership having an influence on individuals feeling of capability indicates that individual consideration in the transformational literature (Bass, 1985) may be a concept relating to leadership of a team rather than individual leadership as assumed by transformational leadership theory. This requires further investigation.
6.5.3 The Interaction Between Team Leadership And Organisational Climate

The high correlation between team leadership and organisational climate (0.6) indicates that research is required to distinguish between the two leadership contexts. The correlation may indicate congruence between corporate culture and subculture. Organisations that have had success in quality circles have been found to have similar cultures throughout generally guided by the philosophies of top managers (Galagan, 1986; Poza & Markus, 1980; Walton, 1977). The fact that the two leadership contexts influenced different aspects on empowerment indicates that there is a difference between the two constructs.

6.5.4 The Interaction Between Organisational Climate And Organisational Commitment

The low correlation between organisational climate and commitment (0.33) indicates that the two concepts are not two measures of an underlying single construct. The current study supports other studies that found a positive correlation between leadership communication throughout the organisation and organisational commitment (Bruning & Snyder, 1983).

The direct relationship between organisational climate and organisational commitment is supported both in theory and research. The organisational climate of the organisation reflects the formal internal environmental systems and leadership strategies including policies, programs and procedures (McGregor, 1966). The climate is related to culture research that argues that leaders shape the culture of organisations (Bennis, 1989; Davis, 1984; Dyer and Parker, 1975; Green, 1988; Hampden-Turner, 1990; Schein, 1987). Organisational commitment studies have found a positive relationship between organisational climate and organisational commitment at lower levels of the hierarchy (Mathieu & Hamel, 1989). The study concluded that at lower levels employees may be more influenced by the larger design of the organisation. Other studies have found no relationship between organisational climate and organisational commitment (Bateman & Hrausser, 1984; Morris & Steers, 1980).

The results of this study may provide insight as to why there has been inconsistencies and criticisms of commitment research (Mathieu & Zajac, 1990; Meyer & Allen, 1986). Previous studies considered leadership and commitment in dyad studies. The current research identified the importance of all three leadership contexts on organisational commitment.

The results on organisational climate relating to organisational instability did not appear to have an obvious impact influencing employees feelings of commitment. The literature identifies instability as that which results in changes in organisational norms and patterns of action (Nadler, 1980). The stresses identified in the current research may not have resulted in these changes in the organisation. The goals and rules of the organisation remained clearly defined with the stresses that were identified by staff. It is recommended that a Likert scale be used to measure severity. This may assist in answering the question. At what point would instability threaten feelings of empowerment? If employees were familiar with the stresses (eg computer breakdown) would this create feelings of powerlessness leading to reduced feelings of individual empowerment?

6.5.5 Conclusion On Leadership Behaviour And Organisational Commitment

The conclusion on the relationship between leadership and organisational commitment is that all three leadership contexts are important. Organisational climate did have a direct effect on organisational commitment. Team leadership had an indirect effect on organisational commitment mediated through individual empowerment. Individual leadership also had an indirect effect on organisational commitment mediated through team empowerment.
6.6 Hypotheses on leadership moderators

Hypothesis 11
Each of the moderators listed below will be correlated with each empowerment context: The individual, the team, and the organisation.
- Length of service
- Education
- Gender,
- Employment status,
- Level within the hierarchy,
- Group norms

Hypothesis 12
Each of the moderators listed below will be correlated with each leadership context: The individual, the team, and the organisation.
- Length of service
- Education
- Gender,
- Employment status,
- Level within the hierarchy,
- Group norms

A summary of the leadership moderators are outlined in Table 55.

<table>
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<th>TABLE 55 Summary of Statistical Significance : Leadership Moderators</th>
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<tr>
<td>Demographics</td>
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<td></td>
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<tr>
<td>Divisions</td>
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<tr>
<td>Highest Education</td>
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<td>Level in the Hierarchy</td>
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<td>Employment Status</td>
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<tr>
<td>Years in the Organisation</td>
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<tr>
<td>First Language</td>
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<tr>
<td>Gender</td>
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Key:
I.L. = Individual Leadership   X = Statistically Significant (confidence level)
T.L. = Team Leadership   C = Capability
O.CL = Organisational Climate   J.S. = Job Satisfaction
I.E = Individual Empowerment   I.M. = Intrinsic Motivation
T.E = Team Empowerment
O.CO = Organisational Commitment

Hypothesis 11 was partly supported. The table shows that empowerment behaviours may be moderated by factors other than leadership. The demographic analysis indicated that individual empowerment factors relating to capability and job satisfaction had a variety of factors that influenced the results. These included division within the organisation, education, level in the
hierarchy and gender. Individual empowerment related to intrinsic motivation was only influenced by level in the hierarchy. This factor also stood alone not relating to other factors in the structural equation modelling. Employment status and division influenced both team empowerment and organisational commitment.

Hypothesis 12 was partly supported. For leadership factors the primary leadership moderator of significance was division. Divisions either scored consistently high mean scores across all factors or consistently low mean scores between factors. The results were consistent with the organisation’s own culture survey. Employment status influenced organisational climate. Each of the moderators will be discussed below and their influence on leadership and empowerment behaviours.

6.6.1 Division

The most influential moderator across all leadership and the majority of empowerment scales was “division”. A summary of the best and worst performing divisions based on mean scores from the L/E questionnaire is set out in Table 56.

<table>
<thead>
<tr>
<th>TABLE 56 Summary of Performance by Division</th>
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<tr>
<td>Factor</td>
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<tr>
<td>Individual Leadership</td>
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<td>Team Leadership</td>
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<tr>
<td>Organisational Climate</td>
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<tr>
<td>Individual Capability</td>
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<tr>
<td>Job Satisfaction</td>
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<tr>
<td>Team Empowerment</td>
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<td>Organisational Commitment</td>
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The results indicate that there was a fairly consistent trend. Divisions that received statistically better scores did so in both leadership and empowerment measures. Conversely, divisions that performed poorly did so in both leadership and empowerment measures. The results were consistent with the organisation’s own climate survey. There was supportive evidence in the site visit interviews of the divisional results. Division 10 was statistically different in the leadership moderators and also had the greatest number of negative responses in the organisational stability questionnaire, and the lowest mean in the organisations own culture survey. Divisions 1 and 8 received the highest mean in the organisations own culture survey.

There were two factors identified in the study that may have contributed to the poor performing Divisions. These apparently under-performing Divisions had the most “field” staff who left the building and associated with the highly unionised work groups located outside the building. Furthermore they had fewer casual staff. Casual staff had high levels of organisational commitment. One of the two best performing divisions had its own investment portfolio, which was proving highly successful. This unique budgetary situation was atypical to the rest of the organisation, which was undergoing financial restraint. This division therefore had an “elite” status in the organisation.

A further explanation of the divisional results is provided by Quinn & Rohrbaugh (1983) and Quinn & Kimberly (1984) who indicated that the one organisation may have both centralised and decentralised divisions based on their function, e.g., finance may have strong controls, marketing and research may have fewer controls. Therefore one of the areas in need of investigation in future research is whether some of the differences in divisional results is due to different tasks performed in each division. This raises the question whether the reason that the engineering division did not achieve high results in some areas due to the specialised systems and standardisation of processes warranting a more bureaucratic type structure?
Differences between divisions may also be due to differences in professional based cultures (Schein, 1985; Lawrence & Lorsch, 1967; Frost et al., 1985). Lawrence & Lorsch (1967: p475) stated that: “The typical specialisation of organisations suggests that specialists with common professional training will often be placed together to perform particular functions. The resulting frequent contact on similar problems utilising shared professional orientations is likely to reinforce a shared professional clan rather than an overall clan”.

Further research is required whether divisions with low team empowerment may actually have tasks which are more suited to individual rather than group problem solving (Thibaut & Kelley, 1959; Van de Ven, Angle & Poole, 1989). A team approach has been found to adversely affect innovation by obstructing learning (Van de Ven & Polley, 1992) in these situations. The importance of subculture in different divisions has already been discussed in the section on team empowerment.

The possibility of divisional results being task related supports the consideration of job characteristics in future research. Research has shown that there are multiple sets of job characteristics and these characteristics affect behavioural outcomes (Dunham, 1976; Glick, Jenkins & Gupta, 1986; Fried & Ferris, 1987; Hackman & Oldham, 1976; Loher, Noes Moeller & Fitzgerald, 1985; Miner, 1979, Pierce et al, 1989; Rousseau, 1978). The most commonly cited job characteristic model has been developed by Hackman & Oldham (1976). The relevance of this model to this study is its dimensions of job characteristics is similar to Team empowering behaviours as identified in the current research. The theory argues that a group can be expected to work especially hard on its tasks and members of that group are likely to be satisfied with their work when:

- The outcomes of the groups work on the task have significant consequences for other people either inside or outside the organisation;
- The task provides group members with substantial autonomy for deciding about how they do the work; and
- Work that the task generates regular, trustworthy feedback about how well the group is performing (Hackman, 1987).
- The group task requires members to use a variety of relatively high-level skills;
- The group task is a whole and significant piece of work, with a visible outcome;

The job characteristics theory identifies three critical psychological states: meaningfulness, experience responsibility and knowledge of results. The greater the presence of these three psychological states, the greater will be an employee’s motivation, performance and satisfaction and the lower her/his absenteeism and likelihood of leaving the organisation (Bottger & Chew, 1986). These psychological states are all viewed by the theory as possible substitutes of leadership. For example it has been reported that employees with high growth need strength in particular derive beneficial psychological states (internal motivation, general satisfaction, work effectiveness) from clear and direct knowledge of the results of performance (Hackman & Oldham, 1980). Projecting the job characteristics theory to the current results suggests that the psychological states could be viewed as empowering behaviours. Therefore the theory is suggesting the presence of these characteristics reduces the influence of leadership. This is an area requiring future research.

A theory that may assist in the theoretical development of the antecedents to empowerment is Psychological Proximity Theory (Lewin, 1943). The theory identifies that affective reactions are likely to have the most immediate influence on individuals, followed closely by perceived role states. Factors more proximal in the work environment (eg job characteristics) should influence individuals’ reactions more immediately than factors more removed, or distant, from individuals, eg organisational size and design. The theory would also suggest that the factors in one’s psychological environment are interrelated such that the influences of more distant factors will be
mediated, at least in part, by their influence on more proximal factors (Mathieu, 1988; Mathieu & Hamel, 1989; Williams & Hazer, 1986).

6.6.2 Level within the Hierarchy

Level within the hierarchy was a significant moderator in all three individual empowerment factors. The results indicated that in relation to capability and intrinsic motivation managers and assistant managers felt more empowered than those lower in the hierarchy. Team leaders had higher job satisfaction scores than those lower in hierarchy.

Further analysis indicated the level of education influenced the results. Prior to drawing definitive conclusion regarding education further research is required to ensure that education does not interact with other items in commitment research. For university educated employees organisational commitment was mediated by the intrinsic aspects of the job, such as challenge, responsibility and opportunities for growth (Dunette, 1966). Morris & Steers (1980) reported that age, education and perceived competence were items that interacted with each other. Education and position in the organisation have been found to interact with each other with differences in organisational commitment found between junior and senior accountants (Ferris, 1981).

It has been speculated that employees with higher education experience greater conflict between occupational and organisational values (Meyer & Allen, 1988). It has also been suggested that professionals have developed more effective coping skills and consider themselves as having more control (Mathieu & Hamel, 1989).

The results indicated no difference in level of the hierarchy for any of the leadership context individual, team or organisation. Differential selection provides a plausible explanation for the findings. It may be that lower level supervisors are either self-selected, selected by their second level manager, or organisationally selected into positions so that they will be stylistically compatible with their supervisors (Bowen, Ledford & Nathan, 1991; Dobbins, Cardy & Carson, 1991; Schuler & Harris, 1991; Rynes & Gerhart, 1990). Isolated cases have been reported of TQM oriented firms adapting innovative selection techniques to achieve person-environment fit (Schuler & Harris, 1991). TQM oriented firms may be open to alternative selection models, as indicated by Snell & Dean’s (1992) finding that a sample of manufacturing firms practicing TQM were more selective in their hiring practices for employees in the quality area.

A further explanation for these results is the strong influence of divisional norms. The environmental and technical demands in one division may generate common job requirements and therefore dictate the different leadership approaches observed and required at the different levels of the division.

The site visit did identify that team managers had lower levels of delegated authority than those above. This was not identified in the L/E survey results. Other studies have identified reduced power and freedom at lower levels of the hierarchy (Kerr, Hill & Brodell, 1986; Waldman, 1993). The site visit results are consistent with the TQM literature that identifies that middle managers often feel disempowered or powerless resulting from the devolution of responsibility (Collard 1989; Goldstein, 1985; Labich, 1992; Lewis, 1993).

One explanation of the results requiring further research is that the study only considered employee’s direct reports or immediate supervisors. The results may have been different if those lower in the hierarchy were asked to comment on executive leadership. The issue of hierarchy on both leadership and empowerment behaviours requires further research.

6.6.3 Gender

The results indicated that within the organisation males felt more capable (individual capability) than females. The results from this study did not support previous findings that females displayed greater affective commitment than males (Grunsky, 1966). Individual capability in the current
study relates to the ability to influence. This raises the question of a possible relationship between perceived ability to influence and the findings on the organisation’s own reports of gender discrimination. The 1996 EEO survey of the organisation had unfair treatment due to gender as the highest form of discrimination in the workplace. The report found that fifty seven percent of female employees compared to 74% of male employees agreed that women are accepted at management level. Other findings from the survey included:

One in four employees believe that women have to work harder than men to gain promotion. 50% of female employees believed that they have to work harder than men for promotion. Only one in four incidents of discrimination were reported to the relevant personnel.

The organisations own records identified 22 incidents of sexual harassment recorded over the twelve month period. These incidents may have involved fewer staff members as the record showed only incidents and not persons reporting.

6.6.4 Employment Status
The current study found casual employees had significantly higher organisational commitment, team empowerment and organisational climate scores. These results were similar to the organisations culture survey. An explanation is that these employees had a purpose or reason for their casual status that satisfied a particular need. These results are contrary to organisational commitment studies, that have found a negative correlation for part time employees and positive correlations for full time employees (Still, 1983). Still (1983) concluded that aspects of the job may have little impact on commitment levels of employees for whom work is of secondary importance.

6.6.5 Length of Service
Calculated commitment research has often shown length of time in the organisation as an important factor (Becker, 1960; Ritzer & Trice, 1969; Rusbult & Farrell, 1983). This study identified no statistical difference based on years in the organisation. However, the organisations own culture survey found those employees in excess of 30 years were the most satisfied. The highest age subscale in the current study was 11 or more years. Forty two percent of employees in the current study were in the organisation for 11 or more years. This indicates that the age groupings for the current study may have been too broad to generate meaningful results. Employees in the organisation over thirty years may have appeared more satisfied as the cost of leaving the organisation was too great. This is an area requiring further research.

6.6.7 Conclusion On Leadership Moderators
The importance of moderators of leadership or antecedents to empowerment has been established in the current study. The current study highlighted the importance of moderators to each empowerment context: the individual, the team and to organisational commitment. Future research on empowerment should not include demographic information as descriptions of their target population but rather encompass these characteristics as part of their theoretical model. The items may influence employees perceptions of various aspects of the organisation as well as their relative reactions to it (Mathieu &Zajac, 1990; Salancik & Pfeffer, 1978).

These results raise the question whether there may be other items, besides those being measured, that may influence the results. Each of the empowerment contexts have associated literature identifying which antecedents are important. A summary of the moderators identified in the literature for each of the contexts is discussed below. For organisational commitment parameters that need to be singled out for further investigation include: Industry setting including service, manufacturing, public and private; organisational structural characteristics, ie centralised or decentralised; and indices of calculative commitment including union commitment relationships and career enhancements. Negative indices of commitment are also required for investigation
including career stagnation, family strains. Size of work units to identify whether size of the work unit has an influence on empowerment.

Factors that have been found favourable to team cohesion include similar attitudes (Teborg, Castore & DeNinno, 1976), physical proximity of workspace (Sundstrom, 1986) and small group size (McGrath, 1984). Context factors likely to foster cohesion include external pressure (Glickman et al., 1987) and rewards for team performance (Shea & Guzzo, 1987). Cohesiveness has been affected by such factors as time spent together (Insko & Wilson, 1977), the severity of initiation, group size, gender of members (Bettenhausen, 1991), external threats (Stein, 1975), previous successes and humour focused on creating and maintaining group cohesion (Duncan & Feis et al., 1989).

For individual empowerment the importance of individual differences needs consideration in future research. Not all employees desire participation in decision making (Collins, Rom & Ross, 1991; O’Brian, 1978; Singer, 1974) or satisfaction of higher order needs (Alderfer, 1967). Some employees prefer different leadership styles (House, Filley & Kerr, 1967). Not all individuals have high social and affiliate needs (Bowen & Lawler, 1990). This also raises a question as to whether team cohesion in organisations is influenced by individual differences? (Marcie, Aiuppa & Watson, 1989). Both individual differences and system factors and the linkages between them may influence the results (Waldman, 1994).

Rather than simply categorising and testing antecedents consideration also has to be given to considering whether there is a relationship between antecedents. Which antecedents act as mediators of other items has been ignored in previous commitment research (Steers & Mowday, 1981). Job satisfaction mediated leadership items. It may also mediate other antecedent items. This was not tested in the current study. It does raise the question as to whether the many antecedents of commitment identified in previous research have resulted in mis-specified conclusions stemming from the omission of the shared relationship with other items that may not be included in the analysis such as a mediating or second order item. (Mathieu & Hamel, 1989).
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CHAPTER 7.0

CONCLUSION

7.1 Introduction

Chapter 7.0 is the last chapter of the thesis. A summary of the contents of each section is outlined below.

Section 7.2 presents the model of leadership and empowerment for successful TQM developed as an outcome of the current research. The model identifies empowerment not as a single concept as assumed in past research but a concept that is related to context: the individual, the team and the organisation. The model identifies that the three contexts of empowerment are antecedent to each other. That is, the individual needs to feel empowered before the individual can be a strong team player. The concept of team empowerment is required before the characteristics of organisational commitment is achieved. The association between the three contexts was found to be in one direction. Reverse directions did not apply.

Similar to empowerment, the leadership strategies were also related to context. The common theme emerging in all three leadership contexts was that strategies involving open and honest communication, developing the capability of staff and recognition of effort were important. The study also identified role modelling as an important leadership attribute.

The principal finding in the interaction between leadership and empowerment was that all three leadership contexts are important to develop organisational commitment. The interaction between leadership and empowerment is complex and is described in the chapter in a manner which will assist industry leaders develop a strategy for their organisation. The section concludes by identifying that all three empowerment contexts may be modified by factors other than leadership.

Section 7.3 considers the lessons learnt from the study methodology. The current study highlighted the importance of gathering information from the site visit to assist in interpreting some of the responses from the written Leadership/Empowerment questionnaire. The site visit identified factors that influenced responses including: levels in the organisation hierarchy, relevance of questions to individual staff, the misinterpretation of questions, and the importance of contingency issues at the time of the survey. Contingency issues included priorities being addressed by the organisation at the time of the survey, norms of behaviour within the organisation and staff perception of the climate within the organisation. Some of the correlations between questions in the Leadership/Empowerment questionnaire could only be interpreted after the site visit contingencies were examined.

Section 7.4 identifies the limitations of the current study. The methodological scope and limitations of the current study were previously discussed and addressed in Chapter 4. Issues discussed in this section were those identified during the information gathering phase of the research. The difficulty of gathering data during site visits is identified as well as the opportunity to improve the Leadership/Empowerment questionnaire.

Section 7.5 discusses the general advances the results of the current study have made to the disciplines of leadership theory and research. An important finding in the current research is that the relationship between leadership and performance may not be direct as assumed by past research. The pivotal question this research is raising is whether previous leadership research has been asking the wrong questions by focussing on what leadership strategies are important or resultant organisational efficiency measures. The outcome of the current study suggests that leadership research should consider the subordinate behaviour changes resulting from improved leadership style. Leadership research is therefore identified in the current study as a process not
an end state. Considering leadership theory as a social process would require a theoretical departure from the questions asked in the majority of leadership research.

The current research also questions the validity of Transformational Leadership theory in that the multi factor leadership questionnaire used to test the theory confuses leadership interventions with employee behaviour outcomes. A further shortcoming of previous leadership research has been its failure to consider the importance of context of leadership behaviour and the interactions between leadership contexts. By failing to consider the importance of empowerment as an outcome of successful leadership behaviour, leadership research has also ignored the possible moderators of leadership behaviour.

Section 7.6 discusses the contributions the research has made to organisational culture research. This study supported the importance of considering subcultures in organisations. These subcultures should be considered as factors that may have an impact on leadership strategies aimed at influencing employee behaviour changes.

Section 7.7 outlines the practical utilities of the research to industries practicing TQM. Of significance to industry is the success of the current study in developing a model based on a framework currently applied to industry, that is, the Australian Quality Award. The development of a better understanding of how organisational commitment develops and is maintained over time has important implications to Australian industries. The Section also outlines the contribution the current research has made in understanding why TQM is failing in many organisations. Traditional TQM has failed to take into consideration a number of issues that are integral to the current model. They are: any exploration of the concept of the individual and its contribution to the system; the importance of individual and team leadership and the importance of teams as the mediators between individual empowerment and organisational commitment.

Section 7.9 concludes the thesis. This section refers back to the principal reason why the researcher chose the original topic. The topic was chosen due to the great discrepancies between the realities of being a general manager and the need for a practical approach to implement empowerment and what was available to assist in the theoretical literature at the time. The thesis hopefully will encourage others to try to target research to have practical applicability to industry. Only in this way will Australia maintain its international competitiveness.

7.2 Presentation Of The Model Of The Interaction Of Leadership And Empowerment For Successful TQM.

By answering the broad research questions initially established in the project, and testing the related hypotheses, the following model has been defined for the leadership and empowerment determinants in successful TQM (see Figure 11). The boxes represent the key variables in the development of organisational commitment and the arrows represent the relationships (and the direction of precedence) between these variables.

In the description of the model that follows the subsections follow the sequence of the original research questions.
Figure 9: The Relationship Between Leadership and Empowerment for Successful TQM

- Individual Leadership
- Team Leadership
- Organisational Climate
- Individual Capability
- Intrinsic Motivation
- Team Empowerment
- Job Satisfaction
- Organisational Commitment
7.2.1 The Concept Of Empowerment

The first and second research question related to the concept of empowerment. The current study observed three contexts of empowerment. This indicates the need for a new definition of empowerment in the literature based on context. The current research defines empowerment as:

*An empowered organisation is composed of individuals who are confident in their ability to influence decision making with their leader and their team. They are personally satisfied with their job and can see how the team goals are achievable. They enjoy learning and are prepared to take risks to increase the quality of their work.*

*In a team situation they are strong team players. They display pride in belonging to the team. They have a strong commitment to the team succeeding in achieving the goals and objectives of their group, displayed by their enthusiasm towards team activities and perseverance in problem solving. They are receptive to learning new ideas.*

*The organisation has a climate committed to continuous change to make things better. This is displayed in employees having the energy to try new ideas and the general striving for excellent performance. The direction of the energy is towards the achievement of the organisation’s goals and objectives.*

The third research question related to the interaction between the empowerment contexts. The study found empowerment to be a staged process. Individual empowerment was antecedent to team empowerment. Team empowerment was antecedent to organisational commitment. The paths were all in one direction. The association between the three contexts was complicated by individual empowerment having three factors. The results indicated that an individual’s feelings of capability are antecedent to job satisfaction, team empowerment and to organisational commitment. Job satisfaction is antecedent to team empowerment and organisational commitment. Team empowerment is antecedent to organisational commitment.

7.2.2 Leadership for Empowerment

The forth research question relates to what leadership strategies are evident in the organisation? There is a difference in leadership strategies according to context. The second order factor indicates that individual leadership has the following leadership characteristics. The leader listens to the individual and communicates in such a way that the individual feels that they could raise any work related issues. This includes thinking of old problems in new ways. The leader concentrates on developing the capability of individual staff members through their involvement in the formulation of goals and objectives. The leader ensures staff understand policies and procedures and would take the time to assist if the individual had difficulty in carrying out their work. The importance of role modelling the appropriate behaviour is an important leadership attribute. The leader throughout would give constructive feedback and compliment the individual for outstanding work. The leader would support the individual in a promotion for consistent effort.

Similar to individual leadership, the important leadership attribute for team leadership is communication. There is open and honest communication between the leader and their team. The leader keeps team members informed of what is occurring in the organisation including feedback on progress made in meeting the goals of the organisation. The leader listens to advice from team members and ensures they have input in the development of new policies and procedures. Similar to individual leadership, role modelling is an important team leadership attribute. The leader tries to develop the capabilities of the team by continuously trying to fulfil team training needs and encouraging them to work together to come up with solutions to their own problems. The leader in a team situation takes into account the individual employee providing individual support when required and taking into account their individual wants and needs when allocating tasks.
The factor that emerged for organisational climate has a range of items focusing on communication and team capability. The climate of the organisation involves open and honest two way communication including input into the planning process.

The principle theme in all three leadership contexts was communication/trust, capability, and recognition. A further finding of this study is the importance of role modelling as a key leadership strategy. The item which had the least impact on any factor was information. A partial explanation for some of these results are provided by information gathered in the site visit.

7.2.3 Interaction Between Leadership And Empowerment

The fifth research question related to the relationship between leadership and empowerment. The resultant model is outlined in Figure 9. All the directions in the model are uni-dimensional. That is, reverse directions did not apply.

The model developed in the current study highlights the complexity of the interrelationship between leadership and empowerment. A principle finding is that all three leadership contexts are important to develop organisational commitment. Individual leadership directly impacted team empowerment and conversely team leadership impacted on individuals’ feeling of empowerment related to individual capability and job satisfaction. This result directly questions the validity of the majority of leadership research that assumes individual leadership directly impacts individual performance. There was a direct relationship between organisational climate and organisational commitment.

The thesis addressed the consistent theme throughout the leadership and empowerment literature that behaviours, traits and organisational issues by themselves are not sufficient to empower a workforce. A combination of a range of different factors is required. With defined outcomes involving empowerment behaviours the study provides a framework to pursue leadership research. This will permit finer differentiation among constructs and clearer specification of their interrelationships. For example a firm conclusion in the current study is that for each of the empowerment contexts a necessary leadership strategy is that of trust involving listening skills and open and honest communication.

7.2.4 Leadership Moderators

The sixth research question related to antecedents to empowerment or possible moderators of leadership. The model identifies that empowerment behaviours may be moderated by factors other than leadership. The demographic analysis indicated that individual empowerment factors relating to capability and job satisfaction had a variety of factors that influenced the results. These included Division within the Organisation, Education, Level in the Hierarchy and Gender. Individual empowerment related to intrinsic motivation was only influenced by Level in the Hierarchy. This factor also stood alone not relating to other factors in the structural equation modelling. Both team empowerment and organisational commitment were influenced by Employment Status and Division.

Each of the leadership contexts were also influenced by moderators. The Division influenced each context. The results indicate that there was a fairly consistent trend when considering both leadership and empowerment. Divisions that received statistically better scores did so in both leadership and empowerment measures. Conversely, divisions that performed poorly did so in both leadership and empowerment measures. The results were consistent with the organisation’s own climate survey.

In addition to the influence of moderators, the site visit identified that contingency issues relevant to the time of the data collection, also influenced the results. Factors that influenced the results included interpretations of the questions of employees at various levels of the hierarchy, issues
that were of priority to the organisation during the study period, staff expectations and priority issues for staff.

The model identifies that moderators need to be considered in future research. The moderators tested in this study are not exhaustive of the possible disciplines to choose from. For example there may be many factors that influence team empowerment. Furthermore it is dangerous to single out individual moderators in isolation across all employees. This may obscure some important interactive relationships. There may be a relationship between several items which are likely to develop, interact and change over time.

7.3 Lessons Learnt Concerning The Methodology Of The Study

The type of behavioural questionnaires used in previous research on leadership behaviours have come under severe attack and there are serious reservations about their validity (Lord and Maher 1990, Schriesheim, Bannister & Money, 1979; Scheisheim & Kerr, 1974, 1977). The current study highlighted the importance of site validation of the questionnaire responses as well as the need to gather additional information to assist in interpreting responses. The greatest lesson learnt from the site visit was that a range of factors influenced the responses to the Leadership/Empowerment questionnaire. Knowledge of these factors was important in interpreting and understanding the results of the Leadership/Empowerment questionnaire. The principle factors identified during the site visit that assisted in interpreting responses are outlined below.

7.3.1 The Interpretation of Responses to Questions in the L/E questionnaire.

Of the eight questions that were under investigation at the site visit interviews, two raised some doubt as to whether they were interpreted similarly at all levels of the organisation. At all levels of the organisation there appeared to be confusion about the definition of what a policy and procedure is. Similarly confusion was also evident regarding what are the goals of the organisation. Some staff at the “group” level were not aware of the organisational goals and objectives.

Other factors also influenced the interpretation of questions. The site visit identified that some items may not have contributed to factors due to their lack of significance in the organisation. An example is provided in the interpretation of the word “information”. In all three leadership contexts “information” was not a significant item. The site visit identified a possible explanation of these results may be due to the lack of emphasis on the use of factual and statistical information in decision making in the organisation. This interpretation is supported by the CSIRO report on the use of performance indicators in the organisation and the Australian Quality Awards feedback report.

The site visit identified caution is required in interpreting questions from the Leadership/Empowerment questionnaire. There are examples where the questionnaire responses appeared favourable however the site visit indicates otherwise. For example to the question relating to staff involvement in the formulation of policies and procedures, the responses were generally favourable. However the site visit identified that the high involvement was not a positive experience. High involvement often was a negative experience as the process was causing confusion and frustration.

Furthermore responses to certain questions were influenced by the relevance of the question to particular staff. Certain questions appeared more relevant to some staff than others. For example a person who works alone and is not part of a team did not perceive teamwork as an important issue. Similarly staff at the lowest levels of the hierarchy may not have perceived educational opportunities as a high priority.
7.3.2 Contingency Effects—Issues particular to the time of the study influencing the results.

The responses to the questions were influenced by contingencies. That is, some responses to questions were influenced by the time at which the survey was conducted in the organisation. This raises the question as to whether similar responses would have been made at another point in time when attention was no longer focused on these issues.

For example, certain issues (e.g. policy formulation, communication strategies) were of high priority to the organisation at the time of the implementation of the questionnaire. This priority influenced the responses to certain questions.

Another factor that may have influenced responses was “norms” or expectations of how the organisation relates to staff at the time of the survey. Low expectations may have result in positive responses to questions. For example on the question related to constructive feedback, staff viewed it positively. The site visit identified that the positive response was due to the fact that staff had developed a low expectation. They would be told if they did something inadequately. They were not expecting positive reinforcement and therefore were not concerned that they didn’t receive it.

The responses to the Organisational Stability Questionnaire were influenced by the order of the interview sequence in which it was delivered. This was identified by the breadth and depth of responses of the managers changing over time. It was apparent that at the commencement of the interview some managers were cautious of their responses. As the interview progressed the responses appeared more relaxed. Given that the Organisational Stability Questionnaire was the first item to be discussed at interview, it was felt that a more conservative response was attained than if the same questionnaire was administered later on in the interview. This situation was not directly observable for interviews for staff at other levels of the hierarchy.

During the study issues other than those investigated in the Organisational Stability Questionnaire were identified as possible stresses. Promotion on merit appeared to be a negative issue in the organisation. This may explain why in the preliminary analysis of the questionnaire two questions relating to promotion on merit had an unusually high number of missing responses. The question “promotions are given on the basis of merit” had 14 missing responses. The question “your supervisor supports the promotion of a team member mainly on the basis of length of service” had 15 missing responses. The average number of missing responses was 4.

7.3.3 The Influence On Results Of Levels In The Hierarchy

Consideration of responses within different levels in the hierarchy gained valuable information on the delegation of authority and attitudes prevalent at each level.

Managers appeared the most positive group in the organisation. It is at the manager level where the vision for the organisation and most policies for the organisation are formulated. In reference to questions regarding their supervisor, some managers addressed the response in a more personal manner than at other levels in the organisation. A negative response was viewed as a reflection on themselves. The manager’s group had the highest number of members (25%) who requested the tape-recorder to be switched off if they were providing a negative response.

Assistant managers often reflected the manager’s response. This group provided the highest number of “satisfactory” responses. They often responded by identifying exceptions to the rule. There was a marked contrast between manager and assistant manager responses and the next two levels of the hierarchy. The team leaders and the groups tended to identify more negative responses. Team leaders appeared isolated, not relating well to assistant managers and having to resolve many of the hands-on issues at the group level.
The negative responses within groups, particularly to leadership strategies, were often qualified by having other mechanisms in place, e.g., lack of leadership communication was substituted by communication with other group members and unions. The “group” interviewing process had variable success. Many staff were questioned by their peers when they gave negative responses or corrected if they gave a factually incorrect response. Staff in this group could also be convinced to change their initial response by peer group pressure.

The nature of responses also varied between levels in the hierarchy with more task-oriented responses occurring at lower levels in the organisation. The site visit identified that at lower levels of the organisation the team was often viewed as those who were physically proximal to the individual in their work environment. Physical proximity may not relate to formal structure. Furthermore, these individuals often referred to organisational issues as issues occurring within their own division. In other words, their division was the organisation.

7.3.4 Insight Into Correlations In The Original Questionnaire

Some correlations in the questionnaire could only be explained after the site visit. For example, there was a high correlation (0.7) between training needs of staff and the formulation of policies and procedures. The site visit established that the primary reason for this correlation is that staff were currently preparing policies and procedures and were totally confused by the process. The requirement of additional training to assist in the process of policy formulation was a high priority for staff in the organisation at the time of the survey.

There were a number of divisions who had a high number of negative responses in the Organisational Stability Questionnaire. A possible explanation came after the site visit. For example, the Planning Division results may be the reaction to the current manager being unsuccessful in reappointment to her position. Staff at the team manager and group level did not identify this as an issue causing stress, even though staff at this level had more negative responses compared to other divisions.

7.3.5 Feedback from the Presentation of Results

The general findings of the study in regard to differences in divisional responses and the final leadership and empowerment factors were taken back to the organisation and presented to the managers for discussion.

The explanation of the poor performing divisions (similar to the poor performing divisions in the organisation’s culture survey) was that they had the most ‘field’ staff who left the building and were associated with the highly unionised work groups located outside the building.

The reason stated for the results of one of the two best performing divisions was that it had its own investment portfolio which was proving highly successful. This unique budgetary situation was atypical within the organisation which was undergoing financial restraint. This division therefore had an ‘elite’ status in the organisation. The second best performing division had a relatively new, highly motivated manager. There appeared surprise among some managers that this division received high scores.

The discussion on differences between team empowerment and organisational commitment was new information to the managers who decided to “check out” the results by talking to their staff.

7.4 Limitations of the Current Study

The methodological scope and limitations of the current study were discussed and addressed in Chapter 4. The research itself revealed other limitations in the study design. The most obvious weakness is caused by the exploratory nature of the current research. The findings need to be replicated before any firm conclusions can be drawn on the results.
The correlations only reflect items considered in the current study. Other factors that may have contributed to the results may have been ignored. There may be other items that relate to each of the empowerment contexts and each of the leadership contexts. This assumption needs to be tested in future research. The research would be strengthened by having a second organisation to provide a direct comparison of the results.

The current study, by the use of multiple methods of data collection, should have significantly reduced concerns over attribution error. Brown (1991) and Pfeffer (1977) have indicated that leadership is merely an attributional phenomenon whereby the importance of leadership is exaggerated by the need for people to explain events in a way that fits their assumptions and implicit theories of how the organisation is performing (Kerr, 1974). It is recommended however that future studies should expand the sources of leadership related information gathered. For example to complement subordinate-rated leadership behaviour other ratings could also be applied eg self-ratings of leadership behaviour.

There were certain limitations in the leadership / empowerment questionnaire that became evident only during the study. Subjects did not respond well to negatively worded questions. Other studies have found negatively worded questions having lower validity co-efficients than positively worded questions (Schreisheim & Hill, 1981).

The use of multimethods of data collection also minimised the effect of common method bias, ie any defect or bias in the respondents recall or ratings. The use of strategies in addition to the ones used in the present study to validate the response would have further minimised this effect. The site visit identified significant pride in the organisation in winning an Australian Quality Award. In the organisation under study the subjects may have been responding favourably to responses wholly or partially due to expectations generated regarding being a quality award winning organisations. The influence of this ‘social desirability’ for the organisation to be perceived well may occur at an unconscious level (Edwards, 1957). Social desirability has been identified as a principle bias in organisational commitment research. This may have been influenced by the fact that the questionnaire was completed during work time and respondents were unsure as to how the responses were to be used.

A limitation in data gathering during the site visit was caused to some extent by the inexperience of the researcher in interview techniques. This limited the amount of information that could be generated particularly during one to one interviews. During the interviews information was lost on 5 managers by the managers requesting that the tape recorder be turned off before making their response. Furthermore the transcripts of the interviews identified that the questioning and responses tended to be concentrated on gathering information and explanation on negative responses. Positive responses to some questions had limited information as to the reason for the positive response.

The difficulty in using focus groups at lower levels of the organisation was identified due to:
- the difficulty in interpreting questions;
- peer pressure to respond a certain way;
- dominant respondents;
- the limitations of responding in a negative manner due to the possible consequences of such actions.

At the conclusion of the analysis of the results of the Leadership/Empowerment questionnaire it became evident that the attempt to separate leadership strategies into three leadership contexts could be greatly improved. The leadership contexts were developed by single leadership strategies expanded to include questions pertinent to team leadership and organisational climate. Future studies should be more discriminatory in the development of leadership scales. For team
leadership scales should be investigated from team leadership research. For organisational climate, leadership relating to organisational commitment research should be investigated.

### 7.5 Contributions to Leadership Theory and Research

An important question raised in the current research is whether many previous leadership studies are attacking the wrong problems or perhaps insignificant ones? Many previous theories have concentrated on what leadership traits are important e.g. consideration or task structure, and have not given equal consideration as to why they are important. An explanation for the focus of previous research is that the output of the majority of leadership studies involves “effective” leadership behaviour as predicted by the theory. These may include measures of organisational efficiency, attendance, productivity and satisfaction.

The results of this study indicate that this approach may be overly simplistic. The current study highlighted a possible problem with past research in that the theories ignore subordinate characteristics and the actual subordinate behaviour changes resulting from improved leadership style. Given the complex interrelationship between leadership and employee behaviour found in this study, this omission is of serious consequence. The relationship between leadership behaviour and organisational measures may not be direct. Leadership strategies leading to subordinate feelings of competence and intrinsic motivation, may be an intervening step to achieve organisational improvement measures. This suggests that measurement of leadership behaviour and subordinate behaviour should be combined in a single study. This understanding will allow the translation of leadership practices to different situations.

A principal recommendation arising from the current research is for leadership as a discipline to consider leadership strategies as a process and not a state. The process is that which is contributing to employee’s feelings of empowerment. An understanding of the way leadership actions attempt to shape and interpret situations and influence organisational members into feelings of empowerment would provide a powerful means of understanding the fundamental nature of leadership as a social process. This process view would require a theoretical departure in the questions examined in leadership research. For example this would force researchers to examine the degree to which managers exhibit empowering strategies. No current leadership measure for example assesses the leadership communicative strategies used to increase employee’s feelings of empowerment. A further question arising from consideration of process is the relative importance of each of the leadership items in their contribution to empowerment. The understanding of process would significantly advance leadership theory and leadership practices generally.

The results of this research support the concept of “Individual consideration” in transformational leadership, which involves enhancing both self-efficacy beliefs and ideological values on the part of followers. By showing confidence in followers and helping them to work through individual problems of self-doubt, transformational leaders are able to raise the self-efficacy of followers (Bass, 1985; Eden, 1984; Gist, 1987). Transformational leadership can be viewed as the mechanism by which managers may shape individuals’ self-efficacies and values to perform in such a way as to benefit teamwork to achieve group goals and the continuous improvement of processes (Waldman, 1993).

The charismatic leadership qualities of transformational leadership in building confidence and trust (Bass, 1985) are also supported in the current research. Similarly the importance of inspirational motivation was identified in the current study in the alignment of team and organisational goals. Howell & Avolio (1992) distinguish inspiring leaders as those who “Develop creative, critical thinking in their followers, provide opportunities for them to develop, welcome positive and negative feedback, recognise contributions of others, share information with followers, and have moral standards that emphasise collective interests of the group, organisation or society.”
The transformational leadership concept of intellectual stimulation (Bass, 1985) was identified in the current study. Intellectual stimulation is directly related to the capacity of followers to solve future problems unforeseen by the leader by being creative and innovative, and questioning the old ways of doing things (Bass, 1985). In transformational settings followers are supported for thinking on their own, addressing challenges and considering creative ways to develop themselves. The intellectual stimulation component of transformational leadership has been equated with the various scientific and problem solving techniques applicable to T.Q.M.

The main criticism of transformational leadership is that the leadership behaviours presented are not only narrow but the interrelationships between the four leadership components are not explained by the theory. The current study has shown that the four transformational leadership behaviours are only one component of a model involving a complex association between a range of leadership and employee empowerment behaviours. Context has been ignored in transformational leadership theory. Therefore the results of the current research highlights the need for the theory to consider the leadership components across differing contexts in future research.

The results on the separation of leadership and employee behaviour changes in the current study raises further criticism of transformational leadership theory. The leadership behaviours measured through the commonly used multi-factor leadership questionnaire confuse leadership interventions with employee behavioural outcomes. In other words the results of this study suggest that in previous questionnaire-based leadership studies an unknown proportion of the results that were attributed to the leader’s behaviour may instead be attributable to empowerment behaviours of subordinates. The difficulty with this approach is that for each of the empowerment behaviours the current study identified a range of antecedents/leader substitutes based on whether the assessment is on individual empowerment behaviours, group practices or are viewed as part of the organisation. If the results of the current study are confirmed in future research then the validity of much of the current transformational leadership research is threatened.

The model developed within the current study is a model of participation. It outlines the nature of participation and its consequences. This is a major advance of participative management research which continues to be plagued by disagreement in the form and nature of employee involvement in decision making (Pasmore, 1987) and the elements that make up the concept of participation, for example, influence, interaction and information sharing (Wall & Lisceron, 1977). Agreement on the total number of elements has not been reached (Cotton et al., 1988), nor a framework for their study (Newman, 1983). There is no agreed definition of “participation” either conceptually or operationally (Dachler & Wilport, 1978; Locke & Schweiger, 1979; Strauss, 1982). The literature on participation therefore has not reached a conclusion on the nature of the phenomenon, its determinants or its consequences (Dachler & Wilport, 1978). The current study identifies participation as relating to context. Therefore individual leadership involving the development of trust and employee capability will lead to team empowerment identified by certain characteristics including pride in belonging, alignment to team goals, perseverance and enthusiasm of team members.

The principal contribution this research makes to human growth and development theories is that it considers participation in the context of the social system in which the individual is a part. Previous research has largely been based on individual leadership and individual employee perception of the leader. This study supports the premise that groups form their own relationships and their own perception of leadership based on group norms, drive and cohesiveness.

The current study also supports previous concerns regarding leadership theories failing to account for the interaction effects of leadership context (McElroy & Hunger, 1988; Stand, 1988; Melcher, 1977). In most leadership studies the group or team relations with their leader is based on separate research (Katz and Kahn, 1978; Jacobs, 1971; Schriesheim & Stoghill, 1977). The current research suggests that the principal flaw of such previous work was the researcher’s basic assumption that individual leadership has a direct relationship on individual subordinate
performance. This study found individual leadership had an influence on team empowerment, but not directly on individual subordinate performance.

A key question arising from the current study is whether the antecedents to organisational commitment relating to team empowerment were evident due to the key characteristic of participative leadership in the organisation? The leadership style may minimise the dependence of subordinates on superiors and maximises the autonomy of the employee, which in turn is subject to the co-ordinate needs of the team. An important characteristic of such an organisation would be a climate in which superiors trust subordinates: With trust, the management may tend to feel less of a need to develop tight control mechanisms, thereby creating greater opportunity for team influences.

This study indicates that there may be sources affecting behaviour other than direct leadership. Indeed individual empowerment and team empowerment acted as mediators between individual and team leadership and organisational commitment. These mediators are themselves influenced by factors other than leadership, eg demographics. The importance of group interactions (team empowerment) acting as an intervening item between leadership and empowerment as identified in this study is of major significance to the direction of leadership theory. To the authors knowledge these issues have not previously been considered. The focus on consideration and initiating structure in previous leadership research misses the importance of leadership having an indirect effect on performance. Future research needs to investigate whether the leaders’ behaviours are largely indirect and that the mediators would have a differential relationship to subordinate performance.

An important contribution this study has made to leadership theory is the merging of other disciplines. The current study identified important items that may interact with leadership to influence employee behaviour. These findings add to the growing support for adopting a systems approach to link the various leadership disciplines. It has been recognised in this study that both person factors (individual differences) and system factors and the linkages between them may influence work performance.

### 7.6 Contributions To Organisational Culture Research

This study supports the complexity of culture and advances the understanding of culture by highlighting the importance of subcultures. These subcultures can be considered as antecedents to leadership. The current study found that divisions within the organisation acted as a moderator to both leadership and empowerment. The current study also identifies the importance of teamwork as the principle antecedent to organisational commitment. The difficulty of previous considerations on how to achieve the appropriate organisational culture is that studies identified it as a characteristic of leadership rather than part of a relationship between leadership behaviour and the resultant employee behaviour.

In some respects the model in the current study supports the literature identifying organisational culture as "controllable", ie to be used as another management tool (Deal & Kennedy, 1982; Athos & Pascale, 1981 in Quinn et al., 1988; Lundberg, 1985; Peters & Waterman, 1982; Kilmann et al., 1985; Schein, 1985). Gordon, Martin & Baker in Kilmann et al., (1985) actually states that “culture is a controllable item” (p 423) and that “managing corporate cultures is now possible” (p 431).

### 7.7 Practical Utility To Industry

This thesis commenced with a brief outline as to why this topic was chosen. It was the desire to gain practical knowledge of empowerment to assist in its application in industry. The research for this thesis has provided the answers. The model developed in this study and outlined in Figure 9 suggests that the first step in developing organisational commitment is to develop individual empowerment. This model identifies that this is achieved by focusing on team leadership skills. This involves open and honest communication between the leader and their team. The leader
keeps team members informed of what is occurring in the organisation including feedback on progress made in meeting the goals of the organisation. The leader listens to advice from team members and ensures they have input in the development of new policies and procedures. Similar to individual leadership role modelling is an important team leadership attribute. The leader tries to develop the capabilities of the team through continuously trying to fulfil team training needs and encouraging them to work together to come up with solutions to their own problems. The leader in a team situation takes into account the individual employee providing individual support when required and taking into account their individual wants and needs when allocating tasks.

Within this environment the individual develops the confidence of being able to influence decision-making within the team and the team leader (ie individuals feel capable). This feeling of individual capability is achieved by the individual participating in a team, which has input into decision making (eg problem solving, policies and procedures). Integral to this team decision making process is that the individual gets personal attention from the supervisor when required. With their capability or level of confidence enhanced, individuals feel personally satisfied with their job. With enhanced confidence and job satisfaction, individuals have the ability to develop a strong sense of teamwork.

Team empowerment is achieved through individual leadership practices where the leader listens to the individual and communicates in such a way that the individual felt they could raise any work related issues. This includes thinking of old problems in new ways. The leader concentrates on developing the capability of staff through their involvement in the formulation of goals and objectives. Furthermore the leader ensures staff understand policies and procedures and takes the time to assist if the individual had difficulty in carrying out their work. The importance of role modelling the appropriate behaviour is an important leadership attribute. the leader should give constructive feedback, and compliment the individual for outstanding work. The leader would support the individual in a promotion for consistent effort.

With individual and team leadership strategies in place the environment is conducive to team empowerment. In other words, individuals in a team situation are strong team players. They display pride in belonging to the team. They have a strong commitment to the team achieving the goals and objectives of their group, displayed by their enthusiasm towards team activities and perseverance in problem solving. They are receptive to learning new ideas.

The individual feelings of empowerment and team characteristics are complemented with an organisational climate that employees trust. There is an atmosphere of open and honest communication. The result is employee commitment to the organisation identified by a commitment to continuous change to meet the objectives of the organisation and a willingness to try new ideas in the search for excellence.

The practical utility of using the variables within the final model to develop a questionnaire as an assessment tool has merit. The validity of the questionnaire needs to be verified. Consideration also needs to be given to site contingency issues influencing responses. Furthermore there is a need to gather additional information to assist in interpreting responses. The greatest lesson learnt from the site visit was that a range of factors that influenced the responses to the Leadership/Empowerment questionnaire.

Of significant importance to industry is the success of the current study in developing a model on leadership and empowerment based on a framework applied in industry, ie the Australian Quality Award Criteria. Each criteria of these awards is a business strategy currently applied by industry. For each of these strategies the model developed outlined what leadership strategies and behaviours are important, why they are important and the anticipated employee behaviour changes.
This research has addressed a key difficulty with most leadership theories. That is the lack of explanation and description relating to actual behaviours and strategies required for practical implementation. Answers have been provided in this study as to what actions need to be taken by leaders and what employee behaviour characteristics are required. The leadership behaviours and strategies identified for empowerment have the potential for assisting organisations who wish to embrace empowerment to select and train managers.

It is recommended that future research build on developing an understanding of the interaction of leadership and empowerment for each principal business strategy. By understanding this relationship clear rules can be developed for inclusion and exclusion of leadership and empowerment items for testing. This will permit finer differentiation among constructs and clearer specifications of their inter-relationships.

The development of a better understanding of how organisational commitment develops and is maintained over time has important implications for Australian industries. This study is a basis for future research design. The study clarified that the concept of empowerment is neither simple nor universal. Research in organisational settings will provide insight into the contingency relationships for empowerment and provide more definitive guidelines for practice.

The current study can provide new interpretation as to why TQM is failing to be successfully implemented in many organisations. These organisations have failed to effectively consider the issues of empowerment. It is important to note that this model was tested in an organisation, which had succeeded in the traditional approach of TQM as evidenced by winning an Australian Quality Award. The elements of empowerment as defined by this study were found in this organisation. The important point was that the features of empowerment were more of an outcome rather than a deliberate attempt by an organisation to foster the behaviour. The key insights gathered in this study to assist in interpreting the failure of TQM in organisations are outlined below.

The concept of the individual has been ignored in many organisations applying TQM, which view the system as the principle factor accounting for success or failure. What is absent in TQM is any systematic exploration of the concept of the individual and its contribution to the system. The system is made up of empowered individuals, empowered teams and committed employees to the overall goals of the organisation. The importance in acknowledging individual empowerment in organisations is due to the direction of the association between empowerment contexts. Individual employees that feel they are capable and have job satisfaction leads to the development of interpersonal team skills required for team empowerment. Team empowerment is antecedent to achieving workforce commitment.

If teams are the mediators between individual and organisational empowerment then many of the previous reasons why TQM failed in organisations may not be entirely correct. This research suggests that the reason may relate to a lack of team learning skill development. These results indicate that developing team interpersonal skills within the organisation can enhance TQM leadership efforts. The goal would be to assist team members to gain the interpersonal skills to foster the appropriate group norms as identified in team alignment. Therefore where traditional TQM emphasis on teamwork is through the development and formation of quality improvement teams future quality efforts need to focus on enhancing interpersonal team skills throughout the organisation.

The lack of a unified vision throughout the organisation has been commonly cited as a reason for failure of TQM in organisations. There are examples of visionary executives who are unable to translate their vision to an organisational action plan. The current study found that what is required to be addressed in any action plan is the alignment of individual, team and organisational goals. This is a key factor in each of the three empowerment contexts (the individual, the team and the organisation).
There is a wealth of anecdotal literature identifying the lack of leadership commitment in TQM resulting in its demise. The literature warns of the danger of the CEO supporting TQM more in words than in actions which has resulted in the failure of the TQM program. This study indicates that executive leadership is only one form of leadership in the organisation. It may have a significant influence on organisational climate. The current study identified the importance of individual leadership and team leadership influencing separate empowerment constructs. Organisations need to address leadership in all contexts to achieve organisational commitment. This study did not consider the relative role of executive leadership or divisional leadership to the leadership of teams. This is an important area for future research.

For organisations to be successful the issue of “trust” needs to be addressed as a leadership issue throughout the organisation rather than delegated to the human resources plan. Inappropriately in the TQM literature the AQA criteria “communication and trust” is viewed more as a human resource issue rather than integral to leadership. The current study found the climate of trust and consultation an integral factor in each leadership context (the individual, the team and the organisation). The key leadership behaviours were good listening skills and open and honest communication. The importance of trust was validated during the site visit interviews where many of the responses to the question on supervisory listening skills used the word “trust”. Negative responses involved issues relating to distrust.

The development of employee capability in many TQM oriented organisations generally refers only to the knowledge of quality and its relationship to customers. The current study identified developing the capability of employees as a single factor in each of the leadership contexts. Capability in this study was a more general concept related to employees fulfilling their roles as individuals and as members of their team.

The failure to effectively consider the organisational culture is the major reason given for TQM failure in many organisations. Similarly, leadership models have been developed on the assumption that environmental factors could be held constant either experimentally, statistically or judgmental. This is also a criticism in participative management research and leadership theories in general. The current study only identifies the importance of culture but also of subculture. The complexity of the issues surrounding culture has been identified when considering the antecedents of empowerment.

### 7.9 Conclusion

On looking back at the influences that lead to the commencement of this thesis, the principle issue was the great discrepancy between the realities of being General Manager in search of an understanding of the concept of empowerment and the lack of practical guidance provided in the theoretical and general literature. When seeking an understanding of empowerment, consideration was first given to the literature. This uncovered a range of narrow perspectives across the related fields of leadership, empowerment and TQM. At best the theories and related research explained what leadership strategies were important in relation to empowerment but did not adequately explain why they were important or how to implement in an organisational setting. Little theoretical consideration and even less systematic empirical evidence was offered in the literature to assist in understanding the concept of empowerment. At the conclusion of the literature review questions remained as to what employee empowerment behaviour actually looked like, alternate approaches to implementation or dimensions of importance to the empowerment process.

As the research in this thesis evolved, so did the awareness of the limited focus of previous research. The important leadership qualities of trust, open communication and teamwork began to be understood as a key mechanism that was associated with employee empowerment. The reasons why these strategies were important emerged as well as a description of the desired outcomes in
employee behaviour. The study clarified that the concept of empowerment is neither simple nor related to only one context as assumed in previous research.

The principal lesson learnt from the current research is the importance of empowerment as a concept. There is a need to gain a better understanding of how empowerment develops and is maintained over time. It has important implications for employees and organisations alike.

The key point that this thesis highlights is that to identify factors of importance to empowerment in an organisational setting, theorists and researchers must first become intimately involved in operational practices occurring in the organisation. Research in organisational settings will provide insight into the contingency relationships for empowerment and provide more definitive guidelines for practice. This understanding will alert researchers to a range of appropriate measures from which future research can develop. Only in this way will an applicable body of knowledge develop and Australia can enhance its international competitiveness.
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PLEASE NOTE

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Appendix 1

Juran’s Definition of Quality (1951, 1962, 1974, 1988)

An example of the changing definition of quality is provided by considering the work of Juran. In the first edition of his Quality Control Handbook (1951) Juran separated quality of design (grade) and quality of conformance.

The second edition (1962) Juran changed his definition to the ability of a product to satisfy customer wants. Juran defined market place quality by identifying eight primary uses of the term in industry. They are:

- Market place quality—the degree a specific product satisfies the wants of a specific consumer.
- Quality of design—the degree to which a class of products possesses potential satisfaction for people generally.
- Quality of conformance—the degree to which a specific product conforms to a design or specification
- Consumer preference—the degree to which a specific product is preferred over competing products based on competitive analysis by consumers.
- Quality characteristics—the distinguishing feature of a grade or product (ie appearance, performance, length of life, dependability, reliability, durability, tastes, etc)
- A vague expression of general excellence but without being specific enough to be classified.
- The name of a function or responsibility in industry, related to achievements of quality of product.
- The name of a specific department in a company.

The 1974 edition of his book Juran changed his definition to “fitness of use” which he described as the extent to which a product successfully serves the purpose of the user. Juran argued that this was a universal definition applicable to both the service sector and to the manufacturing sector. Juran however recognised the additional difficulties posed by the service sector. “Measure of external conformance is more complex, owing to the abstract nature of some of the qualities and the subjective reactions of customers.” (Juran and Bingham, 1974, 47-8).

The fourth edition of his handbook (1988) Juran combined the Fitness of use definition with the ability of the a product to satisfy customer wants. Juran expanded the conceptualisation of the customer to include the needs of the internal customer. “For the company. The definition should be stated in terms of:

1) Meeting customer needs.
2) Freedom from deficiencies” (Juran 1988, p3)
Appendix 2
Comparison of the National Quality Awards

AQA - Australian Quality Award
MBNQA - Malcolm Baldrige National Quality Award
EQA - European Quality Award

AQA Category 1 - Leadership

<table>
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<tr>
<th>AQA - p 14</th>
<th>MBNQA - p 14</th>
<th>EQA - p 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 - Senior executive leadership</td>
<td>1.1 - Senior Executive leadership Covers very similar issues.</td>
<td>1 - Leadership</td>
</tr>
<tr>
<td>Senior executive leadership, their collective and personal</td>
<td></td>
<td>Most issues raised in AQA</td>
</tr>
<tr>
<td>commitment, involvement and visibility in developing and</td>
<td></td>
<td>Category I are covered in this</td>
</tr>
<tr>
<td>maintaining an environment for Quality.</td>
<td></td>
<td>Criterion.</td>
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<tr>
<td>1.2 - Leadership throughout the organisation</td>
<td>1.2 - Management for Quality Covers very similar issues.</td>
<td>1 - Leadership</td>
</tr>
<tr>
<td>How leadership is deployed and integrated to drive the Quality process.</td>
<td></td>
<td>Most issues raised in AQA</td>
</tr>
<tr>
<td>1.3 - Leadership in the community</td>
<td>1.3 - Public responsibility and corporate citizenship Covers very similar</td>
<td>1 - Leadership</td>
</tr>
<tr>
<td>How the organisation extends its commitment to Quality throughout the</td>
<td>issues.</td>
<td>Most issues raised in AQA</td>
</tr>
<tr>
<td>community.</td>
<td></td>
<td>Category I are covered in this</td>
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<tr>
<td></td>
<td></td>
<td>Criterion.</td>
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</table>

The most significant difference between the awards is the greater emphasis placed on community acceptance of the organisation and its activities in the EQA through the Criterion 'Impact on Society'.
### AQA Category 2 - Policy and planning

<table>
<thead>
<tr>
<th>AQA - p 16</th>
<th>MBNQA - p 18</th>
<th>EQA - p 6</th>
</tr>
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<tbody>
<tr>
<td><strong>2.1 - Organisational values</strong>&lt;br&gt;The organisation’s values and how they are developed, communicated, adopted and reinforced. ‘Values’ includes Vision and Mission as well as behaviours.</td>
<td><strong>1.0 - Leadership</strong>&lt;br&gt;Quality values are discussed throughout this Category. There is less emphasis on Vision and Mission compared with the AQA or EQA.</td>
<td><strong>2 - Policy and strategy</strong>&lt;br&gt;Covers very similar issues to AQA Category 2. Parameters 2a - how policy and strategy are based on the concept of Total Quality; 2d - how policy and strategy are communicated; and 2e - how policy and strategy are regularly reviewed and improved - are particularly relevant.</td>
</tr>
<tr>
<td><strong>2.2 - The planning process</strong>&lt;br&gt;The organisation’s planning processes and how Quality principles and the organisation’s values are incorporated into the planning process.</td>
<td><strong>3.1 - Strategic quality and company performance planning process</strong>&lt;br&gt;3.2 - Quality and performance plans&lt;br&gt;Covers similar ground in two items.</td>
<td><strong>2. Policy and strategy</strong>&lt;br&gt;Covers very similar issues to AQA Category 2. Parameter 2c - how policy and strategy are the basis for business plans - is particularly relevant, although less emphasis is placed on the planning process compared with either the AQA or MBNQA.</td>
</tr>
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</table>

There is little difference between the awards in this parameter. More emphasis is placed on the actual planning process in both the AQA and MBNQA than the EQA.

### AQA Category 3 - Information and analysis

<table>
<thead>
<tr>
<th>AQA - p 17</th>
<th>MBNQA - p 16</th>
<th>EQA - p 8</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3.1 - Scope and collection of data and information</strong>&lt;br&gt;The data and information used by the organisation and how it is collected.</td>
<td><strong>2.2 - Scope and management of quality and performance data and information</strong>&lt;br&gt;Covers similar ground.</td>
<td>The EQA does not address the issues of data collection, analysis and use in a systematic way, although some of the issues are relevant to 4b - Information resources, in Criterion 4 - Resources. This is a major area of difference between the EQA and the other two awards.</td>
</tr>
<tr>
<td><strong>3.2 - Analysis and use of data and information</strong>&lt;br&gt;How data and information are analysed and used to support the organisation’s overall objectives. Strong emphasis on the use and understanding of measurement concepts and statistical analysis.</td>
<td><strong>2.3 - Analysis and use of company-level data</strong>&lt;br&gt;Covers similar ground, but with no emphasis on the use and understanding of measurement concepts and statistical analysis, which is a major thrust of AQA Item 3.2.</td>
<td>The EQA does not address these issues in a systematic way. (See the notes above.) However, assessors look for evidence within the application, e.g. the relationship between Results and how these are used as feedback mechanisms to review and improve the enablers.</td>
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There are significant differences between the criteria in this parameter, however, the AQA and MBNQA approach is broadly similar.

The EQA does not separately address data collection, analysis and use, although many of the issues raised in the AQA and MBNQA criteria are obliquely addressed in 4b - Information resources.

The AQA criteria place much more emphasis on measurement concepts and the understanding of variation and statistical concepts. This is a positive policy, recognising that these important issues are poorly addressed by many Australian organisations.
<table>
<thead>
<tr>
<th>AQA Category 4 - People</th>
<th>MBNQA - p 20</th>
<th>EQA - p 7</th>
</tr>
</thead>
</table>
| 4.1 - Human resource management planning  
*How the organisation’s human resource plans are developed, managed and integrated with its overall planning processes.* | 4.1 - Human resource management and planning  
*Covers similar ground.* | 3 - People management  
*Broadly covers the issues canvassed in AQA Category 4. HR planning is specifically dealt with in 3a - how continuous improvement in people management is accomplished.* |
| 4.2 - Employee involvement  
*The ways in which all employees are encouraged and assisted to contribute to achieving organisational objectives.* | 4.2 - Employee involvement  
*Covers similar ground.* | 3 - People management  
*Overall the Criterion determines how the company releases the full potential of its people to improve its business continuously.* |
| 4.3 - Performance management  
*Performance management is the way the organisation manages and evaluates the contribution of its people to day-to-day activities and to continued performance improvements.* | 4.4 - Employee performance and recognition  
*Covers similar ground.* | 3 - People management  
*Performance management and measurement is specifically referred to in 3e - how people and teams agree targets and continuously review performance, with a reference to how people are appraised.* |
| 4.4 - Education and training  
*The nature and extent of education and skills training offered to employees at all levels in the organisation.* | 4.3 - Employee education and training  
*Covers similar ground.* | 3 - People management  
*3b - how the skills and capabilities of the people are preserved and developed through recruitment, training and career progression - is particularly relevant.* |
| 4.5 - Wellbeing and morale  
*How the organisation maintains a work environment that enhances the wellbeing and growth of its people. Also seeks indicators of employee wellbeing and satisfaction.* | 4.5 - Employee wellbeing and satisfaction  
*Covers similar ground.* | 7 - People satisfaction  
*What are your people’s feelings about your company? Covers the satisfaction measures only. Some of the process issues are dealt with in Criterion 3.* |
| 4.6 - Communication  
*How management keeps employees informed of plans, decisions, developments, achievements and other aspects of performance. Also deals with bottom-up communication and horizontal communication.* | No separate item to cover communication. Items 1.1 and 1.2 cover most of the issues raised in AQA Item 4.6. | 3 - People management  
*3e - how effective top-down and bottom-up communication is achieved is particularly relevant. 4 - Resources, also has a parameter - information resources - which covers some of the ground.* |

The AQA and MBNQA are very similar in respect of people. The EQA covers much of the ground in less detail, with employee satisfaction measures being the principal results sought. This is generally a major difference between the EQA system compared with either the AQA or MBNQA, where evidence of achievement is sought for most of the key processes examined. This is not as clearly stated with the EQA, although within scoring for the enablers, the issue of review and improvement through review is addressed. Therefore, again the end result is not likely to be very different.

Within the EQA system the key performance issues of *customer satisfaction, people satisfaction, impact on society and business results* are strongly emphasised in the criteria.
The AQA and MBNQA are very similar, although the issues covered in AQA Category 5 are covered in three Categories in the MBNQA. Again the EQA approach is a little different, with the 'how' issues dealt with more obliquely through the criteria, rather than in a direct way as in the AQA and MBNQA. They are generally dealt with no less comprehensively in the EQA system, however.
<table>
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<th>AQA - p 23</th>
<th>MBNQA - p 23</th>
<th>EQA - p 8</th>
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</table>
| **6.1 - Supplier quality improvement**  
*How the organisation manages its relationships with its suppliers to improve the quality of incoming goods and services.* | **5.4 - Supplier quality**  
6.4 - Supplier quality results  
These two items cover similar ground, however, the AQA Item revolves around the principle of *how the organisation works with suppliers to mutual benefit*, which is less emphasised in the MBNQA. | **1 - Leadership**  
Parameter 1e - involvement with customers and suppliers - includes a mention of suppliers. They are also specifically referenced in 5a - *how processes critical to the success of the organisation are identified, and in 4c, Material resources*, which has a strong supplier element. The 'hows' rather than 'whats' are emphasised. |
| **6.2 - Improving process performance**  
*How the organisation's key processes, including business, production and delivery processes, are managed and improved.*  
Benchmarking is specifically addressed as a means of reducing the cycle time for improvement of key processes.  
Quality Assurance (QA) is raised as a specific issue in the AQA's, as is any requirement to meet prescribed standards, such as AS/ISO 9000. | **5.2 - Process management: product and service production and delivery processes**  
**5.3 - Process management: business and support service processes**  
These two items cover similar ground.  
Benchmarking is specifically covered in 2.2 - Competitive comparisons and benchmarking.  
QA and standards are not specifically discussed in the MBNQA criteria. | **5 - Processes**  
Covers very similar ground, with emphasis on the 'hows' rather than the 'whats'.  
Benchmarking is specifically referenced in 5e - *how process performance measurements, along with all relevant feedback are used to review processes and set targets for improvement.*  
In addition assessors also look for evidence in all enablers of the organisation's approach to benchmarking.  
QA is specifically referenced in 5b - *how the organisation systematically manages its processes.* |
| **6.3 - Quality of products and services**  
*How the organization assesses the quality of its products and services. The results seen.* | **5.5 - Quality assessment**  
6.1 - Product and service quality results  
These two items cover similar ground to AQA Item 6.3. | **5 - Processes**  
5b - *how the organisation systematically manages its processes - canvasses some of the issues, particularly with the reference to quality systems standards. Generally these issues are dealt with more obliquely within the EQA system, particularly in Criterion 6 - Customer satisfaction, and Criterion 9 - Business results.* |

There are no major differences between the award systems in these criteria. The AQA and MBNQA place greater emphasis on systems for measuring quality of product and service than the EQA, where this issue is dealt with less directly.
AQA Category 7 - Organisational performance

<table>
<thead>
<tr>
<th>AQA - p 22</th>
<th>MBNQA - p 27</th>
<th>EQA - p 11</th>
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<tr>
<td><strong>How key performance indicators and other measures are used.</strong> Such indicators would be expected to include objectives considered vital to the success of the organisation. This Category pulls together all the strands of the management process and demonstrates how all the Categories are contributing to the achievement of the organisation’s vision, mission and key objectives. Benefits for all stakeholders: customers, owners, employees, suppliers, the wider community, are expected to be included as appropriate.</td>
<td><strong>6.2 - Company operational results</strong>&lt;br&gt;<strong>6.3 - Business and support service results</strong>&lt;br&gt;These two items broadly cover the requirements of AQA Category 7. However, they do not attempt to pull together the strands of the business management process as comprehensively as the AQA process.</td>
<td><strong>9 - Business results</strong>&lt;br&gt;What the organisation is achieving in relation to its planned business performance.&lt;br&gt;This Criterion is seeking to achieve much the same outcome as AQA Category 7. The emphasis here is on ‘whats’, with the ‘hows’ largely dealt with in Criteria 1-5.</td>
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This is one AQA Category which more closely resembles the EQA process rather than the MBNQA. Both seek to pull together the strands of the business management process to determine how effectively the total process has been in achieving key goals and objectives.

**Resources**

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<td>The AQA does not have a separate Category or items dealing with the management, utilisation and preservation of resources. The approach taken is that the management of resources is a component of all aspects of performance examined within the criteria. Specific reference is made to resource management, including human resources in a number of items, e.g.:&lt;br&gt;1.1 - senior executive leadership&lt;br&gt;2.2 - the planning process&lt;br&gt;3.1 - scope and collection of data and information&lt;br&gt;4.1 - human resource management planning&lt;br&gt;6.2 - improving process performance.</td>
<td>The MBNQA does not have a separate Category or items dealing with the management, utilisation and preservation of resources. The approach taken is that the management of resources is a component of all aspects of performance examined within the criteria. Specific reference is made to resource management, including human resources in a number of items, e.g.:&lt;br&gt;3.1 - strategic quality and company performance planning process&lt;br&gt;3.2 - quality and performance plans&lt;br&gt;4.1 - human resource planning and management.</td>
<td><strong>4 - Resources</strong>&lt;br&gt;The management, utilisation and preservation of resources.&lt;br&gt;How the organisation’s resources are effectively deployed in support of policy and strategy.&lt;br&gt;A Total Quality approach will cover how business improvements are achieved continuously by management of:&lt;br&gt;4a - financial resources&lt;br&gt;4b - information resources&lt;br&gt;4c - material resources&lt;br&gt;4d - application of technology.</td>
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The EQA is the only system to separately address physical resource utilisation. With both the AQA and MBNQA resource issues are generally implied rather than specifically requested. There are exceptions to this which are summarised in table 14.
Appendix 3
Conger and Kanungo (1988)
Model Of Empowerment

STAGE 1
Conditions leading to a psychological state of powerlessness

Organisational factors
Supervision
Reward system
Nature of job

STAGE 2
The use of managerial strategies and techniques

Participative management
Goal setting Feedback system
Modeling Contingent/ Competence based reward
Job enrichment

STAGE 3
To provide self-efficacy information to subordinates using four sources

Enactive attainment
Vicarious experience
Verbal persuasion
Emotional arousal and

STAGE 4
Results in empowering experience of subordinate

Strengthening of effort – performance expectancy or belief in personal efficacy

STAGE 5
Leading to behavioural effects

Initiation persistence of behaviour to accomplish task objectives

Remove conditions listed under Stage 1

(Source – Conger & Kanungo, 1998)
Appendix 4
Thomas and Velthouse (1990)
Model of Empowerment

Interpretive Styles
- Attributing
- Evaluating
- Envisioning

Global Assessments
- Impact
- Competence
- Meaningfulness
- Choice

Task Assessments
- Impact
- Competence
- Meaningfulness
- Choice

Interventions

Environmental Events

Behaviour
- Activity
- Concentration
- Initiative
- Resiliency
- Flexibility
Appendix 5
Theories Of Human Growth And Development

Argyris (1957, 1964) Double Loop Learning

Argyris focus was on redesigning the damaging features of hierarchies and the negative impact of job alienation often found in lower level employees. He was concerned with developing self esteem in individuals (referred to as psychological success). Argyris defined two principle conditions for developing self esteem: Firstly individuals must value themselves and aspire to experience an increasing sense of competence. Secondly an organisation must provide opportunities for work in which the individual is able to define his immediate goals, define their own paths to these goals, relate these to the goals of the organisation, evaluate their own effectiveness, and constantly increase the degree of challenge at work.

The key characteristic of a humanistic organisation, in this view, is that it minimises the dependence of subordinates on superiors and maximises the autonomy of the employee, which in turn subject to the coordinative needs of the organisation. An important characteristic of such an organisation is a climate in which superiors trust subordinates:

"Under a climate of trust, the individuals may increase their opportunities for psychological success. With trust, the management may tend to feel less of a need to develop tight control mechanisms, thereby creating greater opportunity for psychological success" (p 30).

Argyris next observed that the conditions necessary for the development of trust and of psychological success are rarely met in the industrial organisations, because of the inherent conflict between the productive goals of the organisation on the one hand and the psychological needs of the employee on the other:

"The formal organisation...and the administrative control system typically used in complex formal organisations...is based on such “principles” of administration as specialisation of work, chain of command, unity of direction, and span of control. The strategy creates a complex of organisational demands that tend to require individuals to experience dependence and submissiveness and to utilise few of their relatively peripheral abilities”.

Argyris argues that the majority of leaders operated in two different theories:

- an espoused theory consisting of the goals and assumptions and values that the person says guides his or her behaviour.
- a theory is use consisting of the implicit assumptions that actually guide overt behaviour (Argyris, 1976).

Argyris and Schon (1974) studies leaders espoused and in use theories through tape recorded scenarios in which both overt behaviour and the private thoughts which accompanied the overt behaviour are elicited and categorised.

From the results Argyris concluded that there was a wider gap between espoused theories and theories in use in hierarchical environments compared to participative environments. This was due to different degrees of openness to ones own and others feelings. This degree if openness had a direct impact on the type of learning that occurred in organisations. Similarly Senge (1990) advocates that superiors bring to the surface subordinates’ tacit assumptions. If these assumptions remain unexpressed, their validity however challenged. By uncovering these assumptions, employees can form a more accurate conception of the problem.

Hierarchical organisation which did not encourage openness would be restricted to single loop learning. Single loop learning is characterised by cultural attributes
that inhibit effective problem solving to deal with difficult issues, including quality improvement. Managers in single-loop cultures are prone to attributing problems to workers, and then attempting to implement strategies which maximise their own personal control. Problem solving in single-loop cultures tends to be ineffective because new ideas are not tested publicly due to employees fears. Over time, people begin to accept the idea that their organisations are not conducive to learning and consequently, learning ceases to occur. The result in increasing rigidity, inefficiencies, and lack of innovation.

Double loop learning occurs in more participative environment that have more open structures. Double-loop learning refers to the process of questioning the validity of ones own assumptions and existence. It occurs outside the system, and is therefore capable to quantum changes rather than the incremental adjustments under single-loop learning. According to Argyis and Schon (1978) double-loop learning occurs when variations in performance lead to modification of the norms, policies and objectives of the organisation.

The essential differences between the two are the paternalistic processes that occur inside the system in the single-loop type, and the more individualistic processes occurring outside the system in double-loop learning.

Double loop learning is discovered through a creative mental process (Bennis and Nanus, 1985). To improve their leadership a reflective process of inquiry is similar to double loop learning that will generate valid information, create free and informed choice and produce internal commitment.

Anderson Rungtusanatham and Schroeder (1994) related single loop learning to Demings emphasis on process stability which emphasises routine, incremental procrns that serve to maintain stable relationships. Conversely Garvin (1986) identifies the continuous improvement aspect of TQM as an example of double loop learning.

**McGregor - Theory Y**

McGregor (1960, 1966) proposed two distinct views of people: one basically negative, labelled Theory X, and the other basically positive, labelled Theory Y. After viewing the way in which managers dealt with employees, McGregor concluded that a manager's view of the nature of people is based on a certain grouping of assumptions and that he or she tends to mould her or his behaviour towards employees according to these assumptions.

Under Theory X, the four assumptions held by managers are:

- Employees inherently dislike work and whenever possible will attempt to avoid it.
- Since employees dislike work, they must be coerced, controlled and threatened with punishment to achieve goals.
- Employees will avoid responsibilities and seek formal direction whenever possible.
- Most employees place security above all other factors associated with work and will display little ambition.

In contrast to these negative views toward the nature of people, McGregor listed five other positive assumptions that he called Theory Y:

- Employees can view work as being as natural as rest or play.
- People will exercise self-direction and self-control if they are committed to the objectives.
- Commitment to goals is a function of the rewards available, especially high rewards such as recognition.
- The average person can learn to accept, even seek, responsibility.
The ability to make innovative and creative decisions is widely dispersed throughout the population and is not necessarily the sole province of management.

Theory X assumes that lower order needs or extrinsic motivation dominate people. Theory Y assumes that higher-order needs or intrinsic motivation dominate people. McGregor held to the belief that Theory Y assumptions were more valid than Theory X. Therefore, he proposed such ideas as participation in decision making, responsible and challenging jobs, and good group relations as approaches that would maximise an employee’s job motivation.

**Ouchi 1981 - Theory Z**

Intentionally alluding to McGregor’s Theory X and Theory Y, Ouchi (1981, 71-94) described an alternative leadership approach, Theory Z. His basic premise is similar to other motivational theories. Attention to humanistic management, results in improved employee satisfaction and productivity. His work is based in a comparison of Japanese and American management. He began his work by listing the characteristics of “Type Z” companies. These include long-term employment, slow evaluation and promotion, nonspecialized career paths, collective decision making and responsibility, and a holistic concern for people.

Ouchi purported that the theoretical basis for why Z companies are successful is that they have achieved a high state of consistency in their organisational cultures. He likens Z companies to clans in which the associations among people are intimate. A clan is culturally homogeneous organisation, one in which most members share a common set of values or objectives plus beliefs about how to coordinate effort in order to reach common objectives. The clan functions by socialising each member completely so that each merges individual goals with the organisational ones, thus providing them with the motivation to serve the organisation. The merged goals socialise the individuals completely and provide them with information on the best way to get things done, thus making this decision-making process almost instinctual. However, this socialisation is possible only when new members already share values quite similar to those of the organisational culture, which makes radical resocialisation necessary. This is all possible only when membership turnover is low, thus giving members a greater vested interest in integrating themselves personally and completely into the organisation.

Thus, people in Z organisations, report a higher degree of autonomy and freedom than employees of other organisations.


In 1985, Charles Joiner Jr, identified the important task in the “Z” approach is learning how to get employees committed to business goals that will make a difference and how to train them at becoming the best at achieving these goals. Joiner identified the following leadership practices central to Theory Z. Firstly a strong belief in people. People must be involved in business issues in a meaningful way. Needs to be a climate of openness, honesty and trust. There must be commitment to education and development of employees. Most importantly the dignity of each individual must be protected at all costs. Secondly a commitment to the pursuit of excellence as an ongoing process. The steps to achieve this include:

- Build a cohesive executive management team. This followed establishing and communicating a vision.
• Development of a strong personal support system, where individuals can continuously grow personally and continually. This requires a sense of security about the future. The added advantage of the development of specialised skills takes times. These skills yield the true competitive edge for companies. Recommended support systems include: culture surveys, profit sharing plan, career planning, performance reviews, educational opportunities, employee speak-up programs.

• Build participative structures. This involves reducing bureaucratic red tape or management hierarchy. Management system of responsibility is required. Need to create forums for participation e.g. co-ordinating committees, quality circles.

**Likert (1967) System 4**

Likert (1967) concentrated on discovering those forms of organisation that most successfully overcome the problems of co-operation plus low motivation that results from hierarchical structures. Likert identifies four systems or organisational leadership styles. They are:

**System 1** The *Exploitative* style of leadership is one in which the leader exploits subordinates.

**System 2** The benevolent authoritative style is paternalistic in nature, yet decision making and control is authoritarian, using direct hierarchical pressure for results.

**System 3** The *consultative* style is one in which the leader maintains the decision-making prerogative but seeks input from and consults with employees.

**System 4** In the *participative* leadership style, decisions are reached by group consensus with the leader service to give direction.

As with previous theories, Likert claimed that the participative leadership style, called the System 4 Manager, is the most effective. These studies revealed that supervisors of highly productive work groups have general supervision, delegated authority and responsibility, and were employee rather than production-oriented (Rue and Ryars, 1986).

Effectiveness was measured by the productivity of the work group, the level of cost containment, positive employee attitudes and good labour-management relationships.

Likert stressed the importance of cohesive work groups knitted together through participation. Rue and Byers (1986) quoting Likert "*A highly productive organisation is much more than a conglomerate of strangers*”. If a firm were to consist of individuals each of whom had excellent aptitude and training for his particular job but knew absolutely nothing about any other member, the productivity and performance of such an organisation would be poor. *Highly productive organisations are tightly knit social systems*” (p 387).

Likert emphasised, as did McGregor, that the overall climate (which Likert referred to as the “system”) must be consistent. He maintained it is the consistency with which the parts mesh together that is most important than the character of any of the specific techniques of management or organisation.

**Ohio State University Studies**

A major research theme during this period was the relative importance of task versus human dimensions in leadership effectiveness. In the Ohio State University studies, Fleishman, Harris and Burtt (1955) developed a two-dimensional approach (from a list of 1000) that categorised most leadership behaviour. The two dimensions were:
• Consideration of the extent of job characteristics that relate to trust and respect for subordinates abilities and development. Examples include fighting for subordinate rights and needs above what is expected normally, personal favours, seeing a subordinate as a peer.

• Initiating structure or the extent of structuring one’s own as well as a subordinate’s job to carry out set tasks. Examples include controlling subordinates pace of work, ensuring that subordinates follow standard operating procedures and being task-oriented.

The model assumes that a manager considered being high in both dimensions, generally provided the basis for enhanced performance of subordinates and group, as well as providing greater work satisfaction. The leadership scales of consideration and initiating structure have been the basis for a large number of studies. There is general agreement of a positive relationship between the scale of consideration and subordinate satisfaction. House (1971) found that leaders that scored high in both initiating structure and consideration, appear to have more cohesive harmonious productive groups of followers (p 321). Some relatively recent research in Japan has provided consistent evidence that leader effectiveness requires significant amounts of both task and relationship-oriented behaviour (Misumi, 1985; Misumi and Peterson, 1985). However, this research also emphasises that the relevance of behaviours varies across situations, as opposed to a simplistic interpretation and more is always better.

The Ohio State University studies have been more successfully applied in the laboratory rather than in the industry setting (Sribe and Garcia, 1981, Peters, Hartke and Pohiman, 1985).

Managerial Grid

In the University of Michigan studies, the Managerial Grid was developed using a two-dimensional grid. One leadership dimension was labelled employee-oriented (people oriented) and the other production-oriented (task-oriented) (Blake and Mouton, 1964) The grid was created by dividing each dimension into ten equal parts - creating a grid of 100 squares. Essentially, there were five important grid squares. These were:

• **1.1 Leadership Style** - An impoverished leader who exerts little influence to accomplish work-related tasks. Style cannot actually be seen as leadership at all. There is little concern for people or production matters. The style related to Thomas' notion of conflict avoidance, where staying out of trouble is the primary motive.

• **1.9 Leadership Style** - Country-club style that focuses on people-oriented issues of welfare and support. The leader tries to develop a comfortable environment in which to work in, leading to enjoyable work relationships - but not highly productive units. The conflict style here seems to be one of mediation and compromise.

• **5.5 Leadership Style** - A centre leadership style that applied adequate task and people influences to get tasks carried out. Many leaders try to provide this sort of environment, but it is highly illusory. Production of people forces will ensure that the leader will consequently bias their activities towards production of people.

• **9.2 Leadership Style** - Task-oriented to the almost exclusion of people. Leaders opt for this style when the external environment exacts as pressure on the organisation such that survival is threatened. Consequently, internal group processors are forced to change to ensuring that each group is aligned to the needs of the organisation, rather than the needs of the various groups. But, this style may reflect an inadequate balance in the leader's behavioural make-up. For example, the individual may be conditioned by the culture of the organisation to behave in this way. The focus of top management may be thus included to reward this type of behaviour and a people orientation may be seen as a sign of weakness.

• **9.9 Leadership Style** - Balanced leader that facilities integrating the task and people requirements. This is the team-orientated style of leadership, where the task and the people controlling it are as important as each other. Paradoxically, this style is being used to great
advantage in organisations that are facing survival pressures. However, nurturing and
developing people will mean that although the external pressures may increase, the people in
the organisation are capable of meeting the challenge. This is the challenge for the quality-
oriented organisation. The style is characterised by attempting to modify both the
organisational and group goals and to align them to a single direction. By doing so in a
constructive way, both the organisation and the group benefit.

The Michigan team found that effective managers are concerned about
subordinates and provides general supervision, while ineffective managers tend to
be task focused and provide close supervision.

Vroom Expectancy Theory

Currently, one of the most widely accepted explanations of motivation is Vroom’s
expectancy theory (Fishbein, 1965; Vroom, 1964). Although it has its critics
(Heneman and Schwab, 1972; Mitchell, 1974) most of the research evidence is
support of the theory (Evans, 1970; Graen, 1969; Porter and Lawler, 1968).

Essentially, the expectancy theory argues that the strength of a tendency to act in a certain way
depends on the strength of an expectation that the act will be followed by a given outcome and on the
attractiveness of that outcome to the employee. It includes two variables or relationships. The first is
Attractiveness. This is the importance that the employee places on the potential outcome or
reward that can be achieved on the job. This considers the satisfied needs of the employee. The
second is Performance Reward Linkage This is the degree to which the employee believes that
performance is linked to reward.

The expectancy theory has five propositions of how motivation can be enhanced through the design of
jobs:

- To the extent that an individual believes that he can obtain an outcome he values by engaging
  in some particular behaviour or class of behaviours, the likelihood that he will actually engage
  in that behaviour is enhanced. Relevant valued outcomes can be both intrinsic (e.g. feelings
  of accomplishment or of personal worth) and extrinsic (e.g. material goods); the only
  requirement is that the outcomes be valued by the individual.

- Outcomes are valued by individuals to the extent that they satisfy the physiological or
  psychological needs of the individual, or to the extent that they lead to other outcomes which
  satisfy such needs or are expected by the individual to do so.

- Thus, to the extent that conditions at work can be arranged so that employees can satisfy their
  own needs best by working effectively toward organisational goals, employees will in fact
  tend to work hard toward the achievement of these goals (McGregory, 1969).

- Most lower level needs (e.g. physical well-being, security) can be reasonably well satisfied for
  individuals in contemporary society on a continuing basis and, therefore, will not serve as
  motivational incentives except under unusual circumstances. This is not the case, however,
  for certain higher order needs. A person may experience higher order needs satisfaction on a
  continuing basis without the strength of desire for additional satisfaction of these needs
diminishing. Indeed, it may be that additional satisfaction of higher order needs actually
increases their strength (Alderfer, 1969). This is an important possibility since it suggests that
the opportunity for the development of continuing (and possibly) even increasing) motivation
is much more a reality when higher order needs are engaged than is the case for more easily
satisfied lower order needs. There is, of course, a major cost associated with any motivational
approach in which higher order needs are central: Not all employees can or will respond to
opportunities for the satisfaction of higher order needs, and thus motivational approaches
based on these needs cannot be applied indiscriminately.

- Individuals who are capable of higher order need satisfaction will in fact experience such
  satisfaction when they learn that they have, as a result of their own efforts, accomplished
  something that they personally believe is worthwhile or meaningful (Argyris, 1964; Lewin,
  Dembo, Festinger and Sears, 1944). Specifically, individuals who desire higher order need
  satisfaction’s should be most likely to obtain them when they work effectively on meaningful
  jobs which provide feedback on the adequacy of their personal work activities.
Important to expectancy theory is that reality is not relevant. Employees perception is important. The importance of employees perceived outcome (e.g. pay, security, trust) depends on their personal values, personality needs (Graen, 1969).

Expectancy theory is also a contingency model based on self interest where each employee seeks to maximise her or his expected satisfaction. An employee’s own expectation of performance, reward and goal satisfaction outcomes will determine her or his level of effort, not the objective outcomes themselves.

Pinder (1984) indicates that the theory is not actually applied to the individual but to providing a means to predict an individuals response in a given situation.

Vroom’s (1970) expectancy theory is similar to Bandura (1977, 1976) self efficacy (or competency) theories. Another expectancy theory of motivation is transactional leadership theory. Given that transactional leadership theory is used to contrast with transformational leadership, a description of the theory will be provided elsewhere.
Appendix 6
Contingency Theories
Fielder-Least Preferred Co-worker

Fielders instrument measures interpersonal perception. The leader is questioned on the esteem to which they hold their least preferred co-worker (LPC). Fielder treats LPC as an indicator of whether a leader is primarily concerned with affiliation (high LPC) or task achievement (low LPC). Fielder uses the term “favourableness of the situation” to define the degree to which the situation enables the leader to exert influence over his group. Fielder outlined three situation derived dimensions. The first is the leader member relationship, which is the most critical variable in determining the situation’s favourableness. The degree of task structure is the second most important input into the favourableness of the situation. The third is the leader’s position power obtained through formal authority. The theory proposes that high task oriented leaders (low LPC) provide the best outcome compared to relationship oriented people if: Firstly, the leader has good relationship with group members as measured by the degree of acceptance of the leader. Secondly the leaders position power is high such that he or she can clearly reward or punish members. Thirdly the task is highly structured in that there are clear goals, few correct solutions, few ways of accomplishing the task and clear criteria of success. The Theory proposes that the relationship oriented leader (high LPC) have better outcomes if the situation is only moderately favourable to the leader because the acceptance by members is lower, or position power is lower or the task is less structured. The task oriented leader however performs better if the situation is unfavourable to the leader because the acceptance is high, opposition power is low and the task is unstructured.

House Path Goal Theory

The underlying theory is an expectancy theory. An individual leader’s behaviour is acceptable to performance when they perceive an immediate or direct source of satisfaction. This satisfaction, According to House and Dessler (1974) comes from two areas. First the satisfaction comes from effective performance and second effective performance comes from the coaching and supportive style of the leader. The following behaviours are identified by the Path Goal theory.

- Directive-Providing direction to subordinates as to what is required, when and to whom, to what standards of output and the requisite reward as a consequence.
- Supportive-Providing concern for the needs and welfare of subordinates through positive relationship building. The leader considers the psychological basis for the employees’ needs and correspondingly develops a positive attitude in the employees of their importance in the task completion.
- Participative-Providing an environment in which subordinates are seen as partners in the management of group by encouraging and consulting them before making decisions.
- Achievement Oriented –Providing challenging outcomes from both goals and the process used to achieve the goals. The leader indicates and develops increasing confidence in the ability of employee to accomplish set tasks.
- The path goal theory implies that the same leader can display any or all of these behaviours depending on the situation. The path Goal theory proposes two classes of contingency variables that moderate leadership. First those that are in the environment that are outside the control of the subordinate (task, structure, the formal authority system and the work group). Second those that are part of the personal characteristics of the subordinate (focus of control, experience and perceived ability). Environmental factors determine the type of leader behaviour required if subordinate outcomes are to be maximised while personal characteristics of the subordinate determine how the environment and leader behaviour are interpreted. The theory proposes that leader behaviour will be ineffective when it is redundant with sources of environmental structure or incongruent with subordinate characteristics.
Appendix 7

Description Of Transformational Leadership Theory

1) Charismatic Leadership (Idealised Influence)
Charismatic leadership is generally defined with respect to the follower reactions to the leader as well as to the leaders behaviour (idealised influence).

Charismatic leadership is usually defined as a set of characteristics which arouses strong emotions, hopes and aspirations of people in the organisation. These leaders act as powerful role models and provide a standard to which others can identify with and emulate (Bass, 1985; Nadler & Tushman, 1990).

The relationship between the leader and the led is based on trust. Trust is identified as a critical component as it provides the basis for followers accepting radical and fundamental changes in the way the company conducts its business (Bass, 1985). Charismatic leaders are thoroughly respected, have much referent power, hold high standards and set challenging goals for their followers.

Charismatic leaders gain greater levels of long-term performance by developing a higher level of autonomy, achievement, and performance in their followers. Further they encourage development and achievement of each follower’s highest level of potential. These leaders risk the threat of replacement for the greater gain obtained when followers are fully capable of modifying and contributing to the leader’s overall mission and goals.

The actual behaviour characteristics of charismatic leaders varies depending on the transformational leadership theory under consideration. The lack of agreement on what leadership characteristics are both necessary and sufficient for charismatic leaders raises questions on the practical utility of this leadership dimension in a workplace setting. Charismatic leaders “Develop creative, critical thinking in their followers, provide opportunities for them to develop, welcome positive and negative feedback, recognise contributions of other, share information with followers, and have moral standards that emphasise collective interests of the group, organisation, or society.” (Howell & Avolio, 1992: 44).

House (1977) charismatic leadership theory identifies specific leadership behaviours including impression management, articulation of an appealing vision, communication of high expectation, expression of confidence in followers and an ability to build followers self confidence. Charismatic leaders also serve as role models. There has not been much empirical research to test the model although support is available (House, Woycke & Fodorr, 1988; House, Spangler & Woycke, 1991).

Conger (1985) conducted in-depth analysis of charismatic and non charismatic business leaders. Charismatic leaders had the following traits:
• Vision
• Captivating and inspiring speaking skills
• Ability to excite
• Countercultural and/or unconventional behaviour and practices
• High energy and dynamism
• Brilliance in terms of strategic insights and knowledge
• Active campaigning for organisation goals.

Nadler & Tushman (1990) identified three types of charismatic leadership behaviours.

1. Leadership envisioning. This involves the creation of a picture of the future, or of a desired future state with which people can identify and which can generate excitement

2. Energising. Here the role of the leader is the direct generation of energy or motivation to act among members of the organisation. Leadership behaviours include leaders actively
demonstrating their own personal excitement and energy, expressing confidence in their own ability to succeed and finding successes to celebrate progress towards the vision.

3. Enabling. The leader psychologically helps people act or perform in the face of challenging goals. Leadership strategies include listening, expressing support and sharing the feelings of those in the organisation.

There has been supportive research evidence for charismatic leadership qualities. House (1977) study of Pygmalion affect where followers perform better when a leader expresses confidence in them supports some aspects of the theory (Eden, 1984). The results of similar studies suggest that the self fulfilling prophecy leader can be activated from lower to upper levels in the organisation. The process works in a didactic situation within groups and in an organisational context. Field & Van Seters (1988) suggest that the key success factor of this type of leadership is to build positive expectations.

Howell & Frost (1989) demonstrated that charismatic leadership behaviour resulted in higher performance by followers and more positive emotional responses in followers than other kinds of leadership. Further research on charismatic leadership has identified this type of leadership observable, definable and having clear behavioural characteristics (Barlow, 1974; House, 1976; Bass, 1985; House, 1989; House, Spangler, Woycke, 1991).

There has been identified a number of inherited limitations to the effectiveness of charismatic leaders (Nadler & Tushman, 1990). They include:

1. The leader creating unrealistic or unattainable expectations.

2. Some individuals may become overly dependent on the leader and in some cases whole organisations. Everyone stops initiating action and waits for the leader to provide directions (Graham, 1982). At the other extreme individuals may be uncomfortable with the strong personal presence and spend time demonstrating how the leader is wrong (Musser, 1986; Rutan & Rice, 1981).

3. The charismatic leaders approval or disapproval becomes paramount and people may become hesitant to disagree or come in conflict with the leader.

4. The charismatic leader may become trapped by an expectation of the need for continuing magic to ensure the charisma will continue unabated.

5. If the leader's vision does not work out the potential exists for individuals to feel betrayed, to become frustrated and angry.

6. The consequence of a strong charismatic leader is that the level of management can easily become disenfranchised.

7. When the leadership process is built around one individual manager's ability to deal with various issues, is limited by the time, energy, expertise and interest of the individual.

8. Leaders who have personal charisma may not work diligently at developing followers into leaders. They may resist empowering their followers finding it a threat to their own leadership (Bass 1989; Howell 1988; McClelland 1975).

9. The most significant problem with charismatic leadership is that these leaders have a strong need for power (House, 1977). This implies that shared power with employees is unacceptable (Bass 1989; Howell 1988, McClelland 1975). The Conger & Kanungo (1987) theory is criticised by not advocating participation in decision making. (Yuckl 1989).
10. Several recent articles on charismatic leadership (e.g. Graham, 1988 and 1991b; Howell, 1988; Howell & Avolio, 1992) have addressed questions such as "What safeguard's the morality of the ends and means advocated by a charismatic leader?" (Graham, 1991b, 105).

2) Inspirational Motivation
Inspirational Motivation plays a central role in the development of the vision that establishes a framework or extends the area in which the organisation will operate. This aspect of Transformational Leadership is often associated with creating and maintaining the energy to pursue new directions (Garrett, 1987; Harris, 1985; Joerb, 1987; Morgan, 1988; Tichy & Ulrick, 1984). Thus the requirement of the leader is one of continuous reinvigoration of others to pursue or modify the vision as organisational needs change. Higher levels of involvement and enlightenment with the purpose behind the vision is a key objective for the inspirational leader.

Inspirational motivation may or may not overlap with idealised influence and charismatic leadership depending on how much followers identify with the leader. Inspirational leaders can articulate, in simple ways, shared goals and mutual understanding of what is right and important. They can provide visions of what is possible and how to attain it. They can enhance meaning and promote positive expectations about what needs to be done (Bass, 1988).

3) Intellectual Stimulation
Intellectual Stimulation is directly related to the capacity of followers to: solve future problems unforeseen by the leader by being creative and innovative and questioning the old ways of doing things (Bass, 1985).

An intellectually stimulating leader arouses in followers greater cognisance of problems, awareness of their own thoughts and imagination, and recognition of their beliefs and values. Intellectual stimulation is reflected in followers' conceptualisation, comprehension and analysis of problems and their attendant solutions. Leaders become transforming and intellectually stimulating to the extent that they can discern, comprehend, conceptualise and articulate to their followers the opportunities and threats facing their organisation - as well as its strengths, weaknesses and comparative advantages.

In transformational settings followers are supported for thinking on their own, addressing challenges and considering creative ways to develop themselves. Examples of Intellectual Stimulation behaviours from Bass and Avolio (1992) Multifactor leadership questionnaire include "Enables me to think about old problems in new ways" and "Has ideas that have forced me to rethink ideas of my own which I have never questioned before".

The intellectual stimulation component of transformational leadership has been equated with the various scientific and problem solving techniques applicable to T.Q.M. (Alton, 1996; Lepet, 1990). In this respect it may apply to the group as well as the individual (Saskin & Huddle, 1988).

4) Individual Consideration
This aspect of transformational leadership focuses on individual needs and individual growth (Bass, 1985). The transformational and empowerment literature are synonymous with respect to the process and outcome of individual consideration increasing employees growth and potential. Individual consideration represents how all employees can contribute to higher levels of performance if they have fully developed their potential and can participate individually as a team member in using it. Embedded within this concept is the idea that followers learn to take responsibility for their own development. The transformational leaders provide opportunities and cultures supportive of individual growth. This involves working one-to-one with immediate followers to identify and elevate their individual needs.
Individual consideration enhances both self efficacy beliefs and ideological values on the part of followers. By showing confidence in followers and helping them to work through individual problems of self-doubt, transformational leaders are able to raise the self-efficacy of followers (Bass, 1985; Eden, 1984; Gist, 1987). Transformational leadership can be viewed as the mechanism by which managers may shape individuals' self-efficacies and values to perform in such a way as to benefit teamwork to achieve group goals and the continuous improvement of processes (Waldman, 1993).

Contingency theory may be applicable to transformational leadership. Bass and Avolio (1988) identify the opportunity to match leadership styles to the appropriate situation: to help place managers in positions for which they're best suited and for which they require the least training.

“For example, in a situation where innovation is required, being an intellectually stimulating leader may be most important to a group's effectiveness; in another, ensuring that colleagues' self-interests and development are fully accommodated-showing individualized consideration—may be most suitable; in yet another situation, determining with followers what needs to be accomplished and what they will received in exchange for successful completion of a task may require a contingent reward leadership style” (p 3).

Bass (1985a) suggested that transformational leaders are more likely to emerge in times of growth, change, and crisis. This does not mean they are absent in "steady state" bureaucracies, but merely that they will have to work in such conditions to push for improvements. The transactional leader works within the existing organisational culture; the transformational leader changes it. The transformational leader is likely to find more ready acceptance in organisations facing rapidly changing technologies and markets. Acceptance is also likely to be greater in less mechanistic and bureaucratic, more self-correcting organisations that modify themselves through feedback and learning, and in project team assignments that are risky, unstructured, or for which a sense of purpose must be developed.

Supportive evidence of transformational leadership
Research into the theory is still in the early stages. Most research has involved the multi-factor leadership questionnaire or by use of descriptive or qualitative information. (Bennis and Nanus, 1985; Gibbon, 1986; Peters and Austin, 1985; Tichy and Devanna, 1986). In this research the usual approach is to analyse the descriptive information to identify common themes and characteristic behaviour traits and influence process for effective transformational leaders. This may involve analysis of the activities and behaviour of famous leaders as described in biographic account or content analysis or a leader's speed and writings (Burns, 1978; House, Woycik & Fodor, 1988; Westley & Mintzberg, 1988; Wilner, 1984).

The difficulty with the supporting research is that it principally measured leadership behaviour and not changes in employee behaviour resulting from the improved leadership style.

Bass & Avolio (1989) conducted a survey of 87 part-time MBA students rating their managers using a shortened version of the MLQ. The questionnaire comprised of 40 of the most internally consistent leadership scale items. Included in the survey were attributes identified by Lord, Foti & Devader (1984) as prototypical, that is, highly characteristic, of leaders. Their results indicated that the prototypical leader - the ideal type - for raters tended to be seen as transformational rather than transactional.

Hater and Bass (1988) showed that managers labeled as high performers based on performance appraisal ratings by their superiors were independently evaluated by followers as being more transformational and active transactional - that is, high on contingent Reward leadership. Bass & Yammarino (1988) found the same pattern of relations between followers' descriptions of shipboard Naval officers and their superiors' appraisals of performance and recommendations for early promotion. Avolio, Waldman & Einstein (1988) obtained supporting results using 27 teams of MBA students engaged in a semester long competitive complex business simulation. The authors found that team performance, as measured by standard financial productivity measures, correlated positively with transformational and active transactional leadership.
Financial outcome measures were not correlated positively with transformational and active transactional leadership. Financial outcome measures were not correlated with Management-by-Exception and were negatively correlated with Laissez-Faire leadership.

The transformational leadership behaviour of Methodist ministers, according to their parishioners was found by Onnen (1987) to be positively related to Sunday church attendance and growth in church membership. The transactional leadership scales did not correlate with external criteria representing success for these ministers.

Evidence was reported by Bass, Waldman, Avolio & Bebb (1987) that the MLQ-described behaviour of second-level supervisors correlated with leadership and effectiveness ratings of supervisors below them, and who were described by an independent sample of raters. Administrators whose style was rated by immediate followers as more transformational and active transactional had managers at the next level beneath them who were rated by their followers as higher on transformational and active transactional leadership. These findings exhibit that Stogdill & Goode (1957) referred to as the “falling dominoes effect”.

Research on transactional leadership often cites examples of why it is less effective than transformational leadership. The principal argument is that transactional leadership often fails to work because the leader lacks the necessary reputation or resources to deliver the needed rewards. Transactional leaders who fulfill the self-interest expectations of their followers gain and maintain a reputation of being able to deliver the appropriate rewards, eg promotions and recognition. Those who fail to deliver the appropriate rewards tarnish their reputation and therefore can no longer be seen as effective transactional leaders (Tsui, 1982).

According to 101 supervisees of 72 supervisors in a large non-profit organisation, contingent reprimand, disapproval or penalisation had no effect on performance and satisfaction (Podsakoff, Todor & Skov, 1982). Similarly, Fulk and Wendler (1982) obtained poor supportive results for contingent negative reinforcement. Contingent approval or disapproval by achievement-oriented leaders was conducive to clarity for followers, but failed to have much effect on individual motivation or performance.
Appendix 8

Description of Transactional Leadership

Bass (1985 a & b) summarised the characteristics of Transactional Leadership as follows:

- Recognise what their followers want to get from their work, and try to see that they get it, if their performance so warrants.
- Exchange rewards and promises of reward for appropriate levels of effort.
- Respond to the needs and desires of followers as long as they are getting the job done.

Transactional leadership represents those exchanges in which both the superior and the subordinate influence one another reciprocally so that each derives something of value (Yukl, 1981). Simply stated, transactional leaders give followers something they want in exchange for something the leaders want. Transactional leaders engage their followers in a relationship of mutual dependence in which the contributions of both sides are acknowledged and rewarded (Kellerman, 1984). In these situations, leaders are influential because doing what the leaders want is in the best interest of the followers. Effective transactional leaders must regularly fulfil the expectations of their followers. Thus, effective transactional leadership is contingent on the leader's abilities to meet and respond to the reactions and changing expectations of their followers (Kellerman, 1984).

Zaleznik's (1977) discussion of managers essentially paralleled Burns' differentiation of transactional versus transformational leaders. According to Zaleznik, managers survey their followers' needs and set goals for them based on what they can rationally expect from their followers.

Examples of transactional leadership questions related to contingent reward in Bass's MLQ are:

- Talks about special commendations and promotions for good work
- Tells me what to do to be rewarded for my efforts
- Personally pays me a compliment when I do good work
- Praises me when my performance is especially good
- Commends me when I do a better than average job
- Points out what I will receive if I do what needs to be done

The emphasis in much of the literature on transactional leadership is that it involves exchange based on employees lower level needs as defined by Maslow (1960). Zaleznik (1983) views transactional leadership as attempting to satisfy the employees basic wants and is often a prescription for lower levels of performance. That transactional leadership is a prescription for non-significant change or a prescription for organisational mediocrity (Bass, 1986) has been supported by a large-scale survey of industrial, military, governmental and religious leaders (eg. Avolio and Bass, 1988a) and other investigators (eg. Hoover, 1987; Murray, 1998; Onnen, 1987). This is particularly true if a leader relies heavily on passive management by exception, intervening only when procedures and standards for task accomplishment are unmet (Bass, 1985a). Such a leader espouses the popular adage, "If it ain't broke, don't fix it". Using disciplinary threats to bring a group up to standard is even less efficacious and is likely to be counterproductive in the long run. Focusing on preventing mistakes and catching those, which are most critical, is essential to effective leadership. However, if focusing in mistakes is all the leader does, then follower development and performance will suffer (Bass and Avolio, 1990).

The two factors associated with transactional leadership: contingent reward and management by exception (Bass, 1985) is often focused at employees at lower levels of the hierarchy rather than senior executive leadership (Dean and Bowen, 1995; Waldman, 1994). Waldman (1994) speculates that transactional leadership is irrelevant to TQM as it encourages the short-term individually based goal setting denounced in TQM.
Although transactional leadership can be described as the exchange of valued outcomes, closer examination of the literature suggests that all exchanges are not equivalent (eg. Diener and Liden, 1986). Indeed, it appears that two "levels" of transactions can be distinguished. Graen, Liden and Hoel (1982), for example, studied the impact that both high-quality and low-quality exchange relationships had on the turnover of employees. They found that employees who engaged in relationships that involved support and the exchange of emotional resources (high-quality) were less likely to leave an organisation than employees who engaged in relationships that involved contractually agreed upon elements such as eight hours of work for eight hours of pay (low-quality). The work reported by Graen et al., suggests low quality transactions are based on the exchange of goods or rights, whereas high-quality transactions are augmented by an interpersonal bond between leaders and followers (Landy, 1985).

Burns (1978) and Bass (1985) similarly distinguished between levels of transactional leadership. Burns suggested the kind of transactions leaders and followers engage in range from the obvious (jobs for votes, subsidies for campaign contributions) to the less obvious (exchanges of trust, commitment and respect).

The different levels of exchange are not clear cut. Pdosakoff, Todor and Skov (1982) reported that among 72 supervisors of 101 supervisees in a large, nonprofit organisation, contingent rewards by supervisors correlated with followers performance as expected (p 26), but noncontingent reward (ie., "I feel well-treated by my supervisor no matter what I do") correlated similarly with follower performance (p20).

Non-contingent reward may provide a secure situation in which followers' self-reinforcement takes care of the contingent elements of consequence to performance. A follower's sense of obligation to the organisation for providing noncontingent rewards may also generate the effort required to realise adequate performance. The Japanese experience is exemplary in this regard. In the top third of Japanese firms - eg. Toyota, Sony and Mitsubishi - both employees and company feel a sense of lifetime mutual obligation. Being a good member of the "family" does not bring immediate pay rises and promotions, but overall "family" success will bring year-end bonuses. Ultimately, opportunities for advancement and salary increases will depend on overall meritorious performance of both the individual and organisations (Bass and Avolio, 1988).

A large number of studies supporting transactional leadership involves those clarifying roles and objectives, which is a component of Initiating Structure. Clarifying (eg. giving instructions, coaching, explaining policies, setting priorities, setting deadlines, setting standards) was related to managerial effectiveness in four out of six samples in questionnaire research reported by Yukl, Wall and Lepsinger (1989). Setting specific, challenging, but realistic goals is an important component of clarifying behaviour, and there is ample evidence in the motivation literature from field experiments that a "tell and sell" approach to goal setting by the manager results in better subordinate performance than no goals or "do your best" instructions (eg. Locke and Latham, 1984; Locke, Shaw, Saari and Latham, 1981).
Appendix 9

Augmentation Theory

This model is the principle distinction between the theories of Burns (1978) and Bass (1985). Burns (1978) suggested that transactional and transformational leadership are at opposite ends of the same leadership continuum. A leader could be either transactional or transformational but not both. The dual and conflicting nature of the two leadership styles has been supported (House, 1987). An individual who is adept at one approach may have difficulty executing the other. For example, charismatic leaders are motivated by a strong desire to receive positive feedback from those around them. They may therefore have problems delivering unpleasant messages, dealing with performance problems, or creating situations that could attract negative feelings (Kets de Vriens & Miller, 1984; Levinson & Rosenthal, 1984).

Bass (1985) and other theorists have proposed that transactional and transformational leadership are somewhat complementary and both can potentially be displayed by the same leaders (Bass, 1995; Walman & Bass, 1986; Conger & Kanungo, 1988; Kouzes & Posner, 1988; Kuhnert & Lewis, 1987; Howsell & Avolio, 1989). Kuhnert & Lewis (1987) felt that transformational leadership coincides with the human development stage of being able to view reality in terms of deeply held personal values. Transformational leaders are able to influence others on the basis of these values. However, such leaders may also realise the importance of maintaining tangible transactions with followers as a basis of effective leadership.

Waldman & Bass (1986a) reported initial evidence or this augmentation effect among various samples of industrial managers and military officers. The augmentation effect was replicated by Seltzer & Bass (1990) in a sample of 330 part-time MBA students who described their supervisors at this full-time work settings. For another sample of 130 MBA’s who each asked three of their supervisors to complete MLG’s on them. The augmentation effect held up when one supervisor’s leadership ratings and a second’s outcomes were correlated (using the crisscross methodology of Avolio et al., 1988). The same effects occurred when initiation and consideration, as measured by the Leader Behaviour Description Questionnaire (LBDQ), were substituted as the measure of transactional leadership. Waldman, Bass & Yammarino (1989) confirmed the augmentation effect using a sample of naval officers and independently collected performance criteria. Similarly, Howell & Avolio (1989) reported evidence to support the augmentation effect when the outcome was business unit performance. These results demonstrate a fundamental point concerning Bass’ (1985a) model of leadership; Transactional leadership provides a basis for effective leadership, but a greater amount of effort, effectiveness and satisfaction is possible from employees by augmenting transactional with transformational leadership.

Anecdotal evidence exists that both styles of leadership may be observed in the one individual. World class leaders often shown characteristics of both forms of leadership (Bass, Avolio & Goodheim, 1987). Charles de Gaulle, a leader who exemplified charismatic leadership, was ready to negotiate exchanges with parliamentary leaders when it was necessary to get what he wanted (Hoffman & Hoffman, 1970). Franklin Roosevelt, could also display both kinds of leadership with great effectiveness, articulating an inspirational world vision while often promising political favours to individuals and groups (Burns, 1956).
Appendix 10

Description and Research Results on Quality Circles

Marks et al (1986) found small but statistically significant benefits for productivity, absenteeism and intentions to quit among circle members over a two year period. There was no enhancement of the quality of work-life. Griffin (1988) reports a longitudinal study lasting three years, between 1983 and 1986, which followed members and a control group of non-members in one circle programme from the initial planning through implementation to maturity. Circle members' attitude changed, with levels of job satisfaction and involvement increasing in comparison with their base scores prior to the start of the programme and the scores of the control group. Managers reported improvements in quality and cost savings. But both sets effects began to decline after 18 months, while after three years the gains had disappeared and the programmed proved ineffective.

On the basis of research carried out in Britain and the USA at the start of the Quality Control movement, Bradley and Hill (1983, 1987) found circles did deliver reasonable financial returns, which indicated some business improvement. The difficulty was that Companies found it difficult to keep circle programmes going, and they promised to be short-lived. Ambler and Overhold (1982) found that 50 per cent of US circles failed in the early 1980’s. Lawler and Mohrman (1985), reflecting on their consultancy experience, simply dismissed circles in the USA as a fad, which would pass away because they were unworkable. The one positive feature they could identify was that circles might prove to be a transition towards broader forms of participation and better strategies of improvement.

A distinctive feature of many quality circles is that they are for a fixed time frame (Cumaine, 1991; Mills, 1983) while the solution to a quality related problem is rectified. Many TQM organisations' decisions are made in Weick (1997) labelled an "ad hoc centre", which is defined by task-relevant, specialised knowledge. These are described as centres of control, authority and communication, which are problem-specific and dependent on where the expertise to solve a problem rests. Charles Sabel, describes this type of organisation as a geometric form that has no identifiable top or bottom, "a body that constantly turns on itself, in an endless cycle of creation and destruction" (Dumaine, 1991 p.42.)

Cross-functional teams are being increasingly emphasised in the TQM literature on quality circles. These are teams organised around processes not departments (Harrison & Pratt, 1993). Trends in cross functional teams included:

- The inclusion of "suppliers" on product development teams
- The increasing evidence of multidisciplinary teams working concurrently eg. A single customer phone call leads to order specification, inventory commitment, production scheduling, packaging, labelling, documentation and routing.
- The displacement of specialised function with improved information technologies and software.
- The simplification of business processes through quality improvement teams.
## Appendix 11

**Comparison of Bureaucratic and Parallel Organisations**

<table>
<thead>
<tr>
<th>BUREAUCRATIC ORGANISATION</th>
<th>PARALLEL ORGANISATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Routine operations - low uncertainty</td>
<td>• Problem solving - high uncertainty.</td>
</tr>
<tr>
<td>• Focuses primarily on &quot;production&quot;</td>
<td>• Focused primarily on &quot;organisation&quot;</td>
</tr>
<tr>
<td>• Limited &quot;opportunities&quot; (e.g. promotion)</td>
<td>• Expandable &quot;opportunities&quot; (e.g. participation in a task force).</td>
</tr>
<tr>
<td>• Fixed job assignments</td>
<td>• Flexible, rotational assignments</td>
</tr>
<tr>
<td>• Competency established before assignment</td>
<td>• Developmental assignments</td>
</tr>
<tr>
<td>• Long chain of command</td>
<td>• Short chain of command</td>
</tr>
<tr>
<td>• Objectives usually top-down</td>
<td>• Objectives also bottom up</td>
</tr>
<tr>
<td>• Rewards: pay/benefits</td>
<td>• Rewards: Learning</td>
</tr>
<tr>
<td>• Functionally specialised</td>
<td>• Recognition/visibility</td>
</tr>
<tr>
<td>• Leadership is a function of level</td>
<td>• Different contribution</td>
</tr>
<tr>
<td></td>
<td>• Bonus possibility</td>
</tr>
<tr>
<td></td>
<td>• New contacts</td>
</tr>
<tr>
<td></td>
<td>• Diagonal slices - mix functions</td>
</tr>
<tr>
<td></td>
<td>• Leadership drawn from any level</td>
</tr>
</tbody>
</table>

Source: Stein & Kanter, 1980, p373.
Appendix 12

Research Results on Self Directed Work Teams

Self-Directed Work teams have been called autonomous (Cummings, 1978) self managing (Hackman, 1986) or self-regulating (Pearce & Ravlin, 1987). Companies with self-managed teams in the U.S.A. include Sherwin-Williams (Poza & Markus, 1980), General Foods (Walton, 1977), Saab (Katz & Kahn, 1978). Australian examples for self managed teams are Alcoa and Woodlawn Mines (Gilbert, Jones, Vitalis & Walker, 1988) and Dynavac (James, 1991)

Mohrman, Lawler & Ledford (1996) studied Fortune 1000 companies from 1987 to 1993. Self directed teams showed the greatest growth from 27% of all companies surveyed in 1987 to 46% (of those responding) in 1993. Lawler (1994) contrasts the quality circle approach seen in TQM organisations with the self directed team approach. The TQM approach used by Toyota, Honda and Nissan involves assembly line teams who are responsible for several steps in the production process. The teams are responsible for their own quality, are cross-trained, and in some cases can stop the assembly line process if there is a problem in their work area. They are also responsible for continuous improvement of the work process, but must get management approval before they can make changes in work methods. Lawler (1994) describes self-managing teams at Volvo that are responsible for building entire cars and interacting with customers. The teams get feedback from customers on how well their cars perform. They control membership in their team, determine their own work pace, and are responsible for work methods and procedures.

Zeffane (1994) detailed a case study of a firm "Catalytic. During it's 20 year growth from a small consulting firm to a company manufacturing chemical products. The company has implemented the idea of self directed work teams (SDWT) following the acquisition of its find chemicals manufacturing plant. Catalytic is characterised by a flat executive management structure in that most decisions are made within each business unit. The SDWT is a group of highly training people that is fully responsible for producing a segment of finished work. The team has the authority, information and skills to formulate and implement decisions within its area of responsibility. In practice, these work groups generate a consultative relationship between managers and subordinate and help ensure a mutual, long-term commitment. In that context, they also require that managers keep asking probing questions in order to fully understand their subordinates' capabilities, needs and aspirations (Zeffane, 1994).

Self directed work teams have also been distinguished from temporary groups in that members of temporary groups usually make less emotional commitment and investment in the group knowing it is going to disband (Ephross & Vasil, 1988). Specific arrangements in work groups such as how the group task itself is designed, the composition of the work group and aspects of the organisational context have varied from case to case in reported studies (Bucklow, 1966; Davis, 1966; David & Trist, 1974).

The research on the effectiveness of self managed work teams is not uniformly positive. Individuals on these teams have not reported higher levels of job satisfaction (Wall et al, 1986). A longitudinal field study showed that while Australian self managed teams had higher job satisfaction, they also had higher absenteeism and turnover rates than employees working in traditional work structures (Cordery, Mueller and Smith, 1991). The results were attributed to frustration over wage agreements, additional overtime and further distance to travel to work for the autonomous groups in this study. Recent research in Australia has challenged the ideas that team decision making is more effective than individual decisions. Individual job satisfaction can be lowered in some groups, furthermore political tactics will take on increased emphasis in groups that do not have strong leadership (English, 1988). Self directed teams are not useful in non-routine situations, such as basic research projects, which are not only more ill-defined, but also frequently involve disjunctive tasks more suited to individual rather than group problem solving (Thibaut & Kelley, 1958). For example, there is still a role in research for the lone inventor or single entrepreneur (Van de Ven, Angle & Poole, 1989). Further, as Van de Ven and Polley (1982) noted, team approach may adversely affect innovation by obstructing learning.
### Appendix 13

**Schein (1981) - Culture Embedding Mechanisms**

<table>
<thead>
<tr>
<th>Primary Embedding Mechanisms</th>
<th>Secondary Articulation and Reinforcement Mechanisms</th>
</tr>
</thead>
<tbody>
<tr>
<td>- What leaders pay attention to, measure, and control on a regular basis</td>
<td>- Organisation design and structure</td>
</tr>
<tr>
<td>- How leaders react to critical incidents and organisational crises.</td>
<td>- Organisational systems and procedures</td>
</tr>
<tr>
<td>- Observed criteria by which leaders allocate scarce resources</td>
<td>- Organisational rites and rituals</td>
</tr>
<tr>
<td>- Deliberate role modelling, teaching and coaching</td>
<td>- Design of physical space, facades and buildings</td>
</tr>
<tr>
<td>- Observed criteria by which leaders allocate rewards and status</td>
<td>- Stories, legends, and myths about people and events</td>
</tr>
<tr>
<td>- Observed criteria by which leaders recruit, select, promote, retire and ex-communicate organisational members</td>
<td>- Formal statements of organisational philosophy</td>
</tr>
</tbody>
</table>

Schein (1981, 43-44) identified the following behaviour skills of an empowering manager:

- Self insight and a clear sense of his or her own identity
- Cross cultural sensitivity: the ability to discern and respect other people's values
- Cultural/moral humility; not seeing his or her own values as necessarily better than others.
- Optimistic, proactive problem-solving orientation: the conviction that interpersonal cross-cultural problems can be solved.
- Personal flexibility: the willingness to vary his or her response to fit the particular situation.
- Negotiation skills: the ability to explore differences creatively, to locate common ground, and to solve the problem.
- Interpersonal and cross-cultural tact: the ability to solve problems without insulting people, demanding them, or causing them to "loose face".
- Repair strategies and skills: the ability to resurrect, revitalise and rebuild damaged and broken relationships
- Patience
Appendix 14

The Debate on TQM Strategic Planning

Schonberger (1992a:91) claimed that TQM "can effectively govern much of what conventionally required executive level strategic planning". In other words, it organisation is continuously improving quality, other strategic considerations are of secondary interest at best. This position may be based on the idea that improving quality drives improvements on other sources of competitive advantage, particularly cost (eg. Belohlav 1993b), a position for which there is some empirical support (Phillips Chang & Buzzeoll, 1983).

Dean & Bowen (1994) however argue that in formulating the plans the TQM literature (eg. Schonberger 1992), focus is principally on customer driven quality (customer wants) and operational performance issues (aligning the organisation to deliver customers to compete for).

Furthermore, from the management theory standpoint, quality is a potentially important source of competitive advantage, but only one among many. For example, quality is one basis on which a firm can pursue a differentiation strategy, but such a strategy also can be based on factors such as speed, safety and convenience (Porter, 1985; Stalk & Hout 1990). In addition, although quality is important for firms that are pursuing a low-cost strategy, its role is limited to ensuring that efforts to achieve the low-cost position do not comprise quality to the point where customers do not consider the firm's products comparable to higher priced offerings (Porter 1985). Finally, high quality does not ensure competitive success, marketing issues such as timing and technical standards can undermine even the finest of products.

To some extent, the degree of conflict between these perspectives depends on the definition of quality one adopts. If quality is defined as meeting or executing customer expectations, it can be seen as comprising virtually any source of differentiation. Thus, it is not surprising that researchers using a similar definition of quality have concluded that quality is not the most important factor in predicting profitability (Buzzell & Gale 1987). When quality is more narrowly defined (eg. performance of products, presence of features), strategy scholars have a harder time accepting the grandiose role for quality proposed by TQM advocates. Clearly, both conceptual and empirical work will be needed to sort out the differences among the various TQM and management theory positions on the role of quality in strategy (Dean & Bowen 1994).

The management literature has further criticised TQM strategic planning for emphasising external customer needs while ignoring the core strength and weakness of the organisation (Hall 1993, Prahalad and Hammel 1990, Schoemaker 1992). The idea that strategies are viable only if they can effectively be implemented by the organisation is well established in the strategic literature. Variation to the strategic processed have been related to issues such as size, structure and culture of the organisation. (Egelhoff 1982; Frederickson & Iaquinto 1989, Miller & Friefen 1983).

A limitation of external customer focus in TQM strategic planning is that there may be multiple ways of satisfying customer needs and that individual firms are likely to be all things to all customers. This is evidenced by different firms successfully utilising different strategies in the same industry (eg Cool 1993; Ketchen, Thomas & Snow 1993; Lewis 1990; Miles & Snow 1978). There is debate whether the emphasis on quality is important in business planning or strategy. Behohlav (1993a) argued that quality directly influences a firm's competitive position, thereby constraining the set of strategies available to the firm and thus its competitive viability.
Appendix 15

Criticism of Information and Data Collection for T.Q.M.

It has been found that organisation members' judgement about a situation has been more strongly influenced by the people with whom they interact than by their direct experience with data (Rice & Aydin 1991; Slancik & Pfeffer 1978; Zalesny & Ford 1991). This is a common argument applied in the literature identifying environmental and cultural issues as overriding leadership within organisations. Bushe (1998) cites failure Xerox, General Motors & Ford identifying the reason for the failure, as ignoring the social required for implementation.

Evidence has been found that the information gathered was biased to service a predetermined political motive and predetermined conclusion rather than gathered in a rational manner to discover an effective approach to a problem (Pettigrew 1993; Pfeffer 1981; Di Maggio and Powell 1983; Feldman & March 1981; Langley 1989).

There is increasing evidence that rational comprehensive decision making will not always lead to improved performance and in some cases may be highly unproductive. This has been the case in industries that had highly unstable environments and ambiguous goals (Daft & Lengel 1986; Daft Sormunen & Parkes 1988; Lord & Maker 1990; Marsh & Olsen 1976). Frederickson (1984) found although comprehensive decision making was positively related in the highly stable paint industries it was negatively related to performance in the highly unstable Forrest Products Industries.

Swiss 1992 argues that process control charts used to measure variation apply little to government services that have controversial and unclear norms. No clear consensus exists about what processes should be tracked and standardised for street-level bureaucrat such as mental health profession or a classroom (Gardner 1992).

The issue of control charts zero defects has been argued from a contingency perspective depending on the nature of the task (Weich, Silkin 1992; Tamuz 1994; Sitkin et al, 1993; Eidt 1992; Wilavsky 1998).

'It is one thing to exhort an assembly line crew to "do it right the first time" but quite another to give the same signal to an exploratory researcher whose inevitably involves learning from failed experiments" (Eidt, 1992: 8)

The use of control charts have been detrimental in organisations where the product or process is not repetitive, eg. in custom production systems, research and development and service systems. (McGrath, Martin & Kukla 1982)

Berry & Parasuraman (1992:9) rebuffed the appropriateness of errors. They noted that "we sometimes hear managers say that it is not practical to try to eliminate mistakes" and unequivocally reject such complaints as excuses to let managers "off the hook" which they see as an easy avoidance of boldness.

In areas of research seeking innovation and creativity (rather than process stability) the collection of data may be detrimental (Sitkin et al 1994; McGrath et al 1982; Frances 1992). An example is the highly unstable computer industry where new models are introduced every 6 to 12 months. With such rapid change the adoption of stringent systems (eg Crosby 1979 zero defects) can undermine the experimentation essential in the pursuit of innovation. (Sitkin, Sutcliffe and Scroeder 1994).

According to the vice president for petroleum and synthetic fuels research an Exxon Research and Engineering Company (Eidt 1992:26). "It is not at all clear that the basic processed through which major innovations occur are very well understood. "This is it not clear what information should be collected or disseminated. In assessing the applicability of typical T.Q.M practices
for Exxon's efforts, he drew upon Exxon's experience is using quality techniques to work processes in this area (R&D is considerably less straightforward, especially in the early invention stage).

Even though the input of the customer or supplier is a crucial driver of quality improvements when highly routine tasks are involved, uncertain or nonroutine activities may even be detrimentally affected by such input. According to Ernst & Young (1992a:36) to the extent that there is a focus on innovative new products in higher performing organisations, direct customer participation can limit the development effort if it does not represent a broad enough view of the potential market place. "Even when input is broadly representative, it can nonetheless dampen innovation because it may not reflect the hard-to-imagine possibilities scientific innovation can sometimes offer" (Sitken et al 1994).

Related to the issue of creativity and innovativeness is the argument that many T.Q.M. organisations are actually measuring the wrong thing. Tom Peters (1991) argues "The way people evaluate hundred thousand dollar automobiles or overnight express services is associated with a whole series of variables that, to put it mildly, you won't find on the Baldrige award application" P2.

The argument has been explained further by Harari (1993). "In today's frenzied global economy, quality includes the capacity to offer customers things that add excitement, ease and value to their lives. Quality means offering your customer's products and services and personal experiences with your company that they will find easy, useful, intriguing and even fun. In customer's definitions of quality, zero-defects if merely one small part of that package, and it's a given" P34.

Peters (1991) argues instead of focusing on statistical quality the best way to sell a product is to "get the guy on the other side of the desk totally turned on by it" P12 to feel passionate about their product.

Francis (1992) outlines an example of the changing focus of T.Q.M. is the relaxing of statistical control in a steel manufacturing plant named Chaparral. Steel has been characterised as an organisation that operates its factory operations as a learning laboratory. Although at this firm T.Q.M. principles have infused factory operations activities. Chaparral does not view its advantage over its competitors in terms of either its products or its production processes. Instead, it views its competitive advantage as resting on its ability to "outlearn competitors" (Leonard-Barton 1992:32). Because of its focus on TQL, Chaparral has stressed the importance of focusing attention on uncertain, innovative activities it relaxes the typical TQC focus on error reduction that pervades its routine manufacturing operations.

Harari (1993) criticise the T.Q.M. focus on internal processes such as performance measures, conformance indices and technical specifications. The internal focus ignores external factors like constantly shifting perceptions and preference of customers as well as all the marketplace choices available to them, technological advances and potential product and service enhancements. "Before we invested in T.Q.M., the rap on our company was that we churn out poorly made products that customers don't want". P34.

The protection of power by withholding information and obliterating alternate sources of information has been identified as a barrier in T.Q.M. related literature. (Hickson et al.1974; Dean & Evans 1994).

The use of information to control employees monitoring their performance is detrimental to successful TQM. It goes directly against Denings philosophy to "Drive out fear". (Bernstein 1991, Dening 1986, Ryan & Oestreicher 1991).
Appendix 16

List of Measurement Scales Considered for The Development of The Leadership and Empowerment Questionnaire.

- Murrell list of Empowering Interventions (1990)
- Employee Empowerment Questionnaire by Hayes (1994).
- Growth Need Strength Survey by Hackman & Oldham (1974).
- Perceived Intrinsic Job Characteristics Scale from the Work Attitudes Questionnaire by Warr, Cook & Wall (1979).
- Higher Order Need Strength from the Work Attitude Questionnaire, by Warr, Cook & Wall (1979).
- Autonomy Scale from the Need Satisfaction Questionnaire by Porter & Lawler (1968).
- Characteristics of Communication process by Likert (1967).
- General Communication Adequacy Scale by House & Rizzo (1972).
- Performance to Reward Scale by Prichard & Karasick (1973).
- Reward Scale from the Organisational Climate Questionnaire by Litwin & Stringer (1968).
- Positive Reinforcement Scale by Yukl & Nemeroff (1979).
- Leader Reward Behaviour & Subordinate Satisfaction by Sims & Szilagyi (1975).
- Management Supportive Behaviour Scale by Likert (1967).
- Managerial Philosophies Scale by Jacoby & Terborg (1975).
- Leader Behaviour Description Questionnaire by Stogdill (1963).
- Adaptability Scale by House & Rizzo (1972).
- Centralisation Scale by Aiken & Hage (1966).
- Centralisation Scale by Pugh & Hickson.
- Industriousness Scale by Payne & Pheysey (1971).
- Job Climate Questionnaire by Fineman (1975).
• Readiness to Innovate Scale by Payne & Pheysey (1971).
• Participation in decision making by White & Ruh (1973).
• Tolerance for Conflict Scale by Litwin & Stringer (1968).
• Conflict and Co-operation Scale by Pritchard & Karasick ('73).
• Organisational Behaviour and Human Performance by Pritchard & Karasick (1973).
• Goal Setting Scale by Likert (1967).
• Leadership Process Scale by Likert (1967).
• Upward Information Distortion Scale by House & Rizzo (1972).
• Support Barometer for Teamwork by Allen & Kroft (1982).
• Support Barometer for Total Organisational Development by Allen & Kroft (1982).
• Likert System 4 by Likert (1967).
• “As I See it”, A Norm indicator for Organisations by Allen & Kroft (1982).
• Organisational Trust by Britton & Stalling (1986).
Appendix 17
Pilot of the leadership/Empowerment Questionnaire

Pilot 1 Leadership/Empowerment questionnaire

LEADERSHIP QUESTIONNAIRE

To what extent are the following decisions and behaviours practised within your organisation. We are concerned with the way things are and not necessarily the way you would like them to be.

0  Not at all
1  To a limited extent
2  To some extent
3  To a great extent
4  Completely

Definitions

Organisation:- The site in which you work e.g. hospital.
Team:- The immediate work group within which you work e.g. ward or department.
Individual:- How you feel as an employee within the team.
1.0 LEADERSHIP

a) ORGANISATION

- Staff feel “turned on” and enthusiastic about what they are doing.
- There is a feeling of shared responsibility to make things better for the organisation rather than relying on management.
- There is a sense of powerlessness within the organisation.
- Committees within the organisation have autonomy to make significant decisions.
- People take pride in their own work.
- There is an impersonal bureaucratic climate within this organisation.

b) TEAM

- Your Supervisor formally makes the bulk of day to day decisions with minimal consultation with team members.
- Your Supervisor’s management style is authoritarian.
- Your Supervisor makes the time available to assist and coach staff.
- Your Supervisor issues instruction with little opportunity to comment.
- Your Supervisor has a strong belief in the ability of staff.
- Your Supervisor displays confidence and trust in staff.
- Your Supervisor consults team members on financial issues relating to your team.
- Your Supervisor avoids making decisions and allows problems to become chronic.
- Your Supervisor is concerned equally about people and operational issues.
- Your Supervisor approaches change by dealing with the cause of the problems not just the symptoms.
- Your Supervisor makes improvements on a temporary basis but they are not long lasting.

- Your Supervisor is actively trying to improve their leadership style.

- Your Supervisor generally blames someone when something goes wrong rather than doing something about it.

c) **INDIVIDUAL**

- Your Supervisor holds you responsible for things that you have no control over.

- Your relationship with your Supervisor is like that of a master is to servant.
1.2 COMMUNICATION

a) ORGANISATION

- Supervisors communicate well with one another within this organisation.
- Information flow in this organisation is mainly top down.
- Generally, people trust that the information provided by their Supervisor is true.
- Generally, Supervisors have extensive friendly interaction with their staff which involves a high degree of confidence and trust.
- Within this organisation different teams communicate well with one another.

b) TEAM

- Your Supervisor encourages the sharing of information among the team members.
- Your Supervisor listens to ideas from team members on how to improve work performance.
- Your Supervisor consults staff when making an important decision that affects them.
- Your Supervisor communicates your team’s views:-
  - upward to senior leaders
  - across to other groups
- Your Supervisor communicates to your team issues:-
  - from senior leaders
  - from other teams within the organisation
  - on how well the organisation as a whole is going
  - on things they may feel the team has an interest
- Your Supervisor facilitates information exchange between your team and other teams.
- Your Supervisor shows awareness of how staff feel about work issues.

c) **INDIVIDUAL**

- Your Supervisor listens to your ideas on how to improve team performance.

- Your Supervisor communicates in such a way that you feel you could raise any work related issue with them.

- Your Supervisor communicates in a way that is truly believable.

- Your Supervisor tells the truth and does not hide the facts.

- Your Supervisor makes you feel fully involved in all decisions relating to your work.

- Your Supervisor has little interaction with you and usually you feel some fear and distrust.

- There are many decisions occurring in this organisation that you don’t understand.
2.0 PLANNING

a) ORGANISATIONAL PLANNING

- The goals within our organisation are overtly accepted but are covertly resisted strongly.

- The vision for the organisation is achievable.

- Senior staff within your team were involved in the development of the Organisations Plans for the future i.e.
  
  - Vision
  - Mission
  - Goals
  - Objective
  - Forward plans

- Staff at the junior levels were involved in the development of the Organisation Plans for the future i.e.
  
  - Vision
  - Mission
  - Goals
  - Objective

- Your Supervisor ensures the Organisation Plans for the future are clearly understood by all staff within your team.

- Your Supervisor ensures staff get regular feedback on progress on the Organisation Plans for the future.

- Your Supervisor clearly demonstrates their own personal commitment to what the organisation is trying to accomplish.

- Your Supervisor manages the team in a manner consistent with the Organisations values.
b) **TEAM PLANNING**

- Your Supervisor ensures your members are involved in the development of goals and objectives for your team.

- Your team’s goals and objectives are consistent with the organisation’s plans for the future.

- Your Supervisor ensures a formal review occurs at best annually of progress made towards implementation of the team’s goals and objectives.

- Your Supervisor is willing to change their position when shown their ideas interfere with the team’s goals and objectives.

- Your Supervisor encourages team goals and objectives however they are covertly strongly resisted by staff.

- Your Supervisor celebrates the team success and progress towards their goals and objectives.

c) **INDIVIDUAL PLANNING**

- Your Supervisor uses the staff appraisal system to provide a constructive process to help achieve the organisation’s vision.

- Your Supervisor spends time with you discussing your personal goals over the next 12 months.

- I believe the team goals are achievable.

- I can see how my job is important in achieving the team’s goals.
3.0 INFORMATION

a) TEAM

- Your Supervisor makes extensive use of factual information and data in day to day decision making.

- Your Supervisor monitors trend data to ensure progress is being made by your team.

- Your Supervisor approaches new problems haphazardly without taking into account all the important factors.

- Your Supervisor ensures the use of statistical and other data gathered by your team is used for problem solving and not used in a punitive, policing manner.

- Your Supervisor does not provide your team with the necessary information to enable team members to make day to day decisions relevant to your team.

- Your Supervisor withholds information that is available to other teams within the organisation.

- Your Supervisor provides your team with accurate information to assist with decision making.

- Your Supervisor provides your team with up to date information to assist with decision making.

INDIVIDUAL

- Your Supervisor ensures you get the necessary factual information and data you need to do your job.

- Your Supervisor encourages you to ask for more information and data if you believe it is required to do your job.

- Your Supervisor provides you with accurate information and data.

- Your Supervisor provides you with timely information and data when you request it.

- Your Supervisor gives you access to all information and data that is available to them
- Your Supervisor ensures that teamwork is something that is actually carried out rather than something just talked about.

- Your Supervisor ensures that within your team co-operation is emphasised over competition.

- Your Supervisor ensures decision making within your team moves from person to person as people’s talents and the demands of the situation dictate.

- Your Supervisor allows for some people to be overworked while others have nothing to do.

- Your Supervisor ensures that people who work together meet regularly to deal with important issues and to focus on ways of improving performance.
4.0 HUMAN RESOURCE ISSUES

4.1 TEAMWORK

a) ORGANISATION

- There are many “people” barriers within the organisation.
- People help each other in this organisation when they are having difficulty.
- The spirit of co-operation and teamwork is felt throughout the organisation.
- Rivalry exists between teams within the organisation that gets in the way of achieving results.
- People feel responsible for ensuring the whole team succeeds.

b) TEAM

- Your Supervisor emphasises team performance as being more important than individual performance.
- Your Supervisor encourages your team to come up with solutions to its own problems.
- Your Supervisor encourages your team to assign tasks to its members on its own.
- Your Supervisor encourages your team to monitor their own performance.
- Your Supervisor encourages your team to be flexible in its work to do whatever needs to be done that the work team is capable of.
- Your Supervisor defines and structures the work of team members.
- Your Supervisor encourages a co-operative team atmosphere.
- Your Supervisor encourages a substantial amount of teamwork between your team and other teams in the organisation.
- Your Supervisor encourages staff within your team to be supportive of each other.
- Your Supervisor ensures that teamwork is something that is actually carried out rather than something just talked about.

- Your Supervisor ensures that within your team co-operation is emphasised over competition.

- Your Supervisor ensures decision making within your team moves from person to person as people's talents and the demands of the situation dictate.

- Your Supervisor allows for some people to be overworked while others have nothing to do.

- Your Supervisor ensures that people who work together meet regularly to deal with important issues and to focus on ways of improving performance.
4.2 REWARD AND RECOGNITION

a) ORGANISATION

- Within this organisation people treat each other as people and not just a pair of hands.

- Within this organisation there appears to be a lot of energy to doing things differently.

- In this organisation people tend to blame other people for their own mistakes.

- In this organisation people feel they can only succeed at the expense of others.

- The reward system for this organisation is dependent on the individual management styles of the Supervisors within the organisation.

b) TEAM

- Your Supervisor praises the team for desirable performance.

- Your Supervisor would emphasise the good work of the team to his/her boss at every opportunity.

- Your Supervisor recognises team performance before individual performance.

- Your Supervisor would show a great deal of interest if your team suggested a new and better way to do things.

- Your Supervisor expresses confidence in your team's ability to come up with solutions to its own problems.

- Your Supervisor gets personally excited about your teams work.

- Your Supervisor expresses support for your team publicly.

c) INDIVIDUAL

- Your Supervisor would personally pay you a compliment if you did outstanding work.
- Your Supervisor would lend a sympathetic ear if you had a complaint.

- Your Supervisor would give you special recognition if your work performance was especially good.

- Your Supervisor would do all he/she could to help you if you were having problems in your work.

- Your Supervisor would see that you will eventually go as far as you would like to go in this organisation, if your work is consistently above average.

- Your Supervisor would recommend that you be promoted if your work was better than others who were otherwise equally qualified.

- Your Supervisor makes you feel appreciated that you are doing a good job.

- Your Supervisor helps you learn in a non condescending and threatening manner.

- Your Supervisor makes you feel as a valued employee.
4.3 **EDUCATION**

a) **ORGANISATION**

The training needs of staff are given a high priority within this organisation.

b) **TEAM**

- Your Supervisor is sensitive to the education needs and abilities of staff.
- Your Supervisor continuously tries to fulfill staffing training needs.
- Your Supervisor ensures new staff are oriented to the job properly.
- Your Supervisor takes into account individual capabilities, wants and needs when allocating tasks.
- Your Supervisor has a sink or swim approach in educating new employees about their job.
- Your Supervisor allocates time for group learning for team members.

c) **INDIVIDUAL**

- Your Supervisor discusses with your individual learning and development needs.
- Your Supervisor offers you sufficient training programs to ensure you have the knowledge and skill to do your job well.
- Your Supervisor gives you regular and constructive feedback on how you are performing.
5) QUALITY OF PROCESS, PRODUCT, SERVICE

a) ORGANISATION

- Needless duplication of efforts occurs within this organisation.
- People assume responsibility to solve problems if things go wrong in their team.
- People in this organisation care and strive for excellent performance.
- Our organisational policies and procedures are clear and understood.
- Organisational policies and procedures get in the way of what people are trying to accomplish.
- People view policies and procedures as things to be worked around or avoided.

b) TEAM

- Your Supervisor has an expectation of achieving a high standard within the team.
- Your Supervisor ensures that you have the physical resources required to do your job satisfactorily.
- Your Supervisor facilitates obtaining equipment and supplies for the team when required.
- Your Supervisor encourages staff to think in terms of continuous improvement.
- Your Supervisor encourages staff to think about old problems in new ways.
- Your Supervisor ensures all team members apply a standard methodology for improvement of processes within the team.
- Your Supervisor ensures policies and procedures relevant to your team are reviewed regularly and changes are made when they are needed.
Your Supervisor encourages the team to impose their own review and control mechanisms.

Your Supervisor is aware of errors and problems within the team.
- the Supervisor has no power to do anything about it
- does not feel the responsibility to do anything about it
- passes problems to their Supervisor
- takes responsibility for solving the problem.

c) **INDIVIDUAL**

- Your Supervisor ensures that you fully understand all the processes that you are involved in carrying out your work.

- Your Supervisor ensures you have had training on how to improve processes within your team.

- I feel stifled by all the controls in the organisation.
AUSTRALIAN QUALITY AWARDS
LEADERSHIP ASSESSMENT QUESTIONNAIRE

Definitions

Organisation: The site in which you work e.g. hospital.

Team: The immediate work group within which you work e.g. ward or department.

Individual: How you feel as an employee within your team.

Please place a tick in the box which best describes how the following decisions and behaviours are practiced within your organisation. We are concerned with the way things are and not necessarily the way you would like them to be.
1.0 LEADERSHIP

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A. **AS AN INDIVIDUAL**

- Your Supervisor holds you responsible for things you have no control over.  
- Your relationship with your Supervisor is like that of a servant is to master.

B. **WITHIN YOUR TEAM**

- Your Supervisor makes the time available to assist and coach staff.
- Your Supervisor issues instruction with little opportunity to comment.
- Your Supervisor has a strong belief in the ability of staff.
- Your Supervisor avoids making decisions
- Your Supervisor allows problems to become chronic
- Your Supervisor makes improvements that are not long lasting.
- Your Supervisor generally blames someone when something goes wrong rather than doing some thing about it.

C. **WITHIN THIS ORGANISATION**

- There is a sense of powerlessness within the organisation.
- Committees within the organisation have autonomy to make significant decisions.
- People within this organisation care and strive for excellent performance.
### 1.2 COMMUNICATION

#### A. AS AN INDIVIDUAL

- Your Supervisor listens to your ideas on how to improve team performance. ✓
- Your Supervisor communicates in such a way that you feel you could raise any work related issue with them. ✓
- Your Supervisor makes you feel fully involved in all decisions relating to your work. ✓
- Your Supervisor has little interaction with you. ✓
- There are many decisions occurring in this organisation that you don't understand. ✓

#### B. WITHIN YOUR TEAM

- Your Supervisor encourages the sharing of information among the team members. ✓
- Your Supervisor listens to ideas from team members on how to improve work performance. ✓
- Your Supervisor communicates your team's views upward to senior leaders. ✓
- Your Supervisor can communicate your team's views across to other teams within this organisation. ✓
- Your Supervisor communicates to your team issues arising:
  - from senior leaders
  - from other teams within the organisation
  - on how well the organisation as a whole is going
  - on things they may feel the team has an interest
- Your Supervisor shows awareness of how staff feel about work issues.
2.0 PLANNING

A. AN AS INDIVIDUAL
- Your Supervisor spends time with you discussing your personal goals over the next 12 months.
  ✔
- You believe the team goals are achievable.
  ✔
- You can see how your job is important in achieving the teams goals.
  ✔

B. WITHIN YOUR TEAM
- Your Supervisor ensures team members are involved in the development of goals and objectives specific for your team.
  ✔
- Your Supervisor reinforces the importance of external customers in the development of team goals and objectives.
  ✔
- Your Supervisor ensures a formal review occurs at least annually of progress made towards implementation of the teams goals and objectives.
  ✔
- The team goals and objectives are covertly resisted by staff.
  ✔

C. WITHIN THIS ORGANISATION
- Senior staff within your team were involved in the development of the Organisation's Plans for the future i.e.
  - Vision
  - Mission
  - Goals
  - Objective
  - Forward plans
  ✔
### 3.0 INFORMATION

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#### A. AS AN INDIVIDUAL
- Your Supervisor encourages you to ask for more information and data if you believe it is required to do your job.
- Your Supervisor provides you with timely information and data when you request it.

#### B. WITHIN YOUR TEAM
- Your Supervisor seeks out factual information and data in day to day decision making.
- Your Supervisor ensures your team monitors its own performance through data collection.
- Your Supervisor approaches new problems haphazardly without taking into account all the important factors.
- Your Supervisor uses data and information to evaluate the effectiveness of your team processes.
- Your Supervisor uses data gathered by your team in a punitive, policing manner.
- Your Supervisor compares your team performance with performance of other teams outside our organisation.
- Your Supervisor provides your team with up to date information to assist with decision making.
**WITHIN THIS ORGANISATION**

- Supervisors communicate well with one another within this organisation.

- Generally, within this organisation different teams communicate well with one another.
Most staff at the junior levels were involved in the development of the Organisation's Plans for the future i.e.
- Vision
- Mission
- Goals
- Objective

- Your Supervisor ensures the Organisation's Plans for the future are clearly understood by all staff within your team.
- The Vision for the organisation is achievable
- The Organisational Plans emphasise the importance of external customers.
4.0 **HUMAN RESOURCE ISSUES**

**WITHIN YOUR TEAM**

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<tr>
<td>Your Supervisor emphasises team performance as being more important than individual performance</td>
<td>✓</td>
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<tr>
<td>Your Supervisor encourages your team to come up with solutions to its own problems.</td>
<td>✓</td>
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<tr>
<td>Your Supervisor encourages a co-operative team atmosphere.</td>
<td>✓</td>
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<tr>
<td>Your Supervisor encourages close teamwork between your team and other teams in the organisation.</td>
<td>✓</td>
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<tr>
<td>Your Supervisor makes you feel as a valued member of your team.</td>
<td>✓</td>
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<tr>
<td>Your Supervisor ensures decision making within your team moves from person to person as people’s talents and the demands of the situation dictate.</td>
<td>✓</td>
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<tr>
<td>Your Supervisor allows for some people to be overworked while others have nothing to do.</td>
<td>✓</td>
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<tr>
<td>Your Supervisor ensures that people who work together meet regularly to deal with important issues and to focus on ways of improving performance.</td>
<td>✓</td>
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### 4.2 REWARD AND RECOGNITION

#### AS AN INDIVIDUAL

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<tr>
<td>Your Supervisor would personally pay you a compliment if you did outstanding work.</td>
<td>✓</td>
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<td>Your Supervisor would do all he/she could to help you if you were having problems in your work.</td>
<td>✓</td>
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<tr>
<td>Your Supervisor makes you feel that you are appreciated for doing a good job.</td>
<td>✓</td>
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<tr>
<td>Your Supervisor helps you learn in a non condescending and threatening manner.</td>
<td>✓</td>
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#### WITHIN YOUR TEAM

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<th>To a great extent</th>
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</thead>
<tbody>
<tr>
<td>Your Supervisor praises the team for desirable performance.</td>
<td>✓</td>
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<tr>
<td>Your Supervisor would emphasise the good work of the team to his/her boss at every opportunity.</td>
<td>✓</td>
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<tr>
<td>Your Supervisor would show a great deal of interest if your team suggested a new and better way to do things.</td>
<td>✓</td>
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<tr>
<td>Your Supervisor expresses confidence in your team's ability to come up with solutions to its own problems.</td>
<td>✓</td>
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#### WITHIN THIS ORGANISATION

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<th>Not at all</th>
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<th>To some extent</th>
<th>To a great extent</th>
<th>Completely</th>
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</thead>
<tbody>
<tr>
<td>Within this organisation people treat each other as people and not just a pair of hands.</td>
<td>✓</td>
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<tr>
<td>Within this organisation there appears to be a lot of energy to doing things differently.</td>
<td>✓</td>
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<tr>
<td>In this organisation people tend to blame other people for their own mistakes.</td>
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<tr>
<td>The reward system for this organisation is dependent on the individual management styles of the Supervisors within the organisation.</td>
<td>✓</td>
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</table>
4.3 EDUCATION

**AS AN INDIVIDUAL**

- Your Supervisor discusses with you your individual learning and development needs.  
  - Not at all

- Your Supervisor offers you sufficient training programs to ensure you have the knowledge and skill to do your job well.  
  - To a limited extent

- Your Supervisor gives you regular feedback on how you are performing.  
  - To some extent

- Your supervisor gives you constructive feedback on how you are performing.  
  - To a great extent

- Your Supervisor takes into account individual capabilities, wants and needs when allocating tasks.  
  - Completely

**WITHIN YOUR TEAM**

- Your Supervisor is sensitive to the education needs and abilities of staff.  
  - Not at all

- Your Supervisor continuously tries to fulfill staffing training needs.  
  - To a limited extent

- Your Supervisor ensures new staff are oriented to the job properly.  
  - To some extent

- Your Supervisor allocates time for group learning for team members.  
  - To a great extent

**WITHIN THIS ORGANISATION**

The training needs of staff are given a high priority within this organisation.
5. **QUALITY OF PROCESS, PRODUCT, SERVICE**

### AS AN INDIVIDUAL
- Your Supervisor ensures that you fully understand all the processes that you are involved in when carrying out your work.
- You feel stifled by all the controls in the organisation.

### WITHIN YOUR TEAM
- Your Supervisor has an expectation of achieving a high standard within the team.
- Your Supervisor ensures that you have the physical resources required to do your job satisfactorily.
- Your Supervisor facilitates obtaining equipment and supplies for the team when required.
- Your Supervisor encourages staff to think in terms of continuous improvement.
- Your Supervisor ensures all team members apply standard methodology for improvement of processes within the team.
- Your Supervisor ensures policies and procedures relevant to your team are reviewed regularly and changes are made when they are needed.
- Your Supervisor is aware of errors and problems within the team and:-
  - Your Supervisor has no power to do anything about it.
  - Your Supervisor does not feel the responsibility to do anything about it.
  - Your Supervisor passes problems to their Supervisor.
  - Your Supervisor takes responsibility for solving the problem.
Pilot 3 Leadership/Empowerment questionnaire

AUSTRALIAN QUALITY AWARDS
ASSESSMENT QUESTIONNAIRE

Definitions

<table>
<thead>
<tr>
<th>Individual:</th>
<th>How you feel as an employee.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team:</td>
<td>The immediate work group within which you work</td>
</tr>
<tr>
<td>Organisation:</td>
<td>The site in which you work eg hospital, council building</td>
</tr>
<tr>
<td>Supervisor:</td>
<td>Your team leader. For employees not in a team it is the person to whom you report for routine matters.</td>
</tr>
</tbody>
</table>

Please place a tick in the box which best describes how the following decisions and behaviours are practised within your organisation. We are concerned with the way things are and not necessarily the way you would like them to be.
INTRODUCTORY QUESTIONS

1. Is your employment status?
   - Full Time
   - Permanent Part Time
   - Casual

2. What is your highest educational qualifications?
   - Completed School Certificate
   - Completed Higher School Certificate
   - Completed Trade Course
   - Complete University Degree(s)

3. Is English the first language used at home?  YES  NO

4. Male  Female

5. How many years have you been with your company?
   - Between 0 - 1 years
   - 1 - 3 years
   - 3 - 10 years
   - 10+

6. How many staff does your immediate supervisor have reporting to them?
   - Between 1 - 5 staff
   - 5+ - 10 staff
   - 10+ - 20 staff
   - 20+ staff
## COMMUNICATION

<table>
<thead>
<tr>
<th>A. AS AN INDIVIDUAL</th>
<th>Not at all 0%</th>
<th>To a limited extent 25%</th>
<th>To some extent 50%</th>
<th>To a great extent 75%</th>
<th>Completely 100%</th>
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<tbody>
<tr>
<td>CA1 Your Supervisor listens and is receptive to your work related ideas on how to improve performance.</td>
<td></td>
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<tr>
<td>CA2 Your Supervisor frowns on your poor performance so you hesitate to admit problems.</td>
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<tr>
<td>CA3 Your Supervisor makes you feel fully involved in all decisions relating to your work.</td>
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<tr>
<td>CA4 Your supervisor communicates in such a way that you feel you could raise any work related issues with them.</td>
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<tr>
<td>CA5 You are confident in your ability to influence decisions with your Supervisor related to your work.</td>
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<tr>
<td>CA6 You feel confident to initiate ideas on new and better ways of working.</td>
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<tr>
<td>CA7 You can understand the reasons for most decisions occurring in the organisation that will have an impact on your work.</td>
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<tr>
<th>B. WITHIN YOUR TEAM</th>
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<tbody>
<tr>
<td>CB1 Your Supervisor discusses their own work freely and listens to advice from team members.</td>
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<tr>
<td>CB2 Your supervisor communicates with your team on a regular basis to keep team members informed of what is occurring in the organisation.</td>
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<tr>
<td>CB3 Your Supervisor issues instruction with little opportunity to comment.</td>
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<td>CB4 Your Supervisor encourages team members to speak their minds even if it means disagreeing with their own opinion.</td>
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<tr>
<td>CB5 Your Supervisor communicates to the team information that is accurate.</td>
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<td>CB6 Staff within the team feel responsible for raising problems requiring action.</td>
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#### A. AS AN INDIVIDUAL

- **CA1** Your Supervisor listens and is receptive to your work related ideas on how to improve performance.
- **CA2** Your Supervisor frowns on your poor performance so you hesitate to admit problems.
- **CA3** Your Supervisor makes you feel fully involved in all decisions relating to your work.
- **CA4** Your supervisor communicates in such a way that you feel you could raise any work related issues with them.
- **CA5** You are confident in your ability to influence decisions with your Supervisor related to your work.
- **CA6** You feel confident to initiate ideas on new and better ways of working.
- **CA7** You can understand the reasons for most decisions occurring in the organisation that will have an impact on your work.

#### B. WITHIN YOUR TEAM

- **CB1** Your Supervisor discusses their own work freely and listens to advice from team members.
- **CB2** Your supervisor communicates with your team on a regular basis to keep team members informed of what is occurring in the organisation.
- **CB3** Your Supervisor issues instruction with little opportunity to comment.
- **CB4** Your Supervisor encourages team members to speak their minds even if it means disagreeing with their own opinion.
- **CB5** Your Supervisor communicates to the team information that is accurate.
- **CB6** Staff within the team feel responsible for raising problems requiring action.
CB7 Staff within this team generally feel that they have an influence on all significant decisions that affect them.

CB8 There is a high degree of trust in information sharing between your supervisor and team members.

C. WITHIN THIS ORGANISATION

CC1 The extent of staff consultation within this organisation is perceived as adequate.

CC2 Listening skills of senior staff through the organisation is perceived as adequate.

CC3 There is an atmosphere of open and honest communication sharing within this organisation.
## PLANNING

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<tr>
<td>PA1</td>
<td>Your Supervisor ensured you were involved in the development of goals and objectives specific for your team.</td>
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<tr>
<td>PA2</td>
<td>You can see how the team goals are achievable.</td>
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<tr>
<td>PA3</td>
<td>Your job is essential in achieving the team goals.</td>
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<tr>
<td>PA4</td>
<td>Your Supervisor ensured you were involved in the development of goals and objectives for the organisation.</td>
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<tr>
<td>PA5</td>
<td>Your Supervisor clearly demonstrates to you their own personal commitment to the organisation's goals and objectives.</td>
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<tr>
<td>PB1</td>
<td>Your Supervisor ensured all team members were involved in the development of goals and objectives for your team.</td>
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<tr>
<td>PB2</td>
<td>Your Supervisor has ensured your team goals will assist in achieving the organisation's goals.</td>
<td></td>
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<td>PB3</td>
<td>Your Supervisor ensures a formal review occurs at best annually of progress made towards implementation of the teams goals and objectives.</td>
<td></td>
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<tr>
<td>PB4</td>
<td>Your team goals and objectives are covertly resisted by staff.</td>
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<tr>
<td>PB5</td>
<td>Your team goals and objectives do not relate to what the team does on a day to day basis.</td>
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<tr>
<td>PB6</td>
<td>Your supervisor ensured the team as a whole was involved in the development of the organisations Goals and/or Objectives.</td>
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<tr>
<td>PB7</td>
<td>The organisations Vision, Mission and Goals are well understood by all staff within your team.</td>
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<tr>
<td>PB8</td>
<td>Your Supervisor ensures staff get regular feed back on progress towards the Organisations Goals and Objectives.</td>
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<tr>
<td>PB9</td>
<td>Your Supervisor manages the team in a manner consistent with the organisations values.</td>
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</tbody>
</table>
C. **WITHIN THIS ORGANISATION**

**PC1** Staff within this organisation generally see how their job, their team goals and the organisation's goals are related.

**PC2** Staff within this organisation often see decision making contrary to the organisation's goals and objectives.

**PC3** The emphasis in this organisation is on planning rather than on the implementation of the plans.

**PC4** Staff input into the planning processes within this organisation could be improved.

**PC5** There is a strong sense of unity among the supervisors in this organisation.
**WITHIN THIS ORGANISATION**

- Needless duplication of efforts occurs within this organisation.

- People assume responsibility to solve problems if things go wrong in their team.

- Your organisational policies and procedures are clear and understood.

- People view policies and procedures as things to be worked around or avoided.
## INFORMATION

### A. AS AN INDIVIDUAL

| IA1 | Your Supervisor encourages you to ask for more information and statistical data if you believe it is required to do your job. |
| IA2 | Your Supervisor provides you with enough information and statistical data to enable you to do your job properly. |
| IA3 | Your Supervisor has educated you to seek out the facts in your own decision making relating to your work. |
| IA4 | You feel competent in gathering data and using information for your own work related to decision making. |

### B. WITHIN YOUR TEAM

| IB1 | Your Supervisor seeks out factual information and data in day to day decision making. |
| IB2 | Your Supervisor ensures your team monitors its own performance through data collection. |
| IB3 | Your Supervisor uses data gathered by your team in a policing manner. |
| IB4 | Your Supervisor purposely withholds information from your team which would assist with decision making. |
| IB5 | Your supervisor ensures that information gathered by your team is adequate to give an accurate picture of the team's performance. |
| IB6 | Your team seeks out factual information in its own decision making. |
| IB7 | Work practices within your team have changed arising from information gathered by team members. |
C. **WITHIN THE ORGANISATION**

**IC1** In this organisation supervisory staff react to new problems haphazardly without taking into consideration all the important facts.

**IC2** Staff believe the information and data collection in the organisation are true indicators of how well the organisation is performing.

**IC3** Regular information sharing is a common practice throughout this organisation.
# TEAMWORK

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<td><strong>A. INDIVIDUAL</strong></td>
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<td><strong>C. WITHIN THE ORGANISATION</strong></td>
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</table>
TC4 Additional strategies need to be put in place to encourage teamwork throughout the organisation.

TC5 Decision making within the organisation could be further delegated to team level.

TC6 There is a sense of powerlessness within this organisation.
## REWARD AND RECOGNITION

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### A. AS AN INDIVIDUAL

RA1 Your Supervisor would personally pay you a compliment if you did outstanding work.

RA2 Your Supervisor is highly supportive of you in all situations.

RA3 Your Supervisor encourages you to think of old problems in new ways.

RA4 Your supervisor would assist in gaining you a promotion if you consistently did outstanding work.

RA5 Your Job satisfaction is high.

RA6 You feel that you are appreciated for doing a good job.

RA7 You are willing to try almost anything to do a high quality job.

### 3. WITHIN YOUR TEAM

RB1 Your Supervisor praises the team for desirable performance.

RB2 Your Supervisor expresses a great deal of criticism towards your team.

RB3 Your Supervisor would show a great deal of interest if your team suggested a new and innovative way to do things.

RB4 Your supervisor encourages promotion of team members mainly on the basis of length of service.

RB5 There is a strong sense of pride among team members.

RB6 Your team is highly innovative when dealing with work related problems.

RB7 Staff within your team are highly motivated and enthusiastic

RB8 Staff within your team like working together
### C. WITHIN THIS ORGANISATION

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<tbody>
<tr>
<td>RC1</td>
<td>In this organisation the rewards and encouragements you get outweigh the threats and the criticism.</td>
<td></td>
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<tr>
<td>RC2</td>
<td>Within this organisation there appears to be a lot of energy to try out new ideas.</td>
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<tr>
<td>RC3</td>
<td>There is not enough reward and recognition given to this organisation for doing good work.</td>
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<tr>
<td>RC4</td>
<td>In this organisation promotions are given on the basis of personal friendship rather than on merit.</td>
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## EDUCATION

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### A. AS AN INDIVIDUAL

**EA1** Your Supervisor discusses with you at least annually your individual learning and development needs.

**EA2** Your Supervisor tries to help you achieve your learning and development goals.

**EA3** Your Supervisor offers you sufficient training programs to ensure you have the knowledge and skill to do your job well.

**EA4** Your Supervisor will take time out to assist you when you are unsure of a procedure related to your work.

**EA5** Your Supervisor gives you constructive feedback on how you are performing.

**EA6** You are confident in having the skills to enable you to do your job well.

**EA7** You have achieved more in your position than what you originally expected.

### B. WITHIN YOUR TEAM

**EB1** Your Supervisor continuously tries to fulfill team identified training needs.

**EB2** Your Supervisor takes into account individual capabilities, wants and needs when allocating tasks.

**EB3** Your Supervisor gives personal attention to members who seem neglected.

**EB4** Your team is very receptive to learning new ideas.
C. **WITHIN THIS ORGANISATION**

EC1  There is a commitment within this organisation to continuously change to make things better.

EC2  Staff perceive the organisation is fulfilling staff training and development needs.

EC3  Staff feel they are treated as individuals rather than a number to do the job.

EC4  There is a highly supportive atmosphere within this organisation.
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<tr>
<td>QA1 Your Supervisor ensures that you fully understand all the required policies and procedures involved in carrying out your work.</td>
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<td>QA2 Your Supervisor ensures that you have the physical resources required to do your job satisfactorily.</td>
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<td>QA3 You feel stifled by all the controls in the organisation.</td>
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<th>To some extent</th>
<th>To a great extent</th>
<th>Completely</th>
</tr>
</thead>
<tbody>
<tr>
<td>QB1 Your Supervisor facilitates obtaining equipment and supplies for the team when required.</td>
<td></td>
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</tr>
<tr>
<td>QB2 Your Supervisor ensures policies and procedures relevant to your team are reviewed regularly and changes are made when they are needed.</td>
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<tr>
<td>QB3 The organisational policies and procedures get in the way of what the team is trying to accomplish.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>C. WITHIN THIS ORGANISATION</th>
<th>Not at all</th>
<th>To a limited extent</th>
<th>To some extent</th>
<th>To a great extent</th>
<th>Completely</th>
</tr>
</thead>
<tbody>
<tr>
<td>QC1 The equipment and supplies provided to assist staff in carrying out their duties is adequate.</td>
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<tr>
<td>QC2 Staff within this organisation view policies and procedures as things to be worked around or avoided.</td>
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</tbody>
</table>
Appendix 18
Final Leadership/Empowerment Questionnaire
PLEASE NOTE

The greatest amount of care has been taken while scanning the following pages. The best possible results have been obtained.
ORGANISATIONAL STRUCTURE
AND FUNCTIONING QUESTIONNAIRE

DEFINITIONS:

Individual: How do you feel as an employee.
Team: Your immediate work group. Members in your team have the same supervisor.
Organisation: The site in which you work eg. hospital, council building.
Supervisor: Your team leader. For employees not in a team it is the person to whom you report to for routine matters.

INSTRUCTIONS

Please fill in your answer in the box which best describes how the following decisions and behaviours are practised within your organisation. We are concerned with the way things are and not necessarily the way you would like them to be.

RIGHT
WRONG

* Use only a blue/black pen or 2B pencil.
* Completely fill in the box.

SAMPLE QUESTION

QA. Are you male or female?

If your answer is MALE, then you would fill in the box like this:

   Male  Female

INTRODUCTORY QUESTIONS

1. Is your employment status?
   - Full time
   - Permanent part time
   - Casual
   - Temporary

2. What is your highest educational qualifications?
   - Completed school certificate
   - Completed higher school certificate
   - Completed trade course
   - Completed diploma certificate
   - Completed university degree(s)

3. Is English the first language used at home?
   - Yes
   - No

4. Are you?
   - Male
   - Female

5. How many years have you been with this organisation?
   - 0-1 years
   - 2-4 years
   - 5-10 years
   - 11+ years

6. How many staff directly report to you?
   - None
   - 1-5 staff
   - 6-10 staff
   - 11-20 staff
   - 21+ staff
SECTION A - AS AN INDIVIDUAL

Questions in Section A are concerned with how you feel as an employee. Your opinion is important.

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<thead>
<tr>
<th></th>
<th>Never 0%</th>
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<tbody>
<tr>
<td>CA1. Your supervisor listens to your work related ideas on how to improve performance.</td>
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<tr>
<td>CA2. Your Supervisor frowns on your poor performance so you hesitate to admit problems.</td>
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<td>CA3. Your supervisor consults you when making a decision relating to your work.</td>
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<td>CA4. Your supervisor communicates in such a way that you feel you could raise any work related issue with them.</td>
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<td>CA5. You are confident in your ability to influence decisions with your supervisor related to your work.</td>
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<td>CA6. You enjoy initiating ideas on better ways of doing your job.</td>
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<td>CA7. You can understand the reasons for most decisions occurring in the organisation that will have an impact on your work.</td>
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<tr>
<td>PA1. Your supervisor ensured that you were involved in the development of goals and objectives specific for your team.</td>
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<td>PA2. You can see how the team goals are achievable.</td>
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<td>PA3. Your job is essential in achieving the team goals.</td>
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<tr>
<td>PA4. Your supervisor ensured that you were involved in the development of goals and objectives for the organisation.</td>
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<td>PA5. Your supervisor clearly demonstrates to you their own personal commitment to the organisation's goals and objectives.</td>
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<tr>
<td>IA1. Your supervisor seeks out factual information in day to day decision making.</td>
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<tr>
<td>IA2. Your supervisor provides you with enough factual information to enable you to do your job properly.</td>
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<td>IA3. Your supervisor encourages you to seek out factual information in your own decision making relating to your work.</td>
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<td>IA4. You are proud of your ability to gather and use factual information as a basis for decision making related to your work.</td>
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<td>TA1. You feel as a valued member of your team.</td>
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<td>TA2. You enjoy opportunities to be creative and innovative.</td>
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<td>TA3. Your are confident in influencing decisions within your own team.</td>
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<td>TA4. You personally feel responsible for ensuring your own team succeeds in achieving it's goals.</td>
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<td>RA1. Your supervisor would personally pay you a compliment if you did outstanding work.</td>
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### SECTION A - AS AN INDIVIDUAL

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<tbody>
<tr>
<td>82. Your supervisor is highly supportive of you in all situations.</td>
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<tr>
<td>83. Your supervisor encourages you to think of old problems in new ways.</td>
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<tr>
<td>84. Your supervisor would assist in gaining you a promotion if you consistently did outstanding work.</td>
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<tr>
<td>85. Your job gives you a great deal of personal satisfaction.</td>
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<tr>
<td>86. You enjoy tasks that allow you to learn and grow.</td>
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<tr>
<td>87. You are willing to take reasonable risks to increase the quality of your work.</td>
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<tr>
<td>88. Your supervisor discusses with you at least annually your individual education and training needs.</td>
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<tr>
<td>89. Your supervisor helps you achieve your education and training goals.</td>
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<tr>
<td>90. Your supervisor will take time out to assist you when you are unsure of a procedure related to your work.</td>
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<tr>
<td>91. Your supervisor gives you constructive feedback on how you are performing.</td>
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<tr>
<td>92. You are confident in having the skills to enable you to do your job well.</td>
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<tr>
<td>93. You have achieved more in your position than what you originally expected.</td>
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<tr>
<td>94. Your supervisor ensures that you fully understand all the policies and procedures involved in carrying out your work.</td>
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<tr>
<td>95. Your supervisor ensures that you have the physical resources required to do your job well.</td>
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<tr>
<td>96. You feel stifled by all the controls in the organisation.</td>
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</table>

### SECTION B - WITHIN YOUR TEAM

Questions in Section B are concerned with your immediate work group.

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<tr>
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<tbody>
<tr>
<td>91. Your supervisor discusses his/her own work freely and listens to advice from team members.</td>
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<tr>
<td>92. Your supervisor keeps team members informed of what is occurring in the organisation.</td>
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<tr>
<td>93. Your supervisor encourages team members to speak their minds even if it means disagreeing with the supervisor's opinion.</td>
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<tr>
<td>94. Staff within your team feel responsible for raising problems requiring action.</td>
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</table>
### SECTION B - WITHIN YOUR TEAM

| CB5. Staff within your team generally feel that they have an influence on all significant decisions that affect them. | Never 0% | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Always 100% |  |
| CB6. Staff within your team trust that the information they receive from their supervisor is accurate and comprehensive. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| PB1. Your supervisor ensured all team members were involved in the development of goals and objectives for your team. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| PB2. Your supervisor ensures your team goals and objectives relate to what the team does on a day to day basis. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| PB3. Your supervisor ensures a formal review occurs at least annually of progress made towards implementation of the teams goals and objectives. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| PB4. The success of your team in achieving their goals is crucial to the achievement of the organisation's mission and vision. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| PB5. Your team goals and objectives are secreted resisted by staff. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| PB6. Your supervisor ensures the team as a whole is involved in the development of the organisation’s goals and/or objectives. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| PB7. The organisation’s vision, mission and goals are well understood by all staff within your team. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| PB8. Your supervisor ensures staff get regular feedback on how well the organisation is progressing in achieving its goals. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| PB9. Your supervisor manages the team in a manner consistent with the organisations values. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| IB1. Your supervisor ensures your team monitors its own performance through data collection. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| IB2. Your supervisor ensures that the information gathered by your team to monitor performance are appropriate indicators to measure the team’s performance. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| IB3. Your supervisor purposely withholds information from your team which would assist with decision making. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| IB4. Your supervisor uses data gathered by your team as a means of punishment. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| IB5. It is common practice within your team for staff to initiate data gathering to assist in decision making. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| IB6. Work practices within your team have changed arising from information gathered by team members. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| TB1. Your supervisor encourages your team to work together and come up with solutions to its own problems. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| TB2. Your supervisor encourages close team work between your team and other teams in the organisation. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| TB3. Your supervisor ensures your team has input in decisions regarding the adoption of new policies and procedures. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
| TB4. Your supervisor allows for some staff to be overworked while others have nothing to do. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |  |
## SECTION B - WITHIN YOUR TEAM

<table>
<thead>
<tr>
<th>Question</th>
<th>Never 0%</th>
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<th>6</th>
<th>Absolutely Always 100%</th>
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<tbody>
<tr>
<td>85. If there is a problem your team will persevere until a high quality outcome is achieved.</td>
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<tr>
<td>86. Decision making within your team moves from person to person as people's talents and demands of the situation dictate.</td>
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<td>87. There is little action by your team unless the supervisor approves the decision.</td>
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<tr>
<td>88. Your supervisor would publicly acknowledge your team if they performed exceptionally well.</td>
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<tr>
<td>89. Your supervisor is more likely to criticise the team for poor performance than praise the team for good performance.</td>
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<tr>
<td>90. Your supervisor would show a great deal of interest if your team suggested a new and innovative way to do things.</td>
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<td>91. Your supervisor supports the promotion of a team member mainly on the basis of length of service.</td>
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<td>92. There is a strong sense of pride within your own team.</td>
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<tr>
<td>93. Staff within your team are highly innovative when dealing with work related problems.</td>
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<td>94. Staff within your team are highly motivated and enthusiastic.</td>
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<tr>
<td>95. Staff within your team like working together.</td>
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<td>96. Your supervisor continuously tries to fulfill team training needs.</td>
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<td>97. Your supervisor takes into account individual capabilities, wants and needs when allocating tasks.</td>
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<td>98. Your supervisor gives personal attention to members who need additional support.</td>
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<td>99. Your team is very receptive to learning new ideas.</td>
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<tr>
<td>100. Your supervisor facilitates obtaining equipment and supplies for the team when required.</td>
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<td>101. Your supervisor ensures policies and procedures relevant to your team are reviewed regularly and changes are made when they are needed.</td>
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<tr>
<td>102. The organisational policies and procedures get in the way of what the team is trying to accomplish.</td>
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## SECTION C - WITHIN THIS ORGANISATION

**What extent do the following statements accurately describe your organisation?**

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<thead>
<tr>
<th>Question</th>
<th>Never 0%</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>Absolutely Always 100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Staff consultation processes are perceived as adequate.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
To what extent do the following statements accurately describe your organisation?

<table>
<thead>
<tr>
<th>Statement</th>
<th>Never(0%)</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>Always(100%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CC2. Listening skills of supervisory staff are perceived as adequate.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CC3. There is an atmosphere of open and honest communication between all staff.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PC1. Staff are committed to achieving the organisation’s goals and objectives.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PC2. Staff often see decision making contrary to the organisation’s goals and objectives.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PC3. The emphasis is on planning rather than on the implementation of the plans.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PC4. Staff input into the planning processes is excellent.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PC5. There is a strong sense of unity among the supervisors.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>'C1. There is a strong resistance to change.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>'2. Rivalry between teams gets in the way of achieving results.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC3. Staff strive for excellent performance.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC4. Additional strategies need to be put in place to encourage teamwork.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC5. Decision making could be further delegated to team level.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>There is a sense of powerlessness to influence decision making.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>There appears to be a lot of energy to try out new ideas.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>There is enough reward and recognition given for doing good work.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promotions are given on the basis of merit.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>There is a commitment to continuously change to make things better.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff training and development needs are being fulfilled.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EC3. Staff feel they are treated as individuals rather than a number to do the job.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EC4. There is a highly supportive atmosphere.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>QC1. The equipment and supplies provided to assist staff in carrying out their duties is adequate.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>QC2. Staff view policies and procedures as things to be worked around or avoided.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

THANK YOU,
PLEASE CHECK TO MAKE SURE YOU HAVE NOT MISSED ANY QUESTIONS
The list of leadership strategies and empowerment behaviours tested
and the corresponding question in the questionnaire according to context
\(\text{i.e. the individual, the team, the organisation.}\)

<table>
<thead>
<tr>
<th>Leadership Strategies</th>
<th>Final Questionnaire Corresponding Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Indiv</td>
</tr>
<tr>
<td><strong>Planning</strong></td>
<td></td>
</tr>
<tr>
<td>Alignment of Plans</td>
<td></td>
</tr>
<tr>
<td>* Involved in the development of team goals and objectives</td>
<td>PA1</td>
</tr>
<tr>
<td>* Involved in the development of organisations goals and objectives</td>
<td>PA4</td>
</tr>
<tr>
<td>* Supervisory role modeling behaviour consistent with the organisations goals and objectives</td>
<td>PA5</td>
</tr>
<tr>
<td><strong>Implementation of the Planning Process</strong></td>
<td></td>
</tr>
<tr>
<td>* Team goals and objectives relate to day to day activities</td>
<td>N/A</td>
</tr>
<tr>
<td>* Formal Review process occurs on a regular basis</td>
<td>PA4</td>
</tr>
<tr>
<td>* Staff get feedback of the results of the review</td>
<td>PA5</td>
</tr>
<tr>
<td><strong>Information and Analysis</strong></td>
<td></td>
</tr>
<tr>
<td>* Availability of information to complete tasks</td>
<td>IA2</td>
</tr>
<tr>
<td>* Usage of information to complete tasks</td>
<td>IA3</td>
</tr>
<tr>
<td>* Appropriateness to measure performance indicators are used</td>
<td>N/A</td>
</tr>
<tr>
<td>* Supervisor Role Modeling by using information in decision making</td>
<td>IA1</td>
</tr>
<tr>
<td><strong>People</strong></td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td></td>
</tr>
<tr>
<td>* Individual consideration given to education and training</td>
<td>EA1</td>
</tr>
<tr>
<td>* Education and training needs are being actioned</td>
<td>EA2</td>
</tr>
<tr>
<td>* Mentoring / assisting staff requiring support</td>
<td>EA3,</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership Strategies continued</td>
<td>Indiv</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-------</td>
</tr>
<tr>
<td><strong>Communication/Trust</strong></td>
<td>CA1</td>
</tr>
<tr>
<td>* Supervisors listens to employees ideas</td>
<td>CA2, CA4</td>
</tr>
<tr>
<td>* Supervisors encourage staff to speak freely and even challenge their opinion</td>
<td>CA3</td>
</tr>
<tr>
<td>* Supervisor keeps staff informed on what is occurring in the organisation.</td>
<td></td>
</tr>
<tr>
<td><strong>Recognition</strong></td>
<td>RA1</td>
</tr>
<tr>
<td>* Supervisor recognises outstanding work</td>
<td>RA3</td>
</tr>
<tr>
<td>* Supervisor recognises for innovation</td>
<td>RA4</td>
</tr>
<tr>
<td>* Supervisor recognises promotion is based only on merit</td>
<td>RA2</td>
</tr>
<tr>
<td>* Continuous support provided in all situations including well intentioned mistakes</td>
<td></td>
</tr>
<tr>
<td><strong>Team Delegated Authority</strong></td>
<td>N/A</td>
</tr>
<tr>
<td>* Teamwork encouraged through team decision making (intra team)</td>
<td>TB2</td>
</tr>
<tr>
<td>* Collaboration between teams encouraged (interteam)</td>
<td>TB3</td>
</tr>
<tr>
<td>* Teams have an influence in decision making with their supervisor</td>
<td>TB7</td>
</tr>
<tr>
<td>* Extent of autonomy in decision making</td>
<td></td>
</tr>
<tr>
<td><strong>Quality of Resources</strong></td>
<td>QA2</td>
</tr>
<tr>
<td>The availability of necessary equipment and supplies</td>
<td>QA1</td>
</tr>
<tr>
<td>The availability of supporting policies and procedures</td>
<td>QB2</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Empowerment Behaviours</td>
<td>Indiv</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>-------</td>
</tr>
<tr>
<td><strong>Capability/Competence</strong></td>
<td></td>
</tr>
<tr>
<td>* Ability to use information for decision making</td>
<td>IA4</td>
</tr>
<tr>
<td>* Understand the importance of team and organisational goals</td>
<td>PA2</td>
</tr>
<tr>
<td>* The policies and procedures aid in performing their tasks</td>
<td>QA3</td>
</tr>
<tr>
<td>* Confident in being able to do their job well</td>
<td>EA5</td>
</tr>
<tr>
<td>* Confident in ability to influence decision making</td>
<td>CA5</td>
</tr>
<tr>
<td><strong>Valued Member of their team</strong></td>
<td></td>
</tr>
<tr>
<td>* Feel valued within the team</td>
<td>TA1</td>
</tr>
<tr>
<td>* Confident in influencing team decision making</td>
<td>TA3</td>
</tr>
<tr>
<td>* Your job is essential in achieving the team goals and objectives</td>
<td>PA3</td>
</tr>
<tr>
<td>* Feel responsible for the team succeeding in achieving its goals and objectives</td>
<td>TA4</td>
</tr>
<tr>
<td><strong>Job Satisfaction</strong></td>
<td>RA5</td>
</tr>
<tr>
<td><strong>Intrinsic Motivation</strong></td>
<td></td>
</tr>
<tr>
<td>* Willingness to be Innovative and Creative</td>
<td>TA2</td>
</tr>
<tr>
<td>* Willingness to Risk take</td>
<td>RA7</td>
</tr>
<tr>
<td>* Willingness to Initiate ideas to improve performance</td>
<td>CA6</td>
</tr>
<tr>
<td>* Desire to learn and grow</td>
<td>RA6</td>
</tr>
<tr>
<td>* Achieved more than expected</td>
<td>EA6</td>
</tr>
<tr>
<td>* Trusting relationship with supervisor</td>
<td>CA7</td>
</tr>
<tr>
<td>Empowerment Behaviours continued</td>
<td>Indiv</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-------</td>
</tr>
<tr>
<td><strong>Team Alignment</strong></td>
<td></td>
</tr>
<tr>
<td>* Enthusiasm / Motivation within team</td>
<td>RB7</td>
</tr>
<tr>
<td>* Perseverance</td>
<td>TB5</td>
</tr>
<tr>
<td>* Pride within the team</td>
<td>RB5</td>
</tr>
<tr>
<td>* Goals and Objectives seen as crucial</td>
<td>PB4,</td>
</tr>
<tr>
<td><strong>Organisational Commitment</strong></td>
<td></td>
</tr>
<tr>
<td>* Unity among supervisors</td>
<td>PC5</td>
</tr>
<tr>
<td>* Resistance to change</td>
<td>TC1</td>
</tr>
<tr>
<td>* Strive for excellent performance</td>
<td>TC3</td>
</tr>
<tr>
<td>* Commitment to continuous change</td>
<td>EC1</td>
</tr>
<tr>
<td>* Commitment to organisations goals / objectives</td>
<td>PC1</td>
</tr>
<tr>
<td>* Energy to try new ideas</td>
<td>RC1</td>
</tr>
</tbody>
</table>
**ADEQUACY OF AUTHORITY QUESTIONNAIRE**

Please tell us how true each statement is by answering one of the alternatives which follow each statement and then explain your answer.

1. I should be allowed to make some decisions that are now being made at a higher level
   - Very
   - Definitely
   - True
   - Uncertain
   - Untrue

2. I have enough authority to handle the problems that come up in my group
   - Very
   - Definitely
   - True
   - Uncertain
   - Untrue

3. I must get approval for certain decisions which I should be able to make alone
   - Very
   - Definitely
   - True
   - Uncertain
   - Untrue

4. I have enough authority to handle emergency situations adequately
   - Very
   - Definitely
   - True
   - Uncertain
   - Untrue

5. Too many people have to be consulted before you can do anything around here
   - Very
   - Definitely
   - True
   - Uncertain
   - Untrue
Appendix 20
Organisational Stability
Questionnaire

Organisational Stability Questionnaire.

Within the last 3 years has your team experienced any adverse incidents that have caused considerable stress for staff? These incidents may come from within our outside your team?

I will start with a check list of possible stresses:

- Financial crisis
- Changes in organisational structure
- Labour problems or industrial disputes
- Significant technological change
- Any other issues that you can think of?
29 November 1996

TO ALL EMPLOYEES

Dear Staff Member

The 1996 Staff Survey for Wollongong City Council has identified opportunities for improvement in the areas of communication, teamwork, staff recognition and organisational leadership.

For this reason, Wollongong City Council has agreed to take part in a national study considering these and other issues.

By filling out this questionnaire you will be contributing to a national study looking into the way organisations function to support staff.

The information provided will allow Wollongong City Council to develop practical and industry wide strategies to make Council a better place to work.

The survey is confidential – it is your opinion that is important.

Yours faithfully

[Signature]
R J Oxley
General Manager
Appendix 22

Introduction to the Leadership Empowerment Questionnaire.

"This study is considering the structure and functioning of organisations practicing Total Quality Management. No previous research has been conducted in this area and therefore you will be contributing to a new area of knowledge in Total Quality Management. There are no right or wrong answers.

Who you are as an individual is not important to this study. However your ideas and attitudes are very important.

Questionnaire responses will be grouped for analysis and therefore it will be impossible to trace the responses to any one individual.

The number on the top of the page corresponds to your division. This is used only to assist me to work out where to follow up unreturned questionnaires.

On completion of the study no statistics or percentages will be given to the General Manager. A list of conclusions will be provided to enable the development of recommendations for improvement within your organisation.

You have time now to complete the questionnaire before lunch arrives. The tender box is there for you to place the completed questionnaire. If you don’t finish the questionnaire, place it in the envelope and send it to the mail room where I will collect it.

Any Questions?
Appendix 23
Results From The Leadership/Empowerment Questionnaire

Organisational Commitment Scales

23i Final Statistics

23ii Item Total Statistics

23iii Maximum Likelihood Estimates

### 23i Final Statistics

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>COMMUNALITY</th>
<th>FACTOR</th>
<th>SS LOADINGS</th>
<th>PCT OF VAR</th>
<th>CUM PCT</th>
</tr>
</thead>
<tbody>
<tr>
<td>PC1</td>
<td>.67</td>
<td>*</td>
<td>1</td>
<td>2.83</td>
<td>47.1</td>
</tr>
<tr>
<td>PC5</td>
<td>.29</td>
<td>*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC1</td>
<td>.23</td>
<td>*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC3</td>
<td>.70</td>
<td>*</td>
<td></td>
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<tr>
<td>RC1</td>
<td>.51</td>
<td>*</td>
<td></td>
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</tr>
<tr>
<td>EC1</td>
<td>.43</td>
<td>*</td>
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</tr>
</tbody>
</table>

**Key:** Cum pct: Cumulative percentage

Pct of var: Percent of Variation

### 23ii Item Total Statistics

<table>
<thead>
<tr>
<th></th>
<th>Scale mean if item deleted</th>
<th>Scale variance if item deleted</th>
<th>Corrected item total correlation</th>
<th>Squared multiple correlation</th>
<th>Alpha if item deleted</th>
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<tbody>
<tr>
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<td>23.79</td>
<td>32.73</td>
<td>.69</td>
<td>.57</td>
<td>.78</td>
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<tr>
<td>PC5</td>
<td>24.61</td>
<td>33.14</td>
<td>.50</td>
<td>.25</td>
<td>.82</td>
</tr>
<tr>
<td>TC1</td>
<td>24.39</td>
<td>34.12</td>
<td>.46</td>
<td>.22</td>
<td>.83</td>
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<tr>
<td>TC3</td>
<td>23.41</td>
<td>32.54</td>
<td>.71</td>
<td>.59</td>
<td>.78</td>
</tr>
<tr>
<td>RC1</td>
<td>24.19</td>
<td>32.15</td>
<td>.65</td>
<td>.46</td>
<td>.79</td>
</tr>
<tr>
<td>EC1</td>
<td>23.82</td>
<td>33.34</td>
<td>.61</td>
<td>.41</td>
<td>.80</td>
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</table>
### Maximum Likelihood Estimates

<table>
<thead>
<tr>
<th></th>
<th>organisational commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>PC1</td>
<td>0.73 (0.06) A 11.52</td>
</tr>
<tr>
<td>PC5</td>
<td>0.81 (0.08) 10.15</td>
</tr>
<tr>
<td>TC3</td>
<td>0.66 (0.07) 10.15</td>
</tr>
<tr>
<td>RC1</td>
<td>0.91 (0.07) 12.20</td>
</tr>
<tr>
<td>EC1</td>
<td>0.91 (0.07) 12.72</td>
</tr>
</tbody>
</table>

**Key**
- A: coefficient
- (standard error)
- functional T-test
## Team Empowerment Scale

### 24i Final Statistics

#### 24ii Maximum Likelihood Estimates

### 24i Final Statistics

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>COMMUNALITY</th>
<th>FACTOR</th>
<th>SS LOADINGS</th>
<th>PCT OF VAR</th>
<th>CUM PCT</th>
</tr>
</thead>
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<tr>
<td>CB5</td>
<td>.39</td>
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<td>5.24</td>
<td>47.6</td>
<td>47.6</td>
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<tr>
<td>CB6</td>
<td>.48</td>
<td>*</td>
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<td></td>
<td></td>
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<tr>
<td>PB7</td>
<td>.38</td>
<td>*</td>
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<tr>
<td>IB5</td>
<td>.28</td>
<td>*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IB6</td>
<td>.34</td>
<td>*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TB5</td>
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**Key**
- Cum pct: Cumulative percentage
- Pct of var: Percent of Variation
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Key A
- coefficient
- (standard error)
- functional T-test
## Results Of The Leadership/Empowerment Questionnaire

### Individual Empowerment Scale

#### 25i Final Statistics

#### 25ii Maximum Likelihood Estimates

### 25i Final Statistics

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Key
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- Pct of var: Percent of Variation
## 25ii Maximum Likelihood Estimates

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### Key
- $^A$ coefficient
- (standard error)
- functional T-test
Appendix 26

Results Of The Leadership/Empowerment Questionnaire

Individual Leadership Scale

26i Final Statistics

26ii Maximum Likelihood Estimates

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Key
Cum pct: Cumulative percentage
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**Key A**
- coefficient
- (standard error)
- functional T-test

**Key:**
- LEADIND 1: individual leadership Trust
- LEADIND 2: individual leadership Capability
- LEADIND 3: individual leadership Goal alignment
|     | RA2       |         |   |     | RA3       |         |   |     | RA4       |         |   |     | EA1       |         |   |     | EA2       |         |   |     | EA3       |         |   |     | EA4       |         |   |     | QA1       |         |   |     | QA2       |         |   |
|-----|-----------|---------|---|-----|-----------|---------|---|-----|-----------|---------|---|-----|-----------|---------|---|-----|-----------|---------|---|-----|-----------|---------|---|-----|-----------|---------|---|-----|-----------|---------|---|-----|-----------|---------|---|-----|-----------|---------|---|
|     | 0.63      | 0.61    |   |     | 1.07     | (0.07)  |   |     | 1.30     | (0.08)  |   |     | 1.00     | (0.10)  |   |     | 1.20     | (0.08)  |   |     | 0.27     | (0.13)  |   |     | 0.79     | (0.13)  |   |     | 1.33     | (0.07)  |   |     | 1.12     | (0.07)  |   |     | 0.89     | (0.07)  |   |
|     | (0.11)    | (0.11)  |   |     | (0.07)   |         |   |     | (0.08)   |         |   |     | (0.10)   |         |   |     | (0.08)   |         |   |     | (0.13)   |         |   |     | (0.13)   |         |   |     | (1.12)   |         |   |     | (0.07)   |         |   |
|     | 5.58      | 5.52    |   |     | 16.11    |         |   |     | 17.17    |         |   |     | 10.27    |         |   |     | 14.28    |         |   |     | 6.19      |         |   |     | 18.00    |         |   |     | 17.23    |         |   |     | 13.00    |         |   |
### Appendix 27

Results Of The Leadership/Empowerment Questionnaire

#### Team Leadership Scale

#### 271 Final Statistics

#### 27ii Maximum Likelihood Statistics

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**Key**
- Cum pct: Cumulative percentage
- Pct of var: Percent of Variation
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Key A
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- functional T-test
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</table>
Appendix 28

Results Of The Leadership/Empowerment Questionnaire

Organisational Climate Scale

28i Final Statistics

28ii Maximum Likelihood Statistics

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>COMMUNALITY</th>
<th>FACTOR</th>
<th>SS LOADINGS</th>
<th>PCT OF VAR</th>
<th>CUM PCT</th>
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<tr>
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Key
Cum pct: Cumulative percentage
Pct of var: Percent of Variation
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</tr>
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<td></td>
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</tr>
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<tr>
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<tr>
<td></td>
<td></td>
<td>12.87</td>
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<td></td>
</tr>
</tbody>
</table>
ORISGATIONAL CLIMATE

Organisational climate had two first order factors. They are as follows:

<table>
<thead>
<tr>
<th>ORGANISATIONAL CLIMATE: TRUST</th>
<th>Item Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listening skills of supervisory staff are perceived as adequate</td>
<td>0.65</td>
</tr>
<tr>
<td>There is an atmosphere of open and honest communication between all staff</td>
<td>0.68</td>
</tr>
<tr>
<td>Decision making could be further delegated to team level</td>
<td>0.83</td>
</tr>
<tr>
<td>Staff training and development needs are being fulfilled</td>
<td>0.64</td>
</tr>
<tr>
<td>There is a highly supportive atmosphere</td>
<td>0.65</td>
</tr>
</tbody>
</table>

The above table for organisational climate was titled “Trust” as:
Three of the items related to trust as indicated in the original questionnaire.
The additional question also supports good communication in supporting staff training and development needs.
<table>
<thead>
<tr>
<th>Items</th>
<th>Item Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff often see decision making contrary to the organisation's objectives</td>
<td>0.86</td>
</tr>
<tr>
<td>The emphasis is on planning rather than on the organisation's goals and objectives</td>
<td>0.89</td>
</tr>
<tr>
<td>Staff input into the planning processes is excellent</td>
<td>0.68</td>
</tr>
</tbody>
</table>

The above table was titled "planning without implementation". The reason for this is that:
All the items are related to planning

The two high load factors indicate decision making contrary to that planned. The alpha reliability co-efficients indicate that replication of the study would achieve similar results. The reliability co-efficients for Factor "Trust" is 0.6028 and for Factor "Planning without implementation" is 0.66.
TEAM LEADERSHIP

Team leadership had two first order factors as outlined below.

<table>
<thead>
<tr>
<th>Team leadership; Trust</th>
<th>Item Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your supervisor discusses his/her own work freely and listens to advice from team members</td>
<td>0.69</td>
</tr>
<tr>
<td>Your supervisor keeps team members informed of what is occurring in the organisation</td>
<td>0.83</td>
</tr>
<tr>
<td>Your supervisor encourages team members to speak their minds even if it means disagreeing with the supervisor's opinions</td>
<td>0.86</td>
</tr>
</tbody>
</table>

The factor was titled 'trust' as all three items relate to the questions corresponding to trust in the original questionnaire. The corresponding items were also in the factor labelled trust in the individual leadership factor. The alpha reliability co-efficients for Factor "trust" was 0.88.
<table>
<thead>
<tr>
<th>Items</th>
<th>Item Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your supervisor ensures staff get regular feedback on how well the organisation is progressing in achieving its goals</td>
<td>0.68</td>
</tr>
<tr>
<td>Your supervisor manages the team in a manner consistent with the organisation's values</td>
<td>0.82</td>
</tr>
<tr>
<td>Your supervisor encourages your team to work together and come up with solutions to its own problems</td>
<td>0.69</td>
</tr>
<tr>
<td>Your supervisor ensures your team has input in decisions regarding the adoption of new policies and procedures</td>
<td>0.66</td>
</tr>
<tr>
<td>Your supervisor would show a great deal of interest if your team suggested a new and innovative way to do things</td>
<td>0.60</td>
</tr>
<tr>
<td>Your supervisor continuously tries to fulfill team training needs</td>
<td>0.65</td>
</tr>
<tr>
<td>Your supervisor takes into account individual capabilities, wants and needs when allocating tasks</td>
<td>0.80</td>
</tr>
<tr>
<td>Your supervisor gives personal attention to members who need additional support</td>
<td>0.66</td>
</tr>
<tr>
<td>Your supervisor ensures policies and procedures relevant to your team are reviewed regularly and changes are made when they are needed</td>
<td>0.66</td>
</tr>
</tbody>
</table>

This Factor was difficult to title. It had a range of items with high loadings. The factor was titled team capability. It had items similar to factor 2 for individual leadership with the addition of questions related to team delegated authority which was not applicable to individual leadership. The reliability co-efficients for “Capability” is 0.94.
INDIVIDUAL LEADERSHIP

Individual leadership had three first order factors as outlined below:

<table>
<thead>
<tr>
<th>Individual Leadership : Trust</th>
<th>Item Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your supervisor listens to your work related ideas on how to improve performance.</td>
<td>0.81</td>
</tr>
<tr>
<td>Your supervisor frowns on your poor performance so you hesitate to admit problems</td>
<td>0.36</td>
</tr>
<tr>
<td>Your supervisor consults you when making a decision relating to your work</td>
<td>0.56</td>
</tr>
<tr>
<td>Your supervisor communicates in such a way that you feel you could raise any work related issue with them</td>
<td>.84</td>
</tr>
<tr>
<td>Your supervisor seeks out factual information in day to day decision making</td>
<td>0.34</td>
</tr>
<tr>
<td>Your supervisor provides you with enough factual information to enable you to do your job properly</td>
<td>0.46</td>
</tr>
<tr>
<td>Your supervisor is highly supportive of you in all situations</td>
<td>.43</td>
</tr>
</tbody>
</table>

Two items with regression scores below 0.3 were excluded from the table. Both were common items with other factors. The factor was titled "Trust" as:

Four items were identified as belonging to Trust in the original questionnaire. The other two items relate to successful information exchange between the supervisor and the employee. This suggests that it is the communication of information that is important rather than the information itself.
<table>
<thead>
<tr>
<th>Items</th>
<th>Item Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your supervisor would personally pay you a compliment if you did outstanding work</td>
<td>0.81</td>
</tr>
<tr>
<td>Your supervisor is highly supportive of you in all situations</td>
<td>0.44</td>
</tr>
<tr>
<td>Your supervisor encourages you to think of old problems in new ways</td>
<td>0.66</td>
</tr>
<tr>
<td>Your supervisor would assist in gaining you a promotion if you consistently did outstanding work</td>
<td>0.69</td>
</tr>
<tr>
<td>Your supervisor discusses with you at least annually your individual and training goals</td>
<td>0.53</td>
</tr>
<tr>
<td>Your supervisor helps you achieve your education and training goals</td>
<td>0.60</td>
</tr>
<tr>
<td>Your supervisor will take time our to assist you when you are unsure of a procedure related to your work</td>
<td>0.59</td>
</tr>
<tr>
<td>Your supervisor gives you constructive feedback on how you are performing</td>
<td>0.82</td>
</tr>
<tr>
<td>Your supervisor ensures that you fully understand the policies and procedures involved in carrying out your work</td>
<td>0.69</td>
</tr>
<tr>
<td>Your supervisor ensures that you have the physical resources required to do your job well</td>
<td>0.65</td>
</tr>
</tbody>
</table>

The factor was titled “capability” as all the items cover supervisors providing support to individual employees over a range of different situations. These items related to individual capability in the literature: Four items directly related to questions on individual recognition. Three items relate to support in education. Two items relate to support in resourcing. The items with the highest regression scores (greater than 0.8) directly relate to personal recognition for task accomplishment.
### Individual Leadership : Goal Alignment

<table>
<thead>
<tr>
<th>Items</th>
<th>Item Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your supervisor ensured that you were involved in the development of goals and objectives for the team</td>
<td>0.54</td>
</tr>
<tr>
<td>Your supervisor ensured that you were involved in the development of goals and objectives for the organisation</td>
<td>0.56</td>
</tr>
<tr>
<td>Your supervisor clearly demonstrates to you their own personal commitment to the organisation’s goals and objectives</td>
<td>0.86</td>
</tr>
<tr>
<td>Your supervisor seeks our factual information in day to day decision making</td>
<td>0.45</td>
</tr>
<tr>
<td>Your supervisor provides you with enough factual information to enable you to do your job properly</td>
<td>0.41</td>
</tr>
</tbody>
</table>

The factor was titled “Goal Alignment” as:

All goal alignment questions from the original questionnaire appeared in the factor. The item on goal alignment had a significantly higher item loading (.86) than the other items which were all below 0.58. Items common between Factor 1 and 3 and had similar regressions scores for both.

The alpha reliability scores are as follows:

- Table "Trust" : 0.91
- Table "Capability" : 0.92
- Table "Goal alignment" : 0.86
### Appendix 30

Results Of The Leadership/Empowerment Questionnaire

Correlation Coefficients

Leadership

<table>
<thead>
<tr>
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<th>GRPLEAD</th>
<th>ORGLEAD</th>
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</thead>
<tbody>
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<td>1.000 (348)</td>
<td>.865 (347)</td>
<td>.560 (346)</td>
</tr>
<tr>
<td></td>
<td>p = .000</td>
<td>p = .000</td>
<td>p = .000</td>
</tr>
<tr>
<td>GRPLEAD</td>
<td>.865 (347)</td>
<td>1.000 (347)</td>
<td>.633 (345)</td>
</tr>
<tr>
<td></td>
<td>p = .000</td>
<td>P = .000</td>
<td>P = .000</td>
</tr>
<tr>
<td>ORGLEAD</td>
<td>.560 (346)</td>
<td>.633 (345)</td>
<td>1.000 (346)</td>
</tr>
<tr>
<td></td>
<td>P = .000</td>
<td>P = .000</td>
<td>P = .000</td>
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</table>

(Coefficient / (Cases) / 2-trialed Significance)

Empowerment

<table>
<thead>
<tr>
<th></th>
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<th>IND BEH2</th>
<th>BEH IND3</th>
<th>GRP BEH</th>
<th>ORG COM</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEH IND1</td>
<td>1.000 (347)</td>
<td>.531 (347)</td>
<td>.608 (347)</td>
<td>.627 (346)</td>
<td>.415 (344)</td>
</tr>
<tr>
<td></td>
<td>p = .000</td>
<td>P = .000</td>
<td>P = .000</td>
<td>P = .000</td>
<td>P = .000</td>
</tr>
<tr>
<td>BEH IND2</td>
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<td>1.000 (348)</td>
<td>.440 (348)</td>
<td>.527 (347)</td>
<td>.457 (345)</td>
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<td>P = .000</td>
<td>P = .000</td>
<td>P = .000</td>
<td>P = .000</td>
<td>P = .000</td>
</tr>
<tr>
<td>BEH IND3</td>
<td>.608 (347)</td>
<td>.440 (348)</td>
<td>1.000 (348)</td>
<td>.484 (347)</td>
<td>.305 (345)</td>
</tr>
<tr>
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<td>P = .000</td>
<td>P = .000</td>
<td>P = .000</td>
<td>P = .000</td>
</tr>
<tr>
<td>GRP BEH</td>
<td>.627 (346)</td>
<td>.527 (347)</td>
<td>.484 (347)</td>
<td>1.000 (347)</td>
<td>.625 (344)</td>
</tr>
<tr>
<td></td>
<td>p = .000</td>
<td>P = .000</td>
<td>P = .000</td>
<td>P = .000</td>
<td>P = .000</td>
</tr>
<tr>
<td>ORG COM</td>
<td>.415 (344)</td>
<td>.457 (345)</td>
<td>.305 (345)</td>
<td>.625 (344)</td>
<td>1.000 (345)</td>
</tr>
<tr>
<td></td>
<td>P = .000</td>
<td>P = .000</td>
<td>P = .000</td>
<td>P = .000</td>
<td>P = .000</td>
</tr>
</tbody>
</table>

(Coefficient / (Cases) / 2 trialed Significance)
### Appendix 31

**Results Of The Leadership/Empowerment Questionnaire**

#### Analysis Of Variance

**Division Within The Organisation**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Hypoth.SS</th>
<th>Error SS</th>
<th>Hypoth.MS</th>
<th>Error MS</th>
<th>F</th>
<th>Sig of F</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDLEAD</td>
<td>37.445</td>
<td>378.139</td>
<td>3.404</td>
<td>1.149</td>
<td>2.962</td>
<td>0.001</td>
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<tr>
<td>GRPLEAD</td>
<td>31.698</td>
<td>393.121</td>
<td>2.884</td>
<td>1.195</td>
<td>2.412</td>
<td>0.007</td>
</tr>
<tr>
<td>ORGLEAD</td>
<td>37.410</td>
<td>362.079</td>
<td>3.401</td>
<td>1.101</td>
<td>3.090</td>
<td>0.001</td>
</tr>
<tr>
<td>BEH-IND1</td>
<td>18.220</td>
<td>275.917</td>
<td>1.656</td>
<td>0.839</td>
<td>1.975</td>
<td>0.030</td>
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<tr>
<td>INDBEH2</td>
<td>39.270</td>
<td>434.520</td>
<td>3.570</td>
<td>1.321</td>
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<td>0.002</td>
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<tr>
<td>BEH-IND3</td>
<td>7.600</td>
<td>189.763</td>
<td>0.691</td>
<td>0.577</td>
<td>1.198</td>
<td>0.287</td>
</tr>
<tr>
<td>GRPBEH</td>
<td>24.659</td>
<td>253.568</td>
<td>2.242</td>
<td>0.771</td>
<td>2.909</td>
<td>0.001</td>
</tr>
<tr>
<td>ORGCOM</td>
<td>22.512</td>
<td>272.086</td>
<td>2.047</td>
<td>0.827</td>
<td>2.475</td>
<td>0.005</td>
</tr>
</tbody>
</table>
### Appendix 32

**Results Of The Leadership/Empowerment Questionnaire**

**Analysis Of Variance**

**Highest Education**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Hypoth.SS</th>
<th>Error SS</th>
<th>Hypoth.MS</th>
<th>Error MS</th>
<th>F</th>
<th>Sig of F</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDLEAD</td>
<td>5.340</td>
<td>404.627</td>
<td>1.335</td>
<td>1.234</td>
<td>1.082</td>
<td>0.365</td>
</tr>
<tr>
<td>GRPLEAD</td>
<td>10.610</td>
<td>405.247</td>
<td>2.652</td>
<td>1.236</td>
<td>2.147</td>
<td>0.75</td>
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<tr>
<td>ORGLEAD</td>
<td>0.870</td>
<td>387.067</td>
<td>0.217</td>
<td>1.180</td>
<td>0.184</td>
<td>0.947</td>
</tr>
<tr>
<td>BEH-IND1</td>
<td>8.139</td>
<td>281.080</td>
<td>2.035</td>
<td>0.857</td>
<td>2.374</td>
<td>0.050</td>
</tr>
<tr>
<td>BEH IND2</td>
<td>5.713</td>
<td>458.567</td>
<td>1.428</td>
<td>1.398</td>
<td>1.022</td>
<td>0.396</td>
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<td>BEH-IND3</td>
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<td>0.621</td>
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<td>0.499</td>
</tr>
<tr>
<td>ORGCOM</td>
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<td>275.472</td>
<td>1.395</td>
<td>0.840</td>
<td>1.661</td>
<td>0.159</td>
</tr>
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</table>

**Key:**
- INDLEAD: individual leadership
- GRPLEAD: group (team) leadership
- ORGLEAD: organisational leadership
- BEH IND1: individual empowerment(capability)
- BEH IND2: individual empowerment (job satisfaction)
- BEH IND3: individual empowerment (intrinsic motivation)
- GRPBEH: group (team) empowerment
- ORGCOM: organisational commitment
Results Of The Leadership/Empowerment Questionnaire

Analysis Of Variance

Level In The Hierarchy

<table>
<thead>
<tr>
<th>Variable</th>
<th>Hypoth.SS</th>
<th>Error SS</th>
<th>Hypoth.MS</th>
<th>Error MS</th>
<th>F</th>
<th>Sig of F</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEADIND1</td>
<td>7.125</td>
<td>393.233</td>
<td>2.375</td>
<td>1.167</td>
<td>2.035</td>
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<td>LEADIND2</td>
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<td>1.411</td>
<td>2.217</td>
<td>0.086</td>
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<tr>
<td>LEADIND3</td>
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<td>393.850</td>
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<td>2.552</td>
<td>0.056</td>
</tr>
<tr>
<td>LEADGRP1</td>
<td>9.631</td>
<td>587.199</td>
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<td>1.742</td>
<td>1.842</td>
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<td>1.001</td>
<td>1.547</td>
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<tr>
<td>LEADORG1</td>
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<td>0.984</td>
<td>0.648</td>
<td>0.585</td>
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<td>LEADORG2</td>
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<td>331.488</td>
<td>0.146</td>
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</tr>
<tr>
<td>INDBEH1</td>
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<td>1.869</td>
<td>0.647</td>
<td>2.890</td>
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<td>INDBEH3</td>
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<tr>
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<tr>
<td>ORGCOM</td>
<td>2.518</td>
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<td>0.839</td>
<td>0.870</td>
<td>0.965</td>
<td>0.410</td>
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</table>

Key:
- LEADIND 1: individual leadership Trust
- LEADIND 2: individual leadership Capability
- LEADIND 3: individual leadership Goal alignment
- LEADGRP 1: group (team) leadership Trust
- LEADGRP 2: group (team) leadership Team capability
- LEADORG1: organisational leadership Trust
- LEADORG2: organisational leadership Planning without Implementation
- BEHIND3: individual empowerment (intrinsic motivation)
- GRPBEH: group (team) empowerment
- ORGCOM: organisational commitment
- INDBEH1: individual empowerment(capability)
### Appendix 34

**Results Of The Leadership/Empowerment Questionnaire**

#### Analysis Of Variance

**Employment Status**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Hypoth.SS</th>
<th>Error SS</th>
<th>Hypoth.MS</th>
<th>Error MS</th>
<th>F</th>
<th>Sig of F</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDLEAD</td>
<td>3.99789</td>
<td>413.07785</td>
<td>1.00895</td>
<td>1.21493</td>
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<tr>
<td>GRPLEAD</td>
<td>5.48177</td>
<td>422.67470</td>
<td>2.74089</td>
<td>1.24316</td>
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<tr>
<td>ORGLEAD</td>
<td>12.16471</td>
<td>369.66037</td>
<td>6.08235</td>
<td>1.14606</td>
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<tr>
<td>BEH-IND1</td>
<td>2.46741</td>
<td>293.13730</td>
<td>1.23371</td>
<td>0.86217</td>
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<tr>
<td>BEH IND2</td>
<td>5.26839</td>
<td>471.60333</td>
<td>2.63420</td>
<td>1.38707</td>
<td>1.89911</td>
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<tr>
<td>BEH-IND3</td>
<td>0.73534</td>
<td>198.51322</td>
<td>0.36767</td>
<td>0.58386</td>
<td>0.62972</td>
<td>0.533</td>
</tr>
<tr>
<td>GRPBEH</td>
<td>5.27702</td>
<td>275.21100</td>
<td>2.63851</td>
<td>0.80944</td>
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<tr>
<td>ORGCOM</td>
<td>7.47544</td>
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<td>3.73772</td>
<td>0.84875</td>
<td>4.40478</td>
<td>0.013</td>
</tr>
</tbody>
</table>

**Key:**
- INDLEAD: individual leadership
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- BEH IND2: individual empowerment (job satisfaction)
- BEH IND3: individual empowerment (intrinsic motivation)
- GRPBEH: group (team) empowerment
- ORGCOM: organisational commitment
### Appendix 35

Results Of The Leadership/Empowerment Questionnaire

#### Analysis Of Variance

**Gender**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Hypoth.SS</th>
<th>Error SS</th>
<th>Hypoth.MS</th>
<th>Error MS</th>
<th>F</th>
<th>Sig of F</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDLEAD</td>
<td>0.393</td>
<td>416.683</td>
<td>0.393</td>
<td>1.222</td>
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<tr>
<td>GRPLEAD</td>
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<td>0.625</td>
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<td>0.481</td>
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<tr>
<td>ORGLEAD</td>
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<td>401.261</td>
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<td>BEH-IND1</td>
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<td>4.182</td>
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<td>INDBEH2</td>
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<td>0.209</td>
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<td>ORGCOM</td>
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<td>0.617</td>
<td>0.866</td>
<td>0.712</td>
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</table>

**Key:**
- INDLEAD: individual leadership
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- BEH IND2: individual empowerment (job satisfaction)
- BEH IND3: individual empowerment (intrinsic motivation)
- GRPBEH: group (team) empowerment
- ORGCOM: organisational commitment
## Results Of The Leadership/Empowerment Questionnaire

**Total And Indirect Effects Of The Interaction Of Empowerment Factors**

### INDIVIDUAL EMPOWERMENT

<table>
<thead>
<tr>
<th></th>
<th>Capability</th>
<th>Job Satisfaction</th>
<th>Intrinsic Motivation</th>
<th>Team Empowerment</th>
<th>Organisational Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>n-rect</td>
<td>Total</td>
<td>n-rect</td>
<td>Total</td>
</tr>
<tr>
<td>Capability</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>-</td>
<td>A (0.06)</td>
<td>18.20</td>
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<td>-</td>
</tr>
<tr>
<td>Intrinsic Motivation</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Team Empowerment</td>
<td>0.54 (0.04)</td>
<td>0.27 (0.04)</td>
<td>0.27 (0.04)</td>
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<td>Organisational</td>
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<td>-</td>
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<td>-</td>
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<tr>
<td>Commitment</td>
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<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**KEY**
- **“A”** Coefficient
- (Standard error)
- Functional T test
Appendix 37

Results Of The Leadership/Empowerment Questionnaire

Confirmatory Factor Analysis

Question On Involvement In The Development Of Goals And Objectives For The

\[ \text{Organisation} \]

<table>
<thead>
<tr>
<th>Source</th>
<th>DF</th>
<th>Sum of Squares</th>
<th>Mean Squares</th>
<th>F Ratio</th>
<th>F Prob.</th>
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<tbody>
<tr>
<td>Between Groups</td>
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<td>24.4808</td>
<td>8.1603</td>
<td>2.2426</td>
<td>.0831</td>
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<td>Within Groups</td>
<td>345</td>
<td>1255.3014</td>
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<td>Total</td>
<td>348</td>
<td>1269.6822</td>
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</table>
## Total And Indirect Effects Of Leadership On Empowerment

<table>
<thead>
<tr>
<th>Empowerment Factor</th>
<th>Individual Leadership</th>
<th>Team Leadership</th>
<th>Organisational Climate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Indirect</td>
<td>Total</td>
</tr>
<tr>
<td>Empowerment (Individual Capabilities)</td>
<td>-</td>
<td>-</td>
<td>0.94 (0.06)</td>
</tr>
<tr>
<td>Empowerment (Job Satisfaction)</td>
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<td>-</td>
<td>1.15 (0.06)</td>
</tr>
<tr>
<td>Empowerment (Intrinsic Motivation)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Team Empowerment.</td>
<td>0.47 (0.05)</td>
<td>9.18</td>
<td>A</td>
</tr>
<tr>
<td>Organisational Commitment</td>
<td>0.39 (0.06)</td>
<td>6.86</td>
<td>0.39 (0.06)</td>
</tr>
</tbody>
</table>

**KEY**

- “A” Coefficient (Standard error)
- Functional T test.