Evaluating the relationship between the leadership style of owners of small, medium, and micro construction enterprises in Tshwane and the organization success.

EVALUATING THE RELATIONSHIP BETWEEN THE LEADERSHIP STYLE OF OWNERS OF SMALL, MEDIUM, AND MICRO CONSTRUCTION ENTERPRISES INTSHWANE AND THE ORGANIZATION SUCCESS

A mini-dissertation presented

By

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PRETORIA

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AUTHOR'S DECLARATION

I, **Clement Mohau Pitsoane**, do here affirm that this mini-dissertation titled ―Evaluating the relationship between the leadership styles of owners of small, medium and micro construction enterprises in Tshwane and the organization success‖ is the result of my own investigation and research. All sources cited herein are indicated and acknowledged by means of a comprehensive list of references. This mini-dissertation is submitted in fulfillment of the requirements of the degree Master of Technology in Construction Management and has not previously been submitted either in its entirety or in parts for a degree in this or any other University.

Signed……**Pretoria**……on this the……**06**……day of……**August 2024**…….

Author's signature…[redacted]

Clement Mohau Pitsoane

DEDICATION

I dedicate this research project to myself Clement Mohau Pitsoane, for my persistence, endurance and strength that were brought forth by the name of Jesus Christ (through Prof. J.N Agumba) who has been patient, and encouraging as well asthe faith that he instilled in me. This mini-dissertation is also dedicated to my loving and caring wife Kabelo Megala, for all her encouragement, strength, and support. I would also like to dedicate it to my parents, friends and families who always givenme the support and strength to believe.

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ABSTRACT

The South African construction industry's SMMEs, or Small, Medium, and Micro Enterprises, significantly contribute to the economic growth of the nation. However, their failure in the first three years of their existence negatively affects the country‘s economy and their sustainability reputation. Adopting leadership styles is essential to the organizational success to combat SMME failure in the construction sector. The study aims to determine and recommend the leadership style(s) among construction SMMEs owners that correlate with the success of the organization and with the interpersonal skills in the Tshwane Metropolitan, in South Africa.

A questionnaire survey was used to collect the primary data, and it was mailed to owners of construction SMMEs registered with construction industry development board (CIDB) in Tshwane. A total of 440 CIDB contractors from grade 1 to 7 were sampled from a target population of 1179. A total of 161 contractors responded of which 160 questionnaires were deemed usable. To sample the contactors, stratified random and purposive sampling methods were adopted. To empirically analyze the data, Statistical Package for the Social Science (SPSS) version 27 was used for both descriptive and inferential statistics. Inferential statistics using linear regression analysis established the relationship between leadership styles, and the organizational success and the interpersonal skills. Descriptive statistics was used toestablish the leadership style adopted by owners of construction SMMEs in Tshwane.

An exploratory factor analysis (EFA) was performed on the seven leadership styles, revealing that the owners of SMMEs predominantly adopted charismatic, democratic, transformational, and transactional leadership styles. Additionally, a regression analysis demonstrated that democratic, charismatic, transformational, and bureaucratic leadership styles significantly predict interpersonal skills. The study also found that both bureaucratic and transformational leadership are significant predictors of organizational success.

The study suggests that as owners of construction SMMEs face growing demands to achieve more with limited resources in a rapidly evolving industry, effective leadership style becomes essential for achieving desired outcomes. In this context, the human aspect of organizational management is critical. Based on the empirical findings, the

recommendations provide guide to the owners of construction SMMEs and other stakeholders on leadership styles that are linked to interpersonal skills and organizational success.

Keywords: Construction industry, interpersonal skills, leadership styles, organizational success, Small Medium and Micro Enterprises owner‘s.

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CIDB	Construction Industry Development Board
SMME	Small Medium and Micro Enterprise
SME	Small Medium Enterprises
SPSS	Statistical Package for Social Sciences

CHAPTER 1: INTRODUCTION

1.1 Background to the study

The construction industry in South Africa contributes massively to the economic and social development (Balogun, Nazeem and Agumba, 2016). The construction industry creates jobs; hence contribute to strengthening the country‘s economy, and poverty alleviation. Furthermore, both residential and non-residential are produced, assembled, disassembled, restored, and conserved by the construction industry (Tshikhudo, 2016). In line with these contributions by the construction industry the SMMEs contribute positively to global social and economic growth (Okyere, 2017). The SMMEs contributes to the economy by creating jobs, fighting poverty and brining new ideas in developing the rural and urban environments (Balogun, Nazeem and Agumba, 2016; Cant and Wild, 2013).

However, according to Okyere (2017) not all SMME contractors thrive, to become globally competitive and more sustainable. Bruwer, Coetzee and Meiring, (2018) indicated that, many SMMEs approximately 75% do not sustain and failin their first three years of existence. This sentiment is supported by Cant and Wild (2013) stating that the failure is exacerbated by the unethical practices due to lack of effective leadership styles.

According to Al Khajeh (2018) effective leadership style is the pillar of any successful organization and the function of a person. To achieve effective leadership style, the person‘s character is built by developing interpersonal skills. It is therefore imperative for organizational owners or leaders to possess good interpersonal skills, which enables them to identify the correct leadership style to adopt in differentsituation for effective management and to build a successful organization. Rambe and Makhelemele, (2015) points out that lack of interpersonal skills amongowners lead to the failure of many construction SMMEs during their early years of operation.

Leaders who possess good interpersonal skills help the organization to thrive and survive through various challenges. Zhang (2018) highlights that leaders need to have interpersonal skills that will enable them to select proper leadership styles in relevant circumstance to achieve organizational success. However, there hasn't been much study on how leadership styles and interpersonal skills correlate, including leadership styles and the organizational success of construction SMMEs within the building sector in South Africa.

1.2 Research problem statement

The SMMEs in their early years of operations, including those in the building sector fail. It's imperative that construction SMMEs owners embrace leadership styles for different situations they encounter for the success of their organization and theowners interpersonal skills. There is dearth of research establishing the correlation ofthe leadership styles of construction SMMEs owners with the success of the organization and their interpersonal skills.

1.3 Research Questions

In accordance with the study problem statement, the following questions have been formulated and include:

i. Which leadership styles do the owners of construction SMMEs adopt in Tshwane?

ii. What leadership styles of owners of construction SMMEs in Tshwane correlate with interpersonal skills?

iii. What leadership styles of owners of construction SMMEs in Tshwane correlate with the organizational success?

1.4 Study Aim

The aim of the study is to evaluate the leadership style(s) that construction SMMEs owners employ and how well those styles relate to the organization's success and interpersonal skills.

1.5 Research Objectives

The following are the study's research objectives:

I. To determine the leadership styles of owners of SMMEs in Tshwane's construction sector.

II. To analyze the relationship between the interpersonal skills and leadership styles of SMME owners in Tshwane's construction sector.

III. To evaluate the relationship between leadership styles SMMEs owners and the success of the organization in Tshwane's construction industry.; and

IV. Recommend the leadership style(s) that correlate with organization success and interpersonal skills of SMMEs owners in Tshwane's construction sector.

1.6 Importance of the study

The study findings are beneficial to future academics, students as well as owners of construction SMMEs. This study contribution determined the leadership styles of owners of construction SMMEs that correlate with the organizational success and there interpersonal skills. The study informs owners of construction SMMEs and other stakeholders about the types of leadership styles that are effective for organizational success based on the current failure of construction SMMEs. Furthermore, the study informs the owners and other relevant stakeholders of the correlation between leadership styles and interpersonal skills that construction SMMEs owners possess.

1.7 Study assumptions

The following study assumptions for this research are provided:

i. The respondents understand questionnaire survey questions and instructions;

ii. The respondents will provide truthful and honest answers to the questionnaire based on their genuine perceptions;

iii. The respondents recognize their qualities as leaders; and

iv. Responses will be received from all participants sampled.

1.8 Delimitation/scope

This study will focus on construction SMMEs owners in the city of Tshwane, Gauteng Province. This study will be undertaken in Tshwane city because of its huge role in the economic growth of the country, particularly driven by the construction industry (Brooking Metropolitan Policy Program, 2018). Furthermore, only construction SMMEs that have been active in the construction industry for three years and above will be sampled.

1.9 Limitations

The owners of SMMEs in the construction industry in Tshwane, Gauteng Province are the only ones included in the study's survey population. Other constructionowners outside of the Tshwane Metropolitan area are not included in the study. Non-responses cause data to be inaccurate, and not all the sampled SMMEs answered the survey.

1.10 Research Methodology

The study was carried out to address the specified research questions and objectives. This study followed three phases.

The first phase consisted of to a thorough analysis of the information that had previously been obtained from numerous secondary sources, such as reports, dissertations, university websites, and journal articles.

The second phase focused on developing a survey as a method of data gathering, with comprehensive evidence generated by the topic's subject component analysis. The final phase included data collection and data analysis employing SPSS version 27. Reliability coefficients and mean values were included in the established descriptive and inferential statistical analyses.

1.10.1 Research design and approach

In this study quantitative approach was used, as well as descriptive survey design. To achieve the objectives of the research, a questionnaires survey was developed and submitted to the responders.

1.10.2 Research area and targeted respondents

In Tshwane, Gauteng Province, a variety of SMME owners in the construction industry were sent questionnaire; participant registration with the Construction Industry Development Board (CIDB) was required.

1.10.3 Data collection and Sampling

The study employed random and stratified sampling methods. In keeping with the sampling method, a questionnaire was employed as a means of gathering information from the respondents who were owners of construction SMMEs in Tshwane, Gauteng Province.

1.10.4 Data analysis

Different leadership styles were explored using a structured questionnaire. An analysis of the data was done using both descriptive and inferential statistics.

1.11 Ethical consideration

The ethical considerations of the literature reviewed were considered by the researcher. The researcher ensured the literature is properly cited. Furthermore, the research questionnaire's participant input was kept confidential and used strictly for academic purposes. It is also the participants‘ right not to answer any question that they feel is inappropriate without any intimidations. This study followed the Tshwane University of Technology Research Ethics Committee protocol by submitting the following documents.

i. Informed consent

ii. Research ethics checklists; and

iii. Cover letter – survey questionnaire

1.12 Definition of key terms

Leader

"*A leader is a person who is able to inspire, motivate and influence others to act in a manner that planned objectives and goals are met"* (Alhgazo and Al-Anazi, 2016: 43).

Leadership

"The ability to guide and influence people to achieve planned goals based on incentive and personal reasons fulfillment" (Hudson, 2013: 93)

Leadership styles

"The manner in which leaders motivate and influence subordinates to pursue organizational plans in reaching objectives" (Al Khajeh, 2018: 9).

Organizational success

"When an organization realizes its planned goals and objectives; in a way that promotes the organization's growth and sustainability" (Sampaio, Marinho & Moura, 2015: 1153).

Interpersonal skills

"These are behaviors we show when interacting with other people, they are referred to as soft skills. These types of skills include social attributes, personality traits, communication skill and emotional intelligence" (Zhang, 2018: 33).

1.13 Final Outline of the Mini-Dissertation

Chapter 1: Background to the problem

An overview of the study will be given in this chapter, including study aim, objectives, and importance of the study.

Chapter 2: Literature review

This chapter is very important part of the dissertation as it presents an outline of the literature review from findings on the existing study to provide information that supports the current topic.

Chapter 3: Research methodology

This chapter discusses the implementation of the research onion for this research. The study's methodology, sample method and size, data collection method, data analysis, study target population, and validity and reliability of the research will all be covered.

Chapter 4: Finding and discussion

This chapter discusses and summarizes the study‘s results.

Chapter 5: Conclusions and Recommendations

This chapter will provide the conclusion, recommendations as well as providing framework for evaluating leadership styles among construction SMMEs owners.

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

In the context of South Africa, the chapter addresses the definition and importance of SMMEs in the construction sector. The challenges facing SMMEs is also presented. Further discussions delve in, leadership styles in general and leadership styles of owners SMMEs operating in the building industry, in particular. This chapter also presents the leadership styles of construction SMMEs owners in relation to the organizational success and interpersonal skills.

2.1 Defining Small, Medium and Micro Enterprises

There is no official definition for "SMMEs" or "SMEs," which are used synonymously around the world. As a result of their varied responses to local and national government concerns, SMMEs are defined differently around the globe (Malefane, 2013).

Despite the fact that the significance of the SMMEs sector is acknowledged on a global scale, defining SMMEs is difficult since every country has its own definition, independent of the industry or nation in which they operate (Mahembe, 2011; Agumba, 2006).

SMMEs are defined as autonomous and distinct business entities in any sector of the economy that are controlled by one or more owners under the South African National Small Business Act 102 of 1996. In addition to any branches or subsidiaries, these also include cooperative businesses and non-governmental organizations (Rwigema & Venter, 2004). However, the South African government has categorized the SMMEs sector based on several factors, including as ownership, employment size, and formality. South Africa's most widely used framework is the National Small Business Act 102 of 1996, which divides businesses into five groups as shown in Table 1. The definition uses the number of employees (the most common form of classification), gross assets, excluding fixed property, and the annual turnover categories for each enterprise size category. Table 1 further identifies the SMMEs into several sectors.

It demonstrates how different industries have different characteristics for medium, small, very small, and micro enterprises.

Table 1: SMMEs classification in different sectors

Sectors	**Enterprise size**	**Number of employees**	**Annual turnover**	**Gross asset Excl. property**
Construction	Medium	200	R20 m	R4 m
	Small	50	R5 m	R1 m
	Very small	20	R2 m	R0.40 m
	Micro	5	R0.15 m	R0.10 m
Mining and Quarrying	Medium	200	R30 m	R18 m
	Small	50	R7.5 m	R4.5 m
	Very small	20	R3 m	R1.80 m
	Micro	5	R0.15 m	R0.10 m
Retail and Motor Trade and Repair service	Medium	120	R30 m	R5 m
	Small	50	R15 m	R2.5 m
	Very small	10	R3 m	R0.50 m
	Micro	5	R0.15 m	R0.10 m
Manufacturing	Medium	200	R40 m	R15 m
	Small	50	R15 m	R3.75 m
	Very small	20	R2 m	R1.5 m
	Micro	5	R0.15 m	R0.10 m

Source: National Small Business Act No 102. 27 November 1996.

According to Verma (2021), the definition of what makes an SMME might occasionally vary among industries in addition to differing from country to country. In the United States of America (USA), for example, a manufacturing company isconsidered small if it employs less than 1,500 people, whereas in the retail and wholesale sectors, the thresholds are 500 and 250 employees, respectively, for a company to be considered small.

Small, medium, and micro enterprises in the construction sector in South Africa,have between 5 and 200 workers as well as a revenue between R0.15 million and R20 million). While 5 to 120 individuals may be employed in the retail and motortrade sectors and have an annual revenue between R0.15 million and R30 million to qualify as a micro, small, and medium-sized corporation. This study's definition will mainly focus on employee turnover and the total number of permanent staff members (National Small Business Act No 102. 27 November 1996).

The definitions of small, medium, and micro firms in the construction industry in accordance to the Act amended in 2003 by the National Small Business Act 102 of 1996 are as follows (National Small Business Amendment Act 29 of 2004).

- *Micro enterprise*: it consists of a very small number of employees (1-5). It has the following main characteristics: turnover equal to R 150 000 annually; lack of formality in terms of registration. The government provides business training and skills to boost the business performance. Examples of these enterprises include self-employed contractor.

- *Small enterprise*: the business is registered and hires up to 50 employees; they are under the owner's management, and their organizational structure is intricate. They have fixed premises and indicates more business expertise than micro enterprises; and

- *Medium enterprise:* they hire up to 200 employees in construction sector. Decentralization of power to an extra layer of management is what distinguishes them and make an approximate turnover of R 20 million.

In order to account for inflation since the country's last categorization in 2003, the definition of small, medium, and micro enterprises in South Africa were modified in 2017 by the Minister of Small Business Development. Table 2 shows the SMMEs classification in relation to South Africa's construction sector. The criterion of ¯full time staff‖, ¯total annual turnover‖ and "total gross asset value‖

Table 2 The South African construction industry's SMME classification criteria

Classification	Full time staff	Total Annual Turnover	Total Gross Asset value
Medium	200	R26m	R5m
Small	50	R6m	R1m
Very Small	20	R3m	R0.5m
Micro	10	R0.2m	R0.1m

Source: Banking Association of South Africa (2017)

The "micro" and "very small" categories were consolidated since stakeholders believed this classification was redundant and at conflict with international benchmarking (Businesstech, 2019). Table 3 shows how the classification has been updated.

Table 3 The classification of SMMEs in the South African construction sector

Classification	Full time staff	Turnover
Medium	51-200	≤R170m
Small	11-50	≤R75m
Micro	0-10	≤R10m

Source: Department of Small Business Development (2019)

Botha, Smulders, Combrink, and Meiring (2020) claim that as turnover is the most common and straightforward way to classify firms and taxpayers, it is a desirable criterion for dividing enterprises. Compared to other measures, turnover is a more accurate indicator of business size because it is mentioned in several sections of the various Tax Acts rather than the total number of employees. The economic importance of SMMEs is discussed in the section that follows.

2.2 The Significance of SMMEs in an Economy

World Bank (2019) suggests that SMMEs in the economy contributes approximately 45% of employment opportunities worldwide and approximately 33% of the world‘s

economy. In addition to potentially creating jobs, SMMEs draw large foreign investments into a nation and help to achieve several societal goals. This indicates that they are the core of private sector employment worldwide. The SMEs sector employs more than 19% of the productive work force in emerging nations (Kayanula & Quartey, 2000). Additionally, it is discovered that 95% of registered enterprises functioning internationally and more than 50% of the global economy are SMMEs (Mag & Varothayan, 2015; Labuschagne, 2015).

The importance of SMMEs in driving economic growth is well acknowledged. In addition to playing a significant role in the creation of jobs, SMMEs also play a significant role in the creation of a more diversified economy, increased trade, and increased exports. Labuschagne (2015: 24) highlights the part SMMEs play in facilitating the start-up of private companies and entrepreneurship. Because of their agility, they may react fast to shifting supply and unstable market situations. SMMEs are important for almost every economy, but they have a major impact in places like South Africa, Botswana, and Nigeria where there are significant issues with income inequality and employment (Maunganidze, 2013). It is explained by these nations' high unemployment rates and sluggish rates of economic growth. As a result, boththe entrepreneurs and the employees of these businesses are eventually able to escape poverty.

Aremu and Adeyemi (2011) indicate that the growth and success of small and medium-sized enterprises (SMEs) is a crucial element and a gauge of the extent of modernization, industrialization, and urbanization, as well as of income per capital, fair income distribution, public welfare and standard of living, and the availability of gainful employment for everyone who can and wants to work. Similarly, SMEs are essential to a country's economic development, and Mwobobia (2012) goes on toexplain how their success can support a variety of social and economic objectives, such as reducing poverty, improving family and community health, raising literacyand educational levels, and empowering women.

The largest segment of businesses is made up of SMMEs in most nations worldwide. As to the Small Business Administration in the USA, small businesses constituted 99.9% of all enterprises in the country in 2018 and producedapproximately 44% of the GDP in 2014. According to Ufot, Reuben, and Michael's (2014), SMMEs accounts 99% of all private enterprises in Ecuador employ fewer than 50 people. SMMEs continue to be a major force for innovation, diversity, and economic expansion. According to Ward (2020), 99.8% of all Canadian enterprises in 2017 were SMMEs, each enterprise employing fewer than 500 people.

Most of the country's SMMEs, estimated to number between 2.4 and 3.5 million, are located in the informal and micro sectors, according to the State of the Nation Address (2023). The SMMEs present the biggest unrealized opportunity for expansion, job creation, and significant economic change. Ayandibu and Houghton (2017) assert that SMMEs in South Africa have the capacity to make a substantial contribution to economic expansion, the creation of jobs, and a more equitable distribution of income. The SMME sector employs both skilled and unskilled workforce to fulfill its goals Bankseta (2013). These companies have more opportunity to grow and recruit more people when the construction sector is performing well, which contributes to a decrease in poverty, the creation of jobs, and decrease crime rates.

Recently in South Africa, SMMEs provided 87% of all employment opportunities or between two and three million full-time formal jobs, and account for 40% of the country's GDP (Serobe, 2023). Smaller companies have more opportunity to grow and recruit more people when the SMME sector is performing well, which contributesto a decrease in poverty, the creation of jobs, and crime rates.

2.3 SMMEs in the Construction Sector in South Africa

The construction sector in South Africa is very important to both developing nations and the global economy. Its vast and vital role in economic development, poverty alleviation, job creation, etc. has received a great recognition worldwide (Balogun, Nazeem and Agumba, 2016; Cant and Wild, 2013). Buildings, heavy and civil

engineering projects, and specialized projects have all contributed to the growing significance of the construction industry (Tshikhudo, 2016). The construction of real state, including homes, businesses, and other buildings, is known as general building construction. Large projects including roads, highways, bridges, tunnels, and other infrastructure-related projects are all handled by heavy and civil engineering construction firms. Construction-related operations including carpentry, plumbing, and electrical work are specialist in construction (CIDB, 2018).

Over 96% of businesses in the manufacturing and construction sectors are SMEs, and they are the principal employers in most industrialized nations (Sanusi, 2003). Furthermore, Turner, Ledwith, and Kelly (2012) states that construction industry in South Africa has been designated as the industry with the highest concentration of SMMEs, which, according to Usman et al. (2014), represents 97,5% of all businesses there, provides 61% of all jobs, and contributes 57% to the GDP of the nation.

According to the observation made by Windapo and Cattell (2013), the construction sector is a collection of related companies, including construction banks, producers of tools and supplies, and contracting firms. Further highlighting one of the advantages of establishing SMEs, Moilawa (2013) emphasized that this ability to compete fiercely on pricing with bigger businesses is made possible by smaller overhead costs.

Table 4 provides background information on the construction business in SouthAfrica in comparison to other industries (Bhorat, Asmal, Lilenstein and Van Der Zee, 2018).

Table 4: Firm size and industry profile in percentage

Industry	Micro	Small	Medium	Large	SMME Overall	Ratio of SMME: Large
Utilities	0.3	0.7	0.7	1.6	0.5	0.3
Agriculture	5.0	6.1	6.1	6.2	5.2	0.8

Mining	0.2	0.9	0.5	7.5	0.4	0.1
Construction	16.3	11.7	9.1	4.8	10.6	2.2
Wholesale & Retail	29.1	27.9	24.6	10.4	30.4	2.9
Financing	10.0	14.6	16.3	15.7	13.7	0.9
Transport	11.5	6.8	4.2	7.0	6.4	0.9
CSS	19.4	23.9	27.7	27.7	23.3	0.8
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total	100	100	100	100	100	

Source: Bhorat, Asmal, Lilenstein & Van Der Zee (2018, 6).

The figures presented in Table 4 demonstrate the building sector's substantial impact on the SMMEs sector in South Africa. Nevertheless, at 4.8%, the percentage of large construction enterprises is rather small. After wholesale and retail, in comparison with large firms, the construction sector has the second-highest ratio of small, medium, and micro enterprises.

The South African construction industry expanded, especially in the years following 2008, as seen in Figure 1 below, peaking at about R 110 billion in 2017. The industry has significantly decreased since the beginning of 2020, contributing about R 70 billion of South Africa's GDP, a reduction of more than 36% in about three years.

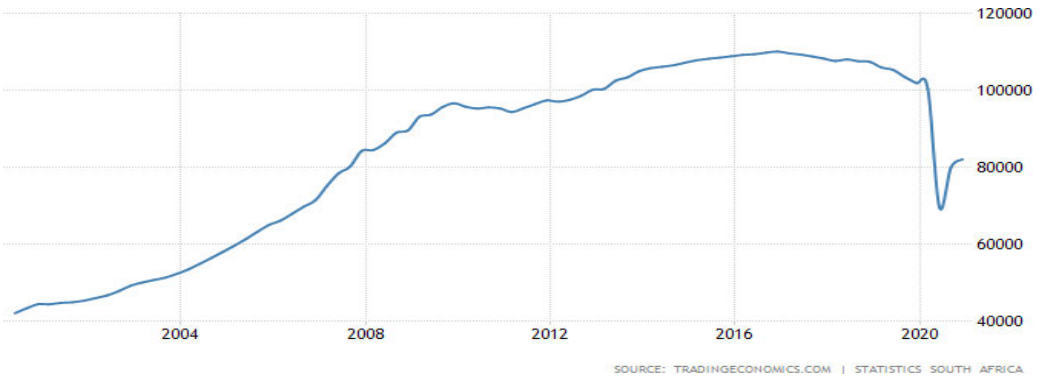

Figure 1 Growth Trends in the South African Construction Industry

Source: Trading Economics (2021)

Mail & Guardian (2020), as Figure 1 illustrates, South Africa's infrastructural development surged significantly in the years preceding the 2010 FIFA World Cup. But after this, the number of significant infrastructure projects nationwide sharply decreased, which caused the industry to slow considerably. As to Mutti and Hughs (2002), the construction industry in South Africa is confronted with noteworthy obstacles that include inadequate leadership skills, insufficient government investment, low business confidence, and a reduction in foreign direct investment (CIDB, 2018). Furthermore, Usman and Alaezi (2016) proposed that these problems have made it harder for SMMEs in the construction industry to function, which has increased the rate of poverty and resulted in a lack of infrastructure delivery. According to Mail and Guardian (2020), most new development projects were put on hold when the nationwide lockdown started in March 2020. Repair and maintenance of crucial infrastructure were prioritized. As a result of decreased government funding for infrastructure development, the construction industry, which was already facing low demand, saw a significant decline in projects.

Nevertheless, despite the importance of SMMEs, Bruwer, Coetzee, and Meiring (2018) state that over 75% of them fail within the first three years of business.To overcome the failure rate, training, and development of these SMMEs can help to lower the high failure rates (Mokasha, Aigbavboa and Oke, 2016). Since grades 1 to 3 (small to micro enterprises) are deemed to be emerging contractor or start-ups. This has driven the Department of Public Works to develop contractor development programs focused to enhance the performance of contractors in grades 1 to 7 which are micro, small and medium sized enterprises. These programs provide mentorship and support with a view to improve their performance. These approved businesses expected to grow and exhibit best practices in a variety of areas, including supply chain development, environmental management, health and safety, and quality management, all of which are supported by strong leadership (CIBD, 2011).

The CIDB oversees the eligible contractors in South Africa who are to tender on public construction projects, and it provides information on the active and non-active

contractors. The grades and classifications of contractors are included in the registry of contractors. The contractor registers, lists nine (9) distinct contractor grades. The highest Rand amount for which a contractor may submit a bid is determined by the grade. The highest value of contracts in the various contractor categories is shown in Table 5.

Table 5 illustrates the highest possible contract value for each grade

Class and/o Grade	**Value of the tender less than or equal to (R)**	**Approved adjustment as from July 2019 (R)**
1	200 000	500 000
2	650 000	1 000 000
3	2 000 000	3 000 000
4	4 000 000	6 000 000
5	6 500 000	10 000 000
6	13 000 000	20 000 000
7	40 000 000	60 000 000
8	130 000 000	200 000 000
9	No Limit	No limit

Source: Construction Industry Development Board (2019).

In accordance with the CIDB (2019: online) Table 6 indicates the number of contractors registered in Tshwane, Gauteng Province. Grade 1 contractors are the majority at 1 176 contractors registered in the construction industry in Tshwane. But in the building sector, SMMEs are only marginally represented by registered contractors in grades 2 through 7. This demonstrates the critical role of SMMEs inthe construction industry.

Table 6 Active contractors in Tshwane, Gauteng Province

Grade	***No of active contractors***

1	1 006
2	41
3	28
4	36
5	28
6	23
7	14
8	2
9	1
Total	**1 179**

Source: Construction Industry Development Board (2020)

2.4 Challenges Facing Construction SMMEs

The construction industry, according to Wiese (2014), has one of the lowest sustainability rates in the world. Approximately 75% of these businesses fail within the first three years of existence (Bruwer, Coetzee, and Meiring, 2018). According to April (2005: 45), an enterprise is considered to have failed when it approaches the point of insolvency, is unable to continue offering its services, and when it is thought that carrying on with business will put the owner in grave danger– for example, of incurring debt. The failure rates of construction SMMEs have gone up, which has negatively impacted and raised the unemployment rate. The unemployment rate climbed, going from 29.1% in the fourth quarter of 2019 to 32.9%in the first quarter of 2023, according to data made public by South Africa (Stats SA, 2023).

Effective leadership, according to Al Khajeh (2018: 9), is regarded as the cornerstone of any successful organization and the role of a person. A lack offinancial management brought on by poor leadership is one of the main causes of economic failure, in addition to weak leadership (Mahembe, 2011). According to earlier researchers in this subject Mahembe, (2011); and Ahiawodzi & Adade, (2012), established there are also the following other significant challenges: that lack of management expertise (leadership styles), inadequate technology, limited productioncapacity, lack of recognition by big

businesses, government bureaucracy, lack of support for their role in economic development, lack of market penetration, and difficulty establishing relationships with customers and/or employees..

According to Zondi (2017), SMMEs in the construction industry in South Africa must contend with both internal and external challenges. Since they are outside of the management's control, external issues are ones that may be challenging for the small corporate firm to settle quickly. Contrarily, internal issues are those that can be dealt with more swiftly and on a smaller scale inside the confines of the business.

SME contractors face difficulties that hinder their performance, as Stewart *et al* (2003) found. In addition, Bikitsha *et al* (2010) suggested that the CIDB has emphasized the need to identify performance barriers, boost capacity, and find solutions to develop sustainable businesses. Due to this, the CIDB is recommended to take action to stop the exploitation of small contractors by making sure thatvarious initiatives, such as transformation, skills transfer, and capacity building, are supported by the construction sector.

The cruel South African economic landscape is blamed for SMMEs failure. These aspects are, ¯*high interest rate, high inflation rates, high levels of crimes, violatile market conditions, weak public service delivery, shortage of skills and constrained access to fund"* (South African Institute of Chartered Accountants, 2015). However, it is vital to indicate that SMMEs also contribute to their failure because they lack sound business practices (Van Biljon, 2016). Nevertheless, government has set out various strategies to circumvent some of the challenges that they experience (Department of Trade and Industry, 2015).

Martin (2010), affirms the undermining of SME contractors in South Africa by major contractors owing to subcontracting terms. These terms restrict their expansion and prevent SME contractors' success. While highlighting the importance of leadership,

Waters (2013) notes that due to inadequate leadership, SME owners frequentlyplace a greater emphasis on their technical skills and a propensity to pursue money, putting out several quotations without considering the associated costs. Furthermore,research by Ratnaningsih, Anwar, Suwignjo, and Wiguna (2010) demonstrates that a leader's qualities can improve an organization's performance. "SMEs with well-developed entrepreneurial skills are able to sustain growth and innovation, which are critical competitive advantages in the 21st century," state Scheepers, Hough, and Bloom (2008: 73).

2.5 Defining Leadership

Determining what constitutes "leadership" has proven to be difficult for scholars and professionals alike, according to Kanji and Moura, (2001: 709). Since academics started studying the topic of leadership more than a century ago. Kanji and Moura (2001: 709) add that several definitions have steadily changed. These definitions have been impacted by a wide range of factors, including aspects of the field in which the subject is being studied, politics, and world affairs. There is great variation in the definitions of leadership. According to Roger (2008), leadership comprises cooperative relationships that lead to group action based on shared ideals of individuals who work together to bring about positive change. Roger (2008) adds thatcharacterizing the process of leadership in terms of an individual's actions is insufficient. According to this concept, a leader's ability to influence those they are leading interpersonally will determine how effective they are in their roles.

Leadership, according to Hudson (2013), is the ability to direct and inspire others to attains predetermined goals based on motivation and personal fulfillment. Schafer (2008) suggested that the ability to inspire subordinates is a necessary skill for a leader to possess for their organization to succeed. The emphasis on leadership, however, varies depending on who, what, and why someone uses influence, together with the intention and outcome of the act. As a result, there are various definitions of leadership. This study defines leadership as the capacity to persuade others to contribute to achieving an organization's goals. The subsequent sections

aim to provide you with an understanding of the concept of leadership and the ways in which various leadership styles, in conjunction with interpersonal skills, can facilitate the success of SMMEs as an organization within the construction sector.

2.6 Leadership styles by construction SMMEs Owner's

The definitions of leadership that have been discussed thus far, suggest that competent leadership is a crucial component of any project that requires collaboration between an individual and groups of individuals. Leadership is far more crucial in the construction industry (Tshikhudo, 2016). In addition, research suggests that idealized characteristics, intellectual stimulation, inspirational motivation, idealized actions, contingent compensation, and customized consideration are all considered to be important aspects of construction professionals' leadership styles (Towler, 2019).

Leadership in construction is a complex and often subjective issue, but an understanding exist that good leadership means good business (Tshikhudo, 2016). Nevertheless, Zhang (2018) argues that poor leadership does not only impact the organizational success and performance but also negatively impact employees' behaviors. The CIDB (2019) says that in South African construction industry lack of integrity and honesty among leaders results in poor construction quality, cost overrun and employees' poor performance.

A study by Akparep, Jengre and Mogre, (2019) have recognized various leadership styles that most leaders exhibit. A leader's method or style of givingdirections, carrying out plans, and inspiring others can be described as their leadership style. There are different types of leadership styles, which can be utilized in different situations. Applying the appropriate leadership style for every situation might be a challenge but it may be quite important in deciding the organization's success (Akparep, Jengre and Mogre, 2019).

Al Khajeh (2018) lists some leadership styles that group leaders may unintentionally or consciously display. Among these are leadership styles that are charismatic, transactional, transformative, democratic, laissez-faire, bureaucratic, and autocratic.

Al Khajeh (2018) further identifies and describes seven types of leadership styles that can be traits of different owners of the construction industry SMMEs. These types of leadership style, contributes massively to the sustainability and success of an organization (Liphadzi, 2015). The following section discussesseven linked leadership styles that owners of organizations use to ensure the success of their organizations:

2.6.1 Transactional leadership Style

Transactional leadership is the core of most leadership styles that focus on the relationships between leaders and followers. Exchange theories of leadership are another name for transactional theories. In actuality, the theory emphasizes a favorable and productive interaction. Through readily available rewards, transactional leaders satisfy the needs and desires of their followers. Leaders achieve their goals through an extrinsic motivating mechanism, whereas followers receive rewards from the outside world for their labor (Al Khajeh, 2018).

The manager or owner that rewards staff for exceeding their goals with promotions, raises, extra salary, or time off is an illustration of this sort of leadership. According to Price (2009), interactive goal formulation, contingent material reward, contingent personal reward, and personal recognition are examples of transactional leadership activities. Transactional leadership, according to Bass and Avolio (2004), isdefined by actions and attitudes that place a premium on the nature of communication between leaders and followers. With the use of their employees' own interests, transactional leaders can motivate them. Yahaya and Ebrahim (2016) states that contingent reward, management by exception (Active) and management by exception (Passive) are three components of transactional leadership style and; are discussed.

Contingent reward - These leaders help people in return for their effort, they make expectations clear and show appreciation when objectives are met.

Management by exception (Active) - These leaders set the bar for compliance and has the authority to discipline employees who don't follow the rules.

Management by exception (Passive) - These leaders avoid defining agreement and don't set expectations for what must be accomplished by the employees. A leader may occasionally wait until something goes wrong before acting.

2.6.2 Transformational leadership Style

According to a study by Ali et al. (2015), employees of organizations prefer transformational leadership as their preferred style. Fundamentally, leaders who practice transformational leadership ensure that they establish a relationship with their followers that increase effort and moral aspiration. "The leader motivates and encourages subordinates to achieve organizational goals by inspiring the team with vision and giving instructions" (Ali et al., 2015).

Transformational leaders support their followers in becoming leaders by being aware of their needs and wants. Because transformational leadership promotes happiness and trust, working under one of these leaders may be wonderful and inspiring. Additionally, leaders who are transformational give everything they have. They truly have their subordinates' best interests at heart. Transformational leaders elicit strong emotional responses from their teams. They work to provide their staff members more independence and self-assurance (Price, 2009) to empower them. As seen by Table 7, this leadership style comprises five dimensions, according to Bass and Avolio (2004).

Table 7 Transformational leadership and behaviors of Leaders

Transformational Style	**Leader Behavior**
1. idealized Behaviors: living one‘s ideals	These leaders discuss their core values and beliefs while emphasizing the significance of having a clear sense of purpose. The moral and ethical ramifications of decisions must always be taken into account by idealized leaders.

	These leaders place a strong emphasis on the value of mutual trust.
2. Inspirational Motivation: Inspiring others	Leaders who inspire others express optimism about both the present and the tasks ahead. These leaders take stances on divisive topics and convey a sense of assurance that objectives will be met while presenting an alluring future.
3. Intellectual Stimulation: Stimulating others	When solving challenges, leaders explore for multiple views and ask themselves if they are acceptable. They also encourage others to approach issues from a variety of perspectives. These teachers encourage unconventional thinking to solve conventional problems and offer fresh perspectives on how to finish projects.
4. Individualized Consideration: mentoring and growth	These leaders recognize that every person has different needs, capacities, and goals; they treat people as uniqueindividuals rather than merely group members; and they take the time to mentor and teach others. In addition to fostering self-development, they assist others in recognizing and building upon their abilities and pay close attention to others' worries.
5. Idealized Attributes: Faith, respect and trust	They make others feel proud to be affiliated with them and put the group's needs ahead of their own. The leaders act in a way that earns the respect of those around them and exudes strength and competence.

Source (Bass & Avolio, 2004: 19)

2.6.3 Democratic Leadership Style

Team members are invited and encouraged to play a major part in the process, even if the leader has the final word in all choices based on what the group desires. The team members discuss any ideas or experiences they may have with the leader,who gives them instructions on what to do and how to do it. Democratic leadership is

the practice of a leader consulting with subordinates and giving more power to individual or group participation in decision-making (Habtemariam, 2018). The manager delegates leadership responsibilities to team members in the group in which he or she participates. Self-expression, creativity, and group involvement are all encouraged under this leadership style. Since a democratic leader can solicit input from their subordinates, this style of leadership is excellent and suitable for usage in most organizations. Nevertheless, it may not always result in the desired result (Hannah et al. 2008).

2.6.4 Autocratic leadership Style

In contrast to democratic leadership, according to (Uchenwamgbe, 2013; Habtemariam, 2018) an autocratic leader acts in a way that goes against democratic leadership. The leadership style of these individuals is also referred toas dictatorship since they never delegate decision-making authority to their subordinates. Simply said, it means that the leader is seen as the center of power and that their judgment and decisions are final. They provide clear instructions on what has to be done, when it needs to be done, and how to do it. When choicesmust be taken swiftly and without much deliberation, for example, autocratic leadership might be advantageous in some situations.

Nonetheless, it seems that there are more disadvantages to an autocratic leadership style than advantages (Uchenwamgbe, 2013). Group members may become resentful of those who use autocratic leadership since they are often perceived as being bossy, dominating, and dictatorial, according to Price (2009). This is one more argument against autocratic leadership. Goal achievement is argued to be quicker in this instance. This is false since these systems are unstable and open to exploitation in a variety of ways: including as financial fraud, dishonest business practices, a lack of accountability, a lack of transparency, and the use of public property for private gain.

2.6.5 Laissez-Faire leadership style

The team member is put in charge by the leader, who also gives them full responsibility for the business' operations, which are continuously assessed to make sure they align with the objectives of the organization. However, should any of the group members need advice; the leader is on hand to provide it (Nwokocha and Iheriohanma, 2015). This style has its own drawbacks, which according to Hannah et al. (2008) include the following:

- when team members lack the information or abilities needed to complete the task or make judgments, this is not the ideal approach;
- instead of implementing this method during routine business operations, the leader may only need to do so when they are confident that group members won't have difficulties;
- If members are unable to manage projects, set deadlines, and resolve challenges, the task may not be completed, may be completed past the deadline, may be completed with many errors, or may entirely veer off course; and
- the group may not be cohesive if the leader is absent, which might be seen as an indication that they are not even concerned.

2.6.6 Charismatic leadership style

By definition, a charismatic leader is someone who uses both verbal and nonverbal cues to captivate, influence, and convinces others to agree with their goals or share their worldview (Al Khajeh, 2018). Focusing on the most significant individuals inside the company, this leadership style is thought to be the most suitable for companies that are implementing corporate social responsibility initiatives. They do this by being positive, sympathetic, funny, storytelling, and people-reading. The charismatic leadership style is all about using one's charm to get people to help you accomplish your goals. What makes the objective appealing and inspirational is not the leader, but the goal itself.

2.6.7 Bureaucratic Leadership style

The goal of this leadership style is to create a hierarchy within an organization to establish a distinct chain of command. It can also be called a methodology, style, or practice of leadership. Formal organization, centralized decision-making, specialization, efficiency, rules and regulations and impersonality are traits of bureaucratic leadership. Price (2009) suggests that bureaucratic leaders make it very clear what is expected of them. Employees understand exactly what their roles are in the organization and how to fulfill them. By doing this, the likelihood of miscommunications or confusion is reduced, and employee productivity is raised.

Employees can also use it to create specific goals for advancement inside the company. Following formally established policies, procedures, and norms is a requirement of bureaucratic leadership. These policies and procedures form the foundation for decision-making in bureaucracies. Due to the leader's rigid methods and potential to ignore suggestions that contradict business policy or established practices, this leadership style is rarely successful (Al Khajeh 2018). From the discussion of the leadership styles minimal studies have focused on the type of leadership styles embraced by owners of SMMEs in the construction sector in South Africa. The importance of a leader's interpersonal skills about their leadership style persists despite this gap in the research. The section that follows presents this argument.

2.7 The relationship between leadership styles and interpersonal skills

It is crucial to think about the precise meaning of the term "interpersonal skills".Zhang (2018) states that "interpersonal skills" and "social competence," which are sometimes used synonymously, are generally equal to "social skills." The term is so widely used that there isn't a single accepted definition for it. Beenen let al, (2021) points out that there have been a little empirical research explicitly connecting interpersonal skills to leadership.

Self-awareness is a crucial component of social or interpersonal abilities. Interpersonal or social skills cover social abilities, interactive behaviors, and interpersonal connections. They are complex and multifaceted. The conceptual framework for interpersonal skills includes skills like communication, conflict resolution, team building, negotiation, and motivation. For both educational settings and the business, interpersonal abilities are crucial (Beenen et al, 2021).

According to a study focusing on the public sector, social skills help employees overcome obstacles brought on by government politics and have a favorable impact on leaders' job satisfaction (Fu, 2013). Job satisfaction is a result of work engagement. People who are more engaged at work tend to be happier than people who are less engaged. The interpersonal traits of leaders enhance their ability to efficiently identify the correct leadership style(s) in every type of situation creating a good atmosphere among members in an organization (Deming, 2017). Leaders should recognize that learning interpersonal skills of co-workers is a vital part of daily organizational activity at all levels and promotes good leadership, which ensures organizational success (Saadat and Saadat, 2016). Zhang (2018) states that it is imperative for a leader of an organization to have interpersonal skills to advance their ability to identify the correct leadership style(s) in every situation for effective leadership and to build a successful organization.

Good leadership style(s) and interpersonal skills are intertwined, meaning that they cannot be detached from one another. If they are detached, it will pose negative impact on the sustainability of the organization. Possessing good interpersonal skills permit leaders to be accepted easily by their subordinates. This enables them the ability to motivate and influence them without fear or favor (Zhang 2018). For an organization to be successful a leader must adopt good leadership style(s) guided by their interpersonal skills (social skills) to easily build trust, increase employee‘s performance and meet organizational goals (Bhargavi and Yaseen, 2016).

H_1: There is a significant positive relationship between leadership styles i.e. (transactional, transformational, democratic, autocratic, laissez-faire, charismatic and bureaucratic) and interpersonal skills.

2.7.1 Transformational leadership style and interpersonal skills

Transformational leaders have excellent interpersonal skills, as seen by how they are able for interacting effectively with their fellow followers. According to Ali et al. (2015) leaders are able to rapidly acquire an in-depth comprehension of one another's motivational abilities, values, and interests. Furthermore, Sofi and Devanadhen (2015) explain how the significance of embracing transformational leadership styles boosts one's interpersonal skills as it makes it easy for a leader to build tailored relationships with their team members, creating a positive work environment that increases productivity.

2.7.2 Transactional leadership style and interpersonal skills

Transparent and straightforward communications are traits of transactional leaders. People depend on them. Therefore, they follow them because they must. Leaders understand that loyalty comes after trust. An informed transactional leader is one who understands the goals they are pursuing, according to Bass and Avolio (2004). These goals are often short-term, and they encourage their followers to accomplish their goals by offering incentives and/or rewards. On the other hand, since they do not encourage employee creativity and invention, they could not be as helpful in assisting various team members in developing their leadership abilities, particularly for a long-term goal (Al Khajeh 2018).

2.7.3 Charismatic leadership style and interpersonal skills

According to Al Khajeh (2018), charismatic leaders have excellent interpersonal skills that persuade their followers with a clear vision and strong arguments. Acharismatic leader is also quick to pick up on social signs and the needs of their followers as they are reliable and dependable leaders. Their persistence, passion, and keenness are clear to see. Charisma is the quality of a leader who can readily

infuse others with their passion and who values each employee while leading the organization by example.

2.7.4 Democratic leadership and interpersonal skills

Democratic leadership, according to Habtemariam (2018), improves organizational performance because it helps leaders become more adept at interacting with followers, allowing them to express and implement their own original ideas, and participate in decision-making. Democratic leadership has also beendemonstrated to encourage workers to create better work since it values their ideas and opinions.

2.7.5 Autocratic Leadership and interpersonal skills

An autocratic leader is one who establishes the objectives, plans, and guidelines for their team and expects them to follow them, according to Habtemariam (2018). These leaders have poor people skills and little faith in their workers. They do not value the opinions of their followers and do not support or encourages leadership or personal growth. The services and strategies must be carried out in a particular way by the adherents of dictatorial regimes (Uchenwamgbe, 2013).

2.7.6 Bureaucratic leadership style and interpersonal skills

Bureaucratic leadership, defined by its strict command structure, the assignment of fixed roles, and the enforcement of an authoritative hierarchy, persuades those beneath it to follow the policies and procedures it has set. Bureaucratic leadership has, however, become somewhat less popular due to the management framework's restricted room for originality and innovation (Al Khajeh 2018). This leader disregards the suggestions and opinions of the followers, which should make the followers, feel upset. Many organizational operations are performed without consideration for interpersonal skills.

2.7.7 Laissez-Faire leadership style and interpersonal skills

Laissez-faire leaders, as indicated by Nwokocha & Iheriohanma (2015), consider the unique talents within their team and assign responsibilities accordingly. Each employee can then be in control of their own sector and normally does not need their manager's consent to make decisions, demonstrating this leader's lack of interpersonal skills since they typically do not motivate, grow, and inspire their followers. Employees that work under this leadership style are more likely to be forward-thinking, innovative, and self-assured in their choices rather than following strict instructions. Some people may not perform well under laissez-faire leadership, such as those who need reliable leaders and lack the confidence to be able to make important economic decisions. It can cause conflict and power disputes, which can create a hostile and uneasy work environment.

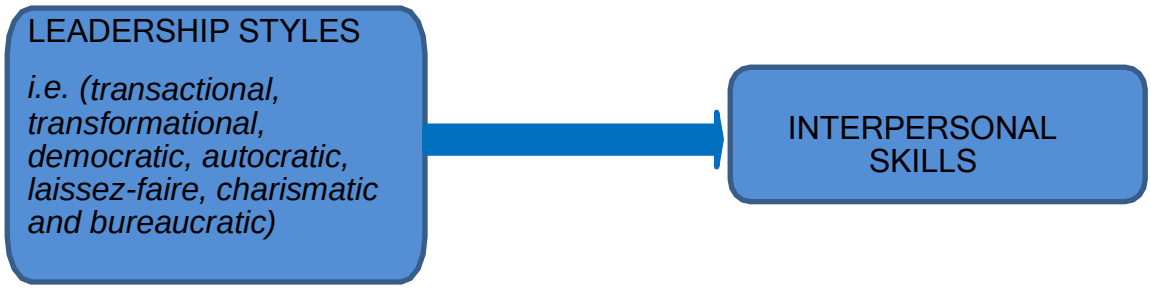

Figure 2 Conceptual framework of leadership styles relationship with interpersonal skills

2.8 The relationship between leadership style and organizational success

The literature on business claims that organizational success is a complex and multidimensional phenomenon. Organizational success is defined as the actual results that an organization produces in relation to the expected results, goals, and objectives. The three components of organizational success are financial performance (profits, income sustainability, etc.), shareholder return (economic value added, total shareholder, etc.), and product/service market performance (sales, market share, technological advancements, etc.) (Gavrea, Ilies & Stegerean, 2011).

Effective leadership styles are crucial for enhancing organizational performance and accomplishing goals, objectives, and outputs within the organization (Bhargavi & Yaseen 2016; Al Khajeh, 2018). The success can be determined by reaching organizational goals, outputs, and objectives. Additionally, Bhargavi and Yaseen (2016) assert that assessing an organization's performance in relation to its goals and objectives can help determine its level of success. The outputs, goals and objectives that makes an organizational successful may include organizational sustainability, creating more jobs, increasing owner‘s wealth, increased income, increased profit, employee‘s and customers‘ satisfactions, business growth, improved technology and increased performance (Inyang, 2013).

A study by Al Khajeh (2018), suggest that transactional, bureaucratic, and laissez- faire leadership styles negatively affect organizational success. Transformational, autocratic, and democratic leadership styles, on the other hand, effectively contribute to organizational success. Akparep, Jengre and Mogre (2019) indicated that the selection of correct leadership style(s) in different situations helps to enhance employees‘ performance and ensures in the success of the organization.

Unfortunately, a lack of effective leadership styles is causing too many SMMEs in the construction industry to struggle with challenges connected to unethical activities, poor financial performance, and labor turnover (Al Khajeh, 2018). The success of construction SMMEs lies with the effectiveness of their leaders (Mgeni, 2015). The construction industry requires effective leadership to enable organizational strategic capabilities (Dzansi and Okyere 2015). The problem with most of the construction SMMEs owners is that they tend to adapt the autocratic leadership style more than any other leadership styles. This indicates that the entire decisions lie withthem and every decision they make determines the success or failure of the organization (Dzansi and Okyere 2015). In relation to the discussion, the leadership style that relates to the success of the organization requires further evaluation. The leadership styles have a big impact on how well an organization

performs. The success of the organization is influenced by the leadership styles, which also affects the organization's culture.

Therefore, the stated hypothesis is:

H_2: *There is a significant positive relationship between leadership styles i.e. (transactional, transformational, democratic, autocratic, laissez-faire, charismatic and bureaucratic) and organizational success.*

2.8.1 Transformational leadership style and organizational success

Transformational leadership demonstrates exceptional leadership qualities, according to Bass and Avolio (2004). The main goals of transformational leadership are the followers' growth and consideration of their needs. Leaders who focus on transformational leadership provide particular emphasis to the development of their team members' moral character, skill set, motivation, and overall value system. Ali et al. (2015: 168), affirmed that transformational leadership's excellent communication abilities, enable followers and leaders to develop a solid understanding of one another's motivational levels, values, and interests. Transformational leaders are those that encourage their teams to see beyond their own interests. Transformational leaders are highly effective because of a variety of reasons, such as their ability to captivate and inspire others, as well as their ability to meet their emotional demands and mentally challenge their followers.

Sofi and Devanadhen (2015) assert that transformational leadership has a major impact on the performance of the organization. By developing individualized relationships with each member of their team, a transformational leader fosters a happy work environment that increases productivity. Thus, a favorable correlation between transformational leadership and organizational performance can be asserted (Jyoti and Bhau, 2015).

2.8.2 Transactional leadership style and organizational success

If a leader consistently offers something in exchange, that leader is referred to be a transactional leader (Uchenwamgbe, 2013). This may involve a variety of things, such as a promotion, wage increase, performance reviews, new duties, etc. The expectation is the main issue with this style of leadership. Longe's (2014) research, informed that transactional leadership style enhances organizational performance. The employees are always able to achieve the tangible and intangible rewards, which aids in the creation and maintenance of the framework in which organizational and human talents are maximized. The study conducted by Sofi and Devanadhen (2015) did not demonstrate a direct correlation between transactional leadership and the success of an organization. Because this leadership style does not encourage creativity and innovation among the workforce, employee performance does not achieve organizational goals.

2.8.3 Democratic leadership and organizational success

Bhargavi and Yaseen (2016) looked at the impact of democratic leadership on organizational performance. Their research indicates that democratic leadership benefits the way the organization operates because it allows employees to participate in decision-making processes and to voice and implement their own views. The democratic leadership style is prone to poor decision-making and inadequate execution. Nonetheless, democratic leadership is also acknowledged to motivate employees to perform better since their perspectives and opinions arevalued. Another major problem with democratic leadership is the assumption that all parties involved in the decision-making process have an equal stake and a common level of skill. Habtemariam (2018) suggested that democratic leadership style is prone to poor judgment and inefficient implementation. But democratic leadershiphas also been shown to motivate employees to produce better work because itvalues their thoughts and opinions. Another key problem with democratic leadership is the idea that all parties participating in decision-making have an equal stake and a common level of expertise.

2.8.4 Autocratic Leadership and Organizational success

When tasks must be finished within specified dates, this leadership style is more appropriate (Bhargavi & Yaseen, 2016), it is claimed that the effectiveness ofthe organization is positively impacted by autocratic leadership. Bhargavi & Yaseen, (2016: 114), indicated that an autocratic leader is one that sets the goals, strategies, and rules for their team and expects them to adhere to them. Such leaders also have little faith in their followers. The services and techniques of autocratic leaders are enforced on their followers in a particular way. As noted by Habtemariam (2018) and Uchenwamgbe (2013), autocratic leaders lack creativity and only promote one-sided discourse.

This has a substantial effect on the motivation and degree of satisfaction of the staff. It is acknowledged, nevertheless, that an autocratic leadership style can yield positive results in the short run. Autocratic leadership limits the friendly workplace interactions and communication that are essential for effective organizational performance.

2.8.5 Charismatic leadership style and organizational success

Charismatic leadership is one of the most effective leadership styles, in which the charismatic leader lays out a plan and then urges their followers to follow through on it. It is believed that charismatic leadership inspires workers and promotes creativity and innovation (Al Khajeh 2018). This leadership style's primary disadvantage is that followers are totally reliant on the leader, leaving them without guidance in the event of the leader's departure from the organization. The problem worsens when charismatic leaders do not train their followers to fill their shoes later. "Happy followers, but few future leaders" is what this leadership style produces. Therefore, it could negatively affect the organization's efficacy in the long run. Charismatic leadership has a negative correlation with the success of the organization. The employees lack the necessary inspiration or motivation to provide the intended outcomes (Bhargavi and Yaseen, 2016).

2.8.6 Bureaucratic leadership style and organizational success

Leaders in bureaucracy convince people under them to follow the rules and guidelines they have established. But they are more committed to their systems and processes than they are to their workers (Al Khajeh 2018). This explains why they seem so aloof. This strategy is not very productive since it does not foster employee motivation and progress. As Habtemariam (2018) notes, these leaders are simply concerned with completing their tasks in a methodical manner. Bureaucratic leadership inhibits an organization's ability to function effectively. They argue that bureaucratic leaders need to inspire their employees to act in the desired way to enhance organizational performance.

2.8.7 Laissez-Faire leadership style and organizational success

Instead of being proactive or reactive, this type of leadership is inert. A leader that practices laissez-faire leadership gives tutors as much freedom as possible while providing little to no guidance. This style is also known as the "hands-off" style or free reign. Since a true laissez-faire leader has little to no control over the group, it is actually "non-leadership" in this sense. The laissez-faire leader makes no suggestions or complaints and simply lives and works within the framework that is established. Only when essential and required, goals and objectives are formed. Such a leader would avoid decision-making as much as possible and would only speak when absolutely necessary (Nwokocha and Iheriohanma, 2015).

Figure 3 Conceptual framework of leadership styles relationship with organizational success

2.9 Summary

Numerous leadership theories have been uncovered by experts, and they can better explain various leadership skills. The theories include, among others, behavior, situational, and trait theories. The theories try to explain, in turn, the characteristics of an effective leader, the behaviors of effective leaders, and how the leadership styles of the owners for construction SMMEs affects organizational success.

The foregoing sections have covered the literature on the roles of leaders, leadership styles, interpersonal skills and organizational success in the construction industry. This section took account of earlier studies that have looked at the topic since the goal of this study is to evaluate the relationship between leadership styles, interpersonal skills, and organizational success.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides a detailed review of the exact procedures used in the research method to accomplish the study's objectives. The explanation of the research approach covers the design of the research instrument, research design, sampling, and demographic identification. There is also a presentation of the methods used in this study for data collection, analysis to determine the validity, and reliability of the questionnaire. In addition, descriptive statistics, and inferential statistics, which constitute the statistical parameters of data analysis, are covered.

3.2 Research Philosophy

Regarding the research aim and the hypotheses stated the study assumes a positivist philosophy. According to Saunders, Lewis, and Thornhill (2019), positivism explains gauging the state of accepted knowledge about the world. In positivism, numerical data collection and analysis are key components of quantitative research. This study adopted the positivism stance.

3.3 Research Approach

Research approaches come in three flavors: mixed, qualitative, and quantitative. As stated by Kumar (2011); Creswell and Creswell (2018), qualitative approach entails gathering, analyzing, and interpreting data by looking at what respondents say and do. However, to collect data from a sample of people, a quantitative method uses a survey in which participants self-report their answers to a series of questions supplied by the researcher. Comparatively, a mixed approach combines qualitative as well as quantitative approaches.

To determine the formulated hypotheses and provide the answers to the study questions, a deductive approach was used. The quantitative research method is linked to this research approach. It offers justifications for evaluating generally held world knowledge. The research premise will either be confirmed or rejected by the data's findings (Bryman and Bell, 2015).

3.4 Research Method

This study was conducted using the survey method. The survey method was relevant to understand the sample behavior using a structured questionnaire, presented in Appendix A. The research method permits the employment of empirical survey and the use of quantitative research method as indicated by Verschuren and Doorewaard (2010). To provide a depth of information within the resourceconstraints, the research focused on the construction industry SMMEs. An online questionnaire was sent to the owners of 440 construction SMMEs in grades 1 through 7 in the Tshwane Metropolitan area that were registered with the CIDB.

3.5 Research Strategy

The research strategy to be used required to be chosen before the study could be designed. The research questions served as a reference for choosing the research strategy to be used. A framework for addressing the research questions, objectives, and testing the hypotheses was thought to be provided by the quantitative research strategy (Vosloo, 2014).

3.6 Data Collection Method and Sampling Method

3.6.1 Research area

The area where the data was collected is the study's focus area. The study was conducted in the South African province of Gauteng, in Tshwane City, due to its noteworthy contribution to the country's economic growth, which is mostly driven by the construction industry (Brooking Metropolitan Policy Program, 2018). Owners of SMMEs in the construction sector made up the study's respondents.

3.6.2 Target Population

A population, according to Creswell and Creswell (2018), is made up of all objects that have data on the random variable under research. Since possible responders were included in the CIDB population, the list of contractors registered with the CIDB was used, the population of construction SMME owners in Tshwane,

Gauteng Province, was chosen for this study. As a result, the study's participants were SMME owners in the construction industry in Tshwane, Gauteng Province, and the targeted firms were the contractors classified as CIDB grades 1 through 7.

The fundamental justification for this is because these individuals oversee the daily operations of SMMEs that are in the construction industry. 440 contractors were sampled from a population of 1179 CIDB registered, grades 1 to 7 SMME contractors. The target respondents were owners of the have been in operation for three years or longer as most construction SMMEs fail in their first three of existence. Their experience was vital for them to provide credible feedback of the questionnaire.

3.6.3 Sampling

A representative group that only makes up a small portion of the study's target population is referred to as a "sample" (Sekaran & Bougie, 2016). Saunders, Lewis, and Thornhill (2019) claim that sampling is a workable alternative to interviewing every person of the population because doing so may be impractical, unfeasible owing to time or money restrictions, or take too long. Therefore, choosing a sample is appropriate.

Teddlie and Yu (2007) state that the two main types of sampling procedures used in social research are probability sampling, sometimes known as random sampling, and non-probability sampling, also known as non-random sampling; (Maree, 2020), probability sampling approaches are frequently used in quantitative research, and this involves selecting a significant number of units from a population. Representativeness, or how closely the sample properly represents the full population, is a goal for probability sampling.

Purposive sampling is a type of non-probability sampling, according to Saunders Lewis and Thornhill (2019), where the researcher chooses individuals for the sample based on a variety of characteristics, such as capacity and willingness to engage in the research or expert knowledge of the research subject. Some research

design types demand that researchers make a choice on the certain participants who are most likely to offer insightful and pertinent information. Participants in this study were exclusively identified as owners of construction SMMEs CIDB registered grades 1 to 7. Stratified and purposive sampling methods were adopted. The use of stratified sampling was used to ensure equal representation of participants in a stratum, in this case the grades of contractors.

3.6.4 Sample size

The representative sample of each construction SMMEs stratum was determined using the Raosoft analytic tool, with a margin of error of 5% and a confidence interval of 95%. The sample size was determined for CIDB grades 1 through 7, totaling 1 179: Grade 1, 1009 = 279; Grade 2, 41 = 38; Grade 3, 28 = 27; Grade 4, 36 = 33; Grade 5, 28 = 27; Grade 6, 23 = 22; and Grade 7, 14 = 14. A total of 440 samplesize was achieved. The study's population consisted of SMME owners in the construction sector in Tshwane, Gauteng province. Stratified sampling is an approach used for collecting a sample from the population of contractors with varyinggrades, according to Saunders Lewis, and Thornhill (2019).

3.6.5 Research Instrument

To gather the primary data, a research instrument is employed. It's quite helpful to keep an eye on what can be observed and how to report it. It must be accurate and true. Researchers can use a variety of instruments, including observation, self-report questionnaires, interviews (structured, semi-structured, and unstructured - closed and open-ended), surveys and questionnaires, focus groups, diary methods, and psychometrics (Saunders Lewis, and Thornhill, 2019). The leadership styles of construction SMMEs owners in Tshwane, Gauteng Province, South Africa, were evaluated for this study's primary data by a questionnaire survey.

There are two types of questionnaires, according to Ventre and Kolbe (2020): closed-ended and open-ended. While closed ended questionnaire provide options related to the study topic selected by the researcher, open-ended questionnaires let

respondents write their responses in the way they choose and add as much information as they feel they would want.

To provide exact responses that were simple to write and analyze, closed-ended structured questions are utilized (Dawson 2017). Since closed-ended questions need less time and effort to complete, it was determined that employing them would be advantageous for this study. The completed surveys allowed for anonymity and took less time and effort because the respondents' identities were not requested. Prior to being distributed to the respondents, the questionnaires were piloted with a statistician and an SMME owner. The questionnaire was accompanied by a covering letter that described the goals and what the respondents were expected to provide. The questionnaire used was structured to provide different types of feedback. The types of questions asked for **section A** of the questionnaire provided frequencies, **section B, section C** and **section D** A 5-point Likert scale was used to rate the questions on this questionnaire, where: 1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = Agree, 5= Strongly Agree (see Appendix A).

3.7 Data Analysis

According to Price (2009), the most critical phase of any research is the data analysis. Data analysis condenses gathered information. It entails the analysis of acquired data using logical and analytical reasoning to spot trends, correlations, or patterns. A conclusion or result is reached after collecting, reviewing, and analyzing data from multiple sources. There are many different specialized data analysis techniques accessible, including data mining, text analytics, business intelligence, and data visualization. For data analysis, a variety of statistical/analytical programs are available, some of which are Analytica, STEM, MaxStat, Matlab. and Statistical Package for the Social Sciences (SPSS).

The SPSS, a computer program used for analyzing data pertaining to social phenomena, was utilized to analyze the quantitative data that was gathered through the usage of the survey questionnaire in this study. The Statistical Package for Social Sciences (SPSS) version 27 software was used to code, amend, and record

the information that had been gathered from the respondents. Following importation, it was changed into a format that could be used for analysis in the Microsoft Excel software program. Using the SPSS computer program, both descriptive and inferential statistics were examined. The advantage of utilizing SPSS is that multivariate analysis can be obtained. It also makes it possible to quickly score and analyze quantitative data. Tables and graphs were created to represent the analyzed data for ease of interpretation.

3.7.1 Descriptive statistics

There are three ways to present the statistical data: textually, tabular, and graphically. When data is presented using a textual technique, it is usually mentioned as simple text, usually contained in a paragraph. In tabulation, tables are required to show the results; however, in graphical presenting analysis, graphs are required (De Vaus, 2014). Descriptive statistics are used to summarize patterns in respondents' replies to a question.

Descriptive statistics was used to determine the leadership style adopted by the owners of construction SMMEs in Tshwane. It was also used to analyze the relationship of leadership styles of SMMEs owner‘s interpersonal skills and organizational success.

3.7.2 Inferential statistics

According to Saunders, Lewis, and Thornhill (2019), inferential statistics make inferences about the population from the selected sample. It makes it possible to estimate the likelihood of the result based on the sample size and the extent to which chance may have affected the results. Inferential statistics using linear regression analysis were used. This statistical method was to establish the relationship between leadership styles and interpersonal skills and organizational success to ascertain whether the independent variables will be related to the dependent variables.

3.7.3 Validity and Reliability

According to Saunders Lewis, and Thornhill (2019), validity and reliability are crucial for assessing the caliber of quantitative social science research. These two factors are described in the discussion that follows, along with how this study addresses them.

According to Li (2014), it is important to make sure the outcome measure being utilized is appropriate when gauging the success of a project. To assess the reliability and construct validity of the leadership styles and organizational successas well as interpersonal skills variables, a study of this type needs to ensure the reliability and validity of the questionnaire used to collect data. They demonstrate how effectively latent variables capture the data they are supposed to.

Validity

According to Sekaran and Bougie (2016), validity testing, also known as survey instrument authenticity in quantitative research assesses the degree to which asurvey instrument measures what it is designed to measure. There are three different kinds of validity assessments: face, construct, and content. All of these tests provided the degree of survey instrument validity.

The content validity of the measuring tool used was addressed by ensuring that the question content was in line with the objectives of this study and the literature. A statistician and the owner of an SMME piloted the questionnaire to address face validity.

A pilot study is essential for enhancing the quality of the research instrument and the data overall, according to Creswell (2016). Prior to gathering data for the primary study, a smaller sample participating in a pilot project is given the questionnaire that will be utilized in the actual research. To ensure the clarity of the survey instrument for this study, a pilot study was carried out. A pilot study with one SMME owner was carried out prior to the main study's data collection, which helped to reduce potential bias and enhance the questionnaire's quality.

Reliability

Reliability is the accuracy or consistency with which an instrument evaluates the trait it is meant to measure (Creswell and Creswell, 2018). If a study and its findings are reliable, then the same results would be obtained if the study were to be repeated by other researchers employing the same methods. To determine theextent of the scale's consistency, based on the data, a reliability analysis using the Cronbach Alpha coefficient was established. It is a measurement that illustrates how consistently a research tool assesses a specific performance or behavior. (Maree, 2020) The value might be between 0 and 1. This study adopted an internal reliability of 0.70.

3.8 Delimitations

The owners of small and medium-sized construction organizations (SMMEs) in Tshwane, South Africa (a province in Gauteng) were the only participants in the study. This suggests, firstly, that the study was restricted to one city in the nine provinces of the country, namely Gauteng Province, due to its substantial contribution to the economic growth of the country, which is also propelled by its construction sector (Brooking Metropolitan Policy Program, 2018).

Second, only construction enterprises in CIDB categories 1 through 7 were included in the study. This group of businesses is sorted after for expansion and improvement of the economy. A study's boundaries must also be set due to time and resource limitations (Tight, 2017).

3.9 Ethical Considerations

The researcher's observations on the ethical issues are detailed in the parts that follow.

3.9.1 Ethical treatment of respondents

According to Smit (2012), ethical issues have been deemed relevant at three major phases of the study for respondents: the administration, questionnaire collecting, and respondent selection.

3.9.2 Ethical consent

The informed consent of the respondents was used to perform the study. The study's goal and the methods utilized to use the data were clearly disclosed in the letter that was attached to the questionnaire. In addition, the cover letter made clear that taking part in the study was optional**.**

3.9.3 The Administration of questionnaires

The respondents' emails and drop-and-collect services were used to personally deliver the questionnaires to them. Potential responders were made aware of the study's objectives. Determining the styles of leadership employed by construction SMME owners was the first objective. Two further objectives were to determine the relationship between independent variable (leadership styles) and dependent variables (interpersonal skills and the success of their organizations). Additionally, the demographic questions were made accessible. Additionally, the respondents were told that it would only take 20 minutes to complete the survey.

3.9.4 Collection of questionnaires

In this study, questionnaires were collected through email and in-person at the participating firms. One owner from each firm was required to complete the questionnaire. While responders took a variety of times to complete the questionnaire, some did it right away after delivery; others did so and sent it back, others did not reply at all because of the heavy workload their organization was experiencing at the time. Despite numerous promises to reply through email, very few respondents followed through. The researcher was obliged to take a step back

because the anticipated results did not come in, which disrupted the planned schedule.

3.9.5 Response rate

For the purposes of this study, 440 questionnaires were issued; however, only 161 were returned, yielding a 36.59% response rate, 160 of which were determined to be valid. This response rate was reasonable and more than adequate for data reporting and analysis for this study.

3.9.6 Ethics and the researcher's responsibility

Research subjects are more likely to participate in studies that promise their anonymity and confidentiality. The ability of the researcher to build trusting relationships with respondents and win their confidence, according to Sekaran and Bougie (2016: 321), has an impact on how credible a research study is perceived by those who participated in it. The protocol of this study ensured that the respondents were anonymous, and their feedback was confidential.

3.9.7 Ethical Clearance

The ethical consideration of the literature reviewed was considered by the researcher. The researcher ensured the literature is properly cited. Furthermore, the participants' response for the research questionnaire was confidential and used for academic purpose only. It was also the participants' right not to answer any question that they feel is inappropriate without any intimidations. This study followed the Tshwane University of Technology Research Ethics Committee protocol by submitting the following documents which are in appendix B:

- Informed consent.
- Research ethics checklist; and
- Cover letter - survey questionnaire.

3.10 Chapter summary

This chapter looked at the background of the research methodology that served as the foundation for the research carried out in this study. When describing the research approach employed in this study, the study's aim, research questions, research objectives, and hypotheses have all been considered. The demographic identification, sampling, instrument design, and research design comprise the study strategy. The methods used in this study for data collection, analysis, validity, and reliability were then presented. The topic of ethical concerns was presented raised after the discussion of the study's delimitations.

CHAPTER 4: RESULTS AND FINDINGS

4.1 Introduction

This chapter analyses the data that was gathered via questionnaires, presents the results, and discusses them. The aim of this study was to evaluate the leadership style(s) used by owners of construction SMMEs and determine whether they are related to the organization's success and interpersonal skills. The Statistical Package for Social Sciences (SPSS) version 27 was used to analyze and report the findings. To offer details on important survey variables, the chapter uses both descriptive statistics and inferential statistics. The results are presented in line with the sections of the questionnaire, which set out to establish the following research objectives:

i. To determine the leadership styles of owners of SMMEs in Tshwane's construction sector.

ii. To analyze the relationship between the interpersonal skills and leadership styles of SMME owners in Tshwane's construction sector.

iii. To evaluate the relationship between leadership styles and the success of an organization of SMMEs owners in the construction in Tshwane; and

iv. Recommend the leadership style(s) that correlate with organization success and interpersonal skills of SMMEs owners in the construction in Tshwane.

4.2 Results

To establish these objectives, the questionnaire had 4 sections, with each section having statements in a 5-point Likert scale, which sought to find information from the respondents. These four sections were, however, prescribed by a section which solicited the demographic background of the respondents.

4.2.1 Background Information

Figure 4 shows the educational level of the respondents, the findings reveal that 1% of the targeted population achieved standard 9 level of education. 1% possessed

Grade 11; 18% Grade 12; 28% Post-matric diploma/certificate; 26% a bachelor's degree; 15% a master's degree and 11% had a doctorate degree.

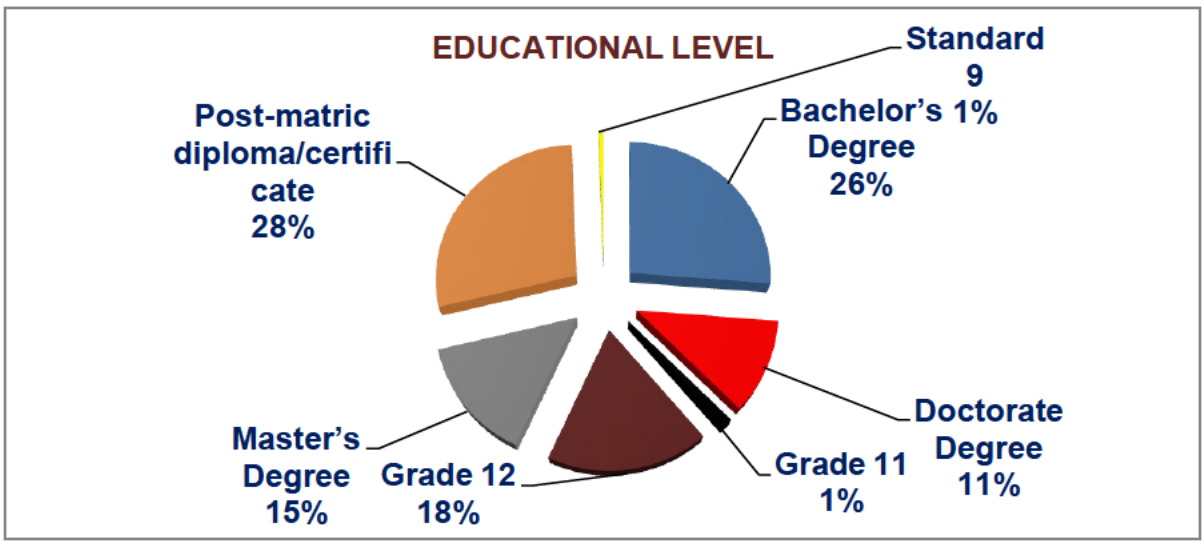

Figure 4 Respondents Educational Level

Figure 5 shows the respondents' years of organization ownership. It reveals that 15% of the respondents fell under 3 years of organizational ownership; 57.5% of the respondents were between 4-10 years of organizational ownership; 10.4% of the respondents were between 11 – 16 years of organizational ownership; and 8.1% of the respondents had 17 years and above of organizational ownership.

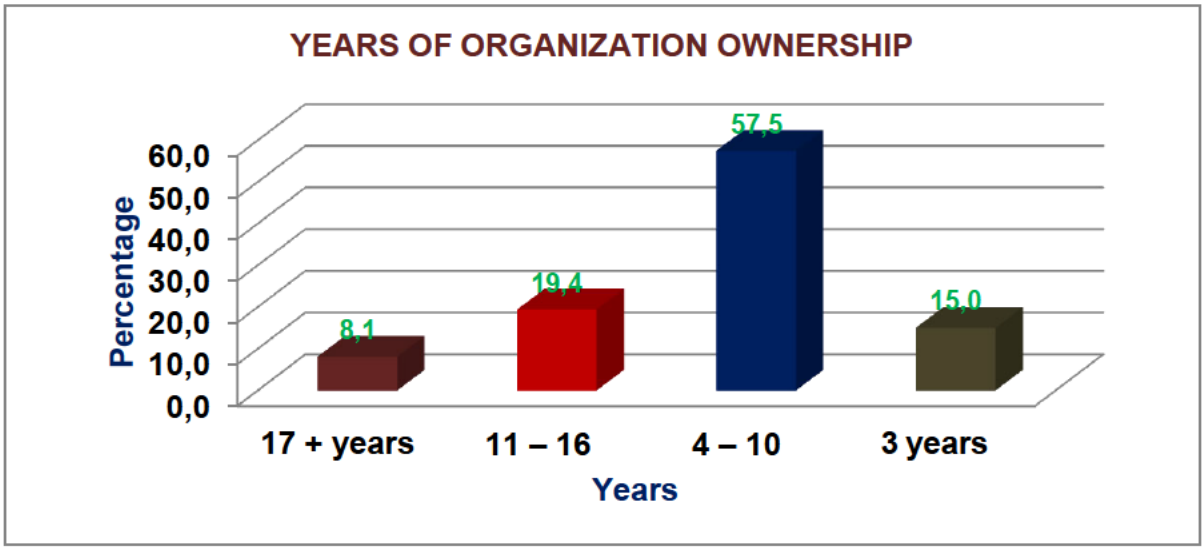

Figure 5 Respondents Years of Organizational Ownership

Figure 6 shows the CIDB Grade that each respondent reported. 15% of the respondents were CIDB Grade 1 registered, according to the data; 16% were CIDB Grade 2 registered; 21% were CIDB Grade 3 registered; 16% were CIDB Grade 4 registered; 18% were CIDB Grade 5 registered; 11% were CIDB Grade 6 registered; and only 3% of the respondents were CIDB Grade 7 registered.

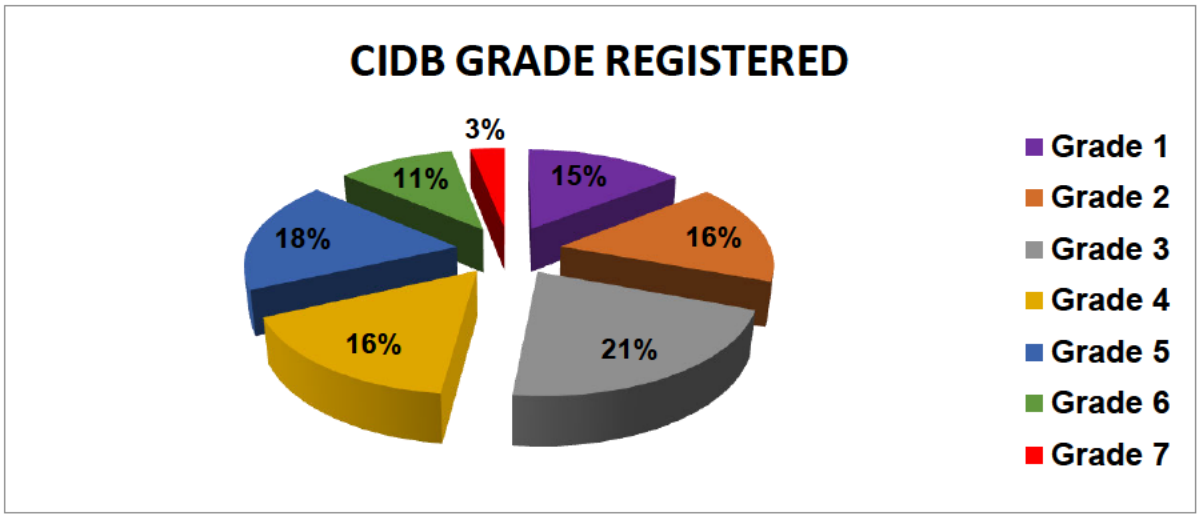

Figure 6 Respondents' CIDB Grade registered

Figure 7 represents the respondents' current CIDB class of work. The results shows that 7.5% of the respondents were in asphalt works (SB) class of work, 10.6% were in Building Excavations, Shaft, Lateral Earth Support (SC), 18.8% were in Civil Engineering (CE). 1.9% were in Corrosion Protection (Cathodic, Anodic, And Electrolytic) (SD), 3.1% were in Demolition and Blasting (SE), 8.8% were in Electrical Engineering Works and Building (EB). 3.8% were in Electrical Engineering Works (EP), 1.9% were in Fire prevention and protection systems (SF), 19.4% were in General Building (GB), 2.5% were in Glazing, curtain walls and shop fronts (SG), 0.6% were in Landscaping, irrigation and horticulture works (SH), 1.3% were in Lifts, escalators, and travellators (installation, commissioning and maintenance) (SI), and 7.5% were in Mechanical Engineering (ME). 2.5% of the organizations were in Piling and specialised foundations for buildings and structures (SJ), 1.9% were Road markings and signage (SK), 1.9% were Steel security fencing or precast concrete (SQ), 1.9% were Structural steelwork fabrication and erection (SL), 1.3% were in

Timber buildings and structures (SM), 1.9% were in Water supply and drainage for buildings (wet services, plumbing) (SO), and 1.3% were in Waterproofing of basements, roofs and walls using specialist systems (SN) class of work.

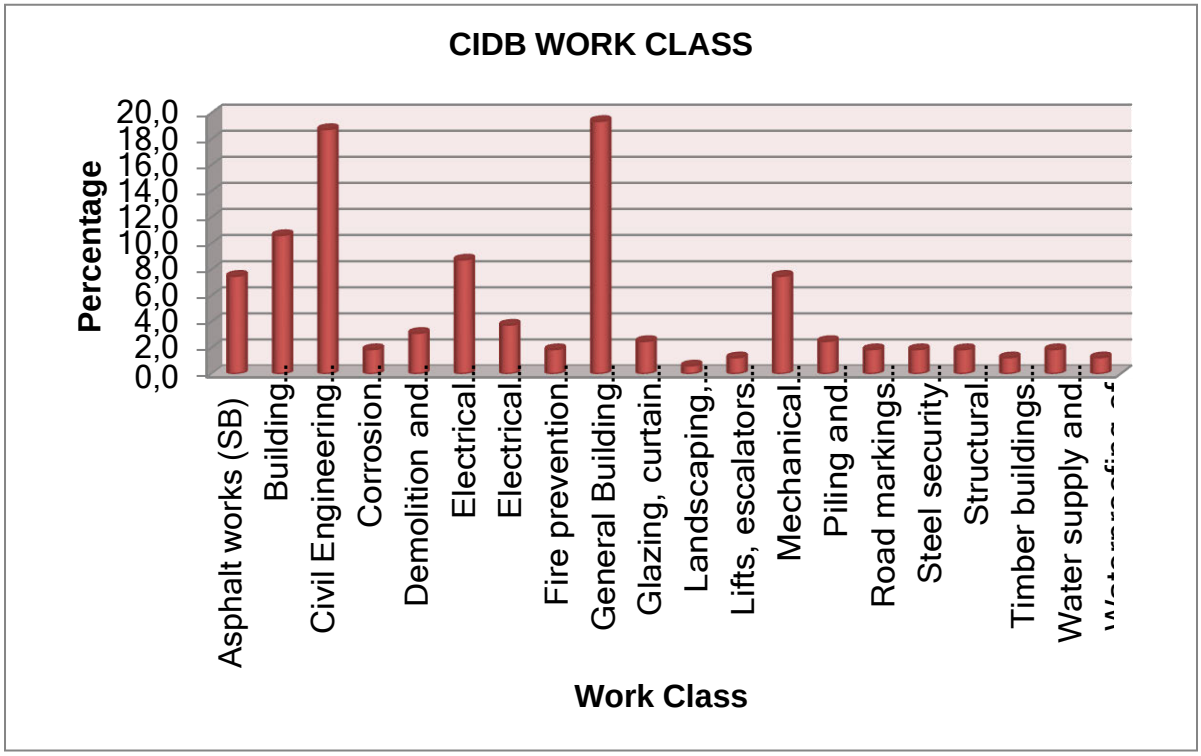

Figure 7 Respondents CIDB-Class of Work

Figure 8 illustrates the respondents‘ professional registration. According to the results, a staggering 35% of the respondents did not have a professional registration. However, it was revealed that 3.7% were candidate construction managers. It shows that 6.2% were candidate engineers, 1.3% were candidate engineering Technicians, 11.3% were professional construction project managers (Pr. CPM), 16.9% were professional engineers (Pr. Eng.), 7.5% were professional construction managers (Pr. CM), and. It also shows that 5% were professional quantity surveyors (Pr. QS). The results also show that both the master electrician and candidate quantity surveyors each accounted for 2.5%. Other designation was asphalt engineer, candidate certificated engineer, candidate engineering technologist, candidate technician, carpenter, professional engineering technologist, chartered financial

administrator (CFAdmin), Certified Public Accountant (CPA) engineer, lift engineer, master plumber, professional mechanical engineer, senior project management, and the specialist demolition each accounted for 0.6%.

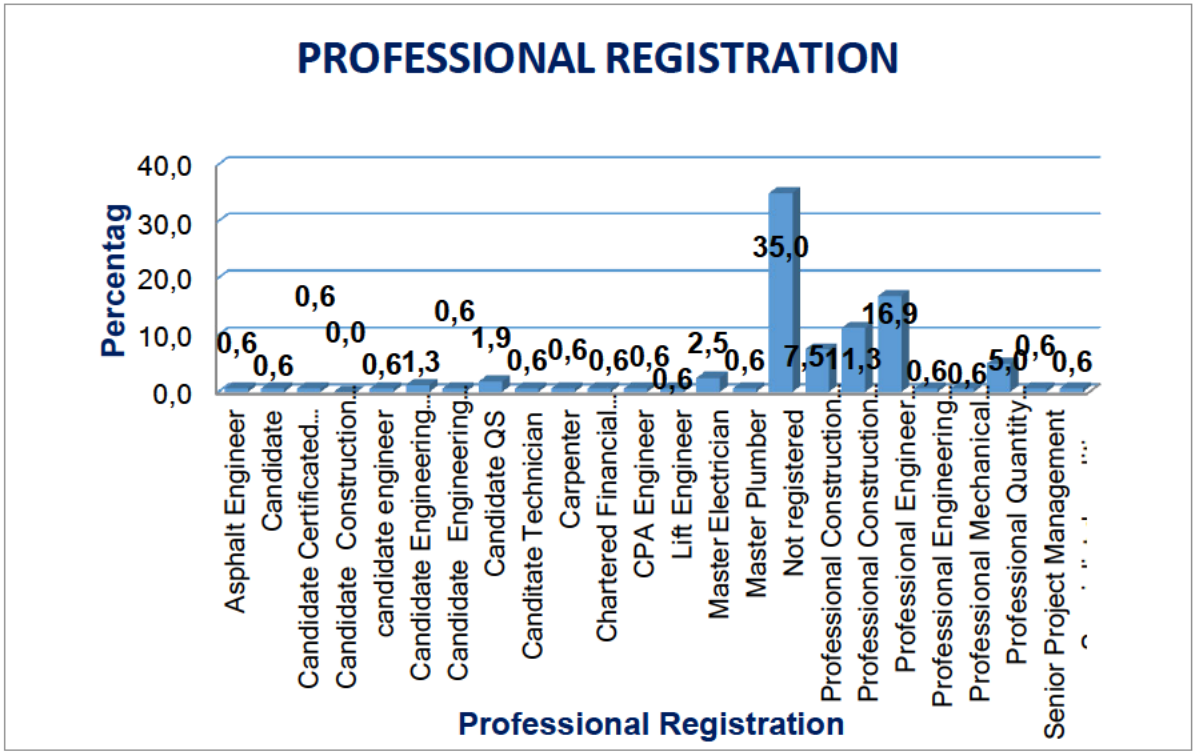

Figure 8 Respondents Professional Registration

Figure 9 shows how many projects the respondents managed during the three years prior to the survey. It is evident from the figure that 16.3% of the respondentsmanaged between 1 to 5 projects in the last 3 years; 35.6% managed between 6 to 10 projects; 18.8% managed 11 to 15 projects; 10% managed between 16 to 20; another 10% managed between 21 to 25 projects; while 55 managed between 26 to 30 projects; and only 4.4% managed above 30 projects in the past 3 years.

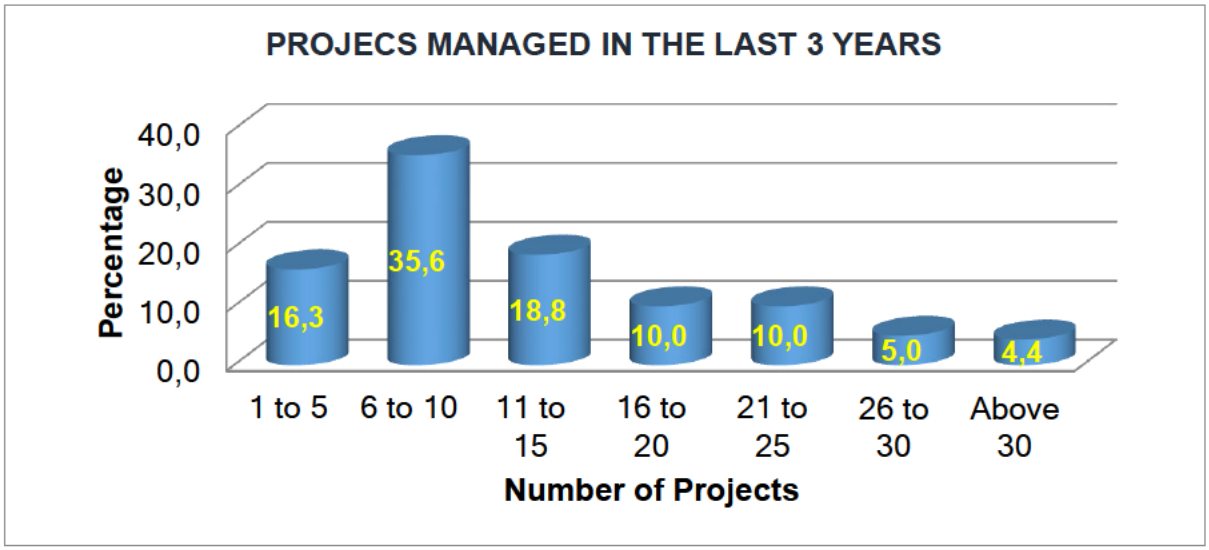

Figure 9 Number of projects managed by respondents over the prior three years

Figure 10 represents the respondents' current construction projects participation. It is evident from the figure that 1% of construction SMMEs were currently involved in 7 construction projects; 2% of the respondents had no current involvement in construction projects; 3% were currently involved in 6 construction projects; 8% had 4 construction projects they were working in; 12% of the respondents were involved in 5 construction projects; 16% of contractors were currently engaged in 1 construction project; 26% had 3 construction projects; and 32% of the respondents were undertaking 2 construction projects.

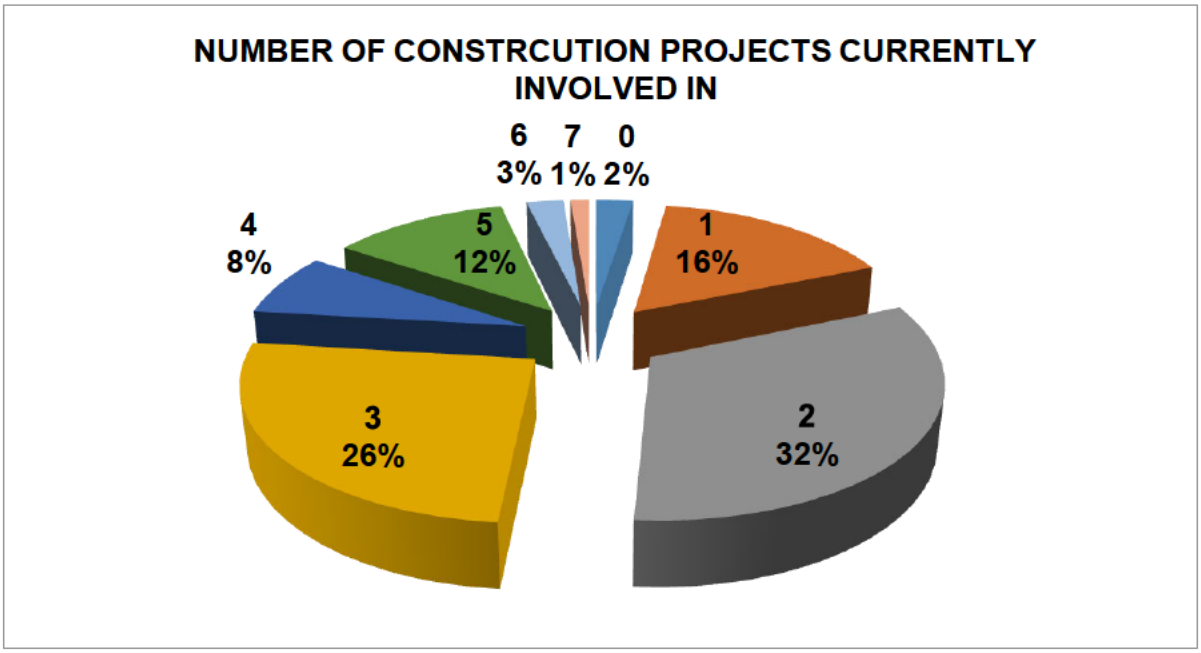

Figure 10 Respondents construction projects currently involved in

4.2.2 Exploratory Factor Analysis data

An exploratory factor analysis (EFA) was conducted on the seven leadership styles factors using SPSS version 27. This was done to assess the reliability, and construct validity. The three primary processes recommended by Pallant (2013: 189-192) were followed prior to doing EFA: assessing the data's suitability for analysis, interpretation, and factor extraction and rotation. The findings are subsequently displayed.

4.2.2.1 Factor analysis of Transactional Leadership Style

The EFA findings revealed that only one component (Table 8, bolded) had an eigenvalue greater than 1 i.e., 2.78 of the five measures anticipated to measure transactional leadership style. It accounted for 55.63% of the overall variance and explained 55.63% of the variance. Bolarinwa (2015: 195) points outthat the fact that only one component was extracted, which suggests that component is significant but only defines a one-dimensional component means that the solution

cannot be rotated. As a result, this construct's convergent validity was sufficiently supported.

Table 8 Percentage variance explained - transactional leadership styles

Component	Eigenvalue	% of Variance	Cumulative %
TL My employees' obey my directives and instructions	**2.78**	**55.63**	**55.63**
TL I motivate employees through payments and rewards	0.79	15.84	71.47
TL I set mutually acceptable standards to govern others.	0.73	14.49	85.96
TL I emphasize discipline when one of my subordinates violates the rules	0.37	7.42	93.38
TL I organize activities for my employees.	0.33	6.62	100.00

Additionally, Kaiser's criterion was used to support the decision to keep just one component by analyzing eigenvalues larger than 1, which amply demonstrated a break after the second component. The principal axis factoring results further corroborated this, showing that all five measurements loaded tightly onto a single component. The factor loadings for them are shown in Table 9, exceeded the suggested value of 0.40 made by Pallant (2013: 200).

Table 9 Components matrix of Transactional Leadership style

Measure	Component
	1
TL3 I set mutually acceptable standards to govern others.	0.82
TL2 I motivate employees through payments and rewards	0.81
TL1 My employees' obey my directives and instructions	0.79

TL4 I emphasize discipline when one of my subordinates violates the rules	0.65
TL5 I organize activities for my employees.	0.65

4.2.2.2 Factor analysis of Transformational Leadership Style

The EFA results indicated that two measures (Table 10, bolded) had eigenvalues greater than 1 (4.07) and 1.30) of the seven expected measures to measure transformational leadership style. The findings accounted for 76.80% of the variance and explained 58.17% and 18.63% of the variance, respectively. Consequently,there was sufficient data to back up this construct's convergent validity.

Table 10 Percentage variance explained - transformational leadership style

Component	Eigenvalue	% of Variance	Cumulative %
TFL1 Important part of my leadership is that of a teacher	**4.07**	**58.17**	**58.17**
TFL2 When we have a job to do, I do my part with the rest of the team	**1.30**	**18.63**	**76.80**
TFL3 I like to consider long-term objectives: what could	0.78	11.07	87.89
TFL4 I help employees to self-develop	0.40	5.71	93.58
TFL5 I spend significant time in giving hopes, among my employees	0.26	3.73	97.32
TFL6 I spend adequate time in arousing expectations among my employees	0.11	1.63	98.95
TFL7 I spend notable time to stir up aspiration among my employees	0.07	1.05	100.00

To better comprehend the two components, the Oblimin with Kaiser Normalization rotation approach was employed. Despite result established a two-factor model. Two factors with factor loadings of more than 0.40 were highly loaded on the first and second factors i.e., ¯Important part of my leadership is that of a teacher‖ (TLF1) and ¯When we have a job to do, I do my part with the rest of the team‖ (TFL2). From this finding only one factor was retained comprising the seven variables.

Table 11 Component matrix of transformational leadership style

	Component	
Measure	1	2
TFL7 I spend notable time to stir up aspiration among my employees	0.91	-0.30
TFL5 I spend significant time in giving hopes, among my employees	0.93	-0.22
TFL6 I spend adequate time in arousing expectations among my employees	0.90	-0.96
TFL4 I help employees to self-develop	0.88	-0.18
TFL1 Important part of my leadership is that of a teacher	0.57	0.66
TFL3 I like to consider long-term objectives: what could	0.55	0.49
TFL2 When we have a job to do, I do my part with the rest of the team	0.40	0.61

4.2.2.3 Factor analysis of Democratic Leadership Style

Only one measure, Table 12, bolded, had an eigenvalue greater than 1 (3.80), according to the EFA results, out of the five expected measures of democratic leadership style. It accounted for 75.91% of the variation and 75.91% cumulative percentage. Bolarinwa (2015) points out that the fact that only one component was extracted which suggests that component is significant but only defines a one-dimensional component means that the solution cannot be rotated. As a result, this construct's convergent validity was sufficiently supported.

Table 12 Percentage variance explained - Democratic leadership style

Component	Eigenvalue	% of Variance	Cumulative %
DL1 I involve employees in organizational decisions	**3.80**	**75.91**	**75.91**
DL2 I always encourage creativity and Innovation	0.51	10.18	86.08
DL3 I always ask my subordinate for Ideas	0.31	6.16	92.24
DL4 I maintain constant communication.	0.25	5.03	97.27
DL5 I gather feedback from employees before making any decision	0.14	2.73	100.00

In addition, Kaiser's criterion, which examines eigenvalues greater than 1, was applied to justify the decision to retain only one component, which amply demonstrated a break after the second component. Findings from principal axis factoring indicated that all four measurements loaded closely onto a single component, further corroborated this. In Table 13, their factor loadings surpassed therecommended cutoff limit of 0.40, as per Pallant (2013).

Table 13 Component matrix of Democratic leadership style

Measure	Component
	1
DL3 I always ask my subordinate for ideas	0.90
DL4 I maintain constant communication.	0.87
DL1 I involve employees in organizational decisions	0.86
DL2 I always encourage creativity and innovation	0.85

DL5 I gather feedback from employees before making any Decision	0.83

4.2.2.4 Factor analysis of Autocratic Leadership Style

The EFA results indicated that one of the five measures had eigenvalues greater than 1 (3.00) (boldly displayed in Table 14). These findings accounted for 60.01% of the variation and explained 60.01% of it. Thus, there was adequate evidence to support the convergent validity of this construct.

Table 14 Percentage variance explained - Autocratic leadership style

Component	Total	% of Variance	Cumulative %
AL1 I ask for no or little input from my Employees	**3.00**	**60.01**	**60.01**
AL2 I stand by what I believe is right	0.85	17.02	77.03
AL3 I persuade others to do as I want	0.68	13.65	90.68
AL4 I am the only one who is allowed to initiate methods and procedures	0.28	5.60	96.27
AL5 I monitor all organizational activities to ensure the team achieves its objective	0.186	3.73	100.00

Utilizing Oblimin with the Kaiser Normalisation rotation approach, the one component was further analyzed. Results showed how each metric loaded on one component (Table 15). The principal axis factoring results further corroborated this, showing that all five measurements loaded tightly onto a single component. Table 15 revealed factor loadings that exceeded Hair et al.'s suggested value of 0.40 (2006).

Table 15 Component matrix of autocratic leadership style

Measure	Component
	1
AL2 I stand by what I believe is right	0.87

AL3 I persuade others to do as I want	0.82
AL1 I ask for no or little input from my employees	0.77
AL5 I monitor all organizational activities to ensure the team achieves its objective	0.76
AL4 I am the only one who is allowed to initiate methods and Procedures	0.63

4.2.2.5 Factor analysis of Laissez Faire Leadership Style

Table 16's bolded measure was the only one with an eigenvalue greater than 1 (2.68), according to the EFA results. It accounted for 66.91% of the variance overall and explained 66.91% of the variance. Bolarinwa (2015) observes that the solution cannot be rotated because it only defines a one-dimensional component and only one component was retrieved, indicating that this component is crucial. The convergent validity of this construct was thus adequately shown.

Table 16 Percentage variance explained - Laissez faire leadership style

Component	Eigenvalue	% of Variance	Cumulative %
LFL1 I allow my employees to do as they please	**2.68**	**66.91**	**66.91**
LFL2 I give my staff members autonomy and total flexibility to make decisions	0.81	20.28	87.20
LFL3 I provide my employees with necessary resources and let them work	0.37	9.12	96.32
LFL4 I ensure my employees should work on their understanding of the given task	0.15	3.68	100.00

Additionally, Kaiser's criterion, which examines eigenvalues greater than 1, was applied to justify the decision to retain only one component, which amply

demonstrated a break after the second component. All four measurements loaded tightly into a single component, as demonstrated by the principal axis factoringfindings, which further supported this. Table 17 shows that factor loadings were higher than the 0.40 value suggested by Pallant (2013) and Hair et al. (2006).

Table 17 Component matrix of Laissez faire leadership style

Measure	Component
	1
LFL2 I give my staff members autonomy and total flexibility to make Decisions	0.89
LFL1 I allow my employees to do as they please	0.82
LFL4 I ensure my employees should work on their understanding of the given task	0.81
LFL3 I provide my employees with necessary resources and let them work	0.74

4.2.2.6 Factor analysis of charismatic Leadership Style

The EFA results further demonstrated that just one measure (boldly displayed in Table 18) had an eigenvalue greater than 1 (3.02) out of the four expected measures to quantify risk assessment. It accounted for 75.58% of the total variance. Thesolution cannot be rotated since just one component was extracted, as Bolarinwa (2015: 195) indicates, and it only defines a one-dimensional component. This indicates that the component is meaningful. As a result, this construct has enough evidence of convergent validity.

Table 18 Percentage variance explained - Charismatic leadership style

Component	Eigenvalue	% of Variance	Cumulative %
CL1 I behave in a responsible manner	**3.02**	**75.58**	**75.58**

CL2 I prefer communicating with colleagues one-on-one or group setting	0.39	9.75	85.33
CL3 I place great value on each employee	0.33	8.27	93.60
CL4 I lead by example	0.26	6.40	100.00

Kaiser's criterion was applied to support the decision to preserve only one component by looking at eigenvalues greater than 1, which amply demonstrated a break after the second component. The principal axis factoring results further corroborated this, showing that all four measurements loaded tightly onto a single component. Pallant (2013) state that their factor loadings in Table 19 exceeded the 0.40 level that was suggested.

Table 19 Component matrix of Charismatic leadership style

Measure	Component
	1
CL4 I lead by example	0.90
CL2 I prefer communicating with colleagues one-on-one or group setting	0.86
CL1 I behave in a responsible manner	0.86
CL3 I place great value on each employee	0.86

4.2.2.7 Factor analysis of bureaucratic Leadership Style

The EFA results (Table 20) showed that there was just one reliable indicator of bureaucratic leadership style. The eigenvalue was greater than 1 (2.15), which accounted for 71.71% of the total variance. The solution cannot be rotated since just one component was extracted, as Bolarinwa (2015) indicates, and it only defines a one-dimensional component. This indicates that the component is meaningful. AS a result, this construct has enough evidence of convergent validity.

Table 20 Percentage variance explained - bureaucratic leadership style

Component	Eigenvalue	% of Variance	Cumulative %
BL1 I impose strict and systematic discipline on the employees	**2.15**	**71.71**	**71.71**
BL2 I conform to the rules of the organization at all time	0.46	15.16	86.87
BL3 Employees should obey my instructions and authority at all times	0.39	13.13	100.00

Furthermore, the determination to preserve only one component was made in accordance with Kaiser's criteria, which involved examining eigenvalues larger than one, which showed a distinct break following the second component. The principal axis factoring results further corroborated this, showing that all three measurements loaded tightly onto a single component. Pallant (2013) state that the factor loadings in Table 21 exceeded the 0.40 level that was suggested, the sentiment is supported by Hair et al. (2006).

Table 21 Component matrix of bureaucratic leadership style

Measure	Component
	1
BL2 I conform to the rules of the organization at all time	0.86
BL3 Employees should obey my instructions and authority at all times	0.85
BL1 I impose strict and systematic discipline on the employees	0.83

4.2.2.8 Factor analysis of interpersonal skills

The EFA results further demonstrated that just one of the five predicted indicators of resource requirement (boldly displayed in Table 22) had an eigenvalue greater than 1 (4.80). It accounted for 68.55% of the overall variance and explained 68.55% of the

variance. The solution cannot be rotated since just one component was extracted, as Bolarinwa (2015) indicates, and it only defines a one-dimensional component. This indicates that the component is meaningful. As a result, this construct has enough evidence of convergent validity.

Table 22 Percentage variance explained - interpersonal skills

Component.	Eigenvalue.	% of Variance.	Cumulative %.
IS1 I am an active listener	**4.80**	**68.55**	**68.55**
IS2 I am a team player	0.87	12.46	81.01
IS3 I am able to entrust responsibilities to colleagues	0.43	6.16	87.17
IS4 I am dependable and reliable leader	0.36	5.09	92.26
IS5 I easily motivate and influence others	0.24	3.37	95.65
IS6 My flexibility allow me to easily adopt to change	0.17	2.49	98.12
IS7 I treat people fairly at all times	0.13	1.88	100.00

Kaiser's criterion, which examines eigenvalues greater than 1, was applied to justify the decision to retain only one component, which shows a distinct split after the second component. The principal axis factoring results further corroborated this, showing that all seven measurements loaded tightly onto a single component. As seen in Table 23, their factor loadings were higher than the 0.40 threshold suggestedby Pallant (2013).

Table 23 Component matrix of interpersonal skills

Measure	Component
	1
IS4 I am dependable and reliable leader	0.88

IS3 I am able to entrust responsibilities to colleagues	0886
IS5 I easily motivate and influence others	0.86
IS6 My flexibility allow me to easily adopt to change	0.81
IS2 I am a team player	0.80
IS1 I am an active listener	0.79
IS7 I treat people fairly at all times	0.79

4.2.2.9 Factor analysis of organizational success

The EFA results also showed that just one measure (4.40, bolded in Table 24) had an eigenvalue greater than 1, out of the five expected to quantify resource demand. It accounted for 73.39% of the overall variance. Since the answer only specifies a one-dimensional component and only shows that one component was extracted, Bolarinwa (2015) notes that it is not possible to rotate the solution. It follows thatthere was adequate evidence to support the convergent validity of this notion.

Table 24 Percentage variance explained - organizational success

Component	Eigenvalue	% of Variance	Cumulative %
SO1 The organization achieved growth and sustainability	**4.40**	**73.39**	**73.39**
SO2 The organizational performance increased	0.51	8.50	81.89
SO3 The organization created more employment opportunities	0.43	7.20	89.09
SO4 There was an increased income and profit	0.28	4.65	93.74
SO5 The organization maintained good relationship with our clients and employees	0.20	3.35	97.10

SO6 We were able to adapt to the change in technology	0.17	2.90	100.00

Kaiser's criterion, which examines eigenvalues greater than 1, was applied to justify the decision to retain only one component, which shows a distinct split after the second component. The principal axis factoring results further corroborated this, showing that all six measurements loaded tightly onto a single component. As seenin Table 23, their factor loadings were higher than the 0.40 threshold suggested by Pallant (2013).

Table 25 Component matrix of organizational success

Measure	Component
	1
SO3 The organization created more employment opportunities	0.90
SO1 The organization achieved growth and sustainability	0.89
SO2 The organizational performance increased	0.88
SO4 There was an increased income and profit	0.86
SO5 The organization maintained good relationship with our clients and employees	0.81
SO6 We were able to adapt to the change in technology	0.79

4.2.3 Reliability and validity

Validity and internal consistency tests were performed on the leadership styles of SMME owners in Tshwane as evaluated by the respondents. Table 26 shows that the components' aggregate Cronbach's alpha ranged from 0.795 to 0.916, and thatall individual leadership style values were over the cut-off value of 0.70. Cronbach's Alpha generally recommended good dependability based on these results (Zaiontz, 2014).

4.2.4 Section B: Leadership Styles of construction SMMEs

The seven different leadership styles described in the literature were employed to discuss categorize the findings related to this objective component of the study, as shown in Table 26. The scale ranges used by Renault, Agumba and Ansary (2018:12) were adopted for the portion of the study to assist in analyzing and discussing the mean scores suitably. The scale ranges indicated that Strongly Disagree (SD) is ≥ 1.00 and ≤ 1.80, Disagree (D) ≥ 1.81 and ≤ 2.60, Neutral (N)) ≥ 2.61 and ≤ 3.40, Agree (A) ≥ 3.41 and ≤ 4.20, and Strongly Agree (SA) ≥ 4.21 and ≤5.00. These categories will serve as the foundation for the results presented herein follows. When addressing the mean values. It is essential to consider thatthe reliability and validity of the leadership style constructs were obtained.

The findings demonstrated that, in accordance with the EFA, the leadership styles were reliable and valid assessments. Having a standard deviation (x/SD) of 0.519 and a mean score (σX) of 4.23. Table 26 indicates that the charismatic leadership style was ranked first. This result suggests that the SMMEs owners strongly agreed that they implemented the charismatic leadership style. On the other hand, democratic leadership style, it came second with a 4.03 mean score and 0.623 standard deviation, was also adopted by the owners of SMMEs. Third place went to transformational leadership, obtaining a mean score of 3.99 and an SD of 0.529. Having mean score of 3.83 and an SD of 0.795, transactional leadership came in fourth place; bureaucratic leadership came in fifth with an overall mean score of 3.80 and an SD of 0.796; sixth place went to laissez-faire leadership, with a mean of 3.57 and SD of 0.834. The SMMEs owners disagreed with the implementation of the authoritarian leadership style, which was ranked seventh place with a mean of 2.48 and SD of 0.829.

Nevertheless, the study by Liphadzi (2015: 85) contrasts the current findings. The results showed that the transformational leadership style was scored first, having 4.05 mean score and 0.428 as standard deviation. The owners of SMMEs agreed that they use the following three leadership style: transformational (ranked

first with a mean score of 4.05 and a standard deviation (SD) of 0.428), transactional (ranked second with a mean score of 4.00 and an SD of 0.461), and democratic (ranked third with a mean score of 3.97 and an SD of 0.575). With 3.27 mean score and a standard deviation of 0.569, the laissez-faire leadership style, which came in fourth place, demonstrated the neutrality of SMME owners. Similarly, the autocratic leadership style, which came in fifth place with 3.00 mean score and a standard deviation of 0.575, indicated the neutrality of owners in using this style of leadership.

Table 26 provides further additional analysis of the variables that define the leadership styles. The results show that the owners of SMMEs strongly agreed to agree with the democratic leadership style measures. They were ranked as: I always encourage creativity and innovation with 4.21 mean score, 0.635 of standard deviation and with first rank; second rank is I maintain constant communication having mean score of 4.21 and standard deviation of 0.605; I always ask my subordinate for ideas with 4.02 mean score, standard deviation of 0.731 and on third rank; I involve employees in organizational decisions and I gather feedback from employees before making any decision came fourth with 3.85 mean score and 0.803 standard deviation.

Moreover, Table 26 reveals that the owners of SMMEs strongly agreed to agree with the variables for transformational leadership style. They were ranked as: I like to consider long-term objectives: what could be came on first place with 4.40 mean score and standard deviation of 0.552; Important part of my leadership is that of a teacher came second place reaching mean score of 4.32 and standard deviation of 0.542; third place is I help employees to self-develop having mean score of 3.93 and standard deviation of 0.728; when we have a job to do, I do my part with the rest of the team with 3.88 mean score and standard deviation of 0.780 came at fourth place;I spend significant time in giving hopes, among my employees with 3.86 mean score and 0.784 standard deviation came fifth; I spend adequate time in arousing expectations among my employees with 3.76 mean score and 0.775 standard

deviation came on sixth place; and lastly, seventh place is I spend notable time to stir up aspiration among my employees having 3.76 mean score and standard deviation of 0.750.

Further, Table 26 shows that the SMME owners strongly agreed to agree withvariables for transactional leadership. Ranked as follows: I emphasize discipline when one of my subordinates violates the rules with 4.04 mean score and standard deviation of 0.768 came on first place; Second place goes to My employees‘ obey my directives and instructions with 4.04 mean score and standard deviation of 0.751;I set mutually acceptable standards to govern others came third with 3.88 mean score and 0.799 standard deviation; I motivate employees through payments and rewards had standard deviation of 0.805 and mean score of 3.68 on fourth place andI organize activities for my employees with 3.54 mean score and standard deviation of 0.875 came on fifth rank.

Table 26 reveals that the SMMEs owners agree with variables of bureaucratic leadership. They were ranked as follows: first rank I conform to the rules of the organization at all time with standard deviation of 0.678 and 3.89 mean score; I impose strict and systematic discipline on the employees having 3.79 mean score of, 0.810 standard deviation on second rank; Third rank, employees should obey my instructions and authority at all times with 3.71 mean score and 0.873 standard deviation.

On the other hand Table 26 reveals that the owners of SMMEs tend to agree to a neutral approach with variables for a laissez-faire leadership style. They were ranked as: On first rank, I provide my employees with necessary resources and let them work with 3.91 mean score and 0.739 standard deviation; I ensure my employees should work on their understanding of the given task having 3.79 mean score and standard deviation of 0.759 came on second place; I give my staff members autonomy and total flexibility to make decisions with 3.37 mean score and 0.851 standard deviation was placed third; and on fourth place, I allow my employees to do as they please with 3.23 mean score and 0.885 standard deviation.

However, the Table 26 result also reveals that the owners of SMMEs chose a neutral approach to disagree with the variables of autocratic leadership style. They were ranked as: I monitor all organizational activities to ensure the team achieves its objective with 3.18 mean score and 1.025 standard deviation was on first place; I am the only one who is allowed to initiate methods and procedures with 2.65 mean score and 0.892 standard deviation came second; I persuade others to do as I want with 2.46 mean score and 0.944 standard deviation came third; I stand by what I believe is right with 2.20 mean score and 0.930 standard deviation was on fourth place; lastly, on fifth place, I ask for no or little input from my employees with 1.96 mean score and 0.823 standard deviation.

Table 26 Leadership styles by owners of construction SMMEs in Tshwane

LEADERSHIP STYLES	**σX**	**$\bar{x}$**	A	**R**
Charismatic Leadership Style	**4.23**	**0.519**	**0.889**	**1**
CL I prefer communicating with colleagues one-on-one or group setting	4.29	0.521		1
CL I lead by example	4.29	0.587		2
CL I behave in a responsible manner	4.20	0.622		3
CL I place great value on each employee	4.15	0.656		4
Democratic Leadership Style	**4.03**	**0.623**	**0.916**	**2**
DL I always encourage creativity and innovation	4.21	0.635		1
DL I maintain constant communication.	4.21	0.605		2
DL I always ask my subordinate for ideas	4.02	0.731		3
DL I gather feedback from employees before making any decision	3.85	0.803		4
DL I involve employees in organizational decisions	3.85	0.803		5
Transformational Leadership Style	**3.99**	**0.529**	**0.868**	**3**

TFL I like to consider long-term objectives: what could	4.40	0.552		1
TFL Important part of my leadership is that of a teacher	4.32	0.542		2
TFL I help employees to self-develop	3.93	0.728		3
TFL When we have a job to do, I do my part with the rest of the team	3.88	0.780		4
TFL I spend significant time in giving hopes, among my employees	3.86	0.784		5
TFL I spend adequate time in arousing expectations among my employees	3.76	0.775		6
TFL I spend notable time to stir up aspiration among my employees	3.76	0.750		7
Transactional Leadership Style	**3.83**	**0.594**	**0.795**	**4**
TL I emphasize discipline when one of my subordinates violates the rules	4.04	0.768		1
TL My employees‘ obey my directives and instructions	4.04	0.751		2
TL I set mutually acceptable standards to govern others	3.88	0.799		3
TL I motivate employees through payments and rewards	3.68	0.805		4
TL I organize activities for my employees.	3.54	0.875		5
Bureaucratic Leadership Style	**3.80**	**0.667**	**0.796**	**5**
BL I conform to the rules of the organization at all time	3.89	0.678		1
BL I impose strict and systematic discipline on the employees	3.79	0.810		2

BL Employees should obey my instructions and authority at all times	3.71	0.873		3
Laissez-faire Leadership Style	**3.57**	**0.662**	**0.834**	**6**
LFL I allow my employees to do as they please	3.23	0.885		1
LFL I give my staff members autonomy and total flexibility to make decisions	3.37	0.851		2
LFL I provide my employees with necessary resources and let them work	3.91	0.759		3
LFL I ensure my employees should work on their understanding of the given task	3.79	0.739		4
Autocratic Leadership Style	**2.48**	**0.713**	**0.829**	**7**
AL I monitor all organizational activities to ensure the team achieves its objective	3.18	1.025		1
AL I am the only one who is allowed to initiate methods and procedures	2.65	0892		2
AL I persuade others to do as I want	2.46	0.944		3
AL I stand by what I believe is right	2.20	0.930		4
AL I ask for no or little input from my employees	1.91	0.823		5

(σX = Standard deviation; $\bar{x}$ = Mean; α = Cronbach's alpha; R = Rank)

4.2.5 Section C: Interpersonal skills of SMMEs owners

The findings revealed that the leadership style constructs were valid and reliable as per the EFA analysis. Table 27 reveals that the SMMEs owners strongly agreed to agree with variables for interpersonal skills. They were ranked as: I am a team player with 4.36 mean score and standard deviation of 0.576 was first rank; Second rank, I am an active listener with 4.28 mean score and 0.558 standard deviation of; I

am dependable and reliable leader with 4.26 mean score and 0.629 standard deviation came third; I easily motivate and influence others with 4.19 mean scoreand 0.609 standard deviation came fourth; I am able to entrust responsibilities to colleagues with 4.16 mean score and 0.708 standard deviation of 0.708 came fifth; I treat people fairly at all times with 4.01 mean score and 0.718 standard deviation of 0.718 came sixth and my flexibility allow me to easily adopt to change with 3.86 mean score and 0.831 standard deviation came seventh.

Table 27 Interpersonal skills of construction SMMEs owners in Tshwane

Interpersonal skills	**σX**	**$\bar{x}$**	**R**
IS I am a team player	4.36	0.576	1
IS I am an active listener	4.28	0.585	2
IS I am dependable and reliable leader	4.26	0.629	3
IS I easily motivate and influence others	4.19	0.609	4
IS I am able to entrust responsibilities to colleagues	4.16	0.708	5
IS I treat people fairly at all times	4.01	0.718	6
IS My flexibility allow me to easily adopt to change	3.86	0.831	7

4.2.5.1 Regression Analysis of leadership style and interpersonal skills

The focus of this part is on testing the hypotheses. Utilizing regression analysis, it was possible to examine the relationship of leadership styles (independent variables)and interpersonal skills (the dependent variable).

The tested model is summarized in Table 28, which includes the model's R and R^2 values. Given that there are multiple predictors, the straightforward relationship between interpersonal skills and charismatic, democratic, transformational, transactional, bureaucratic, laissez-faire, autocratic leadership style is represented

by the data's R value of 0.550. According to the R^2 value of 0.302, the predictors may explain 30.2% of the variation in interpersonal skills of SMMEs respondents. There may be other reasons that contribute to the fluctuation, the current model, which considers a number of predictors, accounts for 30.2% of the variation SMMEs experience.

Table 28 Model Summary for leadership styles and interpersonal skills

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.550[a]	0,302	0,270	0,568
a. Predictors: (Constant), BL Ave, DL Ave, TL Ave, LFL Ave, AL Ave, CL Ave, TFL Ave				
a. Dependent Variable: IS Ave				

Table 29 further, displays the findings for these data using Analysis of Variance (ANOVA) analysis. Because the value in the column labeled Sig. is less than 0.001, the factor F, which is significant at $p<0.05$, is (9.408) and equals 9.408. According to this finding, there is a less than 1% chance that an F-ratio would be large even if there were no effects. As a result, we may draw the conclusion that using our regression model rather than the mean value of interpersonal skills leads in a considerably better prediction of interpersonal skills.

The ANOVA reveals if the model successfully predicts the outcome variable to a substantial degree overall. However, since it does not disclose how each component in the model contributed individually, we can assume that these variables are reliable predictors. Table 29 presents the analysis used to predict the variables' relationship.

Table 29 ANOVA for leadership styles and interpersonal skills

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21,219	7	3,031	9,408	<.001[b]
	Residual	48,975	152	0,322		
	Total	70,194	159			
a. Dependent Variable: IS Ave						
b. Predictors: (Constant), BL Ave, DL Ave, TL Ave, LFL Ave, AL Ave, CL Ave, TFL Ave						

The model parameters and their significance are presented in detail in Table 30. At p<0.05, democratic (DL Ave), charismatic (CL Ave), transformational (TFL Ave) and bureaucratic leadership (BL Ave) style are significant predictors of interpersonalskills (IS Ave). According to Jankelova and Joniakova (2021) suggests that transformational leadership style is significant predictor of interpersonal skills.

Table 30 Coefficients for leadership styles and interpersonal skills

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,017	0,536		1,898	0,060
	TL Ave	-0,004	0,073	-0,005	-0,060	0,952
	TFL Ave	0,194	0,076	0,210	2,555	0,012
	DL Ave	0,173	0,081	0,179	2,122	0,035
	AL Ave	-0,040	0,058	-0,053	-0,688	0,493
	LFL Ave	0,009	0,071	0,010	0,134	0,894
	CL Ave	0,248	0,096	0,206	2,578	0,011
	BL Ave	0,197	0,067	0,213	2,937	0,004
a. Dependent Variable: IS Ave						

4.2.6 Section D: Success outcome of construction SMMEs organization

The findings revealed that the leadership style constructs were valid and reliable. Table 31 reveals that the SMMEs owners strongly agreed to agree with variables for organizational success. They were ranked as: first rank, the organization maintained good relationship with our clients and employees with 4.11 mean score and 0.578 standard deviation; there was an increased income and profit with 4.04 mean score

and 0.582 standard deviation came second; the organization achieved growth and sustainability with 3.97 mean score and 0.668 standard deviation came third; the organizational performance increased with 3.94 mean score and 0.647 standard deviation came fourth; the organization created more employment opportunities with 3.84 mean score and 0.726 standard deviation came fifth and we were able to adapt to the change in technology with 3.51 mean score and 0.752 standard deviation came sixth.

Table 31 Success outcome of construction SMMEs organization in Tshwane

Organizational Success	**σX**	**$\bar{x}$**	**R**
SO The organization maintained good relationship with our clients and employees	4.11	0.578	1
SO There was an increased income and profit	4.04	0.582	2
SO The organization achieved growth and sustainability	3.97	0.668	3
SO The organizational performance increased	3.94	0.647	4
SO The organization created more employment opportunities	3.84	0.726	5
SO We were able to adapt to the change in technology	3.51	0.752	6

4.2.6.1 Regression Analysis of leadership style and organizational success

The focus of this part is on testing the hypotheses. Regression analysis was used to examine the relationship of leadership styles (independent variable) and organizational success (the dependent variable).

The tested model is summarized in Table 31, which includes the model's R and R^2 values. Given that there are multiple predictors, the straightforward relationship between organizational success and charismatic, democratic, transformational, transactional, bureaucratic, laissez-faire, autocratic leadership style is represented by the data's R value of 0.471. According to the R^2 value of 0.222, the predictors may explain 22.2% of the variation in interpersonal skills of SMMEs respondents. There may be other reasons that contribute to the fluctuation, but our model, which considers a number of predictors, accounts for 22.2% of the variation SMMEs experience. The significance level for correlation is $p < 0.05$ (2-tailed).

Table 32 Model Summary for leadership styles and organizational success

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.471[a]	0,222	0,186	0,5672

a. Predictors: (Constant), BL Ave, DL Ave, TL Ave, LFL Ave, AL Ave, CL Ave, TFL Ave

b. Dependent Variable: SO (Organizational Success) Ave

Table 32 further, displays the findings for these data using Analysis of Variance (ANOVA) analysis. Because the value in the column labeled Sig. is less than 0.001, the factor F, which is significant at $p<0.05$, is (6.207) and equals 6.207. According to this finding, there is a less than 1% chance that an F-ratio would be large even if there were no effects. As a result, we may draw the conclusion that using our regression model rather than the mean value of organizational success leads in a considerably better prediction of organizational success.

The ANOVA reveals if the model successfully predicts the outcome variable to a substantial degree overall. However, since it does not disclose how each component in the model contributed individually, we can assume that these variables are reliable predictors. Table 33 presents the analysis used to predict the variables' relationship.

Table 33 ANOVA for leadership styles and organizational success

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13,978	7	1,997	6,207	<.001[b]
	Residual	48,897	152	0,322		
	Total	62,875	159			
a. Dependent Variable: SO Ave						
b. Predictors: (Constant), BL Ave, DL Ave, TL Ave, LFL Ave, AL Ave, CL Ave, TFL Ave						

The model parameters and their significance are presented in Table 33. At $p < 0.05$, both bureaucratic (BL Ave) and transformational leadership (TFL Ave) are significant predictors of organizational success. A study by Liphadzi (2015) found a moderately significant positive correlation between transactional leadership and organizational success. However, there is a clear and positive link between organizational success and transformational leadership. Nonetheless, there appears to be little relationship between organizational success and democratic leadership. Additionally, the outcome demonstrates that autocratic leadership and organizational success do not significantly correlate.

A study by Lo et al. (2009) found that bureaucratic leaders frequently had a negative impact on the degree of employee performance and commitment to the success of the organization. This study supported the idea that transformational leadership positively correlates with organizational success, even though the impacts appeared to be greater for the transactional leadership style.

Table 34 Coefficients for leadership styles and organizational success

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,800	0,535		3,363	0,001
	TL Ave	0,090	0,073	0,103	1,231	0,220
	TFL Ave	0,268	0,076	0,306	3,528	0,001
	DL Ave	0,004	0,081	0,004	0,047	0,962
	AL Ave	-0,016	0,058	-0,022	-0,270	0,788
	LFL Ave	-0,009	0,071	-0,010	-0,127	0,899
	CL Ave	0,043	0,096	0,038	0,447	0,655
	BL Ave	0,163	0,067	0,186	2,429	0,016
a. Dependent Variable: SO Ave						

4.3 Chapter Summary

The findings of the study conducted with 160 participants are summarized in this chapter. Statistical Package for Social Sciences (SPSS) version 27 was used to analyse the data.

The results established the types of leadership styles that are used by owners of construction SMMEs in the city of Tshwane. They embraced six types of leadership style. The research hypotheses were tested using a variety of statistical tests to determine the relationship of leadership styles on organizational success and interpersonal skills. The findings established that four types of leadership styles significantly impact interpersonal skills, i.e., transformational, democratic, bureaucratic, and charismatic, according to correlation testing. on the other hand, two leadership styles have a strong impact with the organizational success, i.e. transformational, and bureaucratic.

CHAPTER 5: DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter briefly presents summary of the objectives, key findings, conclusions and suggests useful recommendations.

5.2 Revisiting the research objectives

The research objectives for this study are:

i. To determine the leadership styles of owners of SMMEs in Tshwane's construction sector;

ii. To analyze the relationship between the interpersonal skills and leadership styles of SMME owners in Tshwane's construction sector;

iii. To evaluate the relationship between leadership styles and the success of an organization of SMMEs owners in the construction in Tshwane; and

iv. Recommend the leadership style(s) that correlate with organization success and interpersonal skills of SMMEs owners in the construction in Tshwane.

5.3 Summary of key findings

5.3.1 Research objective one

The first objective was to determine the leadership styles of SMME owners in the construction sector in Tshwane.

This objective sought to identify the type of leadership style employed by construction SMME owners. Out of a total of the seven leadership styles that were unearthed from the extensive literature review. The findings showed that the SMME owners strongly agreed they implement the charismatic leadership style in their organizations. However, alternative leadership styles that were also implemented were democratic, transformational, and transactional styles. The owners disagreed that they are not autocratic in their leadership style.

5.3.2 Research objective two

The second objective of the study was to analyze the relationship of leadership styles and interpersonal skills of SMMEs owners in the construction industry inTshwane.

Research demonstrated a strong relationship between leadership styles and interpersonal skills, out of the seven leadership styles that were found in the literature. The findings demonstrated a strong influence between interpersonal skills and democratic, charismatic, transformational, and bureaucratic leadership styles. The findings corroborated with study by (Avolio, Walumbwa & Weber, 2009: 819; Vigoda-Gadot, 2007: 679) who examined leadership: existing theories, research, andfuture directions; as well as leadership style, organizational politics, and employee performance. This demonstrated the value of understanding how construction SMME owners work as a key leadership skill that affects organizational success.

5.3.3 Research objective three

The third objective was to evaluate the relationship between leadership styles and the success of an organization of SMMEs owners in the construction in Tshwane.

The empirical results showed that, out of the seven hypotheses investigated, two could not be eliminated and five were rejected by a synthesized literature review. This suggests that the success of an organization was influenced by two types of leadership styles namely, bureaucratic, and transformational leadership styles. Nonetheless, bureaucratic leaders frequently have a detrimental effect on the level ofemployee performance and dedication to the success of the firm, according to a study by Lo et al. (2009, 98). This study bolstered the idea that transformational leadership positively correlates with organizational success, even though the impacts appeared to be greater for the transactional leadership style.

5.3.4 Research objective four

The fourth objective is to recommend the leadership style(s) that correlate with organization success and interpersonal skills of SMMEs owners in the construction in Tshwane.

Interpersonal skills are significantly influenced with democratic, charismatic, transformational, and bureaucratic leadership styles, according to the findings. Of the seven leadership styles mentioned in the research, only bureaucratic and transformational leadership have a positive relationship with organizational success. A study by Lo et al. (2009) found that employees' performance and dedication to the success of the organization were often positively impacted by transformational leaders.

5.4 Conclusion

Owners of construction SMMEs in Tshwane, according to objective one, strongly agree to adopt charismatic leadership style. The findings also showed that the owners had decided to adopt democratic, transactional, bureaucratic, and transformational leadership styles.

The finding from objective two lead to the conclusion that democratic, charismatic, bureaucratic, and transformational leadership are good predictors of interpersonal skills of construction SMMEs owners.

Two of the seven leadership styles relationships investigated were significant, according to the empirical results from objective three; bureaucratic and transformational leadership have an impact on organizational success. These important predictors create a conceptual model of leadership style that promotes organizational success.

The result from objective four highlights the crucial leadership styles that can impact interpersonal skills and organizational success. The results showed that democratic, charismatic, transformational, and bureaucratic leadership have significant influence

with interpersonal skills. While on other hand bureaucratic and transformational leadership, out of the seven leadership styles listed in the literature, has a favorable influence on organizational success. In addition, among other skills for effective leadership, owners of SMMEs in the construction sector in South Africa should have the ability to solve problems and manage finances, people, and organizations. All research questions have been answered and the objectives have been met, according to the study's conclusions and questionnaire replies.

5.5 Research limitations

The following limitations applied to this study:

I. Since just the Tshwane municipality was studied, the study's conclusions are not indicative of the entirely Gauteng Province.
II. Additionally, obtaining data from construction SMMEs owners proved to be a very difficult process during the study. This was brought on by the responders' hectic schedules. Most respondents expressed frustration with their crammed schedules on the job, going to project meetings, and the pressure to reach project goals. Consequently, despite promising to do so, they were unable to finish the questionnaire; and
III. Even though South Africa has twelve (12) different official dialects, thedecision was made to use English for the questionnaire. The use of other dialects might have made correct translation more difficult.

5.6 Recommendations to the construction industry

The research conducted by SMME owners indicates that the construction sector can benefit from a variety of leadership styles. Additionally, owners of construction SMMEs are under increasing pressure to accomplish more with fewer resources and workers in a sector that is rapidly developing. In such situations, the people side of organizational management is crucial to achieving desired outcomes, or what a lot of people would call leadership. To that purpose, the subsequent recommendations are offered:

I. The study's findings offer a compelling case for construction SMME owners to increase their expenditure on leadership development. SMMEs owners should implement the charismatic leadership style in their organizations. However, alternative leadership styles that can also be implemented include democratic, transformational, and transactional styles. However, The SMMEs owners should not adopt autocratic in their leadership style.

II. In addition, SMMEs owners should consider leadership styles such as charismatic, democratic, transformational, and bureaucratic as they are significant predictors of interpersonal skills. Both bureaucratic and transformational leadership styles are significant predictors of organizational success. Implementing these leadership styles will help to improve workplace cultures, remove barriers inside the organization that don't acknowledge it, as well as to create chances for people with leadership prospective if the sector hopes to produce future leaders.

III. Furthermore, it is advised that institutions of higher learning adapt their curricula to better reflect the leadership styles required by SMMEs owners to increase and improve their interpersonal skills while leading their organizational to success.

5.7 Recommendations for further studies

The need for additional research in several areas is revealed by this study. This comprises:

I. The construction industry's relationship with leadership and management styles.

II. How organizational leaders are viewed by construction workers.

III. Construction leadership model for organizational success.

IV. An in-depth investigation of construction industry leadership development methodologies.

5.8 Chapter Summary

This chapter discussed the study's important findings in relation to the research objectives that were stated in the research project's introduction chapter. Also highlighted were the research goals that were accomplished. In addition, this chapter offered several conclusion and recommendations. The chapter concludes by offering recommendations for further study.

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APPENDIX A

Questionnaire survey

Dear participant,

Clement Mohau Pitsoane is a student at Tshwane University of Technology, Pretoria. I am conducting a survey to Evaluating the Relationship of Leadership Styles on Organization Success of Construction Small, Medium and Micro Enterprises in Tshwane. I am writing to request your participation in the survey.

Your responses to this survey will help me in evaluating the significance of leadership styles among owners of SMMEs in the construction industry in Tshwane and contribute to the field of construction project management in the construction sector. This will allow the owners of SMMEs to understand the types of leadership styles that correlate with the overall organizational success. Furthermore, understand the correlation of leadership styles and interpersonal skills.

Your participation in this survey is voluntary, and all your responses are anonymous. None of the responses will be linked to your personal information. The survey will take approximately 15 – 20 minutes or less to complete. In case you need further information please contact Mohau Pitsoane at 073 194 5412 or the research supervisor, Prof. J.N. Agumba during office hours at 012 382 2895.

Thank you in advance for providing this important feedback.

Questionnaire instructions

- The questionnaire is divided into four sections: **Section A**: background information of respondents, **Section B**: Leadership styles **Section C**: Interpersonal skills of SMMEs owners and **Section D**: Success outcome of construction SMMEs organization:
- Please read all questions carefully. Please answer all questions honestly and accurately, and
- When selecting your answers please use a cross (**X**).