



## **An Exploratory study of how different cultures evaluate transformation at State Owned Enterprises**

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degree of Master of Business Administration**

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## **ABSTRACT**

The main goal of a change process is to improve the ability of an organization. People are likely to facilitate, implement, and manage change effectively in order to improve organizations effectiveness therefore good leadership is vital to the success of any change initiative. Understanding how different cultures evaluate change is vital at South Africa's State-Owned Enterprises (SOEs) as more SOEs are contracting foreign companies and adopting globally competitive technologies based on their expertise in order to meet the delivery of services and infrastructure.

The main objective of this study was to determine how different cultures evaluate transformation in SOEs in South Africa and to verify whether these factors are influenced by demographics. A quantitative research strategy was utilised to investigate the factors influencing the transformation process. A survey was developed and utilised to gather data regarding the transformation process. The data was statistically analysed in order to support or reject the research propositions.

The findings of the research indicated that the one cultural value that affected the transformation process within the organization was long-term/short-term orientation. The results further indicated that the degree of inequality within the SOE was affected by age; long-term orientation was affected by gender and nationality; femininity was affected by gender and job level. Finally, the results indicated that a relationship does exist between transformation within an organization and the organizations leadership.

## LIST OF KEYWORDS

Transformation: is the creation and change of a whole new form, function or structure.

Culture: shared motives, values beliefs, identities, and interpretations or meanings or significant events that result from common experiences of members of collectives and are transmitted across age generations.

Organizational Leadership: the ability of an individual to influence, motivate, and enable others to contribute toward the effectiveness and success of the organizations of which they are members.

## DECLARATION

I declare that the research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other university. I have obtained the necessary authorization and consent to carry out this research.

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Nalini Moodley

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Date:

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## **CHAPTER 1: INTRODUCTION TO THE RESEARCH PROBLEM**

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### **1.1. INTRODUCTION**

Chapter One introduces the research topic and directs the reader to the research problem. After an examination of the research problem, the research objectives are outlined, thereafter the context of the study concludes the chapter.

### **1.2. RESEARCH TITLE**

An exploratory study of how different cultures evaluate transformation at State Owned Enterprises.

### **1.3. PROBLEM DESCRIPTION AND BACKGROUND**

South Africa's State-Owned Enterprises (SOEs) were once seen as engines of growth in a post-apartheid state but are now riddled with financial and leadership troubles that analysts said could undermine their long-term stability (Neille, Potelwa & Herskovitz, 2010). According to Fourie (2001, p. 205), “the contribution of SOEs to the development of South Africa has been significant, but has been plagued by structural and operational problems, resulting in irregular and unequal patterns of development and an uneven delivery of services and infrastructure.” To meet local demand and compete in the broader macroeconomic sector, South African SOEs aimed to attract foreign direct

investment, to minimise public borrowing tendencies, and to enhance the economy in ways that encourage financial growth and industrial competitiveness. At the enterprise level however, contracting foreign companies and adopting globally competitive technologies based on their expertise, often leads to restructuring which seeks to ensure the efficiency and effectiveness of individual SOEs. (Fourie, 2001, p. 216)

“Globalisation is the development of interaction and mixing among the people, corporations, and governments of different nations, a process driven by international trade and investment.” (Chen, Weng & Chu, 2011, p. 72)

Functioning in the global business environment is increasingly competitive and interdependent. According to Figueiredo & Brito (2010, p. 142), “Since the early 1990s, firms in both industrialized and emerging economies have been operating in a rapidly moving business environment that has been characterized by (1) an openness to global competition, and (2) the dispersion and decomposition of the geographical sources of production and innovation. These developments reflect an on-going process of change in the distribution of knowledge worldwide. In such a context, maintaining a competitive edge increasingly depends on building and renewing knowledge.”

According to Alston & Tippett (2009, p. 3), “the concept of culture in the organizational and management literature is derived from various anthropological and sociological sources. Pragmatists generally see culture as a key to commitment, productivity and profitability. Philosophers tend to call these shared systems shared paradigms, while sociologists speak of them as

social reality, and anthropologists call them cultures. Substantial influence can be placed on an organization by its culture, because the shared values and beliefs that are present within a culture represent important variables that guide behaviours. Culture, therefore, has become an important element in understanding organizational processes.” “Internationalization of business may perhaps force not merely the restructuring of cultural values but to consider the overture of different cultural practices which perhaps leads to a superior organizational performance.” (Rose, Kumar, Abdullah & Ling, 2008, p. 44)

According to Werner (2004), “Change is a way of life in organizations today. The challenge is to improve an organizations ability to cope with change and its problem-solving and renewal processes through effective management of organization culture.” In order for organizations to prosper in the global environment, their leadership should be vigilant about the need to organizational change. The extent to which organizational change initiatives accomplish their stated objectives is a function of what and how changes are implemented within a given context. (Armenakis, Harris, Cole, Fillmer, Self, 2007, p. 285). According to Chen, Weng & Chu (2011, p. 73), “Multi-culture accompanying with the globalization of the trade and manufacture, especially with the emergence and development of the international enterprises, has become a gradual cosmopolitan culture phenomenon. People with different cultural background have different value judgements different thoughts and different behaviours. If these people cooperate in the same enterprises, in daily management of manufacture they may act according to their own cultural mode, which will inevitably cause cultural clashes, and thus lead to cultural friction.”

Even though there has been widespread interest in the concept of transformation, little attention has been given to explaining how different cultures within an organization evaluate transformation. “Until new behaviours are rooted in social norms and shared values, they are subject to degradation as soon as the pressure for change is removed.” (Kotter, 2007, p. 103).

#### **1.4. RESEARCH OBJECTIVES**

The fundamental question that this study aimed to answer is: “How do different cultures evaluate transformation in State Owned Enterprises?”

In answering the above question, the following were the main objectives of the research:

- Objective 1: To investigate the relationship between cultural values and attitude towards transformation.
- Objective 2: To investigate the effect of biological factors, i.e. age, gender, nationality, ethnicity and job level on attitude towards transformation, cultural values and organizational leadership.
- Objective 3: To investigate the relationship between organizational leadership and attitude towards transformation.

The aim of this study is to determine how different cultures evaluate transformation in SOEs in South Africa. The study will focus on cross-cultural leadership and its impact on the effectiveness or ineffectiveness of the transformation process within an organization. In order to determine how different cultures evaluate transformation, extensive literature review was conducted in the fields of culture, organizational culture, leadership and transformation. The aim of the literature review was to further identify techniques used for the evaluation of culture differences in organizations as well as factors that affect the transformation process in multi-cultural teams. Once all the cultural factors were identified, a survey was developed and utilised to measure the importance of each factor, within the context of the study, and on the process of transformation.

A framework can then be developed to help guide leaders in SOEs with knowledge of the cultural dynamics and its effect achieving transformation. This would enable them to design initiatives and policies around job activities, the work environment, recruitment and resource allocation to ensure increased organizational effectiveness and performance.

Globalisation provides an opportunity for many of the South African SOEs to access expertise that is not locally available in order to achieve company objectives. The challenge posed here is of culturally diverse teams working together towards a common goal. The reason for this study stems from the problem that transformation of an organizations structure, technology or people is difficult, and the challenge to change work processes, relationships, and

behaviours is not always met. A single focus on restructuring the organization would be ineffective if behavioural change strategies and action plans are not pursued. Various limiting conditions including the organizational culture, leadership and resistance to change need to be managed with an integrated approach.

## 1.5. RESEARCH CONTEXT

The Department of Public Enterprises (DPE) is the shareholder representative of the South African Government with oversight responsibility for some SOE's ([www.dpe.gov.za](http://www.dpe.gov.za)). The DPE monitors performance of the SOE's with regard to:

- Infrastructure investment and delivery
- Operational and industry efficiency
- Financial and commercial viability
- Governance and regulatory compliance

A brief description of some of the largest SOE's in South Africa is given below:

**Denel Pty (Limited):** is the largest manufacturer of defence equipment in South Africa and operates in the military, aerospace and landward defence environment. Incorporated as a private company in 1992 in terms of the South African Companies Act (No 62 of 1973), Denel's sole shareholder is the South African Government. Denel is an important defence contractor in its domestic market and a key supplier to the South African National Defence Force

(SANDF), both as original equipment manufacturer (OEM) and for the overhaul, maintenance, repair, refurbishment and upgrade of equipment in the SANDF's arsenal. ([www.denel.co.za](http://www.denel.co.za))

**Eskom:** Eskom generates approximately 95% of the electricity used in South Africa and approximately 45% of the electricity used in Africa. Eskom generates, transmits and distributes electricity to industrial, mining, commercial, agricultural and residential customers and redistributors. The majority of sales are in South Africa. Other countries of southern Africa account for a small percentage of sales. ([www.eskom.co.za](http://www.eskom.co.za))

**South African Airways (SAA):** SAA is one of the world's longest-established airlines. State ownership of the airline allows for greater control in advancing national objectives such as promoting air links with South Africa's main trading partners, contributing to the growth of the tourism industry, and strengthening. ([www.dpe.gov.za](http://www.dpe.gov.za))

**Transnet :** Transnet is a public company wholly-owned by government. It is the largest and most crucial part of the freight logistics chain that delivers goods to each and every South African. Transnet delivers thousands of tons of goods daily around South Africa, through its pipelines and both to and from its ports. The goal of the company is to be a focused freight transport organization, delivering integrated, efficient, safe, reliable and cost-effective services to promote economic growth in South Africa. ([www.dpe.gov.za](http://www.dpe.gov.za))

This study seeks to get an understanding of how different cultures evaluate transformation in one of these SOEs.

## **CHAPTER 2: LITERATURE REVIEW**

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### **2.1. INTRODUCTION TO LITERATURE REVIEW**

The following chapter shall review the current literature on culture and transformation. The definition of concepts on culture and transformation are reviewed, the factors and variables that influence these concepts are identified, and the relationship between the two concepts is also highlighted. The literature reviewed further describes and examines the supporting theories that are related to the research problem. Literature on how leadership affects transformation was further reviewed and finally the tools used to evaluate culture and transformation were identified and discussed.

### **2.2. TRANSFORMATION**

#### **2.2.1. DEFINITION**

According to Daszko & Sheinberg (2005, p. 1), “Transformation is the creation and change of a whole new form, function or structure. To transform is to create something new that has never existed before and could not be predicted from the past. Transformation is a ‘change’ in mind-set.”

One of the main objectives of the transformation process is to raise the organization’s awareness to get better business results in a more sustainable

way. This transformation must take place both at the individual and the organizational level (Münner, 2007, p. 49). The first step is transformation of the individual, personal transformation. This transformation is discontinuous and comes from understanding the system of profound knowledge. The individual, transformed, will perceive new meaning to his life, to events, to numbers, to interactions with people. This is a profound change in mind, a radical revision, a transformation of our whole mental process, a paradigm shift. (Daszko & Sheinberg, 2005, p. 1)

According to Fourie (2001, p. 91), “organization transformation is the recent extension of organization development that seeks to create massive, drastic, and abrupt change in an organization’s structures, processes, corporate cultures, and orientation to its environment. It is the application of behavioural science and practice to effect large scale, paradigm-shifting organizational change.”

With respect to organizational transformation, Armenkakis et. al (2007, p. 273) cited that sometimes, “changes do not work as intended, implementation difficulties arise, or the organization’s circumstances change in ways that render the planned changes ineffectual. Therefore, once an organizational change has been implemented, periodic assessments of its progress and effectiveness are important so that remedial actions can be planned and executed.”

## 2.2.2. TYPES OF CHANGES

**Table 1: Fundamental differences between traditional, transitional and transformational change**

	<b>Traditional</b>	<b>Transitional</b>	<b>Transformational</b>
<b>Motivation for Change</b>	Better, Faster, Cheaper	Fix a problem	Survival, environment, world changes, breakthrough needed
<b>Degree of Change</b>	Incremental improvements	Transition from old to new	Revolutionary, necessary
<b>Thinking</b>	Improve	Change management	Radical shifts in mind set/thinking/actions
<b>Actions</b>	Manage and control processes	Design the plan; implement the plan	Whole system change, complete overhaul of mind set, paradigms, culture, communications, strategy, structure, actions, systems and processes
<b>Destination</b>	Improvements; can be limited to improving the wrong things	Projects completed	Continually transforming; no end state
<b>Change Requires</b>	Improvement of skills, practices and performance; often limited to focusing on individual performance rather than the whole system to make significant differences	Controlled process/ projects managed/ assigned	Senior leadership is committed to new thinking, learning and actions
<b>Outcomes</b>	Improvements, limited	Changes limited	Sustainable change (with leadership and continual learning and new actions), new system, agile, flexible, moving forward

(Source: Adapted from Daszko & Steinberg, 2005, p. 3)

## 2.2.3. EVALUATING TRANSFORMATION

### 2.3.3.1 KOTTER'S EIGHT PHASES OF CHANGE

Kotter's eight phases of change is a systematic approach to achieving successful, sustainable change by breaking down the change process into eight phases (Van Assen, Van den Berg & Pietersma, 2009, p. 140).

As cited by Nitta, Wrobel, Howard & Jimmerson-Eddings (2009, p. 465), "John Kotter developed his change framework by observing transformation efforts in over a hundred businesses. These included large businesses (Ford Motor), small ones (Landmark Communications), non-U.S. companies (British Airways), those in crisis (Eastern Airlines), and those performing well (Bristol-Myers Squibb). Leaders in these companies attempted restructuring, reengineering, and right-sizing."

Nitta et al. (2009, p. 465-466), further cited that 'Kotter argued that "successful change of any magnitude goes well through with steps, usually in sequence. Skipping steps creates only the illusion of speed and never produces a satisfying result....Critical mistakes in any of these phases can have a devastating impact, slowing momentum and negating hard-won gains."

**Table 2: Kotter (2007) Eight Steps to Transforming an Organization**

STEPS	
<b>1.</b>	<p><b>Establishing a sense of Urgency</b></p> <ul style="list-style-type: none"> <li>• Examining market and competitive realities</li> <li>• Identifying and discussing crises, potential crises, or major opportunities</li> </ul>
<b>2.</b>	<p><b>Forming a powerful guiding coalition</b></p> <ul style="list-style-type: none"> <li>• Assembling a group with enough power to lead the change effort</li> <li>• Encouraging the group to work together as a team</li> </ul>
<b>3.</b>	<p><b>Creating a vision</b></p> <ul style="list-style-type: none"> <li>• Creating a vision to help direct the change effort</li> <li>• Developing strategies for achieving that vision</li> </ul>
<b>4.</b>	<p><b>Communicating the vision</b></p> <ul style="list-style-type: none"> <li>• Using every vehicle possible to communicate the new vision and strategies</li> <li>• Teaching new behaviours by the example of the guiding coalition</li> </ul>
<b>5.</b>	<p><b>Empowering others to act on the vision</b></p> <ul style="list-style-type: none"> <li>• Getting rid of obstacles to change</li> <li>• Changing systems or structures that seriously undermine the vision</li> <li>• Encouraging risk taking and non-traditional ideas, activities, and actions</li> </ul>
<b>6.</b>	<p><b>Planning for and creating short-term wins</b></p> <ul style="list-style-type: none"> <li>• Planning for visible improvements</li> <li>• Creating those improvements</li> <li>• Recognizing and rewarding employees involved in the improvements</li> </ul>
<b>7.</b>	<p><b>Consolidating improvements and producing still more change</b></p> <ul style="list-style-type: none"> <li>• Using increased credibility to change systems, structures, and policies that don't fit the vision</li> <li>• Hiring, promoting, and developing new employees who can implement the vision</li> <li>• Reinvigorating the process with new projects, themes, and change agents</li> </ul>
<b>8.</b>	<p><b>Institutionalizing new approaches</b></p> <ul style="list-style-type: none"> <li>• Articulating connections between the new behaviours and the organizational success</li> <li>• Developing the means to ensure leadership development and succession</li> </ul>

### 2.3.3.2 A PROCESS STRATEGY: EVALUATING SUCCESS (DASZKO & SHEINBERG, 2005, P. 5)

$$\text{Success} = A \times V \times M \times L \times I$$

Where,

A = Awakening

V = Vision

M = Method

L = Learning, and

I = Integration

**Awakening:** Transformation begins with the awakening by individuals within the organization. The awakening begins with a challenge. It is not a new way to do business; it is a new way to develop thinking about how to think, manage and lead.

**Vision:** Vision is an ever-evolving picture of the future. At the beginning of the transformation process, that vision can include an exciting sense of the 'better way'. It can also include a terrifying view of what can happen if things remain unaltered.

**Method:** The method for transformation requires thinking through and about feelings, data, process, creativity, caution and optimism.

**Learning:** Continuous learning about which beliefs and paradigms, systems and processes, language and tools are developed and evaluated is essential for transformation.

**Integration:** Transformation is not required for the entire organization instantaneously and simultaneously. However, because the organization is a system, eventually transformation will have to be integrated throughout. The feedback and reflection loop is critical, and it represents that transformation is a progressive and iterative process.

### **2.3.3.3 THE SENTIMENT FRAMEWORK**

According to Armenakis et al. (2007, p. 278), “the Sentiment Framework is crucial to the ultimate success of any organizational change. The framework can help practitioners take the necessary actions during the readiness, adoption and institutionalization phases of a change effort to ensure change recipients develop these beliefs and the framework can also be used as a guide monitoring the progress of a change effort.”

The Sentiment Framework comprises of:

- i. **Discrepancy:** - is the term used when describing a deviation in acceptable performance.

- ii. Appropriateness: - is the term used to describe whether or not the change that is proposed or implemented was the 'right one' for the situation faced by the organization.
- iii. Efficacy: - is defined as confidence in one's ability to complete a task or accomplish a goal.
- iv. Principal support: - is defined as the extent to which the top leaders, one's immediate manager, and one's respected peers demonstrate that they support the organizational change.
- v. Valence: - refers to the perceived personal benefit (or personal loss) one may reasonably expect as a result of an organizational change.

#### **2.2.4. FACTORS AND VARIABLES**

Reviewing the literature has indicated that there are several variables that impact on transformation. According to Smith & Kuth (2009, p. 17-20), these variables include: "top-down focus on strategy execution and leadership drive and a bottom-up focus on organizational culture (people engagement, teamwork and continuous improvement)." Further to this, Valerdi & Blackburn (2010, p. 95), indicated that "using metrics and measurement systems for driving the right behaviour in an organization, the need for presence of formal and informal infrastructure for transformation adoption and sustainment and the need for support from top management are key to the transformation process."

## 2.3. CULTURE

### 2.3.1. DEFINITION

Various definitions are offered on the concept of culture. According to Hofstede (1994, p. 1) the definition of the word culture is “the collective programming of the mind which distinguishes the members of one category of people from another. The category of people can be a nation, region, or ethnic group, women versus men (gender culture), old versus young (generation culture), a social class, a profession or occupation (occupational culture), a type of business, a work organization or part of it (organizational culture), or even a family.”

Further to this definition, House et al. (1999, p. 13) defined culture “as shared motives, values beliefs, identities, and interpretations or meanings or significant events that result from common experiences of members of collectives and are transmitted across age generations.”

As described by Schein (2009), "A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems".

### **2.3.2. LEVELS OF CULTURE**

According to Schein (2009), the basic elements of culture comprise of, “artifacts, espoused values and assumptions. Artifacts are the visible elements in culture e.g. dress codes, furniture, art, work climate, organizational structure, etc. Espoused values are the values normally espoused by the leading figures of a culture e.g. are represented by the philosophies, strategies and goals sought realized by leaders. Assumptions reflect the shared values within the specific culture.”

According to Schein (2009), the true organizational culture resides in the basic underlying assumptions of people, which is the third level of culture. He defines basic assumptions as fundamental beliefs, values and perceptions that “have become so taken for granted that one finds little variation within a cultural unit. These basic assumptions tend to be non-confrontable and non-debateable.”

Reviewing the literature has indicated that there are several factors that affects culture. According to Fourie (2001, p. 20), beliefs, norms, values, assumptions, attitudes, expectations of individuals and groups and influence of leadership, are key factors that affect culture in an organization.

### **2.3.3. ORGANIZATIONAL CULTURE**

“Organizational culture is the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of

external adaptations and internal integration, and that have worked well enough to be considered valid, and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.” (Schein, 1984)

According to Rose, Kumar, Abdullah & Ling (2008, p. 47), “a high degree of organizational performance is related to an organization, which has a string culture with well integrated and effective set if values, beliefs and behaviours.” Rose et al. (2008, p. 57) further revealed that “companies that know how to develop their culture in an effective way most probably have the benefit of advancement in productivity and the quality of work life among the employees.”

According to Hofstede (1994), “in spite of their relatively superficial nature organizational cultures are hard to change because they have developed into collective habits. Turning around an organizational culture demands visible leadership which appeals to employees ‘feelings as much as to their intellect. The leader or leaders should assure themselves of sufficient support from key persons at different levels in the organization.” Hofstede (1994) further indicated that, “turning around a culture is not a one-shot process. It takes sustained attention from top management, persistence for several years, and usually a second culture assessment to see whether the intended changes have, indeed, been attained.”

“Organizational culture is a collective phenomenon emerging from members’ beliefs and social interactions, containing shared values, mutual understanding

patterns of beliefs, and behavioural expectations that tie individuals in an organization together over time. The beliefs that are passed down through the organization and taught to new members are those that have proven effective over time, and thus become part of the shared history of the organization. As such, culture is an integrating mechanism that guides organizational behaviour.” (Giberson et al., 2009, p. 124)

#### **2.3.4. MEASURING CULTURAL VALUES**

According to House et al. (1999, p. 16), “Hofstede asserts that the values and beliefs held by members of cultures influence the degree to which the behaviours of individuals, groups, and institutions within cultures are enacted, and the degree to which they are viewed as legitimate, acceptable and effective.”

Eckhardt (2002, p. 90) indicated that, “Hofstede measures cultural values relating to spheres such as interpersonal relationships and hierarchies.” According to Migliore (2011, p. 41), “Hofstede’s work forms the framework for five cultural dimensions of work-related values at the national level:

##### **I. INDIVIDUALISM:**

Individualism is the opposite of collectivism and represents the degree to which individuals are supposed to look after themselves or remain integrated

into groups. Individualistic societies tend to have a self-focused view that only extends to his or her immediate family; whereas societies high in collectivism have a people-group view from cradle to grave of lifetime protection in exchange for unquestioning loyalty.

## **II. TIME ORIENTATION:**

Time orientation, i.e. short term and long term, represents the extent to which members of a culture are cognitively programmed to accept delayed gratification of material, social, and emotional needs.

## **III. MASCULINITY:**

Masculinity is the opposite of femininity and it represents a society where emotional gender roles are clearly distinct: men are supposed to be assertive, tough, and focussed on material success; women are supposed to be more modest, tender, and concerned with the quality of life. Feministic societies overlap the gender roles – both men and women are expected to be modest, tender, and concerned with the quality of life.

## **IV. POWER DISTANCE:**

Power distance is defined as “the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally.”

## V. UNCERTAINTY AVOIDANCE:

Uncertainty avoidance is defined as the extent to which members of a culture feel threatened by ambiguous or unknown situations.”

### 2.3.5. CULTURE AND LEADERSHIP

According to House et al. (1999, p. 13), leadership in general, defines a leader as a “group member whose influence on group attitudes, performance, or decision making greatly exceeds that of the average member of the group.” Organizational leadership can be defined as, “the ability of an individual to influence, motivate, and enable others to contribute toward the effectiveness and success of the organizations of which they are members.” House et al. (1999, p. 13) “To understand culture is to understand power and to better navigate issues of control and consent, of authority and accountability.” (Close & Wainwright, 2010, p. 436) According to Migliore (2011, p. 42), “Behaviours in one particular culture may not have the same psychological significance in another culture. For example, assertive behaviour – speaking up frequently and being first to answer – align with the personality trait of extraversion. For example, in the United States (US) culture, assertive behaviour tends to be interpreted by Americans as a sign of leadership and it reaffirms a common belief that those who talk more have more to offer, and are more competent than those who do not talk more. Whereas the Dutch cultural perspective tends to interpret assertive behaviour as ostentatious – a stark contrast to perception

of competence and more in view of being perceived as someone who makes promises they cannot keep.”

“Organizational culture and leadership are thought to be highly related aspects of organizational life, because they serve similar functions, and have reciprocal influences on each other.” (Giberson et al., 2009, p. 125)

“Effective organizational leadership is critical to the success of international operations, this globalization of industrial organizations presents numerous organizational and leadership challenges.” House et al. (1999, p. 11) According to Giberson et al. (2009, p. 123), “An organization’s culture is also thought to be intricately related to its leadership.”

Can leaders change culture? According to Close & Wainwright (2010, p. 440-441), “What all studies of culture change do agree on is that the process variously depends on a perception of crisis, the importance of success, the role of leadership and the process of relearning.”

For many organizations, change is the essence of leadership (Nitta et al., 2009, pg. 465). Nitta et al. (2009, p. 465), further cited studies which indicated that “leadership’s focus on change is what differentiates them from management. While management is primarily about producing consistency and order, leadership seeks change and renewal (Kotter, 1990)” In a comprehensive review of organizational-change literature, Fernandez & Rainey (2006, p. 173) concluded that “contrary to claims made by institutional, life-cycle, and

ecological theories, leaders can and do make change happen in their organizations.”

#### **2.4. THE RELATIONSHIP BETWEEN CULTURE AND TRANSFORMATION**

According to Kirkman & Shapiro (1997, p. 735), “some change agent errors includes: not fully understanding the employee’s needs and abilities to adopt and implement the change; not communicating clearly the nature of the advocated change and its relevance to the employee; and being disdainful of the employee’s social milieu, including norms, values, and mores.”

Kirkman & Shapiro (1997, p. 735), further cautions that, “cross-cultural miscommunication frequently results from subconscious cultural blinders, which is the lack of conscious attention to cultural assumptions; the lack of cultural self-awareness, which is the ignorance associated with not knowing one’s own cultural conditioning; and projected similarity, meaning the belief that people are more similar to oneself than they actually are. The cross-cultural and change agent-related miscommunications (especially those regarding employee value and norms) are more likely to occur when the values of the change agent are highly different from, rather than similar to, the values of change targets. Consistent to this, change agents are more likely to make errors in cross-cultural, rather than same-cultural, situations because, on average, value differences are more pronounced among people from different cultures.”

According to Fourie (2001, p. 30-31), “Analyzing the management and leadership styles are of vital importance during the culture change in organizations because leaders are there to influence and motivate staff during the culture transition. In order to be effective in this role leaders need certain personality traits, competencies, motivation, attitude and behaviour. The steps in organizational culture change viz. alignment of organizational strategy and organizational culture, the actual and desired cultures need to be determined, an analysis of the artefacts, beliefs, values, and basic assumptions is needed, and the organizational climate should be analysed through attitude measurement, but for successful change of organizational culture, effective management and leadership are needed to motivate individuals and facilitate culture change.”

## **2.5. TRANSFORMATION AND LEADERSHIP**

The operational reality of contemporary organizations is under the pressure of escalating domestic and international competition, market shrinkage and swift advancements in technology. An eminent facet of this new economic reality is the inevitability of organizational change that aims at positioning an organization for effective and efficient interaction with the dynamics of the local and/or global market. The lack of adaptability to market changes can have devastating effects on organizational performance and, often, threaten the very existence of the organization. Although it may be clear to the organizational leadership that change is inevitable, fully understanding organizational change and effectively

managing all of its peculiarities remains a challenge. (Boga & Ensari, 2009, p. 235)

Transformation and leadership within an organizational transformation context may take on various approaches each differing in nature, scope, and process. In this study organizational transformation is viewed from a multi-cultural team perspective. Bass (1998, p. 15) defines transformational leadership as a philosophy and approach that a leader employs in order to develop followers in a way that transcends expected and established standards. The transformational leadership holds the key for dealing with a changing workforce who have high aspirations and who wish to become more involved in the workplace. Moreover it holds for developing a workforce, for transferring skills, and for building trust and harmony in the workplace. (Bass, 1998. p. 15)

As cited by Sham (1999, p. 89), transformational leadership “is not however a solution for organization’s which need to change quickly in order to survive. In cases where leaders are brought into an organization for the specific purpose of renewing that organization, a quicker more direct, more forceful and more disciplined type of leadership is preferred. Tough leadership is more appropriate at the first approach at organizational transformation. The shift to transformational leadership can then be made once the organization is stabilized. Transformational leadership may then provide an improved and sustained culture of learning, openness and empowerment.”

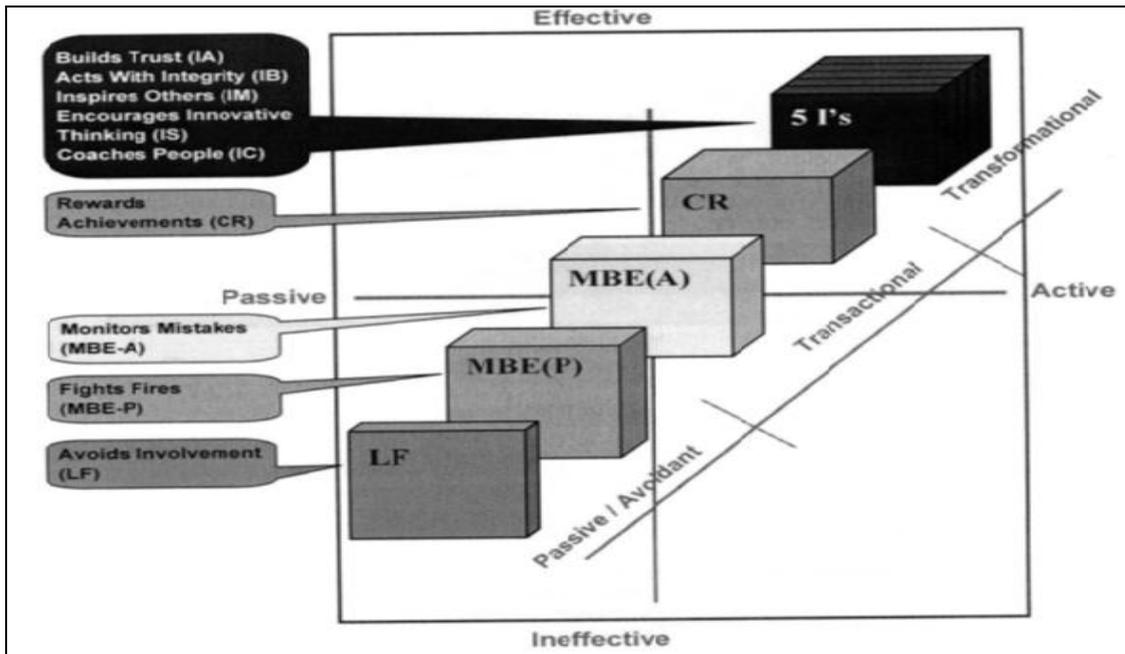
### 2.5.1. Components of Transformational Leadership

According to Sham (1999, p. 201-202), elements of transformational leadership which are crucial to organizational transformation include:

- The leader formulates a clear organizational vision.
- Strong emphasis on communication (both top down and bottom up) to all employees.
- Leaders lead by example in terms of work load, dedication and commitment.
- Leaders to embody a high degree of morality and ethics and encourage this in others.
- Empower employees with more scope and influence in their work.
- Leaders recognise and reward employees who display commitment and who enthusiastically confirm changes and new ways of thinking.
- Leaders to use organizational symbolism and novel ways of interacting with staff to reinforce new behaviour and reshape the organizational behaviour.

According to Bass, and Avolio (2006), the components of traditional, transactional and transformational leadership are:

**Figure 1: Components of traditional, transactional and transformational leadership**



Ricardo (2010, p. 11), further illustrates that due to globalisation, in order for companies to improve their performance, regardless of the continent or country wherein they conduct business, there are five common areas which companies can focus and ultimately improve performance. These are internal characteristics that focus on the relationship between management and employees, including; effective communication, employee development, teamwork, ethical standards of behaviour, and innovation and creativity.

## 2.6. CONCLUSION OF LITERATURE REVIEW

By exploring the literature, the importance of understanding the factors that influence transformation in an organization is better understood. From literature some of the models and frameworks identified that are used to evaluate transformation include the Kotters eight phases of change ([www.kotterinternational.com](http://www.kotterinternational.com), 2011); Evaluating success (Daszko & Sheinberg, 2005, p. 5) and the Sentiment Framework (Armeakis et al., 2007, p. 278)

Some of the key factors that affect transformation include: beliefs, assumptions, patterns, habits and paradigms which comprises culture at the individual and organizational levels (Daszko & Sheinberg, 2005, p. 1; MÜNner, 2007, p. 49; Kirkman & Shapiro, 1997, p. 735; Fourie, 2001, p. 91; Giberson et al. 2009, p. 124).

To get a better understanding of culture and how different cultures evaluate transformation, the literature review further looked at the subject of culture, the levels of culture (Schein, 2009); how culture is measured (Hofstede's framework, Migliore, 2011, p. 41); organizational culture (Giberson et al., 2009, p. 124; Rose et al. 2008, p. 47-57); and the relationship between culture and leadership (House et al., 1999, p. 13; Giberson et al., 2009, p. 125; Close & Wainwright, 2010, p. 440-441 ).

The findings from the literature review indicate that there is a strong relationship between culture and transformation (Daszko & Sheinberg, 2005, p. 1; MÜNner,

2007, p. 49; Kirkman & Shapiro, 1997, p. 735; Fourie, 2001, p. 91; Giberson et al., 2009, p. 124); however, very little work is currently being done on how different cultures evaluate transformation (Armenakis et al. 2007, p. 273; Valerdi & Blackburn, 2010, p. 77).

Further findings indicate that cultural consensus and organizational values, two aspects of organizational culture, was found to be positively related to transformational leadership practices whilst negatively related to size, formalisation and centralisation (Jaskyte, 2010, p. 423). As cited by Jaskyte (2010, p. 423-433), “Researchers, consultants, managers, and other practitioners primarily in the business field gravitated to the concept of organizational culture as they believed that shared understanding of organizational culture can enhance organizational change. Organizational culture was shown to influence not only employee attitudes and behaviours, but also employee outcomes of well-being, organizational commitment, and job satisfaction.”

Regarding the relationship between leadership and culture, according to Casimir & Waldman (2007), cross cultural differences exist in traits considered important for effective leadership. Taken together, the findings support the notion that cultural background influences the perceived importance of various traits with regard to effective leadership.

According to Lok, Westwood & Crawford (2005), “when members perceive the subculture (defined as, ‘distinct clusters of understanding, behaviours and

cultural forms that identify groups of people in the organization) with which they can identify to be supportive and innovative it engenders positive attitudes about organizational membership. Perceived bureaucratic subcultures had a negative relationship with commitment, suggesting that they are not conducive to sustainable and robust employee-organization relationships.”

The above findings support further research into:

- Evaluation of culture at the individual and organizational levels within SOEs;
- To get an understanding of how different cultures evaluate transformation.

## CHAPTER 3: RESEARCH PROPOSITIONS AND QUESTIONS

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### 3.1. PURPOSE OF RESEARCH

As stated in Chapter 1, the main purpose of this study was to determine how different cultures evaluate transformation in SOEs in South Africa. The study also focussed on evaluating the culture of the organization. This involved investigating the influence of demographics (age, gender, ethnicity, nationality) and job level on the cultural values, transformation and perception of organizational leadership in SOEs. Based on the results obtained, a framework can be developed to help guide leaders in SOEs in South Africa with knowledge of the factors that most influence transformation.

### 3.2. RESEARCH QUESTIONS

The study also has one fundamental research question:

**3.2.1. RESEARCH QUESTION:** How do different cultures evaluate transformation in Stated Owned Enterprises?

The literature review provided support for further research into understanding which factors are important for influencing transformation and it also highlighted the fact that very little attention has be given to understanding transformation amongst multi-cultural teams in SOEs.

### **3.3. RESEARCH PROPOSITIONS**

**3.3.1. RESEARCH PROPOSITION 1:** To investigate the relationship between cultural values and attitude towards transformation.

**3.3.2. RESEARCH PROPOSITION 2:** To investigate the effect of biographical factors i.e. age, gender, nationality and ethnicity as well as job level on attitude towards transformation, cultural values and organizational leadership.

**3.3.3. RESEARCH PROPOSITION 3:** To investigate the relationship between organizational leadership and attitude towards transformation.

### **3.4. CONCLUSIONS**

From the above research questions and propositions, the research proposes to engage samples of the population to offer insights into these research questions and propositions, thereby testing the applicability of the theory as well as obtaining fresh perspectives from the how different cultures evaluate transformation with reference to the South African context.

## CHAPETER 4: RESEARCH METHODOLOGY

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### 4.1. INTRODUCTION

Chapter 2 and Chapter 3 give an explanation of a conceptual framework for the study which addresses the research objectives. This chapter outlines the research methodology, which provides a set of techniques and principles for systematically collecting, recording, analysing and interpreting data.

### 4.2. CHOICE OF METHODOLOGY

A good research design can ensure the research project is effective and efficient. Blumberg, Cooper & Schindler (2005, p. 195) defines research design as, “the plan and structure of investigation so conceived as to obtain answers to research questions. A research design expresses both the structure of the research problem and the plan of investigation used to obtain empirical evidence on relations of the problem.” According to Fourie (2001, p. 141) “All data, all factual information, all human knowledge must ultimately reach the researcher either as words or numbers. If the data is verbal, the methodology is qualitative; if it is numerical, the methodology is quantitative.”

In this study a quantitative, descriptive research strategy was used to investigate the factors that influence the effectiveness or ineffectiveness of the transformation process. Zikmund (2003) explains that the major purpose of

descriptive research is to describe characteristics of a population or phenomenon. According to Neuman (1994), “Descriptive research focuses on “how” and “who” questions (“how did it happen?” “Who is involved?”).”

#### **4.3. UNIT OF ANALYSIS**

In order to support research propositions stated in Chapter 3, the unit analysis for this study will be an employee working at one SOE.

#### **4.4. POPULATION**

The population consist of all employees who:

- Work for one South African SOE
- Are involved in working with diverse groups of people
- Are managers of contracts and projects which include working with local and foreign employees

The total population for the study, based on the above criteria, was 4500 employees. However, this total population refers to the total number of employees throughout the country for the SOE within which the study was conducted.

#### 4.5. SAMPLING METHOD AND SIZE

According to Blumberg et al. (2005, p. 232), “the ultimate test of a sample design is how well it represents the characteristics of the population it purports to represent. In measurement terms, the sample must be valid. Representatively a sample depends on two considerations: accuracy and precision.” A non-probability convenience sampling technique will be used because of ease of access, increased sample size and an expected higher response rate. According to Blumberg et al. (2005, p. 252), “non-probability samples that are unrestricted are called convenience samples. They are the least reliable design but normally the cheapest and easiest to conduct.”

In terms of the sample size and survey distribution, the questionnaire was personally hand delivered by the researcher to at least 60 employees of the total population. The survey questionnaire was administered at only one of the SOEs in South Africa due to access and ease of obtaining permission to conduct the surveys. The 60 employees, to which the survey was hand delivered, were chosen based on geographic location, ease of access into those divisions of the organization, availability of participants on the day the survey was delivered and willingness to participate. The divisions were chosen based on the number of participants based at these locations which increased the possibility of obtaining a larger number of completed surveys. Surveys were also distributed and returned by e-mail to certain employees.

## 4.6. DATA GATHERING AND RESEARCH INSTRUMENT

### 4.6.1. RESEARCH INSTRUMENT

A detailed questionnaire was developed for this study. The basis of the questionnaire was to identify how different cultures evaluate transformation. The measuring tools that were used in past studies will also be used to develop the questionnaire for this study. Each statement will be measured using a five point Likert scale (Strongly Agree – 5, Agree – 4, Not sure – 3, Disagree – 2, Strongly Disagree – 1). The Likert scale is the most frequently used variation of the summated rating scale. Summated scales consist of statements that express either a favourable or unfavourable attitude towards the object of interest. Likert scales help us to compare one person's score with a distribution of scores from a well-defined sample group. (Blumberg et al., 2005, p. 466)

The questionnaire comprised of four parts (Refer to Appendix 1):

- Part A: The first part positioned the research to the respondents and included instructions for completing the questionnaire. It also included a statement that participation was voluntary and that participants could withdraw at any time without penalty. All data has been kept confidential and the identity of each participant was not required or captured.
- Part B: The second part comprised a series of questions that was used to obtain the demographic profile of each respondent (age, gender,

nationality, ethnicity and job level). The demographic data that was collected was coded using the method recommended by Greasley (2008). The coding of data was necessary for the statistical analysis that was conducted. The codes were also recorded on the questionnaire for record purposes.

- Part C: The third part comprised of a series of questions/statements that were generally used to study the culture. (Taras, Rowney & Steel, 2009, p. 363; Jaskyte, 2010, p. 423-441; Casimir & Waldman, 2007, p.52-54; Hofstede, 1994, p.1-14)
- Part D: The fourth part comprised of a matrix type questionnaire consisting of a series of questions to obtain information on how individuals evaluate transformation. (Kotter, 2011; Metcalfe & Metcalfe, 2001, p. 1-27; Nitta, Wrobel, Howard, Jimmerson-Eddings, 2009).
- Part E: The final part comprised of a questionnaire that evaluates leadership using a Multi-factor Leadership Questionnaire. (Bass & Avolio, 2006, p. 2-11).

The survey questionnaire was pre-tested to verify any ambiguity within the instrument. This was done by administering the survey to a subset within the main sample. The subset of five participants was chosen based on their physical location relative to that of the researcher's daily work location. Participants of the pre-test are located within the same organization and project

as that of the researcher. During the pre-test, the duration that respondents took to complete the questionnaire was recorded in order to ensure that the questionnaire was not too time consuming. The results of the pre-test of the questionnaire were reviewed to ensure that there wasn't any ambiguity in the questions. Participants of the pre-test were also interviewed to verify any ambiguity within the questions and to confirm ease of completion.

#### **4.6.2. DATA GATHERING**

Data was gathered by using a self-administered questionnaire, which was personally administered by the researcher, with two forms of distribution. The questionnaire was distributed by using the drop-off method and the e-mail survey method. According to Chadwick et al. (1984) as cited by Fourie, 2001, pg. 143, "hand-delivered questionnaires to individual respondents are more efficient than administering to groups. It enables the instructor to explain the purpose of the questionnaire, as well as the instructions for completion and to handle individual enquiries." According to Neuman (1994, p. 28), a survey researcher asks people questions in a written questionnaire, the researcher manipulates no situation or condition; people simply answer questions. The reason for using this method was that the respondents within the sample were selected at the SOE head office and hence obtaining a large number of completed questionnaires would have been quick and easy.

## **4.7. DATA ANALYSIS**

The questionnaire that was utilised for this study consisted of several questions which were used to analyse the different cultures within the organization as well as the organization's culture and how these cultures evaluate transformation.

### **4.7.1. RESEARCH PROPOSITION ONE: CORRELATION AND REGRESSION ANALYSIS**

The descriptive statistics was completed by compiling frequency tables for age, gender, nationality, ethnicity and job level. Frequency tables were also completed for Part C (cultural analysis) of the survey. A correlation and regression analysis was conducted to determine the relationship between cultural values and transformation. According to Albright, Winston and Zappe (2009, p. 583), "Correlations are numerical summary measures that indicate the strength of linear relationships between pairs of variables." "Regression analysis is the study of relationships between variables. It can be used to analyse cross-sectional data or time series data." (Albright et al., 2009, p. 572). An item analysis was conducted to obtain the Cronbach Alpha reliability for the items within each factor. The mean over the items in each factor was calculated and then listed in relative importance. Thereafter, a correlational and regression analysis was completed.

#### **4.7.2. RESEARCH PROPOSITION TWO: ANOVA**

When the means of more than two groups or populations need to be compared, Albright et al. (2009) recommends the one-way ANOVA as the appropriate statistical tool. For propositions two and three, the means of more than two groups (age, gender, nationality, and ethnicity and job level groups) were compared to verify if statistically significant differences existed between the groups in terms of the factors. There were four ethnic/race groups: Black, White, Indian, and Coloured. The age groups were categorised after the surveys were administered to ensure that there were a sufficient number of respondents within each age group. There were two nationalities: South African and American. There were two job level groups: management and other.

#### **4.7.3. RESEARCH PROPOSITION THREE: CORRELATION AND REGRESSION ANALYSIS**

A correlation and regression analysis was conducted to determine the relationship between transformation and organizational leadership.

#### **4.8. RESEARCH LIMITATIONS**

- The sample was restricted to only one of the SOEs and therefore the findings can only be used as a guide for other SOEs within the South African context.

- Convenience sampling was utilised for the survey and hence no inferences can be made to the population.
- The sample was restricted to the Gauteng and Mpumalanga geographical area.
- The time frame for the project was limited to 2011 and therefore changes to survey results is anticipated as new generation employees enter the job market and as older generations leave the job market (retire).
- According to Albright et al. (2009, p. 583), “a correlation can be very useful, but it has an important limitation: It can only measure the strength of a linear relationship.”

The research methodology guided the entire research process and ensured consistency and validity of the research. The methodology design also made sure that the research process was conducted systematically so that the research objectives would be met. In Chapter Five, the sample and results of the research are presented.

## **CHAPETER 5: RESULTS**

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### **5.1. INTRODUCTION**

This chapter presents the data collected and the results of the statistical analysis. The demographic profile of the sample is presented. The results for the main research question are presented by listing each question from the survey in relative importance. The results of the correlation and regression analysis are then presented. Using the results of the correlation and regression analysis the research propositions were tested and their results are then presented.

### **5.2. DEMOGRAPHIC PROFILE OF SAMPLE**

A total of 60 completed surveys were returned by participants. This included data that was gathered by both the drop off survey method and the e-mail survey method. All 60 of the surveys received were valid and could be used because they were fully completed by the participants. Of the 60 surveys that were dropped off and emailed, 60 completed surveys were returned giving a response rate of 100 %.

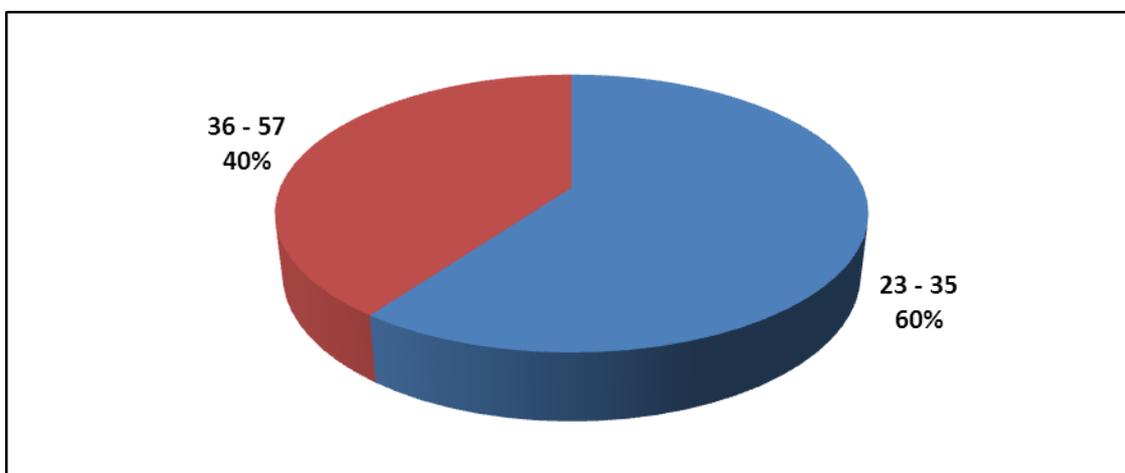
### 5.2.1. AGE PROFILE OF SAMPLE

The age groups were not originally specified but respondents actual ages were collected during the survey. The age groups were then developed so that there were a sufficient number of respondents within each group. There were two age groups developed: 23 – 35 years and 36 – 57 years. The number of respondents in each age group was 36 and 24 respectively, as shown in the table below.

**Table 3: Age Profile of Sample**

AGE				
Age Group	Frequency	Percentage	Cumulative Frequency	Cumulative Percentage
23 - 35	36	60 %	36	60 %
35 - 57	24	40 %	60	100 %
Number of samples	Mean Age	Standard Deviation	Minimum Age	Maximum Age
60	36	8.52	23	57

**Figure 2: Age Profile of Sample**



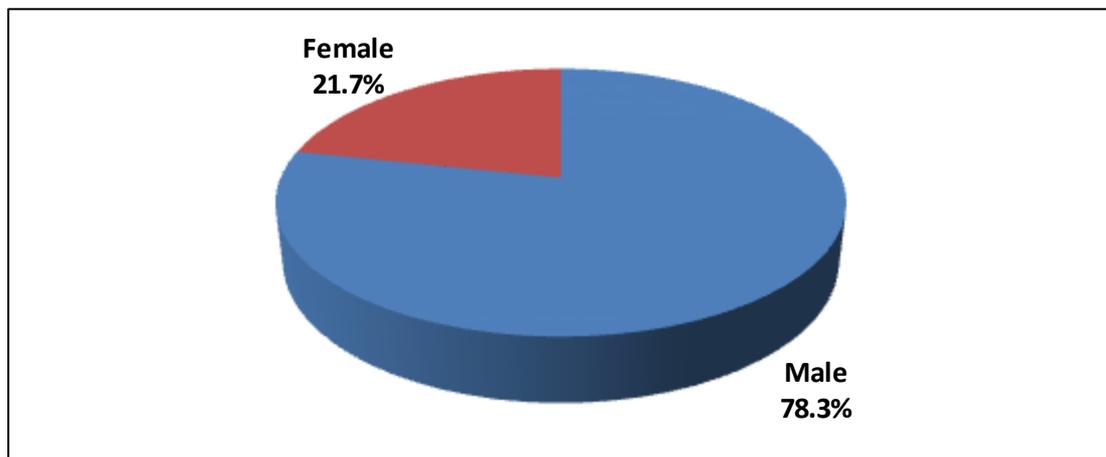
### 5.2.2. GENDER PROFILE OF SAMPLE

Of the 60 participants that completed the survey 47 participants were male and 13 were female. The response rates from both groups were sufficient to conduct statistical analysis. The table and figure below depicts the gender profile of the sample.

**Table 4: Gender Profile of Sample**

GENDER				
Gender	Frequency	Percentage	Cumulative Frequency	Cumulative Percentage
Male	47	78.3 %	47	78.3 %
Female	13	21.7 %	60	100.0 %

**Figure 3: Gender Profile of Sample**



### 5.2.3. ETHNICITY PROFILE OF SAMPLE

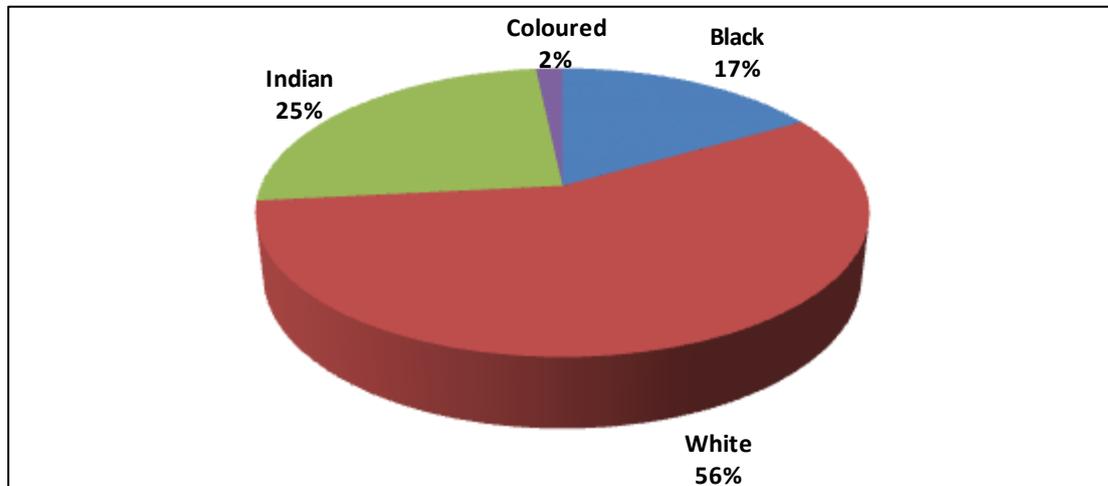
The table and figure below presents the ethnicity profile of the sample. In total there were 60 participants in the sample of which employees of white ethnicity

made up 56.67 % whereas employees of coloured ethnicity made up only 1.67 %. Indian and black employees made up 25 % and 16.67 % of the sample respectively. For the purpose of this study, the one employee of coloured ethnicity was incorporated as part of the black ethnic group.

**Table 5: Ethnicity Profile of Sample**

ETHNICITY				
Ethnicity	Frequency	Percentage	Cumulative Frequency	Cumulative Percentage
Black	10	16.7 %	10	16.7 %
White	34	56.7 %	44	73.3 %
Indian	15	25.0 %	59	98.3 %
Coloured	1	1.7 %	60	100.0 %

**Figure 4: Ethnicity Profile of Sample**



#### 5.2.4. NATIONALITY PROFILE OF SAMPLE

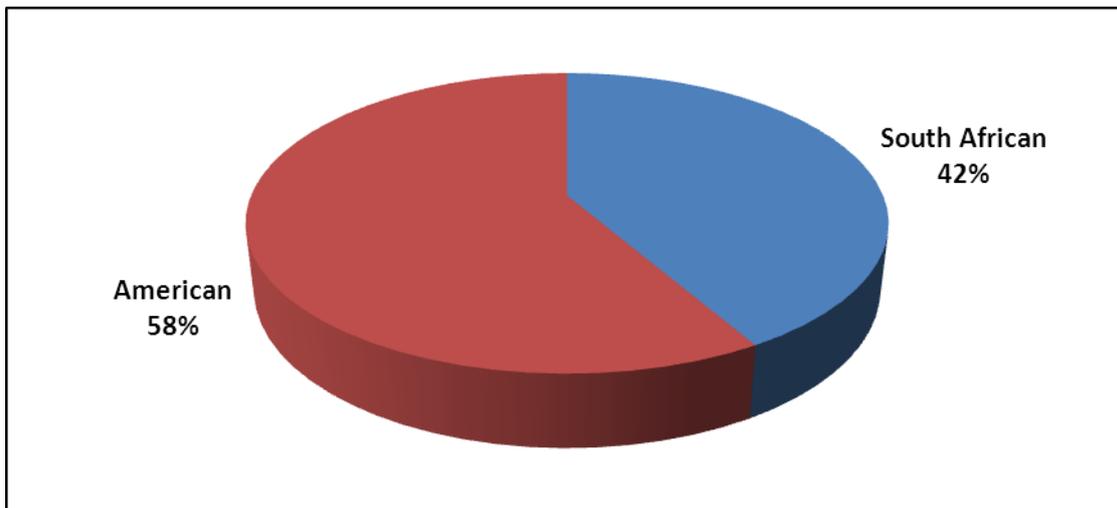
Of the 60 participants that completed the survey 25 participants were South African and 35 were American. The response rates from both groups were

sufficient to conduct statistical analysis. The table and figure below depicts the nationality profile of the sample.

**Table 6: Nationality Profile of Sample**

NATIONALITY				
Nationality	Frequency	Percentage	Cumulative Frequency	Cumulative Percentage
South African	25	41.7 %	25	41.7 %
American	35	58.3 %	60	100.0 %

**Figure 5: Nationality Profile of Sample**



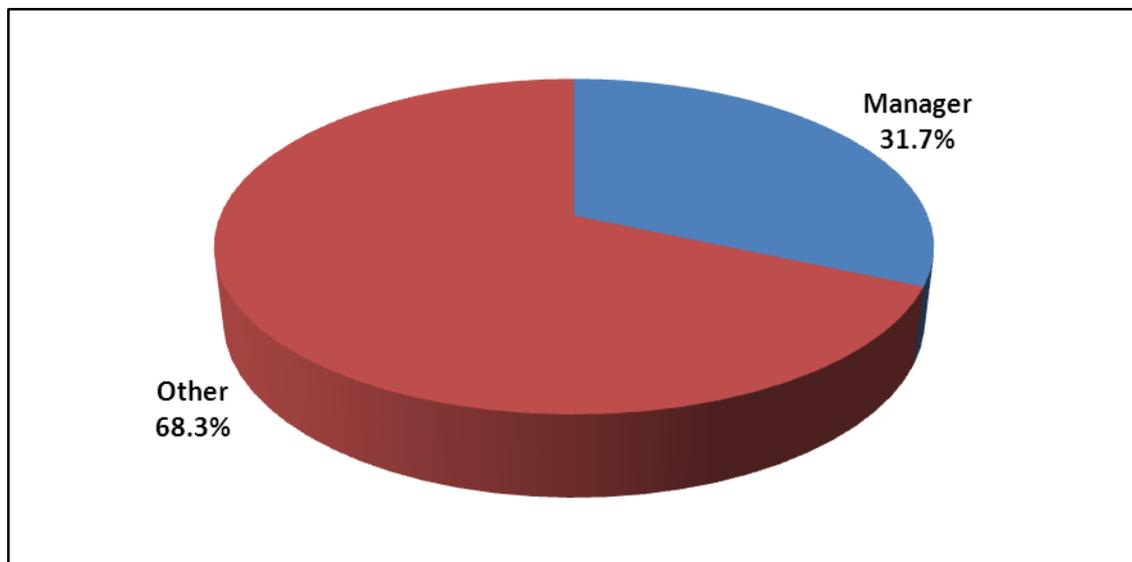
#### 5.2.5. JOB LEVEL PROFILE OF SAMPLE

The table and figure below presents the job level profile of the sample. There were two job levels, i.e. manager and other. In total there were 60 participants in the sample of which managers made up 31.7 % whereas other employees made up only 68.3 %.

**Table 7: Job Level Profile of Sample**

JOB LEVEL				
Nationality	Frequency	Percentage	Cumulative Frequency	Cumulative Percentage
Manager	19	31.7 %	19	31.7 %
Other	41	68.3 %	60	100.0 %

**Figure 6: Job Level Profile of Sample**



### 5.3. QUESTIONNAIRE ANALYSIS (PART C, D AND E)

The questionnaire (Part C, D and E) consistently used a five-point Likert scale rated from “Strongly Agree” to “Strongly Disagree.” Part C was used to ascertain the cultural values of employees in the organization whether collectivist or individualist, long-term or short-term orientated, masculine or feminine, identify power distance (degrees of inequality) and whether there is low or high degrees of uncertainty avoidance. Part D of the questionnaire was

used to ascertain how employees perceived the transformation process in the organization. Part C and D of the questionnaire addressed the first proposition. Part E of the questionnaire was used to evaluate the organizations current leadership. Parts B, C, D and E of the questionnaire was used to address Proposition two and Proposition three was addressed by Part D and E of the questionnaire.

### 5.3.1 RESULTS FOR RESEARCH PROPOSITION ONE

*Proposition one: To investigate the relationship between cultural values and attitude towards transformation.*

#### 5.3.1.1 PART C OF QUESTIONNAIRE

Table 8 below reports the Cronbach alpha scores for the statements indicated in Part C of the survey. Cronbach alphas measure the reliability of the data and according to Taras, Rowney & Steel (2009, p. 368), “based on the reports provided by the authors of the instruments quantifying culture, the overall average internal consistency reliability, as measure by Cronbach’s alpha, was 0.72, ranging from 0.41 to 0.94.”

**Table 8: Cronbach Alpha for Part C of Survey**

	<b>CRONBACH ALPHA</b>
<b>Collectivism/Individualism</b>	<b>0.6218</b>
<b>Long-term/Short-term</b>	<b>0.5643</b>
<b>Masculinity/Femininity</b>	<b>0.4902</b>
<b>Power Distance</b>	<b>0.5775</b>
<b>Uncertainty Avoidance</b>	<b>0.5617</b>

Tables 9 to 13 below show the means for each statement from Part C of the questionnaire. All statements had equal weighting.

**Table 9: Collectivism/Individualism**

<b>COLLECTIVISM/INDIVIDUALISM</b>		
<b>No.</b>	<b>Statement (as in survey)</b>	<b>Mean</b>
<b>C1</b>	<b>I prefer to work in a team rather than work alone.</b>	<b>3.93</b>
<b>C2</b>	<b>I feel that my relatives, friends, and organizations that I belong to are an important part of myself.</b>	<b>4.36</b>
<b>C3</b>	<b>I am willing to share my responsibilities, rewards and punishments with the team.</b>	<b>4.26</b>
<b>C4</b>	<b>Team success is more important than individual success.</b>	<b>3.98</b>
<b>C5</b>	<b>Team loyalty should be encouraged even if individual goals suffer.</b>	<b>3.60</b>
<b>C1 to C5</b>		<b>4.03</b>

Statements C1 to C5 were designed to ascertain whether the respondents were collectivists or individualists. The samples mean score for these statements was found to be 4.03, indicating that the sample's cultural value is more collective rather than individualistic.

**Table 10: Long-term/Short-term Orientation**

<b>LONG-TERM/SHORT-TERM ORIENTATION</b>		
<b>No.</b>	<b>Statement (as in survey)</b>	<b>Mean</b>
<b>C6</b>	<b>I am very thrifty with money.</b>	<b>3.75</b>
<b>C7</b>	<b>I am ready to suffer losses in the short-run for the sake of future gains.</b>	<b>4.11</b>
<b>C8</b>	<b>I plan long-term.</b>	<b>4.23</b>
<b>C9</b>	<b>I am willing to give up today's fun for success in the future.</b>	<b>3.83</b>
<b>C10</b>	<b>I am willing to work hard for success in the future.</b>	<b>4.45</b>
<b>C6 to C10</b>		<b>4.07</b>

Statements C6 to C10 were designed to ascertain whether the respondents were long-term or short-term orientated. The mean score for these statements

were found to be 4.07, indicating that the sample's cultural value is more long-term orientated rather than short-term orientated.

**Table 11: Masculinity/Femininity**

<b>MASCULINITY/FEMININITY</b>		
<b>No.</b>	<b>Statement (as in survey)</b>	<b>Mean</b>
C11	Financial rewards are more important than the working environment.	2.58
C12	It is more important for men to have a professional career than it is for women.	1.85
C13	Solving difficult problems usually requires an active, forcible approach, which is typical of a man.	1.91
C14	I am willing to win, get a better position and succeed at any cost even if it means harmed interpersonal relations.	1.81
C15	I exhibit assertive self-confident and tough behaviour and values.	3.5
<b>C11 to C15</b>		<b>2.33</b>

Statements C11 to C15 were designed to ascertain whether the respondents were characteristically masculine or feminine. The samples mean score for these statements was found to be 2.33, indicating that the sample's cultural value is more feminine rather than masculine.

**Table 12: Power Distance (Degree of Inequality)**

<b>POWER DISTANCE (DEGREE OF INEQUALITY)</b>		
<b>No.</b>	<b>Statement (as in survey)</b>	<b>Mean</b>
C16	Being successful means having high levels of formal education.	2.36
C17	Being successful has more to do with luck than planning.	1.86
C18	People in higher positions should make most decisions without consulting people in lower positions.	1.86
C19	People in higher positions should not ask the opinions of people in lower positions too frequently.	2.13
C20	People in lower positions should not disagree with decisions by people in higher positions.	1.96
<b>C16 to C20</b>		<b>2.03</b>

Statements C16 to C20 were designed to ascertain the degree of inequality between the respondents. The samples mean score for these statements was found to be 2.03, indicating that there is a low degree of inequality within the sample taken.

**Table 13: Uncertainty Avoidance**

<b>UNCERTAINTY AVOIDANCE</b>		
<b>No.</b>	<b>Statement (as in survey)</b>	<b>Mean</b>
<b>C21</b>	<b>Time management is necessary success.</b>	<b>4.33</b>
<b>C22</b>	<b>It is important to have instructions spelled out in detail so that I always know what I'm expected to do.</b>	<b>3.1</b>
<b>C23</b>	<b>Rules and regulations are important because they inform me of what is expected of me.</b>	<b>3.88</b>
<b>C24</b>	<b>Standardized work procedures are helpful.</b>	<b>4.11</b>
<b>C25</b>	<b>I become nervous by uncertain situations.</b>	<b>2.60</b>
<b>C21 to C25</b>		<b>3.60</b>

Statements C21 to C25 were designed to ascertain the degree of uncertainty avoidance between the respondents. The samples mean score for these statements was found to be 3.60, indicating that the sample taken displays high uncertainty avoidance.

### **5.3.1.2 PART D OF QUESTIONNAIRE**

The Cronbach alpha score as evident in Table 14 below was at an acceptable range exceeding the 0.6 cut-off. This construct was therefore considered valid and reliable.

**Table 14: Cronbach Alpha for Part D of Survey**

	<b>CRONBACH ALPHA</b>
<b>Transformation (D1-D8)</b>	<b>0.68</b>

Eight questions in Part D of the questionnaire (Appendix 1) addressed the construct of the transformation process. The mean values for each statement can be seen in Table 15 below.

**Table 15: The Means for the Transformation evaluation**

<b>TRANSFORMATION PROCESS</b>		
<b>No.</b>	<b>Statement (as in survey)</b>	<b>Mean</b>
<b>D1</b>	<b>I understand the objectives and the goals regarding the Transformation process in this organization.</b>	<b>3.83</b>
<b>D2</b>	<b>I identify with the objectives and goals in the Transformation Process.</b>	<b>3.86</b>
<b>D3</b>	<b>I believe that the Transformation Process achieved its stated goals and objectives.</b>	<b>2.95</b>
<b>D4</b>	<b>I need more information about the Transformation process.</b>	<b>3.05</b>
<b>D5</b>	<b>I participated in training that allowed me to achieve the goals and objectives of the Transformation Process.</b>	<b>3.38</b>
<b>D6</b>	<b>In general, I feel that the Transformation Process has been well co-ordinated among senior management within the organization.</b>	<b>2.95</b>
<b>D7</b>	<b>In general, I feel that senior management have been committed to the Transformation Process.</b>	<b>3.55</b>
<b>D8</b>	<b>In general, I feel that employees have been committed to the Transformation Process.</b>	<b>3.13</b>

A Pearson Correlation was performed to evaluate the relationship between culture and transformation. According to Blumberg et al. (2005, p. 792), “The Pearson’s product moment coefficient  $r$  is a statistic that helps you understand the strength of the linear relationship between two variables. The correlation coefficient varies over a range of +1 through 0 to -1. When  $r$  is close to 1 then there is a strong relationship between the two variables; when  $r$  is close to 0, there is a weak relationship between the two variables or there is no relationship.” The results can be seen in Table 16 below.

**Table 16: Pearson Correlation between Culture and Transformation**

		CULTURAL VALUES				
		C1-C5	C6-C10	C11-C15	C16-C20	C21-C25
Transformation Process (D1-D8)	r-value	0.203	0.339	0.0245	0.109	0.079
	p-value	0.119	0.008*	0.851	0.405	0.547

\*significant on 5% level

### 5.3.2 RESULTS FOR RESEARCH PROPOSITION TWO

*Proposition two: To investigate the effect of biographical factors i.e. age, gender, nationality, ethnicity and job level on attitude towards transformation, cultural values and organizational leadership.*

Parts B, C, D and E of the questionnaire (Appendix 1) were used to address Proposition two. Refer to 5.2, 5.3.1.1 and 5.3.1.2 for the results for Parts B, C and D. Part E results can be seen below in Table 16. Eight questions in Part E of the questionnaire (Appendix 1) addressed the construct of organizational leadership.

The Cronbach alpha score as evident in Table 17 below was at an acceptable range exceeding the 0.6 cut-off. This construct was therefore considered valid and reliable.

**Table 17: Cronbach Alpha for Part E of Survey**

	CRONBACH ALPHA
Organizational Leadership (E1 to E8)	0.73

**Table 18: The Means for the Organizational Leadership**

<b>ORGANIZATIONAL LEADERSHIP</b>		
<b>No.</b>	<b>Statement (as in survey)</b>	<b>Mean</b>
<b>E1</b>	<b>I believe that the Organizations current leaders focus on building trust.</b>	<b>3.43</b>
<b>E2</b>	<b>I believe that the Organizations current leaders act with integrity.</b>	<b>3.60</b>
<b>E3</b>	<b>I believe that the Organizations current leaders inspire others.</b>	<b>3.17</b>
<b>E4</b>	<b>I believe that the Organizations current leaders encourage innovative thinking.</b>	<b>3.31</b>
<b>E5</b>	<b>I believe that the Organizations current leaders participate in coaching people.</b>	<b>3.30</b>
<b>E6</b>	<b>I believe that the Organizations current leaders reward achievements.</b>	<b>3.37</b>
<b>E7</b>	<b>I believe that the Organizations current leaders monitor mistakes.</b>	<b>3.45</b>
<b>E8</b>	<b>I believe that the Organizations current leaders fight fires.</b>	<b>4.00</b>

### **5.3.2.1 Results for the Group Comparisons**

An analysis of variance was performed on cultural values and transformation keeping age, gender, nationality, ethnicity and job level as the independent variables. The assumptions made was that variances must be equal and the residuals must be normally distributed, however the data did not comply with the assumptions and therefore a Normal Blom transformation on the data was performed and when tested again, the data then complied to the above mentioned assumptions. The results obtained can be seen in Tables 19 to 23 below.

**Table 19: Results for Age Group Comparisons**

AGE					
	AGE GROUP	NO.	MEAN	STD DEV	P VALUE
C1-C5	23-35	36	4.005 <sup>a</sup>	0.452	0.8754
	36-57	24	4.067 <sup>a</sup>	0.588	
C6-C10	23-35	36	3.983 <sup>a</sup>	0.425	0.3732
	36-57	24	4.217 <sup>b</sup>	0.306	
C11-C15	23-35	36	2.344 <sup>a</sup>	0.618	0.4731
	36-57	24	2.316 <sup>a</sup>	0.358	
C16-C20	23-35	36	1.933 <sup>a</sup>	0.461	0.0297*
	36-57	24	2.200 <sup>b</sup>	0.559	
C21-C25	23-35	36	3.716 <sup>a</sup>	0.531	0.6287
	36-57	24	3.441 <sup>b</sup>	0.399	
D1-D8	23-35	36	3.305 <sup>a</sup>	0.509	0.3213
	36-57	24	3.390 <sup>a</sup>	0.490	
E1-E8	23-35	36	3.451 <sup>a</sup>	0.465	0.6033
	36-57	24	3.458 <sup>a</sup>	0.691	

\*Significant on 5% level

The main objectives of research proposition two was to identify the factors (demographics, job level, etc.) that would affect cultural values and transformation at SOEs. Table 19 above presents the results for the age group comparisons. The ages were clustered into two groups: 23 – 35 and 36 - 57. The means of each factor was compared within each age group whether the difference within each age group was significant at the 5 % level.

The above results further indicates that the second age group (36 – 57) are more long-term orientated when compared to the first age group (23 – 35). Also, the degree of inequality was found to be higher in the second age group (36 – 57) when compared to the first age group (23 – 35). This proved to be the

most significant factor as the p value was found to be less than 0.05. The uncertainty avoidance was however higher in the first age group (23 – 35) when compared to the second age group (36 – 57).

**Table 20: Results for Gender Group Comparisons**

GENDER					
	GENDER	NO.	MEAN	STD DEV	P VALUE
C1-C5	Male	47	4.021 <sup>a</sup>	0.502	0.9727
	Female	13	4.061 <sup>a</sup>	0.543	
C6-C10	Male	47	4.144 <sup>a</sup>	0.390	0.0122*
	Female	24	3.830 <sup>b</sup>	0.325	
C11-C15	Male	47	2.429 <sup>a</sup>	0.507	0.0090*
	Female	24	1.985 <sup>b</sup>	0.458	
C16-C20	Male	47	2.072 <sup>a</sup>	0.526	0.5051
	Female	24	1.923 <sup>a</sup>	0.473	
C21-C25	Male	47	3.565 <sup>a</sup>	0.504	0.8083
	Female	24	3.753 <sup>a</sup>	0.463	
D1-D8	Male	47	3.364 <sup>a</sup>	0.495	0.5245
	Female	24	3.250 <sup>a</sup>	0.525	
E1-E8	Male	47	3.481 <sup>a</sup>	0.589	0.4317
	Female	24	3.357 <sup>a</sup>	0.447	

\*Significant on 5% level

Table 20 above illustrates the results obtained for the gender group comparisons. The results show that for C11-C15 (Masculinity/Femininity) that a significant difference between the means exist. The mean factor for the female employee group differs significantly at the 5% level from the male group. This shows that the cultural value masculinity/femininity is less important to females than to males. Similarly, C6-C10, Long-term/Short-term orientation is more important to males than females. The male group displayed more long-term

orientation than the female group. Both C6-C10 and C11-C15 p values are less than 0.05.

**Table 21: Results for Nationality Group Comparisons**

NATIONALITY					
	NATIONALITY	NO.	MEAN	STD DEV	P VALUE
C1-C5	SA	25	3.992 <sup>a</sup>	0.477	0.2321
	USA	35	4.057 <sup>a</sup>	0.533	
C6-C10	SA	25	3.944 <sup>a</sup>	0.445	0.0366*
	USA	35	4.171 <sup>b</sup>	0.333	
C11-C15	SA	25	2.304 <sup>a</sup>	0.653	0.3741
	USA	35	2.354 <sup>a</sup>	0.423	
C16-C20	SA	25	2.000 <sup>a</sup>	0.509	0.6509
	USA	35	2.069 <sup>a</sup>	0.524	
C21-C25	SA	25	3.784 <sup>a</sup>	0.468	0.6045
	USA	35	3.480 <sup>b</sup>	0.485	
D1-D8	SA	25	3.275 <sup>a</sup>	0.648	0.2665
	USA	35	3.386 <sup>a</sup>	0.363	
E1-E8	SA	25	3.350 <sup>a</sup>	0.626	0.1595
	USA	35	3.528 <sup>b</sup>	0.505	

\*Significant on 5% level

Table 21 above, illustrates the results obtained for the nationality group comparisons. The results show that for C21-C25 (Uncertainty Avoidance) that a significant difference between the means exists. The mean factor for the South African group differs significantly at 5% to the American group. This shows that South African employees displayed a higher uncertainty avoidance is when compared to American employees. It can also be seen that E1-E8 (organizational leadership) is more important to American employees than South African employees but not significant. Based on a p value of less than

0.05, C6-C10 also proved to be significant, i.e. the Americans were found to be more long-term orientated than the South Africans.

**Table 22: Results for Ethnicity Group Comparisons**

ETHNICITY					
	ETHNICITY	NO.	MEAN	STD DEV	P VALUE
C1-C5	Black	11	4.072 <sup>a</sup>	0.664	0.2175
	White	34	3.976 <sup>a</sup>	0.489	
	Indian	15	4.120 <sup>a</sup>	0.432	
C6-C10	Black	11	3.890 <sup>a</sup>	0.403	0.0830
	White	34	4.117 <sup>a</sup>	0.400	
	Indian	15	4.120 <sup>a</sup>	0.369	
C11-C15	Black	11	2.236 <sup>a</sup>	0.520	0.4075
	White	34	2.417 <sup>b</sup>	0.447	
	Indian	15	2.213 <sup>a</sup>	0.682	
C16-C20	Black	11	2.090 <sup>a</sup>	0.546	0.5970
	White	34	2.065 <sup>a</sup>	0.531	
	Indian	15	1.947 <sup>a</sup>	0.475	
C21-C25	Black	11	3.981 <sup>a</sup>	0.576	0.0634
	White	34	3.453 <sup>b</sup>	0.404	
	Indian	15	3.680 <sup>c</sup>	0.500	
D1-D8	Black	11	3.261 <sup>a</sup>	0.592	0.2553
	White	34	3.319 <sup>a</sup>	0.437	
	Indian	15	3.441 <sup>a</sup>	0.576	
E1-E8	Black	11	3.545 <sup>a</sup>	0.554	0.4737
	White	34	3.437 <sup>a</sup>	0.516	
	Indian	15	3.425 <sup>a</sup>	0.686	

Table 22 above, illustrates the results obtained for the ethnicity group comparisons. The results show that it is only for C21-C25 (Uncertainty Avoidance) and C11-C15 (Masculinity/Femininity) that a significant difference between the means exist. The mean on C21-C25 (Uncertainty Avoidance) for the white ethnic group differs significantly at the 5 % level from the other two ethnic groups. This shows that Uncertainty Avoidance is highest in the black

ethnic group and lowest in the white ethnic group. Further to this, in the working environment, the white ethnic group exhibits more of a masculine behaviour as compared to the other two ethnic groups. With respect to the p values, no values were found to be less than 0.05. This implies that for ethnicity, the difference between each ethnic group was insignificant.

**Table 23: Results for Job Level Group Comparisons**

JOB LEVEL					
	JOB LEVEL	NO.	MEAN	STD DEV	P VALUE
C1-C5	Manager	19	4.189 <sup>a</sup>	0.496	0.0985
	Other	41	3.956 <sup>a</sup>	0.501	
C6-C10	Manager	19	4.168 <sup>a</sup>	0.406	0.5977
	Other	41	4.034 <sup>a</sup>	0.389	
C11-C15	Manager	19	2.158 <sup>a</sup>	0.363	0.0448*
	Other	41	2.414 <sup>b</sup>	0.573	
C16-C20	Manager	19	2.021 <sup>a</sup>	0.447	0.3247
	Other	41	2.048 <sup>a</sup>	0.549	
C21-C25	Manager	19	3.474 <sup>a</sup>	0.453	0.2999
	Other	41	3.668 <sup>b</sup>	0.511	
D1-D8	Manager	19	3.328 <sup>a</sup>	0.427	0.4222
	Other	41	3.344 <sup>a</sup>	0.535	
E1-E8	Manager	19	3.500 <sup>a</sup>	0.622	0.7156
	Other	41	3.433 <sup>a</sup>	0.537	

\*Significant on 5% level

Table 23 above, illustrates the results obtained for the job level group comparisons. The results obtained indicate that a difference exists for the means of C11-C15 (Masculinity/Femininity) and C21-C25 (Uncertainty Avoidance) between managers and other employees which imply that other employees when compared to management displayed a more masculine

cultural value. This difference was significant because the p value was less than 0.05. Employees also have higher uncertainty avoidance than managers but according to the p value this was not a significant difference.

### 5.3.3 RESULTS FOR RESEARCH PROPOSITION THREE

*Proposition three: To investigate the relationship between organizational leadership and attitude towards transformation.*

A Pearson Correlation was performed to evaluate the relationship between culture, transformation and organizational. The results can be seen in Table 24 below.

**Table 24: Pearson Correlation between Transformation and Organizational leadership**

		Organizational Leadership (E1-E8)
Transformation (D1-D8)	r-value	0.679
	p-value	< 0.0001

A regression analysis was performed to evaluate the relationship between cultural values, transformation and organizational leadership. The only relationship identified was between transformation and organizational leadership. With transformation as the dependant variable and organizational leadership as the independent variable, the r-squared value obtained for leadership was found to be 0.679.

#### 5.4. CONCLUSION OF RESULTS

Chapter Five presented the results for the research question and each research proposition. The research sample details were presented and the sample demographics were also briefly described. The results showed that the only cultural value that had an impact on transformation at SOEs was long-term/short-term orientation. However, there is a correlation between organizational leadership and transformation at SOEs. The results also indicated that significant differences do exist in the factors cultural values and transformation for the different demographic groups (gender, age, nationality ethnicity and job level).

For each of the tests, the difference between the mean of each factor, which were significant at the 5 % level of significance, are indicated by different superscripts next to the mean of that factor. In Chapter Six, the results are discussed in more detail and are compared to the findings of past studies.

## CHAPTER 6: DISCUSSION OF RESULTS

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### 6.1. INTRODUCTION

In this chapter the research findings are discussed in more detail and are linked back to the research problem, the literature review and the study objectives that were highlighted in previous chapters. The importance of understanding the factors that influence transformation has highlighted by several researchers for example, Daszko & Sheinberg (2005), Mnner (2007), Kirkman & Shapiro (1997), Fourie (2001) and Giberson et al. (2009). Past studies have found that there is a strong relationship between culture and transformation (Daszko & Sheinberg, 2005, p. 1; Mnner, 2007, p. 49; Kirkman & Shapiro, 1997, p. 735; Fourie, 2001, p. 91; Giberson et al. 2009, p. 124); however, very little work is currently being done on how different cultures evaluate transformation (Armeakis et al. 2007, p. 273; Valerdi & Blackburn, 2010, p. 77).

The results from the questionnaire that has been presented in Chapter 5 above is crucial for the purposes of this study as this enabled the researcher to perform both descriptive statistics and inferential statistics. Descriptive statistics allows a researcher to describe or summarise their data for a study to include the sample size, mean, percentage and a range of scores on a study measure (Albright et al., 2009). Inferential statistics are usually the most important part of a dissertation's statistical analysis. Inferential statistics are used to allow a researcher to make statistical inferences, which is to draw conclusions about

the data (Albright et al., 2009). Most of this chapter will focus on presenting the results of inferential statistics used for the above data.

## **6.2. RESEARCH PROPOSITION ONE**

The primary objective of the research proposition was to investigate the relationship between cultural values and attitude towards transformation. In order to achieve this objective an evaluation of the cultural values of individuals within the organization had to be done. Based on the literature review, the framework that was chosen to evaluate the cultural values of individuals was Hofstede's framework for cultural dimensions. According to Migliore (2011, p. 41) Hofstede's framework comprises of five cultural dimensions:

- **Individualism or Collectivism**
- **Long-term or Short-term Orientation**
- **Masculinity or Femininity**
- **Power Distance (degree of inequality)**
- **Uncertainty Avoidance:**

Based on the literature review, the framework that was chosen to evaluate the transformation within the organization was Kotters eight phases of change comprising of the following eight steps (Kotter, 2007):

- **Establishing a sense of urgency**
- **Forming a powerful guiding coalition**
- **Creating a vision**
- **Communicating the vision**

- **Empowering others to act on the vision**
- **Planning for and creating short-term wins**
- **Consolidating improvements and producing still more change**
- **Institutionalising new approaches**

The results obtained for research proposition one is discussed below.

### **6.2.1. CRONBACH ALPHA FOR THE CULTURAL VALUES QUESTIONNAIRE**

The purpose of testing the reliability of the constructs or categories in this instance was to ensure that we measure what we intend to measure, with the results being reliable and valid. The Cronbach Alpha test was used to measure the reliability of the data obtained. Item analysis is done to assess the reliability of the different dimensions or constructs in the questionnaire via Cronbach Alpha values. The reliability of the items that constitute a construct (or factor) was tested for internal consistency using the Cronbach Alpha test. According to Taras, Rowney & Steel (2009, p. 368), “a Cronbach’s Alpha value ranges from 0.41 and 0.94.”

Table 8 on page 48 in Chapter 5 revealed that while the questions aiming to determine collectivism/individualism, long-term/short-term orientations, power distance and uncertainty avoidance were reliable and accurate, the questions that were aiming to determine masculinity/femininity did not appear to be as reliable. The 25 questions in this section were selected from an original list of

27 questions designed by Taras et al. (2009). This original questionnaire of 27 questions had previously been tested and had achieved a Cronbach alpha score of 0.72 (Taras et al., 2009). Due to the length of the questionnaire, the two questions were removed. The elimination of these questions could have caused the problem in the data thus reducing the Cronbach alpha scores. According to Taras et al. (2009), “low internal consistencies of many of the reviewed culture measurement instruments may be related to the challenges of culture definition. Construct contamination seems to be a problem of many of the reviewed measures, with values and practices or seemingly unrelated types of values lumped into a single dimension. Commonly-observed mixing of items referring to individual and societal levels and items that seem to relate to constructs other than culture, for example personality, further elevates the problem.”

The questionnaire however did have an equal number of questions under each category. As the selection of the questions that were included was determined by the researcher, it could have had a bias. The questions included could also have influenced the way the respondents answered and hence could have led to the problem with the data.

### **6.2.2. THE MEAN FOR THE CULTURAL VALUES QUESTIONNAIRE**

The results presented in Tables 9 to 13, pages 49-51, Chapter 5 showed that the mean for:

- Collectivism/Individualism = 4.03

- Long-term/Short-term Orientation = 4.07
- Masculinity/Femininity = 2.33
- Power Distance (Degree of inequality) = 2.03
- Uncertainty avoidance = 3.60

From the above results, it can be concluded that the individuals within the organization subscribe to the following cultural values:

- **Collectivism:** According to Hofstede (1980, p. 148), societies high in collectivism have a people-group view from cradle to grave of lifetime protection in exchange for unquestioning loyalty.
- **Long-term orientated:** According to Migliore (2011, p. 90), this group of individuals are cognitively programmed to accept delayed gratification of material, social, and emotional needs. Further to this values associated with long-term orientation are thrift and perseverance (Hofstede, 1994, p. 5).
- **Feminine:** Hofstede (1980, p. 176) describes masculinity in very traditional terms of roles for the two sexes. At the same time, he contrasts the 'masculine' concepts of aggression, autonomy, and dominance with 'feminine' concepts of nurturance, affiliation and helpfulness. Further to this Migliore (2011, p. 90) states that feministic societies overlap gender roles – both men and women are expected to be modest, tender, and concerned with the quality of life.
- **Degree of inequality is low:** According to Hofstede (1980, p. 65), inequality can be manifest in wealth, power, education, and basic physical and mental individual characteristics. The power distance

dimension is a characteristic of social systems and organizational styles, however, and not of individuals.’

- **Uncertainty avoidance is high:** According to definition of uncertainty avoidance by Migliore (2011, p. 90), high uncertainty avoidance indicates that members of a culture feel threatened by ambiguous and unknown situations.

### **6.2.3. CRONBACH ALPHA FOR THE TRANSFORMATION QUESTIONNAIRE**

The Cronbach Alpha test was used to measure the reliability of the data obtained. The score of 0.68 as evident in Table 14, page 52, Chapter 5 was at an acceptable range exceeding the 0.6 cut-off. The construct was therefore considered to be viable and reliable.

### **6.2.4. THE MEAN FOR THE TRANSFORMATION QUESTIONNAIRE**

The results presented in Tables 15, page 52, Chapter 5 showed that the mean for the eight questions from the original questionnaire. From these results it can be seen that with respect to the Transformation process, the individuals within the organization:

- Understands the processes objectives and the goals;
- Identifies with the objectives and goals of the process;
- Feel that senior management have been committed to the Transformation process.

However, it can also be seen that the individuals within the organization are not sure of whether:

- The Transformation process achieved its stated goals and objectives;
- The individuals themselves required more information on the process;
- The Transformation process has been well coordinated among senior management;
- The individuals themselves participated in training that allowed them to achieve the goals and objectives of the process;
- The individuals themselves have been committed to the Transformation process.

Although the above results are specific to the sample analysed, the results obtained concur with the outcome of the studies performed by Pretorius (2004, p. 342).

#### **6.2.5. THE PEARSON CORRELATION**

A Pearson Correlation was performed to evaluate the relationship between culture and transformation. The results presented in Tables 16, page 53, Chapter 5 showed that the correlation coefficients obtained for transformation and cultural values were all positive. According to Blumberg et al. (2005, p. 792), "The correlation coefficient varies over a range of +1 through 0 to -1. When  $r$  is close to 1 then there is a strong relationship between the two variables; when  $r$  is close to 0, there is a weak relationship between the two

variables or there is no relationship.” There was however only one positive correlation (where  $p < 0.05$  and it was low but significant at the 5% level) between the transformation process and long-term/short-term orientation. In other words, from the results obtained it can be seen that the only cultural value that affects the transformation process within an organization is long-term/short-term orientation.

#### **6.2.6. SUMMARY: RESEARCH PROPOSITION ONE**

The objective of research proposition one was to investigate the relationship between cultural values and attitude towards transformation and to determine which cultural values affect transformation in SOEs. In order to achieve this objective an evaluation of the cultural values of employees within the organization had to be done. The results indicated that the group of employees within the SOE subscribed to the following cultural values: collectivism, long-term orientation, femininity, low degree of inequality and high uncertainty avoidance.

The results on how employees within the SOE perceives the transformation process indicated that employees understand the objective and goals of the process and feel that senior management are committed to the transformation process however, they feel that they require more information on the process and that it should be better coordinated with provision for training on the process.

From the results obtained for the given sample there was only one cultural value that affected the transformation process within the organization and that was found to be long-term/short-term orientation.

### **6.3. RESEARCH PROPOSITION TWO**

The primary objective of the research proposition two was to investigate the effect of biographical factors, i.e. age, gender, nationality and ethnicity as well as job level on attitude towards transformation, cultural values and organizational leadership at SOEs. The analysis of the cultural values and transformation questionnaire can be seen above under section 6.2. Further to this information, in order to achieve the objective of this proposition an evaluation of organizational leadership within the SOE had to be completed. Based on the literature review, the framework that was chosen to evaluate organizational leadership was a Multi-factor Leadership questionnaire by Bass & Avolio (2006, p. 2). According to Bass & Avolio (2006, p. 18), the model for transformational leadership within an organization comprises the following objectives:

- **Building trust;**
- **Acting with integrity;**
- **Inspiring others;**
- **Encouraging innovative thinking;**
- **Coaching others;**
- **Rewards achievements;**
- **Monitor mistakes; and**

- **Fight fires**

### **6.3.1. CRONBACH ALPHA FOR THE LEADERSHIP QUESTIONNAIRE**

The Cronbach Alpha test was used to measure the reliability of the data obtained. The score of 0.73 as evident in Table 17, page 53, Chapter 5 was at an acceptable range exceeding the 0.6 cut-off. The construct was therefore considered to be viable and reliable.

### **6.3.2. THE MEAN FOR THE LEADERSHIP QUESTIONNAIRE**

The results presented in Tables 18, page 54, Chapter 5 showed that the mean for the eight questions from the original questionnaire. From these results it can be seen that the individuals within the organization believe that the organizations current leaders:

- Act with integrity;
- Monitor mistakes; and
- Fight fires.

Refer to section 2.5.1, page 26, Chapter 2 for the leadership model (Bass & Avolio, 2006, p. 1). With reference to this model it can be seen that the organization's leadership is both active and effective however the results further show that the organizations' leaders are on the border between transactional and transformational leadership leaning more towards transactional leadership.

### **6.3.3. RESULTS FOR GROUP COMPARISONS**

An analysis of variance was performed on cultural values and transformation keeping age, gender, nationality, ethnicity and job level as the independent variables. The assumptions made was that variances must be equal and the residuals must be normally distributed, however the data did not comply with the assumptions and therefore a Normal Blom transformation on the data was performed and when tested again, the data then complied to the above mentioned assumptions.

#### **6.3.3.1. AGE GROUP RESULTS**

The objective of this study was to show that cultural values, the evaluation of the transformation process and organizational leadership within SOEs would be different for different age groups. The results in Table 19, page 55, Chapter 5 show that the means for the age group one (23 – 35) and the second age group (36 – 57) do not differ for the cultural values: Individualism/Collectivism, Masculinity/Femininity as well as the individuals views on the transformation process and Organizational leadership within SOEs.

The results did however indicate that the second age group (36 – 57) are more long-term orientated when compared to the first age group (23 – 35). Also, the degree of inequality was found to be higher in the second age group (36 – 57) when compared to the first age group (23 – 35). The uncertainty avoidance was also higher in the first age group (23 – 35) than age group two (36 – 57).

This indicates that younger individuals within the organization, that is in age group one (23 -35) feel more threatened by ambiguous and unknown situations than older individuals (age group two (36 – 57)).

Further to this, we used the p-value (probability value) in our ANOVA test to decide whether results are statistically significant. In other words, when  $p < 0.05$  it may be stated that the results are statistically significant (Blumberg et al. 2005). The degree of inequality between the two age groups proved to be the most significant factor as the p value was found to be less than 0.05.

The results discussed above are important findings given that the results of past studies were somewhat in line with the findings. Migliore (2009, p. 44) analysed two samples one from USA and the other from India. The Indian sample was younger than that US sample; 16 percent of the Indian sample was over the age of 40, whereas 50 percent of the US sample was over the age of 40. Unlike the results obtained in this study, the findings from Migliore (2009, p. 47) indicate that there were significant differences between the two samples regarding long-term orientation and uncertainty avoidance only. The older age sample was more long-term orientated than the younger sample and uncertainty avoidance was higher in the younger age sample. These two findings were in-line with the findings of this study.

### 6.3.3.2. GENDER GROUP RESULTS

The objective of this study was to show that cultural values, the evaluation of the transformation process and organizational leadership within SOEs would be different for male and female employees. The results in Table 20, page 56, Chapter 5 show that the means for the male group and the female group do not differ for the cultural values: Individualism/Collectivism, Power Distance and Uncertainty Avoidance as well as the individuals views on the transformation process and Organizational leadership within the SOE.

The results did however indicate that a significant difference between the means existed for the cultural value masculinity/femininity. The mean factor for the female employee group differs significantly at the 5% level from the male group. Although the means for both the male and female group indicated a more feminine cultural value, the female group was found to be more feminine than the male group. Similarly with regard to long-term/short-term orientation, although both the male and female group indicated more short-term orientation, the female group displayed more short-term orientation than the male group. A resultant p value of less than 0.05 for both masculinity/femininity and long-term/short-term orientation cultural values indicated that overall, there is a difference in these cultural values for males and females who participated in this study.

The results discussed above are an important finding given that the results of past studies were inconsistent regarding the effect of gender cultural values.

Studies by Migliore (2009, p. 46) found that gender had no effect on cultural values. Further to this, studies by Casimir & Waldman (2007, p. 54) found that gender had no effect on the perceptions of an organizations leadership.

Why are the female employees more short-term orientated and feminine when compare to male employees? The differences found between the two gender groups can possible be explained by certain natural behavioural characteristics of females or even certain historic cultural principles. One possible explanation is that it is natural for females to place more value on developing and maintaining relationships than males do. Female values are modest and caring and nurturing by nature whereas male values are maximally different containing dimensions of assertiveness and competitiveness (Hofstede, 1994, p. 4).

The results also indicated that females were more short-term orientated than males. According to Hofstede (1994, p. 5), 'values associated with short-term orientation are respect for tradition, fulfilling social obligations, and protecting one's 'face.' Again, the differences found between the two gender groups can possible be explained by certain natural behavioural characteristics of females. A possible explanation could be the old stereotype that a female's place is at home, that irrespective of whether females have a career or not that she is responsible for running the household. Females are seen as caring and nurturing individuals and more emphasis is place on females for fulfilling social needs like raising a family.

### 6.3.3.3. NATIONALITY GROUP RESULTS

The objective of this study was to show that cultural values, the evaluation of the transformation process and organizational leadership within SOEs would be different for employees from different countries. The results in Table 21, page 57, Chapter 5 show that the means for the USA group and the South African group do not differ for the cultural values: Individualism/Collectivism, Power Distance and Masculinity/Femininity as well as the individuals views on the transformation process within the SOE.

The results did however indicate a difference between the means of South African and the American employees existed for uncertainty avoidance. South African employees had higher uncertainty avoidance than American employees. According to Hofstede (1994, p. 4), “uncertainty avoidance deals with a society’s tolerance for uncertainty and ambiguity.” With a higher uncertainty avoidance as compared to American employees working in the SOE, the South African employees are expected according to Hofstede (1994, p. 4) to have higher anxiety and stress, that showing of aggression and emotions are acceptable and that South Africans have more of an emotional need for rules. In other words, American employees are more comfortable with ambiguous or unknown situations than the South African employees in the SOE; an indication of a cultural difference. These results are in line with the findings by Hofstede as cited by Migliore (2009, p. 49) which indicated that “Americans had a low-uncertainty avoidance which may benefit developing innovations in high-uncertainty avoidance countries” (applicable to the sample analysed). “This

rationale is based upon the human energy needed for precision and punctuality, which comes more naturally in a high-uncertainty avoidance country as compared to a low-uncertainty avoidance country where these behaviours have been learned and managed.” (Migliore, 2009, p. 49)

Further to the above results, a difference between the means of South African employees and the American employees existed for how the employees within the SOE perceived the organizations leadership. Unlike South African employees, American employees believed that the organizations leadership were more effective. This finding is in line with the results obtained by Casimir & Waldman (2007, p. 54), “which supported the notion that cultural background influences the perceived importance of various traits with regard to effective leadership.”

A resultant p value of less than 0.05 for the long-term/short-term orientation cultural value indicated that the mean factor for the South African group differed significantly at 5% to the American group. American employees within the SOE were more long-term orientated than the South African employees. The finding of this study is in agreement with the studies by Migliore (2009, p. 49) which indicated that “long-term orientation scores for Americans may be attributed to changes in the global economy, the large US employment numbers and continued threats of job loss, created a temporary tolerance for delays in gratification of material and social needs – all of which may account for the increase in US long-term orientation scores.”

#### 6.3.3.4. ETHNICITY GROUP RESULTS

The objective of this study was to show that cultural values, the evaluation of the transformation process and organizational leadership within SOEs would be different for different ethnic groups. There were four ethnic groups that participated in this study, i.e. Black, White, Indian and Coloured. There was only one employee that was Coloured and for the purpose of this study the employee was incorporated under the 'Black' ethnic group. All in all, there were 34 White, 15 Indian and 11 Black (including 1 Coloured) employees that participated in this study.

The results in Table 22, page 58, Chapter 5 show that with regard to the p values, no values were found to be less than 0.05. This implies that for ethnicity, the difference between each ethnic group was insignificant.

However, the results did show that the means for the Black, Indian and White ethnic groups do not differ for the cultural values: Individualism/Collectivism, Long-term/Short-term orientation and Power Distance as well as the individuals views on the transformation process and organizational leadership within the SOE. The results did however indicate that a significant difference between the means exist for uncertainty avoidance and masculinity/femininity.

The mean for uncertainty avoidance for the White ethnic group differed significantly at the 5 % level from the other two ethnic groups. This shows that

uncertainty avoidance is highest in the Black ethnic group, and then followed by the Indian ethnic group and lowest in the White ethnic group. Again, according to Hofstede (1994, p. 4) to have higher anxiety and stress, that showing of aggression and emotions are acceptable and that the Black ethnic group have more of an emotional need for rules as compared to the other ethnic groups.

Further to this, in the working environment, the White ethnic group exhibits more of a masculine behaviour when compared to the other two ethnic groups. This indicates that the White ethnic group is more assertive and competitive compared to the other two ethnic groups (Hofstede, 1994, p. 3). A possible explanation for the above two findings regarding uncertainty avoidance and masculine/feminine behaviour could be partly explained by the legacy of Apartheid in South Africa and the racial equity employment options that are currently employed from South African companies. The Black ethnic group has a higher uncertainty avoidance dealing with the anxiety and stress of overcoming the legacy of Apartheid and proving one's ability and ownership for a particular job whereas the White ethnic group is more aggressive and competitive as a result of facing the challenges of job opportunities due to racial equity employment options.

#### **6.3.3.5. JOB LEVEL GROUP RESULTS**

The objective of this study was to show that cultural values, the evaluation of the transformation process and organizational leadership within SOEs would be different for different job level groups. There were two job level groups that

participated in this study, i.e. management and other (non-management). All in all, there were 19 managers and 41 other employees that participated in this study.

The results in Table 23, page 59, Chapter 5 show that the means for the manager and other job level group do not differ for the cultural values: Individualism/Collectivism, Long-term/Short-term orientation and Power Distance as well as the employees views on the transformation process and organizational leadership within the SOE.

However, the results did show that a difference exists for the means of masculinity/femininity and uncertainty avoidance between managers and other employees. A resultant p value of less than 0.05 for the masculinity/femininity cultural value indicated that there is a difference between managers and other employees that participated in this study. The result implies that managers when compared to other employees displayed a more feminine cultural value. According to Hofstede (1994, p. 3), this reflects management style of the managers in the SOE implying that are modest and caring. These managers would prefer ridiculing assertiveness, stressing on life quality rather than careers and are more intuitive rather decisive (Hofstede, 1994, p. 4).

With respect to uncertainty avoidance, the results indicated that other employees have higher uncertainty avoidance than managers working in the SOE, however, the p value was not  $< 0.05$  therefore this was not a significant difference.

The findings described above differ from that found in the literature review. According to Migliore (2009, p. 49), managers (both in USA and India) when compared to other employees within the organization displayed masculine behaviour, had a higher uncertainty avoidance and were more individualistic (indicating work-related values in self-sufficiency).

#### **6.3.4. SUMMARY: RESEARCH PROPOSITION TWO**

The objective of the research proposition two was to investigate the effect of biographical factors, i.e. age, gender, nationality, ethnicity and job level on attitude towards transformation, cultural values and organizational leadership at SOEs. In order to achieve this objective an evaluation of the organizational leadership had to be completed. The results for this study indicated that employees within the SOE perceived that the organizations leaders acted with integrity, monitored mistakes and fought fires and based on literature findings were seen to be leaders on the border between transactional and transformational leaders leaning more towards transactional leaders.

The most significant factor/s based on the p value being less than 0.05 for the age, gender, nationality, ethnicity and job level studies were:

- **Age group:** The degree of inequality between the two age groups. The older employees had a higher degree of inequality.

- **Gender group:** Long-term orientation and feminine behaviour between males and females. The male group was more long-term orientated whilst the female group subscribed more to the feminine cultural value.
- **Nationality group:** Long-term orientation between the two nationalities. The American employees subscribed more to long-term orientation.
- **Ethnicity group:** No significant findings.
- **Job level group:** Masculinity/Femininity between managers and other employees. Managers were found to subscribe more to the feminine cultural value.

There was no correlation between the above mentioned biological factors and the transformation process as well as the perception of organizational leadership within the SOE.

#### **6.4. RESEARCH PROPOSITION THREE**

The primary objective of research proposition three was to investigate the relationship between organizational leadership and attitude towards transformation at SOEs. The analysis of the cultural values and transformation questionnaire can be seen above under section 6.2 and the analysis for the organizational leadership questionnaire can be seen in section 6.3.

#### 6.4.1. PEARSON CORRELATION BETWEEN TRANSFORMATION AND ORGANIZATIONAL LEADERSHIP

A Pearson Correlation was performed to evaluate the relationship between culture, transformation and organizational. According to Blumberg et al. 2005, p. 792, “The Pearson’s product moment coefficient  $r$  is a statistic that helps you understand the strength of the linear relationship between two variables. The correlation coefficient varies over a range of +1 through 0 to -1. When  $r$  is close to 1 then there is a strong relationship between the two variables; when  $r$  is close to 0, there is a weak relationship between the two variables or there is no relationship.”

A regression analysis was performed to evaluate the relationship between cultural values, transformation and organizational leadership. The results in Table 24, page 60, Chapter 5 indicates that the only relationship identified was between transformation and organizational leadership. With transformation as the dependant variable and organizational leadership as the independent variable, the r-squared value obtained for leadership was found to be 0.679. According to the description above, the resultant  $r$ -value is closer to 1 than 0 therefore a strong relationship exists between transformation and organizational leadership. This finding is in line with studies done by Bass & Avolio (1994); Boga & Ensari (2009, p. 246) and Armenakis et al. (2007, p. 285). The implication of this finding is very important to SOEs because in order for effective organizational change that is transformational change to take place, organizational leaders need to communicate, coordinate, and materialise the

planned change. The lack of leadership qualities in key change leaders may be a factor that produces unintended consequences, which may potentially derail the change process.

The findings of this proposition indicate that there is no relationship between cultural values and organizational leadership, however, in the literature review, the studies done by Casimir & Waldman (2007); Close & Wainwright (2011); Giberson et al. (2009); House et al (1999) and Jaskyte (2010) indicate that leadership was influenced by cultural values. House et al. (1999, p. 45) further cited a study by O'Connell, Lord, and O'Connell (1990), indicating that 'culture plays a strong role in influencing the content of leader attributes and behaviours perceived as desirable and effective.'

#### **6.4.2. SUMMARY: RESEARCH PROPOSITION THREE**

The objective of research proposition three was to investigate the relationship between organizational leadership and attitude towards transformation at SOEs. The results indicated that a relationship does exist between transformation within an organization and the organizations leadership.

#### **6.5. CONCLUSION TO DISCUSSION OF RESULTS**

The results of the study show that the only one cultural value that affected the transformation process within the organization was long-term/short-term orientation.

The results also showed that there was no correlation between age, gender, nationality, ethnicity and job level and the transformation process as well as the perception of organizational leadership within the SOE. However, the results did indicate that the degree of inequality within the SOE was affected by age; long-term orientation was affected by gender and nationality; femininity was affected by gender and job level.

Finally, the results indicated that a relationship does exist between transformation within an organization and the organizations leadership.

## CHAPTER 7: CONCLUSION AND RECOMMENDATIONS

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### 7.1. INTRODUCTION

In this chapter the main findings of the research are highlighted. Thereafter recommendations are presented for implications to relevant stakeholders and lastly recommendations are made for future research.

### 7.2. RESEARCH FINDINGS

The first finding made by this study was to identify which cultural values were applicable to the employees within the SOE and then to show how these factors affect the transformation process with the SOE. The findings of this research showed that employees subscribed to the following cultural values:

- Collectivism;
- Long-term orientation;
- Femininity;
- Low degree of inequality; and
- High uncertainty avoidance.

The second finding made by this study showed how employees within the SOE perceived the transformation process. Employees understood the objectives and goals of the process and felt that senior management were committed to the transformation process however, they felt that they required more

information on the process and that it should have been better coordinated with the provision for training on the process. Although the above finding is specific to the sample analysed, the results obtained concur with the outcome of the studies performed by Pretorius (2004, p. 342).

The third finding made by this study was to show that the only one cultural value that affected the transformation process within the organization was found to be long-term/short-term orientation.

The fourth finding made by this study was to show how employees within the SOE perceived organizational leadership. Employees perceived that the organizations leaders acted with integrity, monitored mistakes and fought fires and based on literature findings (Bass & Avolio, 2006, p. 1) were seen to be leaders on the border between transactional and transformational leaders leaning more towards transactional leaders.

The fifth finding made by this study was to show the effect of biographical factors, i.e. age, gender, nationality and ethnicity as well as job level on attitude towards transformation, cultural values and organizational leadership at SOEs. This is summarised in Table 25 below:

**Table 25: Summary of Findings**

Demographic	Significant Findings
<b>Age Group:</b> (23 – 35) or (36 – 57)	The degree of inequality differed between the two age groups.
<b>Gender Group:</b> Male or Female	Long-term orientation and feminine behaviour differed between males and females.
<b>Nationality Group:</b> SA or USA	Long-term orientation differed between the two nationalities.
<b>Job level:</b> Manager or Other	Masculinity/Femininity differed between managers and other employees.

The table summarises the main findings regarding the effect of demographics on cultural values of employees within the SOE. The main findings are highlighted as follows:

- **Age Group:** Older employees had a higher degree of inequality as compared to the younger age group. These findings were in line with the findings by Migliore (2009, p. 47). However Migliore (2009, p. 47) further indicated that age also affected long-term/short-term orientation which was not a significant finding for this study.
- **Gender group:** The male group was more long-term orientated whilst the female group subscribed more to the feminine cultural value. These findings did not correlate with findings in literature. Studies by Migliore (2009, p. 46) found that gender had no effect on cultural values. Further to this, studies by Casimir & Waldman (2007, p. 54) found that gender had no effect on the perceptions of an organizations leadership.

- **Nationality group:** The American employees subscribed more to long-term orientation than the South African employees. This finding was in agreement with the studies by Migliore (2009, p. 49).
- **Ethnicity group:** There were no significant findings indicating differences between the ethnic groups.
- **Job level group:** Managers were found to subscribe more to the feminine cultural value than other employees in the SOE. This finding differed from that found in the literature review. According to Migliore (2009, p. 49), managers when compared to other employees within the organization displayed masculine behaviour, had a higher uncertainty avoidance and were more individualistic (indicating work-related values in self-sufficiency).

The sixth finding made by this study was to show the relationship between the above mentioned biological factors and the transformation process as well as the relationship between the biological factors and how employees perceive organizational leadership. The findings indicated that there was no correlation between the biological factors and the transformation process. Further to that, biological factors did not affect how employees within the SOE perceive organizational leadership.

The seventh finding made by this study was to show the relationship between transformation and organizational leadership. The results indicated that a relationship does exist between transformation within an organization and the

organizations leadership. This finding is in line with studies done by Bass & Avolio (1994); Boga & Ensari (2009, p. 246) and Armenakis et al. (2007, p. 285).

### **7.3. RECOMMENDATIONS TO STAKEHOLDERS**

In order for organizations to prosper in the global environment, the organizations leadership should be vigilant about the need to organizational change. According to Chen et al. (2011, p. 73), “Multi-culture accompanying with the globalization of the trade and manufacture, especially with the emergence and development of the international enterprises, has become a gradual cosmopolitan culture phenomenon. People with different cultural background have different value judgements different thoughts and different behaviours. If these people cooperate in the same enterprises, in daily management of manufacture they may act according to their own cultural mode, which will inevitably cause cultural clashes, and thus lead to cultural friction.”

In order for SOEs to improve overall organizational effectiveness, a deep understanding of its employees cultural values and how these values affect the transformation process within the organization is required. Another important relationship that adds to organizational effectiveness is to understand the relationship between organizational leadership and the transformation process within the SOE.

Based on the findings of the study stakeholders need to consider doing the following:

- With respect to the transformation process, it is recommended that a permanent Change Management Department be established within the organization that would be responsible to act as the change leadership team, on an on-going basis. This department should drive existing and future transformation initiatives and culture management. Specific emphasis should be placed on improving communication between the departments and the employees within the SOE, involving more senior managers in the process and providing training to employees to achieve objectives and goals of process.
- The Change Management Department urgently needs to focus on culture management initiatives including culture change (transformation, diversity management, change in values and leadership behaviour), implementation (new initiatives) and change management (action research).
- With respect to organizational leadership, leaders within the SOE need to focus on improving from transactional to transformation leadership. The focus of these leaders should be to find mechanisms to build trust amongst employees and management; inspire employees; encourage innovative thinking and focus on coaching people. These mechanisms should be added as key performance indicators on senior manager's performance compacts. Senior managers can strategize for

opportunities to enable these mechanisms to take place. The use of consultants in those specific areas can further force more relevant data and honest discussions.

#### **7.4. LIMITATIONS OF THE RESEARCH**

This study has some limitations that warrant mentioning. First, the sample size was small, thereby limiting the generalise-ability of the findings.

The second limitation was that the sample was restricted to only one of the SOEs and therefore the findings can only be used as a guide for other SOEs within the South African context.

The third limitation was that convenience sampling was used for the survey and hence no inferences can be made to the population.

Lastly, the sample was restricted to the Gauteng and Mpumalanga geographical area only.

#### **7.5. RECOMMENDATIONS FOR FUTURE RESEARCH**

While this study has contributed to the body of knowledge of how the transformation process is affect by cultural values and biological factors as well as the relationship between organizational leadership and transformation within a SOE, several limitations of the research was highlighted above in section 7.4.

Also, given the important role played by SOEs within economies worldwide, more attention needs to be focussed into understanding how culture affects transformation within SOEs.

Areas of future research are suggested below:

- The study needs to be conducted at a national level with a larger and more diverse sample. The study should be replicated nationally to include all employees within the SOE.
- This study was also restricted to only one SOE with South Africa. Given the large number of SOEs within the country, the large number of employees within each of these SOEs and the vital role played by these SOEs within the economy; it would be prudent to replicate the study across all SOEs.
- A random sampling technique should be used for future studies to ensure that inferences can be made to the entire population.

## **7.6. CONCLUSION**

The main objective of study was to investigate the relationship between cultural values and attitude towards transformation and to determine which cultural values affect transformation in SOEs. In order to achieve this objective an evaluation of the cultural values of employees within the organization had to be done. The results indicated that the group of employees within the SOE subscribed to the following cultural values: collectivism, long-term orientation, femininity, low degree of inequality and high uncertainty avoidance.

The results on how employees within the SOE perceives the transformation process indicated that employees understand the objective and goals of the process and feel that senior management are committed to the transformation process however, they feel that they require more information on the process and that it should be better coordinated with provision for training on the process. From the results obtained for the given sample there was only one cultural value that affected the transformation process within the organization and that was found to be long-term/short-term orientation.

The primary objective of this study was to investigate the effect of biographical factors, i.e. age, gender, nationality, ethnicity and job level on attitude towards transformation, cultural values and organizational leadership at SOEs. The results for this study indicated that employees within the SOE perceived that the organizations leaders acted with integrity, monitored mistakes and fought fires and based on literature findings were seen to be leaders on the border between transactional and transformational leaders leaning more towards transactional leaders. No correlation between the above mentioned biological factors and the transformation process as well as the perception of organizational leadership within the SOE was identified.

A further objective of this study was to investigate the relationship between organizational leadership and attitude towards transformation at SOEs. The results indicated that a relationship does exist between transformation within an organization and the organizations leadership.

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## APPENDIX 1: RESEARCH QUESTIONNAIRE

<b>Questionnaire: Part A</b>	
Dear Participant,	
I am conducting research on how different cultures evaluate transformation at State Owned Enterprises.	
You are kindly requested to participate in this study by filling out the attached questionnaire which should take no more than 20 to 30 minutes of your time. Your participation is voluntary & you may withdraw at any time without penalty. All data will be kept confidential and your identity is not required. By completing the survey, you indicate that you voluntarily participate in survey, you indicate that you voluntarily participate in this research.	
If you have any concerns, please contact me or my research supervisor (details are listed below).	
Researcher: <b>Nalini Moodley</b>	Research Supervisor: <b>Prof Dave Beaty</b>
Email: <a href="mailto:nalini.moodley@eskom.co.za">nalini.moodley@eskom.co.za</a>	Email: <a href="mailto:docbeaty@2btassociates.com">docbeaty@2btassociates.com</a>
Phone: 0845804788	Phone: 0828873486

<b>Questionnaire: Part B (Demographics)</b>	
Age (in years)	<input type="text"/>
Gender (please tick)	MALE 1
	FEMALE 2
Nationality (please fill in)	SOUTH AFRICAN 1
	AMERICAN 2
	OTHER 3
Ethnicity (please tick)	BLACK 1
	WHITE 2
	INDIAN 3
	COLOURED 4
Job Level (please tick)	MANAGER 1
	OTHER 2

Part C of the questionnaire requires that you indicate to what extent you agree or disagree with each statement. Please answer all questions by marking the appropriate importance with a tick. You should only have 1 tick for each question.

Questionnaire: Part C					
	Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree
I prefer to work in a team rather than work alone.	5	4	3	2	1
I feel that my relatives, friends, and organizations that I belong to are an important part of myself.	5	4	3	2	1
I am willing to share my responsibilities, rewards and punishments with the team.	5	4	3	2	1
Team success is more important than individual success.	5	4	3	2	1
Team loyalty should be encouraged even if individual goals suffer.	5	4	3	2	1
I am very thrifty with money.	5	4	3	2	1
I am ready to suffer losses in the short-run for the sake of future gains.	5	4	3	2	1
I plan long-term.	5	4	3	2	1
I am willing to give up today's fun for success in the future.	5	4	3	2	1
I am willing to work hard for success in the future.	5	4	3	2	1
Financial rewards are more important than the working environment.	5	4	3	2	1
It is more important for men to have a professional career than it is for women.	5	4	3	2	1
Solving difficult problems usually requires an active, forcible approach, which is typical of a man.	5	4	3	2	1
I am willing to win, get a better position and succeed at any cost even if it means harmed interpersonal relations.	5	4	3	2	1
I exhibit assertive self-confident and tough behaviour and values.	5	4	3	2	1
Being successful means having high levels of formal education.	5	4	3	2	1
Being successful has more to do with luck than planning.	5	4	3	2	1
People in higher positions should make most decisions without consulting people in lower positions.	5	4	3	2	1
People in higher positions should not ask the opinions of people in lower positions too frequently.	5	4	3	2	1
People in lower positions should not disagree with decisions by people in higher positions.	5	4	3	2	1
Time management is necessary success.	5	4	3	2	1
It is important to have instructions spelled out in detail so that I always know what I'm expected to do.	5	4	3	2	1
Rules and regulations are important because they inform me of what is expected of me.	5	4	3	2	1
Standardized work precedures are helpful.	5	4	3	2	1
I become nervous by uncertain situations.	5	4	3	2	1

Part D of the questionnaire requires that you indicate to what extent you agree or disagree with each statement. Please answer all questions by marking the appropriate importance with a tick. You should only have 1 tick for each question.

Questionnaire: Part D					
	<i>Strongly Agree</i>	<i>Agree</i>	<i>Not sure</i>	<i>Disagree</i>	<i>Strongly Disagree</i>
I understand the objectives and goals regarding the Transformation Process in this organization.	5	4	3	2	1
I identify with the objectives and goals in the Transformation Process.	5	4	3	2	1
I believe that the Transformation Process achieved it's stated goals and objectives.	5	4	3	2	1
I need more information about the Transformation Process.	5	4	3	2	1
I participated in training that allowed me to achieve the goals and objectives of the Transformation Process.	5	4	3	2	1
In general, I feel that the Transformation Process has been well coordinated among senior management within the organization.	5	4	3	2	1
In general, I feel that senior management have been committed to the Transformation Process.	5	4	3	2	1
In general, I feel that employees have been committed to the Transformation Process.	5	4	3	2	1

Part E of the questionnaire requires that you indicate to what extent you agree or disagree with each statement. Please answer all questions by marking the appropriate importance with a tick. You should only have 1 tick for each question.

Questionnaire: Part E					
	<i>Strongly Agree</i>	<i>Agree</i>	<i>Not sure</i>	<i>Disagree</i>	<i>Strongly Disagree</i>
I believe that the Organizations current leaders focus on building trust.	5	4	3	2	1
I believe that the Organizations current leaders act with integrity.	5	4	3	2	1
I believe that the Organizations current leaders inspire others.	5	4	3	2	1
I believe that the Organizations current leaders encourages innovative thinking.	5	4	3	2	1
I believe that the Organizations current leaders participates in coaching people.	5	4	3	2	1
I believe that the Organizations current leaders rewards achievements.	5	4	3	2	1
I believe that the Organizations current leaders monitors mistakes.	5	4	3	2	1
I believe that the Organizations current leaders fight fires.	5	4	3	2	1

## APPENDIX 2: CONSISTENCY MATRIX

**Table 26: Consistency Matrix**

Research Propositions	Literature Review	Data Collection Tool	Analysis
<p><b>Proposition 1:</b> To investigate the relationship between cultural values and attitude towards transformation.</p>	<p>Hofstede (1994) House et al. (1999) Rose et al. (2008) Giberson et al. (2009) Migliore (2011) Kotter (2011) Taras et al. (2009) Metcalfe &amp; Metcalfe (2001) Nita et al. (2009)</p>	<p>Questionnaire: Part B, C &amp; D</p>	<p>Descriptive Statistics: Correlation and Regression Analysis</p>
<p><b>Proposition 2:</b> To investigate the effect of biological factors i.e. age, gender, nationality and ethnicity as well as job level on attitude towards transformation, cultural values and organizational leadership.</p>	<p>Hofstede (1994) House et al. (1999) Rose et al. (2008) Giberson et al. (2009) Migliore (2011) Kotter (2011) Taras et al. (2009) Metcalfe &amp; Metcalfe (2001) Nita et al. (2009) Jaskyte (2010)</p>	<p>Questionnaire: Part B, C, D &amp; E</p>	<p>Descriptive and Correlation Statistics: ANOVA</p>
<p><b>Proposition 3:</b> To investigate the relationship between organizational leadership and attitude towards transformation.</p>	<p>Bass &amp; Avolio (2006) Migliore (2011)</p>	<p>Questionnaire: Part B, D &amp; E</p>	<p>Descriptive Statistics: Correlation and Regression Analysis</p>