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**THE CONTEMPORARY ROLE OF LEADERSHIP
IN ORGANIZATIONAL TRANSFORMATION:
A QUALITATIVE APPROACH**

By

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***This work is dedicated to the memory of my brother
Vincent Gerard Sham
(22 April 1956 - 21 February 1999)***

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ABSTRACT

THE CONTEMPORARY ROLE OF LEADERSHIP IN ORGANISATIONAL TRANSFORMATION: A QUALITATIVE APPROACH

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Leadership in South Africa have been given the major responsibility of having to transform and renew their organisation in order that they may now compete in the global economy and that they are furthermore aligned to the socio-political dynamics and imperatives of the country.

Ensuring organisational renewal and survival and meeting the requirements of labour legislation places extraordinary pressure on company leaders. Most South African leaders obtained their managerial experience and expertise during a period characterised by environmental stability and predictability and are now faced with unfamiliar conditions and environmental stressors for which most of them are dismally prepared.

This study demonstrates that given the turbulent environment in which leadership had to operate, there were few leaders who were able to meet these new challenges within their organisations.

The way in which these leaders were able to shift their organisation from its present state to the desired state was examined in this study. The study showed that despite the use of transformational leadership to effect many aspects of the transformation process, all leaders tended to resort at some stage of the transformation process, to a dictatorial and overtly 'quasi-military' style of leadership. Once the organisation had been renewed and stabilised, leaders were more likely to incorporate traditional elements of transformational leadership. Leaders therefore only tended to become more democratic, participative and person centred once their organisations had become sufficiently stable to cope with new and threatening conditions.

UITTREKSEL

Leierskap in Suid-Afrika is die enorme verantwoordelikheid gegee om hul maatskappye te transformeer en te vernuwe sodat hulle nou in die globale ekonomie kan meeding en dat hulle ook toegerus kan wees vir die sosio-politieke dinamika en uitdagings van die land.

Die aandrang op organisatoriese vernuwing en herlewing en die voldoening aan die vereistes van die arbeidswetgewing, het buitengewone druk op maatskappyleiers geplaas. Die meeste Suid-Afrikaanse leiers het hul bestuurervaring en -kundigheid verkry in 'n tydperk wat gekenmerk is deur omgewingstabiliteit en voorspelbaarheid en word nou gekonfronteer met vreemde toestande en omgewingstressors waarvoor die meeste van hulle swak voorbereid is.

Hierdie studie toon dat in die lig van die stormagtige omgewing waarin leierskap moet funksioneer, daar inderwaarheid min leiers was wat in staat was om hierdie uitdagings binne hul maatskappye die hoof te bied.

Die wyse waarop hierdie leiers daarin geslaag het om hul maatskappye van sy huidige toestand te verskuif na die gewenste toestand, word in hierdie studie ondersoek. Die studie het aan die lig gebring dat ten spyte van die gebruik van transformasionele leierskap om talle aspekte van die transformasieproses teweeg te bring, het alle leiers op een of ander stadium van die transformasieproses hul gewend tot 'n diktatoriale en klaarblyklik "kwasi-militêre" leierskapstyl. Wanneer die maatskappy vernuwe en



gestabiliseer geraak het, het leiers meer geredelik tradisionele elemente van transformasionele leierskap geïnkorporeer. Leiers was derhalwe slegs geneig om meer demokraties, deelnemend en persoongesentreer te raak nadat hul maatskappe voldoende stabiel geraak het om die nuwe en bedreigende toestande die hoof te bied.

CHAPTER 1

INTRODUCTION AND STATEMENT OF THE PROBLEM

1 INTRODUCTION

It is critical that South African leaders develop an appropriate mental framework for coping with large-scale organisational turnaround. The key mental block for the leader facing the uncharted waters of large-scale renewal and redirection is the realisation that there is no fixed blueprint for the future. The toughest challenge for the leader of turnaround and renewal is to have the courage to step beyond the limits of predictability and the boundaries of conventional paradigms, into unknown terrain (Nasser & Vivier 1993:5).

The above passage from Nasser and Vivier (1993:5) confirms that leaders of South African organisations urgently need to be able to transform and renew their organisations at a time in this country's history when nothing is certain or predictable and when all the old paradigms no longer serve as reliable guidelines for understanding what is happening all around us every day. In a period of this country's history when nothing can be taken for granted, leaders need both an enhanced capacity to cope, manage and innovate, and the ability to cope with stressful and unprecedented situations which impact directly on all aspects of organisational life, both corporate and personal. All this has to be accomplished at

a time when change on all levels of society is an urgent political and moral imperative and while ever larger numbers of highly skilled and educated people continue to emigrate from South Africa at a time when their skills and expertise are most urgently needed.

The era in which leadership theories developed was a time of relative environmental stability and predictability and was in many essentials a very different time from what we experience today. Current leadership theories are based on "concepts of leadership" and on an understanding of the skills required for managing organisations. Since numerous assumptions about environment, context and conditions are inherent in our understanding of organisational change, current leadership paradigms need to be revised if they are to remain relevant to present conditions and applicable to the needs of South African organisations.

The World Class Yearbook (Sunter 1997) indicates that South Africa is rated second last for its productivity among the industrialised countries listed. Only Russia was listed as being "worse" than South Africa while the United States, Singapore, Hong Kong and Finland occupied the top four places. While South Africa now has an open economy and offers unique opportunities for advancement to those who have the skill and expertise to benefit from them, these opportunities are accompanied by a whole range of difficulties, threats and challenges which, in many ways, are unique to this country. One such threat which South African leaders face is that unless they are able to transform their

organisations into organisations which can compete with the best in the world, they will simply fail to survive in the world market.

While leaders tackle the daunting task of transforming their organisations into equal competitors in a global economy, they are simultaneously confronted with the introduction of the Employment Equity Act of 1998. In short the Act outlaws unfair discrimination in all employment policies and practices and seeks to affirm the right of blacks, women and the disabled in matters relating to career development and job opportunities. The Act accordingly requires any organisation to reflect the demographics of the region in which the organisation operates. The Employment Equity Act precedes the Labour Relations Act, No 66 of 1995. This has been closely followed by the Basic Conditions of Employment Act of 1998 and the Skills Development Act of 1998. All the legislation have the intention of improving the lives of South Africans, particularly those who were previously disadvantaged. The Acts have tended to increase the pressure on organisations and their leadership to reform their organisations whilst trying to renew them.

Ensuring organisational renewal and survival and meeting the requirements of the Employment Equity Act as well as the above mentioned legislation, places extraordinary pressures on company leaders. South African executives and managers who obtained their managerial experience and expertise during a period characterised by environmental stability and predictability, are now faced with unfamiliar conditions and environmental stressors for which most of them are dismally unprepared. Even while the chief executives of companies are charged

with effecting radical transformation in their organisations, many of them still operate according to paradigms which are no longer relevant to changed conditions. At a time when dangers to organisations have never been greater, the maps by which many managers attempt to navigate unknown waters are hopelessly out of date.

There are, however, a few leaders who have demonstrated great skill in meeting these new challenges. It is the success stories of these senior executives which I shall examine in critical detail in this study. By doing this I hope to be able to identify and describe those elements of their approach which enable them to undertake the arduous tasks of organisational transformation – and survive.

2 STATEMENT OF THE PROBLEM

The challenge for each South African leader is largely how to move the organisation from its *present* state to its *desired* future state. It is clear that fundamental and long-term changes have to be instituted if an organisation is to be successfully moved into its future state. Most management experts would rate *transformational* leadership as being the premier requirement for any organisation which hoped to adapt itself to the most recent challenges of a changed external environment. Transformational leadership is regarded as being the most important means for effecting radical change in organisations because it attempts to instil pride, respect and inspiration in its employees and rewards intelligence, diligence,

imagination and dedication to rational problem-solving in an atmosphere of mutual respect.

Chapter 4 of this study will show that, despite the use of transformational leadership to effect many aspects of the transformation process, all leaders tended to resort, at some stage of the transformational process, to a dictatorial and overtly forceful 'quasi-military' style of leadership – especially at the beginning of their terms of appointment to leadership positions. The fact that this leadership style was most evident at the inception of their appointments suggests that many leaders resort to this style as a response to organisational and environmental uncertainty and turbulence. My investigations revealed that once the organisation had been renewed and stabilised, leaders would be more likely to incorporate traditional elements of transformational leadership such as empowerment, two-way communication and participative management. What I found therefore was that leaders only tended to become more democratic, participative and person-centred once their organisations had become sufficiently stable to cope with new and threatening conditions.

I hope to demonstrate in the subsequent chapters of this study that leaders who have been successful in organisational transformation have all followed a similar pattern when effecting organisational change. They have all tended initially to utilise a dictatorial and quasi-military approach. Thereafter, once the organisation has been renewed and stabilised, they have adopted an approach that is more "transformational". Chapters 2 and 4 are devoted to exploring the approaches,

philosophies, methodologies, styles, meaning-construction and experience of those leaders (respondents) who took part in this study. These chapters also examine in some detail what respondent leaders understand by the concept of organisational transformation.

Although *transformational* and *autocratic* styles of leadership are conventionally understood as being diametrically opposing styles of management, I hypothesise for the purposes of this study that leaders would be better prepared and able to cope with the changing conditions of an organisation if they were able to accommodate and practise both styles of leadership as and when the exigencies of the moment required them to do so. Part of my contention (hypothesis) therefore is that the most successful leaders are those who are able to use different leadership styles interchangeably at different times in response to the needs of the moment.

I therefore felt it necessary for the purposes of this study to explore how leaders approached the imperatives of transformation and how they succeeded – in spite of environmental, societal, economic and personal turbulence – to "turn their organisations around".

The empirical component of this study elucidates the means which the respondent group used to approach and effect change. It also explains how these leaders interpreted and understood the transformation of their organisations. Chapter 3 shows how the empirical data for this study was obtained by means of interviews

with five organisational leaders in South Africa who have successfully transformed their organisations. The leaders who were interviewed were drawn from five different industries, namely mining, manufacturing, retail, health services and engineering.

3 OBJECTIVES OF THE STUDY

The primary purpose of this study is to acquire a clear understanding of how a group of demonstrably successful leaders viewed organisational transformation and how they were able to accommodate in their leadership style two opposite and very different leadership styles (the transformational and military/autocratic) in order to transform their organisations.

In order to achieve this purpose, I set myself the following objectives:

- to obtain a clear and nuanced understanding of the concept of organisational transformation and the different meanings and emphases according to it by different theorists;
- to acquire an insight into the approaches, successes and shortcomings of the respondent leaders during their quest for organisational transformation; and
- to achieve a clear understanding of how transformational leadership and autocratic/military leadership may be used by the same person in order to achieve organisational transformation.

4 IMPORTANCE AND CONTRIBUTION OF THE STUDY

The study of leadership in South Africa is limited to a small number of periodical and journal reports. Significant writing and books about leadership studies emanate mainly from the United States of America and the United Kingdom. Unfortunately international literature about leadership and lessons learned from other parts of the globe cannot be applied in their entirety to South African conditions because they are both insufficiently relevant and applicable to the unique challenges which confront South African leaders today. A uniquely South African perspective on leadership for organisational transformation might therefore be of the greatest possible benefit to practitioners of management in South Africa.

Organisational transformation in South Africa has been precipitated by a rapidly changing socio-political environment, the opening of this country to global markets, the entry of international competitors into the South African market, the more prominent role of labour in organisations, and the introduction of the Employment Equity Act of 1998. If South African organisations hope to survive, they will have to use a strategy which will allow them to move from their current organisational state to a state which is better aligned to both external and internal environmental conditions.

The responsibility in South African organisations to manage the organisation's shift to that state which will ensure their survival and their transformation lies with

each organisation's leadership. Only top leadership can be the logical initiators and the primary agents of change and they should therefore be regarded as the main agents of organisational transformation. The management of change is almost always contingent on a credible and powerful leadership cadreship.

Because of this, the chief focus of this study will be on how the respondent leaders managed transformation in their respective organisations. An analysis of the leadership approaches employed by each leader would enable the researcher to establish a model for best practice leadership in cases where leaders bear the responsibility for being the prime movers of organisational transformation.

This study proposes to investigate leadership style and methodologies from a leader's perspective by utilising a qualitative framework. The study will thus be qualitative and draw on reflective and interpretative analysis – as opposed to statistical (or quantitative) analysis. This investigation is relevant for sociological theory inasmuch as (1) few studies of a qualitative nature have ever been undertaken in industrial sociological investigations into leadership, and (2) even fewer studies have been undertaken from the leaders' perspectives (studies are usually undertaken from the point of view of leadership theory writers and experts in leadership practice).

Because the study prepares the ground for future research into leadership (where leaders are the prime agents of transformation), it may be regarded as explorative in nature.

OUTLINE OF THE DISSERTATION

Taking into account the qualitative methodology used in this study, and the necessity of supplying a thorough literature survey to discuss the types of leadership approaches used in organisational transformation, the following outline of chapters was decided on for this dissertation:

Chapter 2 explores the various meanings assigned to organisational transformation and examines the various elements of transformational and autocratic/military leadership styles.

Chapter 3 describes the methodology which is used in this study. Chapter 3 also explains the rationale behind the selection of the specific sample groupings and investigative techniques.

Chapter 4 deals with the analysis and interpretations of the findings. In this chapter, the findings which emerged from a series of in-depth interviews are analysed with the intention of obtaining a clear understanding of respondents' meanings and their experience of leading their particular organisations through the transformative process.

Chapter 5 analyses and discusses the findings outlined in Chapter 4. This chapter consolidates the main findings of the individual cases and relates them in terms of the themes which were discerned in the previous chapter.

Chapter 6 presents concluding remarks and makes certain recommendations for management practices and also for areas of future research which have emanated from this study.

CHAPTER 2

AN OVERVIEW OF THEORETICAL APPROACHES TO ORGANISATIONAL TRANSFORMATION AND LEADERSHIP

1 INTRODUCTION

In this chapter the researcher will develop the theoretical framework which will form the basis of this study. In the first part of this chapter, she will review the various meanings of *organisational transformation* from, firstly, an international point of view, and, secondly, a South African point of view. In the second part of this chapter, the researcher will analyse and review the literature about leadership and, in particular, the leadership of those who are engaged in organisational transformation.

The issues explored in the first part of this chapter examined the various meanings and versions of organisational transformation and the way in which such transformation was characterised at different stages of the process. While most writers see organisational transformation from an organisational renewal and organisational turnaround perspective, it was noted that from a South African perspective it was necessary to attain organisational renewal in conjunction with organisational reform. It was therefore critical to examine the various views and versions of organisational transformation in order to determine to what extent leadership were aspiring towards such change.

With regards to leadership, it was necessary to unbundle the theories, themes and styles of leadership in order to arrive at an understanding of the leadership approaches adopted in the quest for organisational transformation. The leadership approaches pointed to two distinct types of leadership namely transformational leadership and autocratic leadership, which were the two main approaches underlying change in organisations.

The analysis of these theoretical stances informed the research in so much as it directed research questions and based the investigation on the insights gleaned in the literature review.

1.2 Organisational transformation

Any reference to *organisational transformation* may be misleading because no single predominating view of organisational transformation has evolved within the literature about organisational management. Because the origin of organisational transformation had its genesis within various organisational development phases and interventions, it was inevitable that each of these interventions would confer its own distinctive emphasis on what might be understood by organisational transformation. Because the concept is multi-dimensional and influenced by many different national cultures, there is very little consensus in management literature about a definition of the concept. The very nomenclature of organisational transformation as a field of study has until recently been in a state of flux. In spite of this, it is generally accepted that the term *organisational transformation* refers

(1) to a change in the treatment of and attitude to the workforce by management and (2) to the process of saving an organisation from extinction by the implementation of turnaround and renewal (Nasser and Viviers 1993:3, Weeks 1990:78, Kostenbaum 1991:308).

To the consensus on the meaning of organisational transformation noted above, one may add the local indigenous emphasis whereby organisational transformation means a conscious and deliberate focus on black empowerment, employment equity and affirmative action.

What organisational transformation means inside South Africa may be measured against what an organisation intends to do and is doing to reflect the demographics of South Africa within all levels of the organisation.

1.2.3 The international view of organisational transformation

Organisational transformation is described by various researchers in numerous ways. While each description and approach differs considerably from others, there are many overlapping components. Kanter (1989:23), describes organisational change in a global context and emphasises the need for global companies which harness economies of scale to manage across cultural boundaries. She further views organisational transformation from a structural point of view and is of the opinion that the post-entrepreneurial corporation will effect a triumph of process over structure.

Although Kennedy (1994:15) locates the necessity for organisational change in economic imperatives, she also views organisational transformation from a structural point of view. She examines the reactive nature of the changes implemented by large companies as they pursue their restructuring or downsizing strategies. She regards these strategies as an attempt to reverse the damage done by recession or competition. To a lesser degree, she regards changes as being the inevitable product of deep social shifts towards the empowerment of the individual, of both sexes, and away from what she terms “bossism”.

Martin (1995:373), who also views transformation in terms of structure, defines change as being largely radical, technological and structured. After many years of research in re-engineering, Martin (1995) proposes an understanding of what a modern enterprise should look like. He also coins the term “old world” as being the locus of traditional enterprises while his “new world” contains the enterprises of the future. According to Martin (1995:373), no change can be carried out in an organisation without radically changing the organisation’s structural design. This, he contends, must be composed of value-stream teams focused on “delighting” the value-stream customer. This new world enterprise, he states, would need new world Information Technology, with Kaizen-capable computing, rapid application development, information superhighways and enterprise Information Technology architectures.

Martin’s view of organisational change is that information technology is the catalyst for change that enables organisations to survive changes in business

technology globalization. Although this view is in some ways valid, it assumes that people are technologically sophisticated enough to meet these challenges. The reality in South Africa is somewhat different from what Martin envisages – although varying degrees of change may be possible in certain high-tech industries among informatically literate people.

Such bold views of organisational transformation as those expressed by Martin (1995) are also described by Lorenz (1995:4), who uses a typical glossary of terms to describe the image of future organisations: boundary-less, virtual, horizontal, flat, concentric, circular. Such changes in organisational design would require an unprecedented proficiency, versatility and performance on the part of leadership. In a graphic phrase coined by Bartlett and Ghoshal in Lorenz (1995:4), what is presently happening in organisations is that first-generation managers in second-generation organisations are trying to operate third-generation strategies. Lorenz (1995) believes that this situation has far-reaching implications and that it will transform the way in which organisations do business, the way in which they are structured, and the relationship between managers and employees. Kubler Ross (1995) concurs with the latter point of view: according to her, the bases of power have also changed. In the new organisation, position, title and authority are no longer adequate props for managers who wish to rely on them to get jobs done. Instead success increasingly depends on being able to tap into resources which contain good ideas, on being able to figure out whose collaboration is needed to act on those ideas, and on being able to comply with both to produce results.

Lorenz (1995:5) describes change management metaphorically in terms of military practice. Terms such as headquarters, being the brains of the organisation, setting the “strategy”, translating the strategy into “operations”, and the process until the message reaches the “front line”.

1.2.4 External trends

In a similar vein to Martin’s new world enterprise and Lorenz’s descriptions of future firms is the view adopted by McCalmon and Paton (1995:5), who examine the external trends which are impacting on transformation. While many of the contemporary international researchers view organisational transformation primarily from the point of view of the internal mechanisms and dynamics of the firm, those external factors that impact on the organisation are not always given sufficient attention. McCalman and Paton (1995:5), however, look at organisations from an external point of view and list those major external elements which they feel organisations have to take into account. These are listed below.

- There is a bigger global market place that has been made smaller by increasing competition from abroad. Organisations are now required to respond to the bigger picture.
- There now exists a worldwide recognition that the environment is a variable that cannot be ignored in any equation. This recognition comprehends the

legal, cultural and socio-economic implications of utilising resources that are finite and therefore irreplaceable. Global organisations have to take cognisance of the depletion of the ozone-layer caused by industrial and other emissions, the dumping of toxic waste, the depletion of raw materials, and various other environmental concerns.

- Health consciousness as a permanent trend among all age groups throughout the developed world. The growing awareness of and concern about the content of food and beverage products has created a movement away from using synthetic ingredients and a greater demand therefore for natural products. The organisation is now expected to satisfy the requirements of a health-conscious market.
- The demographic slump with the negative population growth rate (in the United Kingdom and other first-world countries) means that there are fewer 16 to 19 year olds living at present. Between 1971 and 1994, the population in this age group in the UK declined by about one million. The implication for organisations (in the UK) would be to cope with a smaller consumer market and a constricted labour force.
- Women are increasingly being promoted to management positions. The general shortage of skilled graduates will accelerate the trend towards breaking the male monopoly of management positions. With this in mind, McCalman and Paton (1995:6) wonder just how excessively “macho” organisations will cope.

1.2.5 Trends that affect the internal operation of organisations

Trends that affect the internal operation of organisations play a critical role in determining organisational transformation. The way in which organisations are shaped, function and led will shape the way in which leaders approach change. Dessler (1995:16) also presents a future-state scenario. His survey focuses on what happens inside organisations and highlights what the future organisation will look like and what its dynamics will be.

- **The average company will become smaller and will employ fewer people.**
This is partly because more people will set up businesses for themselves and partly because many large firms may continue to downsize or outsource.
- **The traditional, pyramid-shaped organisation will give way to new organisational forms.** The new organisation will stress cross-functional teams and refine interdepartmental communications. There will be a corresponding de-emphasis on getting the hierarchy or “chain of command” to approve all decisions. Initiative and self-reliance instead will be encouraged.
- **Employees will be called upon to make more decisions.** Work will be less routine and there will be less drudgery. Work will require employees to master many “higher order” thinking and learning skills and worker will be much more committed.

- **Organisations with flatter organisational forms will be the norm.** Instead of the currently popular pyramid-shaped organisation with its seven to ten or more layers of management, flat organisations with just three to four levels will prevail.
- **The work itself will be organised so that it takes place more in teams and processes rather than by those who have been given specialised functions.** Workers will belong to a multifunctional team, one that manages its own budget and controls its own quality.
- **The new organisation will be knowledge-based.** Organisations will be composed largely of specialists who direct and discipline their own performance through organised feedback from colleagues, customers and headquarters.
- **Managers will not manage.** Managers will realise that reliance on formal authority is a thing of the past. Managers will have to learn to manage in situations where they do not have the authority to command and coerce.
- **Management will empower employees and build commitment.** Building adaptive and customer-responsive organisations means that expecting and nurturing self-reliance and self-discipline on the part of employees will be more important than its ever been before.

1.3 Organisational trends: conclusion

The external view of organisations (McCalman and Paton 1995) and the internal view of organisations (Dessler 1995) are relevant to the South African context. I shall later in this chapter examine the South African context in some detail by making particular reference to the global market, the demographics of the country, social shifts in the country, the increase in smaller, flatter organisational designs, and the emphasis which is being placed on empowerment within South African organisations.

In the discussion of transformation from an international perspective, which is based on the international literature, each point of view is influenced and coloured by different underlying assumptions about organisation transformation and change imperatives. These variations in underlying assumptions produce a rich variety of understandings of the processes of organisational transformation and implementation. The extent to which current perceptions of organisational transformation are deeply ingrained in contemporary management thinking and practice will substantially influence any leader's ability to respond effectively to rapidly changing organisational contexts.

1.3.1 Organisational transformation from a South African perspective

“May you live in interesting times!” An ancient Chinese curse

The preceding statement purports to be an ancient Chinese curse (Kieser & Sproul, 1982: Wilson 1987a:19). If this is the case, one may well contend that South Africa and its people currently live under this curse because this country, its people and its business organisations live and exist within a context of unprecedented complexity, turbulence and rapid change (Weeks 1990:247). The proverbial winds of change in South African organisations have now reached gale-force strength, and they influence all major facets of an organisation’s activities.

1.4 A South African model

As was previously stated, many international researchers have formulated their versions of what organisational transformation means. In this section an insight into the South African researcher’s understanding of organisational transformation will be explored. The similarities and differences between national (i.e. South African) and international understandings will be examined and a definition of organisational transformation will be suggested.

The most common emphasis, particularly in the international literature, is that organisational transformation means the redesigning, restructuring and resizing of

a company so that it can deliver in terms of global, economic imperatives. These views are also held by many South African writers who add an additional emphasis on how transformation may affect the political, social, economic, health, educational and other legitimate concerns of the workforce. The multi-dimensional view of organisational transformation was introduced into management theory by McLagan and Nel (1995). McLagan and Nel (1995) briefly but pertinently summarise the main thrust of organisation change. They emphasise the shift in management style away from autocracy towards a more participative style. Organisations are moving away from autocratic towards participative modes of working because of faster transmissions of information and changes in technology give employees a broader scope and more discretion in their work. This in turn makes the degree of commitment and involvement that employees feel and exhibit ever more crucial.

An unusual but nevertheless appropriate reason why South Africans need to shift towards participation, is also cited by McLagan and Nel (1995:16). This reason is the loss of guaranteed life-long employment and its replacement by a sense of personal involvement and responsibility, and opportunities for individuals to make a real difference in the workplace. Block (1993:20) also views the loss of life-long employment as the prelude to obtaining greater commitment from the workforce. In Block's opinion it is problematic to expect commitment from people when are not being offered life-long security. He describes this dilemma as follows: "We have been forced to betray the mid-century contract that if you work hard and deliver, we will take care of you." (Block 1993:20). McLagan and Nel (1995), in

contrast, view this dilemma as producing a more liberating and developmental effect and see it as a sign that power is shifting from management to the workforce as a whole.

The old paternalistic kind of security is fast being replaced permitting people to control their own lives. This demand to participate is expected to grow as the new workforce grows increasingly diverse.

McLagan and Nel's (1995) views about the phases of change are equally important. Their view is that transformational change moves in waves, and that a "wave" is initiated by a change maverick who has usually been brought into the organisation from the outside. A "creative minority" then establish themselves around the maverick in the organisation. This minority is usually a group of committed and visionary people who introduce (the second wave) whatever changes they think will be favourable to employees. The third group of people (and so "the third wave of change") is produced by people in the organisation who usually have the power connections, the resources and the energy needed to bring about such changes in the organisation. This third group usually comprises line and middle managers who have important strategic and operational links in the organisation. This third group becomes the "critical mass". In the fourth phase or wave of change, the masses of people within the organisation begin to make the changes throughout the organisation.

The fourth wave of change is known as *the changed majority*. This process involved in implementing this kind of change is crucial because the emphasis usually tends to focus on “selling” change down to the lowest level – rather than merely imposing it from the top down. The necessity of following the correct process is noted by Kotter (1995:59), who states that skipping steps in change only creates an illusion of speed and novelty – but never any satisfying results.

The view of McLagan and Nel is closer in reality to what is popularly viewed as organisational transformation in South Africa. McLagan and Nel focus on the changing South African worker environment, the heightened consciousness of the workforce, the diversity of the workforce and the search for meaning in work life. The emphasis which they place on the organisation’s environment in terms of socio-political trends in South Africa is included in Wilson’s (1987b:62) definition of organisation environment. Wilson (1987b:62) defines the organisation’s environmental context as follows: “By environment I mean the totality of the external conditions and trends in which business lives and moves and has its being – the market and competitive situation, economic and technological trends and (increasingly) social and political development”.

The value of such a definition lies both in its holistic macro-environmental approach (social and political) and its futuristic orientation. The definition implies that both current trends and competitiveness need to be considered in transforming organisations. There are many researchers and executives who fail to incorporate the need for remaining competitive with changing socio-political

developments. From a business management perspective, such an approach is far too restrictive because transformation – by its very nature – is holistically orientated.

1.5 A competitive view of organisational transformation

Weeks (1990), and Nasser and Viviers (1993), are closer to the macro and competitive view of organisational transformation in South Africa.

According to Weeks (1990:78), the changing environmental context in which organisations exist and to which they need to adapt in order to survive is a significant variable in organisational transformation. This is supported by Nasser and Viviers (1993:2) who describe the world economy of which South Africa is a part, as one that is highly turbulent. A certainty which they predict for South Africa is that turbulence will continue unabated for the foreseeable future. Nasser and Viviers (1993:3) indicate that organisations have to be managed for *success* when they are undergoing organisational change – in spite of whatever turbulence may exist. Nasser and Viviers (1993) avoid the use of the terms *organisational change* and *organisational transformation*. Instead they use more direct words such as *organisational survival*, *turnaround* and *renewal*. In order to create effective and sustainable turnaround in South Africa they recommend psychological stamina and a mindset which is positive about future outcomes despite limited opportunities and resources, environmental hostility, socio-economic turmoil and political uncertainty.

Nasser and Viviers (1993) have demonstrated in their research that successful and mostly counter-trend organisations in South Africa reflect characteristics which are very similar to those of winning nations and winning international organisations. In terms of organisational turnaround (as used predominantly in their research), organisations wanting to turn their organisation around should employ discontinuous strategic thinking. The source of competitiveness (according to Nasser and Viviers) lies in an ability to defy the logical conventional wisdom and leapfrog traditional culture in favour of completely new and original ways of doing things. Among the more noticeable features of this paradigm shifts, they have identified the following:

- a move away from steep vertical organisational structures to more horizontal, flatter structures;
- a move away from myopic long-term planning towards intuitive medium-term thinking and action;
- a move towards collapsing cost centres into profit centres;
- a move away from centralisation towards employee empowerment;
- a move towards replacing too much artificially preserved harmony with a healthy amount of creative tension;

- a move towards achieving strategic aspirations with considerably fewer staff than are generally thought to be necessary; and
- a move towards ensuring that the affirmative action issue starts in the boardroom and is concentrated on “line” rather than on staff positions.

Sunter’s (1997:12) view of organisational transformation is similar to that of Weeks (1990) and Nasser and Viviers (1993) in that he pays attention to the global context and the status of an organisation. He is more emphatic in his view that it is of paramount importance for an organisation to transform into a competitive player on the world stage.

In his preamble to discussing the world-class competitive organisation, Sunter cites the World Class Yearbook which indicates that South Africa is rated second-last among the industrialised countries listed. Only Russia was behind South Africa while the US, Singapore, Hong Kong and Finland occupied the top four places.

South Africa now possesses an open economy (Sunter, 1997:11) – with all the opportunities and threats which go along with such status. Unless South African organisations transform into world-class companies South Africa will remain, according to Sunter (1997:11), at the bottom of the class. Sunter (1997) suggests the following ways for organisations to become world-class companies:

- **Differentiation and specialisation.** According to Sunter (1997), being the champion of a closed economy will now be risky as America's most admired companies enter the South African market. Sunter (1997:16) advises that if South African organisations are to rise to the challenge, they will need to find something that sets our product service or the way that we do business apart from the rest of the competition in the world.
- **Focus and being a global player.** Sunter (1997:20) illustrates the necessity of being focused while at the same time being aware of the global arena. He sums up this dilemma by saying "It's no good any more having the philosophy that if it sells in Benoni, then that's all right." He further believes that *focus* is a key message for South African management who, because of the shortage of expertise, have spread themselves very thinly over a wide range of responsibilities. In short, Sunter (1997:20) believes that in order to become world class, organisations should stay with their core competencies but adapt their range of products and services to the changing times.
- **An innovative spirit to cope with the perpetual transition caused by accelerating technological change.** According to Sunter (1997:21) an increasing number of industries are moving into perpetual transition – a state which he recognises as not being very comfortable. In order to survive such flux and the immense challenges which they bring in their wake, Sunter suggests that organisations should be innovative and technologically agile. If

these two attributes are combined, they will confer the ability to launch wave after wave of new products and stay ahead of the field.

- **An ability to be in tune with changes and shifts in the environment.**

According to Sunter (1997:25), the more an organisation focuses, the more they should be prepared to alter their assumptions about the future should they prove to be incorrect. It is also equally important that, after having identified the problem, the organisation knows what it can and cannot change in order that it can focus on the one and adapt to the other. Moreover an organisation should also distinguish between what it should or shouldn't change in its business. Sunter (1997:25) agrees that change for change's sake can be dangerous because it takes years to build up a brand and corporate image.

- **The ability to attract, develop and keep young people in the organisation.**

This, according to Sunter (1997:28), is the most important attribute of a world-class economy. He notes that while it is sometimes easy to attract talented young people to an organisation, it is more of a challenge to retain them. Sunter (1997:30) recommends that in order to retain them an organisation should create an environment in which "high flyers" are never bored. Fast-tracking is also a way of ensuring that such people are developed. There should also be regular contact with management, regular feedback on performance and significant rewards for merit. As Sunter succinctly states: "To be world class you have to treat your people as an asset on the balance sheet rather than a cost on your profit and loss account."

- **Social and environmental responsibility.** According to Sunter (1997:31), the World Bank is considering a “blacklist” of companies suspected of corruption. He warns that in future nothing will make a company lose its world-class badge faster than being exposed for bribery, unfair labour practices or insensitivity to the environment. It is therefore not just the unions and labour legislation which forcing making companies to behave better. The market is also now exerting itself as a beneficial influence.

While Weeks (1990) and Nasser and Viviers (1993) write from a South African perspective, their view of organisational change is based largely on economic imperatives with aggressive proactive interventionist solutions.

1.6 The racial emphasis in organisational transformation

Visser (1998:6) does not explicitly define or describe organisational change but expresses rather concerns about safeguarding effectiveness and productivity during “such” change processes. To be productive, according to Visser (1998), every employee must be committed to:

- delivering the right product or service;
- eliminating waste;
- to working towards increased output; and
- behaving in a manner that will generate trust both vertically and horizontally.

Visser's concern with falling standards as a result of transformation and his view that the reasons for transformation cannot be faulted give the impression that he views transformation in racial or affirmative action terms.

This view, although negative, is perhaps an ever-increasingly popular view of organisational change in South Africa. Mbigi and Maree (1994:21) are mainly emphasising the racial aspect of organisational transformation when they state that the power in South Africa is shifting from a white minority to a black majority and that such a shift is generating an uncompromising business agenda which consists of a set of strategic challenges that leadership will have to respond to. They note the following challenges:

- Black workers are suspicious of business institutions. This generates the need to establish the legitimacy of management and institutions.
- Worker expectations about the quality of working life are high.
- There are high negative expectations of the resource-rich white minority such as distrust and suspicion. The management of white fears is critical if South African institutions are to maintain a satisfactory delivery capacity.

The racial emphasis on organisational change is clearly emphasized by Mbigi and Maree (1994). Various South African writers such as Khaye (1998), Dibodu

(1998) and Lakhani (1998) confirm their belief that affirmative action is the core of organisational transformation. Makwana (1996:25), for instance, predicts that competitive edge of companies will not only be determined by quality, service or products but also by the extent to which that company demonstrates a clear commitment to transformation by economically empowering those men and women who have been disadvantaged by the apartheid economic policies of past governments.

Jackson (1998:8) asserts that affirmative action is a major component of transformation in his description of the Black Management Forums' (BMF) background and vision. The importance of black empowerment and advancement in bringing about transformation is propounded by the BMF. According to Jackson (1998:8), the BMF was founded in 1976 to represent the interest of black managers who were discriminated against on the basis of colour. It is currently the only recognised organisation representing black managers in South Africa. The BMF's vision is to be the foremost a catalyst for the managerial transformation of organisations in South Africa. While this article offers no definition of transformation, it records the two top strategic objectives of the BMF as being:

- to develop black people into effective business and management leaders; and
- to ensure that companies are transformed so that they become representative and reflective of South African demographics.

According to the BMF managing director, Malope Mmamane, (in Jackson, 1998:8), the BMF organisational transformation is a crucial player, and BMF members periodically articulate the BMF position with regard to affirmative action and employment equity. The BMF has a membership of 3500. These are drawn from diverse managerial positions and about 120 corporate companies, including many of South Africa's top 100 companies. The organisation has 27 branches throughout the country.

One may contend, on the basis of this brief review of Jackson's (1998:8) description and the composition of the BMF, that affirmative action is regarded as indispensable for successful organisational transformation. Any understanding of organisational transformation must therefore include a detailed examination of affirmative action as it operates in South Africa.

2 LEGISLATION WHICH AFFECTS ORGANISATIONAL TRANSFORMATION

2.1 The Employment Equity Act

Apartheid has left behind a vast legacy of inequality. The composition of the labour market reveals huge disparities in the distribution of jobs, occupations and incomes – and the effects of discrimination against black people, women and people with disabilities. These disparities are reinforced by social practices which perpetuate discrimination in employment against these disadvantaged groups, as well conditions outside the labour market such as lack of education, housing, medical care and transport. These disparities cannot be dispelled by simply eliminating discrimination. Policies, programmes and positive action designed to redress the imbalance of the past are indispensable for achieving justice in all areas of South African life (Employment Equity Bill 1998)

The Employment Equity Act, Act 55 of 1998, was introduced during the first half of 1999. Of special interest to this research is that Chapter II (the prohibition of unfair discrimination) and Chapter IV (the establishment of the Employment Equity Commission) of the Act.

It is anticipated that this act, with its far reaching provisions, will radically transform the face of South African business (Healy 1999).

In broad terms, the Act provides legislation that will facilitate the democratisation of South African society in all areas of life. In short the Act outlaws unfair discrimination in all employment policies and practices, and seeks to affirm the rights of blacks, women and the disabled in so far as such rights relate to career development and job opportunities. The purpose of the act is to ensure that any organisation ultimately reflects the demographics of the region(s) in which it operates.

With regard to affirmative action, designated employers are required, in accordance with section 13, to “implement affirmative action measures for people from designated groups (i.e. blacks, women and the disabled)” (Healy 1998:3).

In addition section 5 (4) of the legislation will strictly control the testing of employees for illness.

Thus, while it may be permissible to do a test for respiratory problems on an applicant for a spray painting position, the Bill prohibits the testing of a job applicant for HIV/AIDS unless perhaps the person is applying for a job as a sex worker.

2.2 Implementation of employment equity plans

Every employer with 50 or more employees will be required to draw up and carry out concrete plans for the implementation of employment equity in each workplace. This will require:

- consultation by the employer with employees and their representatives on an analysis of the enterprise's employment policies and practices and its employment equity barriers. The employees represented at these consultations must be drawn from all occupational categories;
- disclosure by the employer to the employees of all information relevant to the issues raised in the consultation;
- conducting an analysis of the employer's employment policies, practices, procedures and the working environment for purposes of identifying barriers which adversely affect "disadvantaged" people (i.e. black, female and disabled employees and job applicants);
- the preparation and implementation of an employment equity plan which will overcome the enterprise's barriers affecting "disadvantaged" people. This plan will have to state:

- the objectives to be achieved for each year of the plan.;
- the employment barriers identified in the analysis and the steps which the employer will take to eliminate the barriers;
- the positive measures which will be implemented by the employer to ensure employment equity and fair representation of “disadvantaged” people;
- the numerical goals set for achieving equitable representation of “disadvantaged” groups within each occupational category;
- the overall timetable and the annual timetables within which equitable representation is to be achieved;
- the strategies designed to achieve the numerical goals and deadlines;
- the duration of the plan, which may not be shorter than one year or longer than five years;
- the procedures that will be used to monitor and evaluate implementation of the plan; and
- the internal procedures designed to resolve any dispute about the interpretation or implementation of the plan.

The employer will have to submit to the Director General of Labour an annual report containing the information listed above. This report will have to be updated annually. Companies will have to make the report available to any member of the public who requests it.

The employer will also be required to make one or more senior managers responsible for monitoring and implementing the employment equity plan and for ensuring that these managers perform their functions properly. The identification and elimination of employment barriers is likely to require the abolition and replacement of policies, procedures and practices which directly or indirectly obstruct black, female or disabled people from gaining employment, advancement, training, fair treatment or benefits (Marais and Israelstam, 1998:6).

2.3 Implications of the Employment Equity Act

Employers are deeply concerned about the practicalities involved in the implementation of this act. The concern of employers in the light of these changing conditions is articulated by Misselhorn (1998:14) who believes that equity will not come cheaply and that *efficacy* must be genuine if equity is to be realised. According to Misselhorn (1998:14) “efficacy” is a measure of efficiency and effectiveness. Efficacy measures productivity and the output-input ratio in all its forms (i.e. how a lower financial investment might produce greater profit, or how fewer workers could be employed for greater output, or how less equipment may increase production, or how less raw material may produce the same number of units).

Since equity cannot be attained without efficacy, this places the responsibility for productivity and output on *both* employers and employees. Equity therefore

cannot merely be demanded by employees. Employees will have to play their part in ensuring that they are sufficiently efficient to maintain efficacy.

There is no easy way to bring equity and efficacy together in creative dialogue and synergistic cooperation. But there can be little doubt that both are required. Equity is necessary because it means the fair distribution of wealth. It also means that people will be rewarded according to their contribution of ideas and skills and for their advancement of basic human and spiritual values. Equity is also necessary because it demands equal opportunities for all and for the removal of bias and prejudice in all its forms. Efficacy is therefore necessary to generate wealth as much as it is needed to ensure that wealth is fairly allocated (Misselhorn 1998:15).

A further critique is offered by Ahmed, in Smith (1998). He warns that the government should not confuse the goals of equity and efficiency. If efficiency is brought into delivery, more of the poor are reached. Ahmed, in Smith (1988), states that equity goals are the goals of government and that the private sector should be left out of the process and allowed to deliver efficiency because the mixing the two will hinder privatisation. He furthermore argues that the private sector cannot produce the panacea that will cure all South Africa's ills. It is but one of the partners in the development process.

Israelstam (1999:2) also identifies problems which may be caused by the requirements of the Employment Equity Act – particularly problems relating to

affirmative action. He concedes that while some of the affirmative action steps required by the Employment Equity Act are essential, many aspects of the Act will drastically reduce labour market flexibility for employers unless they implement the far-reaching provisions very carefully and very quickly. This will make the difference between affirmative action becoming a burden to employers and giving employers the ability and incentive to adapt willingly to legal requirements.

While there is a high level of scepticism amongst workers, the intentions of the Employment Equity Act of the act should not be underestimated or dismissed. Lakhani (1998:11) endorses the good intentions of the Act. He states the Act is a heartening attempt to encourage development and justice in the work place since it attempts to abolish the unjust and prejudicial nature of South African employment practices. He contrasts this hope with the cruel legacy of past oppression and control – particularly in the field of human development. Khaye (1998:12) succinctly states that legislation such as the Employment Equity Act aims at conferring acceptance, recognition, respect and dignity on South Africa's indigenous black population.

Ralinala (1998) supports the enforcement of the Employment Equity Act when he expresses his hope that the implementation of the act will narrow the material gap between whites and blacks. According to Ralinala (1998), a thorough study of the world's contemporary history from the beginning of this century reveals that a wide economic gap in any given country always becomes a source of conflict and

disorder: The Equity Bill is therefore a watershed in the economic history of South Africa.

While organisational transformation in South Africa places a definite emphasis on creating opportunities for the inclusion of the previously disadvantaged groups, there is an increasing burden on organisations to ensure adequate levels of productivity and growth – the very growth that will create wealth and drive transformation. This puts enormous pressure on leaders, who will be required to change the numerical composition of the organisation while sustaining the profitability of the organisation itself. It is highly unlikely that leaders be able to fob off the requirement of achieving quotas by meaningless and high-sounding rhetoric. Leaders will really have to maintain the stability and efficiency of the current work forces while rearranging the allocation of posts and skills in any designated work group. His/her attitude towards these requirements will reflect how the organisation will cope with change.

2.4 The implications of organisational transformation on leadership

The management of corporate change is a complex process in a rapidly changing macro-environmental context. Research has indicated that there is no definitive way to rebuild and maintain organisations. What is right for one organisation now may be wrong for another. To determine what best suits an organisation, a leader needs to tailor his/her designs and intentions on the organisations strengths and uniqueness. This process requires leaders to:

- understand their markets and determine what strategies are needed to be successful in such markets
- design the organisational structures and processes that can actualise the strategy
- assess their current organisational processes
- identify what needs to change if the organisation is to move from its current situation to its desired state
- predict what will happen as they change the organisation
- manage the change process
- repeat the process as markets change or new markets develop

The change process has to take into account both tasks and cultural, psychological and emotional conditions. All too often the implementation of organisational transformation is tackled in terms of organisational restructuring and task formulation while cultural, psychological and emotional conditions are totally ignored (Butler 1988:46).

Corporate change disrupts the emotional context of employees as well as the webs of social meaning and interaction that have evolved within organisations. They therefore disturb an employee “comfort zone”, and this leads to an increase in employee anxiety and fear. When initiating strategic and corporate change, leaders need to be *really* sensitive to the anxiety, fears, concerns, hopes and expectations of employees if they want hope to be at all effective in managing the

change process (Griffin 1992:393). Fear and anxiety are formidable inhibitors of action; they kill the spirit and deadens the imagination (Koopman et al 1987:53).

A further challenge which confronts management is to obtain employee commitment to the change process (Sham, 1996:43). Managers need a profound and skilful understanding of employee resistance to change. They need to understand how to overcome such resistance through effective participative management and communication. In essence, participative management and effective communication constitute are the core skills which are needed by managers who undertake organisational transformation. Kotter (1995:63) notes the dangers of “undercommunicating” in organisational transformation. He believes that change is impossible unless hundreds or thousands of people are willing to help – often to the point of making short-term sacrifices.

Employees will not make sacrifices, even if they are unhappy with the status quo, unless they believe that useful change is possible. Kotter (1995:63) is of the opinion that without credible communication, and a lot of it, the hearts and minds of the troops will never be captured.

O’Toole (1995:169) argues that significant change occurs within organisations only once the sponsors see that the cost of maintaining the status quo is greater than the cost of change. He maintains that the pain inherent in maintaining the present state can create the motivation necessary for carrying out real organisational transition. McCalman and Paton (1992:7) similarly argue that if

employees are to consider significant corporate change, they must feel some degree of pain in the present state. He contends that the greater the change required, the more extreme must be the pain which is needed to mobilise employees to implement change.

Although pain forces people to change, pain management is a dangerous way to stimulate change within organisations. De Geus, (1988:70) notes that the use of the term “pain” generates negative perceptions of the change process. The use of fear as a means for inducing change within organisations is a poor substitute for effective change management and credible leadership. Creating dissatisfaction with the organisation’s present context need not necessarily involve either fear or pain if the process is effectively managed. The researcher argues that pain as a catalyst for change may well be counterproductive because it will not give direction to the change process. The only realistic option is to reduce the level of pain or discomfort generated. The objectives of leaders should be to not only overcome the very predictable organisational resistance to organisational change: they should be in the forefront of giving direction to the change process.

Leadership involvement and direction is the pivot upon which organisation transformation revolves. This point of view is clearly endorsed by O’Toole (1995:xiii) who asserts that today’s leaders must create and embody in their lives strong, shared corporate values so that they can create internal strategic unity within a chaotic external environment.

Hence that familiar imperative of contemporary leadership: organisations must transform, de-layer, democratise and destroy bureaucracy if they hope to instil that entrepreneurial spirit and autonomy and innovation that are needed for survival. But, as leaders realise that imperative in practice, they must not jettison the cooperation, synergy, economies of scale, and sense of community that are the central benefits of the corporate form of organisation.

In essence, the challenge to leadership in organisational transformation is to “create internal strategic unity within a chaotic external environment” and to provide the “glue” to cohere independent units in a world characterised by forces of entropy and fragmentation (O’Toole1995:xiii).

2.5 Leadership Elements critical to organisational transformation

Various elements in leadership have been identified as powerful enough to overcome those centripetal forces in organisational transformation. These I shall now describe.

Tichy and Devann (1990:4) claim that transforming an organisation requires new vision and new frames for thinking about strategy, structure and people. While some entrepreneurs may start with a clean slate, leaders involved in transformation must start with what is already in place. Such leaders, according to Tichy and Devanna (1990:5), are like architects who must redesign outmoded factories for a new use. This perception of the leader’s role in organisational

transformation is supported by Nanus (1992:11) who, in researching leadership in business, government and the non-profit sectors, concludes that the crucial characteristic of a leader is to take charge, make things happen, and, above all, to “dream dreams”. He expands his views about vision by further explaining that effective leaders are known for being masters in designing and building institutions: they are in fact the architects of the organisation’s future. In similar vein, Smith (1997: 17) contends that in successful organisational transformation, leaders inevitably foresee future changes and challenges. They then become the connecting link between today and tomorrow.

Labich, in Syrett and Hogg (1992:225), agrees with the above-mentioned researchers in this regard. They assert that only leaders can manage successful change lies and that such an ability depends on the leader’s ability to enlist support for the organisation’s transformation. Labich (1992:225) cites five attitudes which together guarantee effective leadership during change. He characterises them as follows:

- Trust your subordinates. Employees will only perform effectively if they are convinced that their leaders believe in them.
- Develop a vision. Employees are more likely to be prepared to follow a leader who knows where he or she is going in the change process.

- Encourage risk. Employees may be easily demoralised if they perceive that the slightest failure might jeopardise their entire career.
- Invite dissent. Employees will not give their best to an organisation if they are afraid to air their opinions.
- Simplify. Leaders should present a charter which depicts all the details about the course which they wish to follow. The charter should be communicated and it should be implemented.

Leaders involved in change have the responsibility to guide and keep the organisation on course, and move it towards its chosen destination. Smith (1997:114) notes that there exists a tendency for leaders to slip back in the old way of doing things for fear of rocking the boat. Smith (1997:113) offers the following advice to leaders who are implementing a culture shift:

- Leaders should design and then present a powerful vision for the future.
- There should be a widespread communication of the organisation's goals.
- Leaders should accept that some people may leave during the transition process.

- Leaders should ensure that there is sufficient training in the organisation both during and after the change process.

The picture that emerges is one of a process that continually unfolds while leaders remain out in the front and visible in the process during each stage of the process. Useem's (1996:49) description of the leader's participation and visibility is particularly relevant to this requirement. He contends that organisational leadership matters most during a period of stress and uncertainty, that leaders matter most when it is least clear what course should be followed. Useem (1996) states that leaders are required symbolically and visually to personally exemplify the firm's vision, to show strong confidence in his or her self and in others, and to demonstrate personal sacrifice, determination, persistence and courage.

While what has been suggested above is valid for both international and South African organisational transformation, Mbigi and Maree (1994:22) offer specifically South African requirements for leaders taking their organisation through transformation:

- There is a great deal of inflexible fear and apprehension among the resource-rich minority (whites). The management of white fears is therefore critically important if South African institutions are to have delivery capacity.
- There is competition for dominance and control in the South African market place. Unless organisations become world-class and have a collective will to

survive, they will not be able to meet strategic challenges. The most important corporate strategy for South African institutions is the ability to manage corporate evolution in the face of change. Sunter (1997:11) argues this point and adds that unless South African organisations transform into world-class organisations, they will remain at the bottom of the class.

2.6 Organisational transformation internationally and in South Africa

There are many points at which organisational transformation in South Africa and in the rest of the world overlap. When one analyses both local and international organisational transformation, it becomes evident that both perspectives have a dominant motivation for organisational transformation. This motivation is the realignment and maintenance of an organisation so that it is optimally positioned in the new context in which it has to operate. Both South African and international companies are having to adjust and compete within a turbulent environment.

Several major sources of change and turbulence affect both South African and foreign organisations, namely:

- **Technological innovation:** Technological advances such as information highways, microprocessors and automated factories are creating a rapidly changing competitive terrain. The organisation should be positioned to ensure that it can respond at once to rapid change.

- Globalisation: Firms have a tendency of firms to extend their sales or manufacturing to new markets abroad and to do business everywhere abroad. Production is also becoming globalised as manufacturers around the world situate manufacturing facilities where they will be most advantageous. The globalisation of markets and manufacturing have also enormously increased international competition. Throughout the world, organisations that formerly competed only with local firms now relinquish their complacency and cope with the onslaught of new foreign competitors.

2.7 A new world order

As nations join the ranks of democracies, central planning and communism are increasingly replaced by capitalism. One major consequence of this has been an explosive of new markets which offer hundreds of millions of customers. For unparalleled opportunities are therefore being opened up to businesses and firms, increased global competition increases the necessity to be able to meet these challenges.

2.8 Demographics and the new global work force

In countries such as the US, the UK and South Africa, the composition of the workforce is changing dramatically. That part of the workforce which is composed of minorities and women has increased. The workforce's increasing

diversity holds major consequences for human resource development and training in all countries.

2.9 Knowledge, work and human capital

The typical large organisation will be knowledge-based: it will be an organisation that is composed largely of specialists who direct and discipline their own performance in response to regulated feedback from colleagues, customers and headquarters. The result of this is that the distinguishing characteristics of companies is an emphasis on human capital – knowledge, training, skills and expertise at the expense of physical capital like equipment, machinery and the physical plant.

Organisational transformation in South Africa and internationally is both economically and process-driven and is the product of deep social shifts towards the empowerment of the individual. Typical words used to describe transformed organisations are *boundary-less*, *virtual*, *horizontal*, *flat* and *consensual*. Social shifts which are common to both the international and South African domains include the fact that

- more decision making is undertaken by all levels of work force (everyone has an opportunity to engage in higher order thinking);

- there is a de-emphasis on traditional pyramid-shaped organisations and a corresponding emphasis on cross-functional teams;
- work itself is organised around teams and processes rather than in terms of specialised functions; and
- managers will not manage but will rather empower and build commitment.

2.10 South African organisational transformation

The South African definition of organisational transformation shares the same views as those held by scholars abroad. One may note that the need for organisations to transform themselves into world-class organisations is expressed more urgently in the South African context since the World Class Yearbook rated South Africa second last among industrialised countries. With the relaxing of exchange controls, local companies in South Africa will have to perform according to world-class standards if they hope to attract and retain their local as well as their overseas stakeholders (Sunter 1997:4).

While organisational transformation in South Africa is viewed from a survival/renewal point of view, organisational transformation in South Africa will be squarely based on legislation which is designed to redress past injustices and the dire consequences of apartheid. The Employment Equity Act is the cornerstone of the transformation process. The preamble to the Act states the

intention of the Act succinctly: "As a result of apartheid and other discriminatory laws and practices there are disparities in employment, occupation and income within the national labour market that create such pronounced disadvantages for certain categories of people that they cannot be redressed simply by repealing discriminatory laws".

The Act, which is seen as controversial and troubling by many traditionally white organisations, is a piece of legislation which is intended to eliminate unfair discrimination among *de facto* employees and job applicants and to provide special opportunities for black women and the disabled. In short, the act outlaws unfair discrimination and articulates certain criteria for defining unfair discrimination. These criteria refer to race, gender, sexual orientation, pregnancy and family responsibility.

With regard to affirmative action, designated employers are required in section 13 to "implement affirmative action for people from designated groups i.e. black women and the disabled" (Healy 1998:5).

Organisational transformation in South Africa is a "double hatter" because, on the one hand, the need for the organisation to survive as a functional enterprise is paramount while, on the other hand, an organisation needs to survive, change its workforce composition and succeed simultaneously. The organisation and its leaders therefore have to be proactive and strategic if they wish to comply with these imperatives.

As they implement organisational transformation in South Africa, leaders need constantly to review economic imperatives and the market forces in the light of evolving demographic imperatives. Leaders need to synchronise the management of corporate and strategic transformation with the phenomenon of environmental change itself in a proactive and flexible way.

The role of leadership in South Africa is therefore to be proactive and to build the capacity of their organisation, not only to manage change but to shape the world around them.

3 CONCLUDING REMARKS

The process of organisational transformation may be viewed from an international perspective or a South African perspective. The latter, which provides an emphasis on racial representation, is incorporated into the discussion. Each perspective tends to emphasise those characteristics of the process that are inherent in it.

The need to build and lead flexible organisations that respond to rapid shifts in the market place has never been greater. The highly competitive global economy of the 1990s demands that organisations respond rapidly to market shifts or suffer the consequences. It is well known that market leaders such as General Motors

and IBM have suffered and lost their market leadership positions because they did not respond rapidly enough to changes in the market (1996:vii).

The days of pursuing a steady, well-proven strategy and building a stable organisation to meet the needs of a clearly defined and stable market are gone. Instead leaders now live in an era in which they must anticipate rapid market shifts, develop new strategies, and redesign their entire organisation to operate effectively. The highly competitive and rapidly changing global economy dictates that leaders will need to become capable of building and rebuilding organisations to meet specific market opportunities.

4 PART 2: A THEORETICAL APPROACH TO LEADERSHIP

This section of the chapter is devoted to a consideration of what approaches leaders use during organisational transformation. Kennedy (1994) and Collins and Porras (1997) point out that the study of leadership has been at the forefront of the publishing boom since the early 1980s. It now constitutes the largest non-fiction category in Britain – and Britain is a long way behind the United States in business publishing. In the course of this chapter certain accounts of the development and practice of leadership will be examined.

In order to systemise the discussion of issues, the researcher decided to isolate the main themes in the literature on leadership and to categorise the theoretical trends pertaining to leadership represented in the literature.

After a detailed consideration of the literature, the following themes were discerned as being relevant to the question of leadership in organisational transformation.

Firstly, there is the theme of the degree to which transformational, inspirational and democratic leadership is considered to be crucial for successful organisational transformation.

Secondly, there is the theme of the degree to which authoritarian and autocratic leadership is used in organisational transformation (whether it is an instinctive approach in leaders or whether it performed intentionally to obtain results is a subject of contention in the literature).

4.1 Transformational leadership

The first mentions of transformational leadership appeared in Downton's *Rebel leadership* of 1973, a sociological treatise, and independently in James McGregor Burns's study of 1978 (Burns 1978). Then, in 1985, Bass presented a formal theory of transformational leadership as well as models and measurements of its factors of leadership behaviour. Meanwhile at least 25 independent dissertations and numerous research projects were completed in the United States and elsewhere (Deluga 1988).

4.2 Definition of transformational leadership

According to Bass (1998:17), transformational leadership goes beyond requiring leaders simply to get the work done and to maintain good quality relationships with their followers. Bass (1998:15) defines transformational leadership as a philosophy and approach that a leader employs in order to develop followers, transform those followers into leaders and foster the performance of followers in a way that transcends expected or established standards. The leaders referred to by Bass are not only those at the highest managerial levels in organisations. He refers also to those who are both in formal and informal positions, regardless of their position or rank. Griffin (1990:495) concurs with this definition and defines transformational leadership as leadership that goes beyond ordinary expectations by transmitting a sense of mission, stimulating learning experiences and inspiring new ways of thinking.

5 THE PRINCIPLES AND COMPONENTS OF TRANSFORMATIONAL LEADERSHIP

The following principles and components of transformational leadership are analysed below:

- Employees are allowed and enabled to view their work from a new perspective
- generating awareness of the mission and vision in the organisation

- developing workforce to higher levels of ability and potential
- motivating followers to look at organisational interests
- self mastery
- cognitive-focused strategy

5.1 Employees are allowed and enabled to view their work from a new perspective

Stimulating colleagues and followers to view their work from new perspectives is cited by Bass and Avolia (1994:2) as being a major component of transformational leadership. Sinetar, in Syrett and Hogg (1992:115), agrees with this assertion. He believes that one of the greatest challenges facing organisations today is the ability of leaders to encourage creativity and to allow people to express themselves innovatively while still maintaining the functions of the company.

Miller (1996:13) focuses on the necessity for creativity in transformational leadership. According to Miller (1996:13), creative response is the response of growth. Without it no organisation can progress. It is a sure sign of vitality and life, and when people lose their creativity, their defeat is near.

Many senior executives in large organisations have little contact with conditions on the factory floor or with customers who might influence their thinking about technological innovation. Since risk perception is inversely related to familiarity

and experience, senior leaders are likely to perceive technological innovation as more problematic than acquisitions that may be just as risky but that may appear to be more familiar. Quinn, in Stone (1996:107), notes that managers who fail to harness the potential of their subordinates, reveal other characteristics as well. They have, for example, a deep-rooted fear of failure and when things go wrong, they shift blame or find reasons outside of themselves to which they can attribute the cause. They seldom take responsibility because to do so would make them feel vulnerable (Laferla 1998:26)

For workers to be enabled to contribute and participate more fully in their organisation, they first have to be empowered. Mastrantonis and Nel (1995) attest to the fact that if leaders of organisations wish to enable their organisation to become successful, highly productive and flexible entities, they have to elicit a high level of employee commitment and encourage the following three dimensions of leadership:

- They have to encourage employees to make the kinds of operational decisions which are traditionally reserved for management.
- They have to grant employees access to the information required to make such decisions.
- They have to ensure that employees are trained so that they have a real understanding of business and financial decisions.

People need to act on their own choices. Acts of compliance do not serve those around us. Leaders do a disservice to others when they make decisions for them. Lorenz (1995:11) supports this view by stating that if people feel that they are at least in partial control of their affairs, they are better able to accept that change has become a way of life.

Covey (1996:38) asserts that each person must have a role in defining purpose and deciding what kind of culture the organisation will possess. According to Block (1995), we diminish others when we define purpose and meaning for them – even if they ask for it to be done. The transformational leader must therefore be participative in his or her approach.

Empowerment and participative management are therefore vital components in a transformational leader's approach. A very effective way of tapping the potential and improving the motivation of the workforce is to create an environment that allows them to contribute to their working life and their work processes (Smith 1997:189). The practice of participation will assist a leader to transform his or her organisation. Any organisation which focuses on continuous improvement holds the key to greatness and survival. The constant generation of ideas and constant innovation will usually put any organisation ahead of the pack. The implications of this for the transformational leader is that he or she must begin by creating a culture where people *automatically* generate innovative ideas and a management structure that is willing to implement such innovations (Sham 1996:79).

Continuous improvement known as Kaizen in Japanese also requires that leaders and managers be prepared to relinquish some of their power and privilege. It is based on the belief that the people doing a particular job will often know better than anyone else (including their supervisors) how that job may be improved, and that they should therefore be given the responsibility for making those improvements (Cane 1996:13). Leaders therefore need to be prepared mentally as well as practically to make this kind of shift. The introduction of such a measure also paradoxically empowers leaders. Cane (1996), for instance, points to the fact that the introduction of *kaizen* should free senior leaders to think about the long-term future of the organisation and look for new opportunities to concentrate on strategic issues.

Developing and nurturing staff are important for empowering the workforce.

The only form of leadership that endures successfully over time is what Covey (1996) has called “the law of the farm”. This means that the ground must be prepared, the seeds must be sown, and watered; the land must be weeded and maintained; growth must be allowed to take place until development and full maturity ensue (Covey 1996:17).

Covey warns that *there are no short cuts* and that time and effort must be invested in organisations and their people if benefits are later to be reaped (benefits such as the ability to introduce and sustain change). This long-term nurturing is also mentioned by Senge (1992) who states that a sense of loyalty can

only emerge through real dialogue between people on all levels of decision making over an extended period of time. This, he believes, is especially necessary because there are so many divergent points of view in changing environments. If there is a history of participation, the leader will experience a “great pay-off”.

5.2 Generating awareness of the mission and vision

Bass and Avolia (1994:2) suggest that other important requirements for transformational leadership suggested are to generate an awareness of the company’s mission and to familiarise employees with the leader’s vision. Tichy and Devanna (1990:124) emphasise how important it is for a transformational leader to develop a holistic vision of the future of the organisation and to stimulate a critical mass of leaders in the organisation to do the same. Nanus (1992:8) attests to the importance of communicating a vision of the future of the organisation which is realistic, credible and attractive to employees.

Vision is important – not only when the organisation is starting up but throughout the whole entire life cycle of the organisation. A new vision should serve as a wake-up call to everyone involved with the organisation and should announce that fundamental change is needed and is on the way.

Kotter, in Syrett and Hogg (1992:20), emphasise that one of the main challenges to a leader is to communicate effectively a vision of an alternative future for the company. Kotter points that words or symbols may not necessarily be accepted

just because they have been understood. They need to be repeated disseminated and emphasised and exemplified in various ways to various audiences throughout the organisation. The target population for this drive, according to Miller (1996:71), includes managers, peers, staff at all levels, customers and suppliers.

Leaders should constantly communicate an inspiring vision or picture of the future that provides focus for what people are doing or what they might hope for. Charlton (1996:25) believes that if the vision is communicated in a creative and understandable way, employees will be motivated to go that extra mile. The communication of the vision will also create conditions that are favourable for creating synergy among employees and the kind of cooperative spirit that enhances coordinated effort.

The frequency and intensity of communication by transformational leaders are therefore critical factors (see Tichy and Devanna 1990:153). Leaders must create an efficient and accessible system of communication which will elicit commitment and trust from employees. Communicating the organisation's vision and mission demonstrates a leader's commitment to the change process. Communication in a company should run in both directions and employees should be actively encouraged to get involved. Hearly (1996:4) endorses the opinion that there should be employee participation in vision formulation. Thus, for instance, he notes that several organisations excluded their employees from the exercise of creating a vision and developing a mission. This only creates problems because it is only the active involvement of every single employee (at no matter what level –

however “low”) that will issue in a statement of vision and mission that has complete legitimacy for every member of that company. Exalted statements about vision or mission which are imposed unilaterally from above are merely expressions of rhetorical flatulence. Employees will not support statements of mission or rhetoric about values if they have not been genuinely consulted and if their support has not been obtained. But if all employees are invited to make input in the process, they will own what they have decided and will be therefore also be willing to be accountable.

5.3 Develop workforce to higher levels of ability and potential

Another component of transformational leadership is the ability to nurture colleagues and followers so that they graduate to higher levels of ability and potential (Bass and Avolio 1994:2). According to Drucker, in Kennedy (1994:67), this kind of skill cannot be learned by a leader although all leaders have it. It is a basic quality in leaders and one that presupposes integrity and character. What is being suggested here is that a true leader has an ability to move or inspire his or her workforce by an innate inner force or quality which one might call charisma. The term *charisma* has a long history. It originated as a theological concept and in that context means a gift from God which enables a human being to perform exceptional tasks (Letsins 1986). The concept of charisma was introduced into the social sciences in the early years of the twentieth century by Weber. According to Weber, the charismatically qualified leader is obeyed by virtue of the personal trust and confidence which others are willing to place in him

or her and in his or her revelations, heroism or exemplary qualities (Wright 1996:194).

Vechio (1997:71) also posits the some kind of inner personal force or vitality which leaders use to develop their staff. Influence differs from power in that it more subtle, pervasive, numinous and intangible than raw power – which is often predicated on threat and force. Vechio (1997:72) describes how influence may facilitate a process of identification. Identification causes person A to follow and cooperate with person B because person A wishes to establish and maintain a personally satisfying relationship with person B. When a subordinate admires his or her manager, seeks his or her approval, and perhaps even tries to imitate him or her, it may be inferred that the subordinate has a strong desire to identify with the leader and would thus be most likely to follow the leader throughout all the stages of the change process. This makes “influence” a most important attribute in leaders who manage difficult change processes.

Covey (1996:35) identifies the *inner strength* of a leader as being indispensable if a leader wishes to inspire employees to attain to higher levels of ability and potential.. According to Covey (1996:35), principle-centred leaders radiate positive energy leaders and cheerful, pleasant and happy. Their positive energy is like an aura that surrounds them and this aura (positive energy) inspires colleagues and neutralises the negative energy and behaviour of those around them. If leaders are to inspire their employees to move to higher levels of ability and potential, they should not overreact to negative behaviour, criticism or human

weaknesses. Although they may be well aware of weaknesses, they realize that behaviour and potential are two different things and they believe in the unseen potential of all people (Covey 1996:35). Waterman (1987:22) supports this view that there is undeveloped potential in all. He also believes that if a leader expects an employee to do well, he or she probably will – and vice versa. Psychologists refer to this as the Pygmalion effect (it is commonly called a self-fulfilling prophecy).

If transformational leaders are to encourage their colleagues and followers to reach higher levels of ability and potential, they have to assume a coaching and teaching role. Pospisil (1997:35) endorses this supposition and claim that the ultimate test of a leader is *not* whether he or she makes clever decisions and takes decisive action – but whether he or she is able to teach others to be leaders and build an organisation that can sustain success even once he or she has departed.

To illustrate this point, Pospisil (1997:35) offers lessons from the lives and careers of well-known role models such as General Electric's Jack Welch, Pepsi's Roger Enrico and Allied's Larry Bossidy, as well as from less better-known leaders such as Eleanor Josaitis of Detroit's Focus: Hope training and education initiatives. All share a set of common assumptions and qualities as executives and teachers. They take direct responsibility for the development of other leaders; they have a philosophy and vision that can be taught; they embody a myth which arises out of the stories of their lives, deeds and beliefs; they create inspiring stories about the

future of their own organisations, and they utilise well-trying and tested methodologies and coaching and teaching techniques.

If leaders are to inspire their colleagues and followers to rise to higher levels of ability and potential through coaching and teaching, then they too must ensure that they are constantly learning and developing their skills and knowledge.

According to Covey (1996:33), leaders are people who are continually learning from their own experience. They also use reading, training, formal education and listening to expand the range of their competence, to hone their abilities, and to develop new skills and interests. Koestenbaum (1991:71) also applauds the ideal of continuous learning. He regards what he calls “ceaseless learning” as an essential part of the lives of leaders. Koestenbaum (1991:71) feels that leaders are obliged to understand and appreciate what they need to know. Koestenbaum also believes that it is essential for leaders to have an open mind because an open mind has learned how to learn and obtains immense pleasure, joy, meaning and fulfilment from learning. Savage (1997:100) puts a different emphasis on learning. He regards learning as a process within life that enables one to become increasingly perceptive about the patterns that connect one with other people and with one’s world.

5.4 Motivate followers to look at organisational interests

Bass and Avolio (1994:2) assert that transformational leaders are successful in motivating colleagues and followers to look beyond their narrow interests and to appreciate those factors that might benefit the *group*. Griffin (1995:437) maintains that motivation is that set of forces that cause people to behave in certain ways. The importance of motivation makes it critical to an organisation's success. Motivation is a complex process. As life becomes more complex, so also do the needs and expectations of the people who work in the organisation. This is especially true of organisational transformation as the internal and external environments become increasingly complex. Leaders therefore have to cope with the high expectations of their employees even as they attempt to obtain commitment from the workforce.

What motivates one person may not motivate another. There are however several factors that are common to the motivational fabric of all organisations. People who feel they are *contributing* to the organisation are generally more motivated (Smith 1991:12), and when people are rewarded for using their intelligence, a company receives a great boost of energy (Block 1995).

If a leader hopes to be able to motivate and to unleash the potential of his/her workforce, he or she needs a profound, sensitive and intelligent understanding of the minds and hearts of his or her workforce.

Cohen and Bradford (1991:101) assert that before leaders even attempt to motivate employees, they should fully understand the world of their employees. Knowing the concerns, objectives and various styles of employees is fundamental for determining what they need before they will be willing to cooperate. The more a leader knows, the better will he or she be able to plan a company's future.

In the twenty-first century organisation the social and organisational context will have major implications for leaders in understanding the workforce. Some of the characteristics of twenty-first century organisations listed by Nanus (1992:173) are as follows.

- The labour force consists primarily of highly skilled knowledge workers. Knowledge workers are quite different from production workers in that they tend to view themselves as professionals and they have the discretion to generate their own initiatives. They also consider “psychic” rewards like challenge, status, personal growth and self-esteem to be as important as their financial reward.
- The products or services consist primarily of packages of knowledge. The production of most products for which a small knowledge component is required no longer takes place by and large in developed countries. The kinds of production that are undertaken are those which require small amounts of material and large amounts of human intelligence and skill.

- Organisations tend to be global in their scope. At the very least, organisations are likely to need supplies, technology, ideas or equipment from abroad. Even purely local organisations are no longer totally immune from the impact of distant events that affect local interest rates, government policies or the attitudes and expectations of workers or customers.
- Organisations tend to be characterised by rapid change and complexity. Research is constantly focused on producing new ideas that will make current concepts obsolete. Innovation in products and processes has become the engine that drives the economic system. As a result, the organisation it must retain the agility to react quickly and appropriately to innumerable threats and opportunities – however large it may be.
- Activities are distributed over space and time. Because knowledge workers are often dispersed in time and space and because they view themselves as professionals, they expect to exercise initiative. Such organisations tend to be flatter, less hierarchical and more intricately networked.
- Organisations tend to have fuzzy boundaries. No leading-edge organisation – no matter how large – is able to do *everything* it needs to do to achieve its vision on its own.

The above six characteristics of twenty-first century organisations suggest both challenges and opportunities for leaders who desire to motivate staff.

The more highly skilled and professional workers are, the more critical it becomes for a leader to be able to supply a meaningful job context and a challenge worthy of commitment and exceptional effort (Nanus 1992). Skilled professionals do not want to waste their time, and they really don't have to because they can easily move to another position where they can make a difference.

The leaders of twenty-first century organisations will be expected to have the capacity to challenge and inspire highly skilled professionals.

A leader's task in motivating less-skilled personnel will be no less demanding. The changing composition of the workforce as well as their aspiration will need to be borne in mind during the stages of organisational transformation.

5.5 Self-mastery

Although an understanding of a work force's needs and aspirations are essential, personal values are also critical when it comes to determining a motivational strategy. The suggestion has been made that leaders should begin with themselves. A leader needs to look deeply within himself or herself before he is capable or fit to motivate followers and employees. A leader's capacity for rigorous self-examination and his or her ethical standards have to be irreproachable before a leader can even begin to think of motivating his or her staff.

Covey (1996:18) advocates a kind of leadership that is based on what he believes are certain timeless principles – principles which he believes are not inventions of particular historical cultures or societies, but which are rather eternally valid “laws of the universe” that are relevant to human relationships and human organisations at all times. These values are, according to Covey (1996), an integral part of the human condition, consciousness and conscience. To the degree that people recognise and live in harmony with the basic principles as fairness, equity, justice, integrity and honesty, they move toward either survival and stability on the one hand or disintegration and destruction on the other.

Laferla (1998:25) confirms that the unethical behaviour of leaders can be enormously destructive. According to Laferla (1998:25), those leaders who fail tend to be very ambitious and competitive and have a very high need to achieve at all cost. These qualities are often sought after in business and, in themselves, they may appear to be praiseworthy. What makes the difference between success and failure is the *manner* in which such energies and ambitions are applied. Thus, if a leader is willing to manipulate others, to engage in corporate politics and to employ unethical tactics to climb the corporate ladder, then he or she is an inferior person and a failure as a human being – no matter how impressive the external trappings of power may be. Similarly, although people with highly competitive natures appear to be valued, leader who harm and hurt others as they promote themselves can quickly destroy an organisation. Block (1995:42) concurs with this ideal of the necessity for principled leadership. He states that a necessary prerequisite for acceptance of a position of power is that a person be, above all

else, *a good human being*. Trust, he states, arises out of the experience of pursuing what is true. This attitude is supported by Bennis, in Kennedy (1994:106), who states that a basic ingredient of leadership is integrity which he sees as comprising the three essential components of self-knowledge, candour and maturity.

The notion of self-leadership is endorsed by Vechio (1997:416), who contends that, before a leader aspires to lead others, he or she should, as it were, be a leader to himself or herself.

Self-leadership in this sense is the influence that one exerts on oneself (as a leader) to achieve the self-motivation and self-direction that are needed to perform effectively – the very qualities that are paradoxically sought in followers.

5.6 Cognitive-focused strategies

A leader will building rewards into tasks and will increase the level of natural rewards that accrue from his or her labour. Natural rewards may be defined as being part of rather than separate from the work itself – that is to say, the work, rather like a hobby, becomes its own reward. Leaders focus their thoughts on natural rewards: they purposefully focus their thinking on the naturally rewarding features of the work in which they engage.

Leaders establishment effective thought patterns. In other words, they establish constructive and effective habits or patterns in their very thinking patterns and attitudes to life. Thus they tend to search for the opportunities rather than the obstacles which are embedded in challenges by managing ones their own beliefs and assumptions, their mental imagery, and their internal self-talk.

Covey (1996:34) points to orientation towards service as a key characteristic of leaders. He emphasises that the principle of service without care, dedication and involvement is a contradiction in terms. Real leaders, according to Covey (1996:34), all possess a sense of responsibility, a commitment to service, and a desire to make a meaningful contribution. Block (1995:xxi) also emphasises the need for leaders to concentrate on service in their leadership practice. According to Block (1995:xxi), authentic service occurs when:

- there is a balance of power. People need make and act on their *own* choices. Acts of compliance do not serve those around us or the larger organisation. Domination also fails. A leader does employees a disservice when he or she makes decisions for them;
- the primary commitment of a leader is to the larger community. People who focus constant attention on themselves or on a small team become self-centred and arrogant. They also begin to feel an unrealistic sense of entitlement;

- each person plays a part in defining purpose and in deciding what kind of culture the organisation will exemplify. People are diminished and humiliated when purpose and meaning are defined for them; and
- there is a balanced and equitable distribution of rewards. Every level of an organisation shares in creating its wealth and expanding its resources. When an organisation succeeds in the market place, money and privileges need to be more evenly distributed among all levels if a leader's commitment and ethical standards are sound.

Block (1995:xxi) believes that these ideals of service and stewardship reflect some leaders' intentions but that they usually do not.

Thus, although he concedes that innovative pay systems, self-managing teams, total quality efforts, partnerships and invented pyramids are often features of a particular a company, they are rarely assembled in an integrated governance strategy. Because of this piecemeal approach, leaders often give control with one hand and then take it back with the other.

In terms of the above it is here argued that transformational leaders are charismatic and provide vision and a sense of mission. They instil pride, gain respect and trust and are role models. They inspire by communicating high expectations, using symbols to focus efforts, and by expressing important

purposes in simple ways. These leaders turn their own subordinates into transformational leaders in their own right. Leaders and subordinates all join forces in their effort to change the organisational culture. Transformational leaders inspire, energise and intellectually stimulate their followers to greater heights.

The challenge for South African leaders is how to move from the present situation to the desired future in South Africa. Fundamental long-term changes are required and these have to be implemented by means of transformational leadership (Bass 1994:10).

6 TOUGH LEADERSHIP

Many leaders believe that if organisations wish to bring about change, they need much more authority and discipline than is currently fashionable. They also believe that leaders of major change programmes are likely to need the kind of skills and competencies associated with a more “authoritarian” style of management if they are expected to effect and sustain permanent change. In a classic swing of the management theory pendulum, the Second International Competency Conference in London was told that flexible, decentralised and fully empowered organisations are be unlikely to be making the most effective use of their own collective knowledge (Overall 1997:12).

Successful mobilisation of an organisation's knowledge calls for leader-imposed discipline, tightly monitored systems and even blatant authoritarianism.

According to Overall (1997:2), a leader who wants to change organisations must "Kill Tom Peters" – and that no company can thrive on chaos.

Overall (1997:3) also says that flexibility cannot take an organisation very far. Although this is contrary to popular belief, survival in a new era may require a new type of leader with specific leadership competencies. In Overall's opinion, highly disciplined processes are the *only* way to focus an organisation on the requirements of change. Numerous autocratic styles of leadership exist in the literature and each will be discussed in terms of their appropriateness for leaders undertaking organisational transformation. Types of leadership which fall in this category are pack leadership, military leadership and new generation leadership.

6.1 Pack leadership

Tough, direct and forceful leadership is also propagated by Nasser and Vivier (1993:108), who contend that true participative management among South African executives is a rarity, particularly as the term is understood in the classical sense of the word. Research has identified a *hybrid style* which is described as a mixture of benevolent dictatorship and cultivated autocracy. Many new generation organisation leaders may be described as "cultivated autocrats".

This leader is especially effective in allowing opposite view points to be heard and in encouraging strong contenders to emerge from the group. While such leaders are adroit at exploiting counter-trend ideas to create new opportunities, they also often marginalise weak team members or ease them into diminished roles. Such leaders quickly, decisively and ruthlessly deal with divisive employee behaviour such as challenges to the leadership or real threats the group fabric.

Nasser and Vivier (1993:108) term this particular leadership style *pack leadership*. Pack leadership is characterised by leaders who:

- focus on the power of the *team* as opposed to *individual* excellence;
- have an animal-like magnetism which they use to persuade followers to move in a particular direction;
- have forceful, charismatic and dominating personalities;
- nurture important and well-liked team members;
- have the ability to understand and use to their own advantage their knowledge of the human psyche – especially as it manifests in team dynamics;
- have the ability to use both verbal and non-verbal cues to wield influence;
- have an intuitive ability to gauge and enhance the energy levels of employees and
- utilise a “divide and rule” approach to great effect when dealing with dissension.

These leaders often use psychological experiences and symbolic events to establish commitment and to initiate action.

6.2 Military-style leadership

The need for powerful leadership during organisational transformation has revived an interest in the exploits of successful military commanders of the past. Syrett and Hogg (1992:31) note that the problems inherent in inspiring a large armed force to fulfil a series of military objectives, usually in the most turbulent conditions, is the nearest equivalent one may find to leading a modern business in a period of turbulence and uncertainty. Kotter, in Syrett and Hogg (1992:30), confirms this and asserts that no one yet has figured out how to *manage* people effectively into battle: they must be *led*. The same, he suggests, applies to business – where more change always demands more decisive leadership.

Dixan, in Syrett and Hogg (1992:51), also questions various “soft” vague and emotively charged ideas about leadership. The provenance of these ideas are many and varied. At the most superficial level, they are believed to include factors such as voice, stature, an appearance of omniscience, trustworthiness, sincerity and bravery. At a deeper and more important level, leadership depends upon a proper understanding of the needs and opinions of one’s employees and the context in which the leadership occurs. Thus, for example, the notion of charisma is questioned.

Collins and Porras (1997:32) contend that a high-profile, charismatic leadership style is absolutely unnecessary for successfully shaping an organisation. Collins and Porras (1997) add that some of the most significant chief executives in the history of the visionary companies did *not* have the personality traits of the archetypal high-profile, charismatic leader. They cite examples of many leaders who did not comply with the picture of the archetypal model of the charismatic visionary leader.

William McKnight, who is relatively unheard of and unknown, guided 3M for fifty two years. Of the nearly fifty references to McKnight in the company's self-published history, only one refers to his personality and that reference describes him as a soft-spoken gentleman. His biographer describes him as a good listener, humble, modest, slightly stooped, unobtrusive, quiet, thoughtful and serious. Similarly, Masaru Ibuka of Sony had a reputation for being reserved, thoughtful and introspective. Bill Allen, the most successful CEO in the history of Boeing, was described as having a rather benign appearance and an infrequent smile.

Collins and Porras (1997:33) point to further difficulties inherent in developing a high-profile charismatic leadership profile. Psychological evidence indicates that personality traits become set relatively early in life as a result of a combination of genetics and experience, and there is little evidence to suggest that one's personality style may change when one is in a managerial role. There is also evidence to indicate that such a style is *not necessary* and that the continuity in

excellent leaders stems from the organisation being outstanding and not the other way around.

Although the military environment is said to differ radically from organisations in the private sector, certain parallels may be drawn when one compares democratic leadership with autocratic leadership and the possible appropriateness of each – particularly in a turbulent context.

In military organisations, leaders are usually different from those in industry or commerce. Firstly, they are appointed: they do not emerge. Thus the needs of an individual soldier play almost no role in deciding what sort of leader he or she may get. Secondly, a military leader possesses constitutional power of a magnitude which surpasses that of leaders in most other human groups. If he or she cannot pull his or her followers by force of character, then he/she can at least coerce them by force of law.

Thirdly, military leaders are essentially autocratic and they operate in what modern theorists call a “wheel net” rather than in an all-channel communication net. In other words, essential information flows between the leader and his or her subordinates rather than between all members of the group.

In the light of these considerations it is worth noting that modern leaders in the British armed forces have been exceptionally effective. On the assumption that the primary function of officers is to get the best out of their men, one may note the

curious alchemy that was wrought by the relatively unprofessional officers of the First World War. A salient feature of all the campaigns that have so far been considered has been an absence of mutinous tendencies and a high degree of tolerance, fortitude and bravery on the part of the common soldier. For this reason, Dixon (1995:53) questions whether this dispute occurred because of their leader. If it was because of their leaders, how was it possible that even the most inept and reactionary of them could so touch the hearts of their men that they gave themselves to fight with a cheerful and destructive energy that could, on occasions, rise to whirlwind proportions?

Dixon (1995:53) states that modern research has come up with possible answers about the utility or appropriateness of autocracy. It has been shown that whereas low-stressed groups that operate in situations with no painful uncertainties do best under democratic leadership, people in organisations such as the military in times of war actually prefer autocratic leadership because they are subject to deeply stressful ambiguities. The feelings of dependency induced by stress successfully neutralise a person's normal antipathy towards an autocratic leader.

6.3 New generation leaders

The research of Nasser and Vivier supports the contention that the new generation of leaders have become cultivated autocrats.

The following are key characteristics among autocratic new generation organisational leaders:

- They are assertive and tough.
- They apply “light government” with a clear focus.
- They are visionary, intuitive and quick starters.
- They clearly define the priorities and strategy.
- They command loyalty, trust and respect.
- They use their reserves of positional power sparingly and their influencing power in abundance. By doing this they allow others to take charge of their own destinies.
- They are sensitive to organisational culture and know how to reshape an organisation’s culture.
- They are dynamic and positive in their outlook on life.
- They surround themselves with a team of executives of varying cognitive and conative strengths.
- They persevere and have great courage.

Garsombke (1988:49) expands why tough leadership may be desirable.

Firstly, discipline is an essential part of military life and has many positive features. The ability to control situations and people through discipline greatly appeal to many organisational leaders. In many organisations situations in which lack of time and high trust are crucial factors in the change process, the use of discipline may be especially appropriate.

A further characteristic of military leadership is group solidarity: this is an inherent strength of military culture. This characteristic can be very beneficial to an organisation since it may tie the members of a group or team together and make it easier for them to accomplish visibly stated goals.

Tough leadership is positively valued as a “sign of masculinity” – with corresponding implications of strength, chivalry, loyalty and endurance. Kono (1994:85) makes a case for utilising military values in organisational change because he believes that they encourage systematic thinking and planning.

Garscombe cites other desirable facets of direct or military-style leadership. “Efficiency” and “running a tight ship” are two other concepts which are derived from the military culture, and most commentators regard them as positive attitudes. Other elements that are associated with military behaviour and action are capability, victory, challenge, supremacy, challenge and winning.

The stress on winning and on being the best apparently helped IBM to beat its competitors in the information technology industry. In the 1985 edition of *The 100 best companies to work for*, Collins and Porras (1997:125) describe IBM as a company that has institutionalised its beliefs in the way that a church does. The result of this is a company filled with ardent followers. If you are not ardent, you may not be comfortable. Some have compared joining IBM with going into the military. If you understand the marines, you understand IBM. You must be willing to give up some of your individual identity to survive.

In the United States in particular, great applause is given to those underdog teams who emerge as strong competitors. Thus, for example, Pepsi Cola struggled to topple Coca Cola in the so called “Cola wars”. In describing these conflicts, Pepsi Cola’s leadership was known to use the words such as “will”, “determination”, “commitment” and “sacrifice” to epitomise the “rallying cry” of Pepsi. From an organisational perspective, these thoughts stress the positive aspects of a fighting spirit that emerges in the face of competing firms. Many American organisations have consequently adopted and used military leadership terms and concepts.

7 THE UNDESIRABLE CHARACTERISTICS OF TOUGH LEADERSHIP

Although it has been shown in the above discussion that tough and military style leaderships and cultures have many strengths and desirable characteristics, they also have certain weaknesses.

One of the major arguments against the use of military-style leadership in organisations has been its emphasis on the “win-lose” dichotomy. Peters and Waterman (1984) point out that assuming a “win-lose” perspective can limit any leader’s options for possible solutions to problems and situations.

In addition, a military style may sometimes might produce a “barking of orders” and too much emphasis on top- down communication. This may cause rigidity and implement an authoritarian structure in an organisation. Unless leaders have moved from a dictatorship to a relationship paradigm, they will continue to live in the past (Lascaris & Lipkin 1993:40). The possibility of controlling too much or becoming too “top-down” in orientation may also damage employee participation: this style would probably be very inappropriate in the many organisations in South Africa that have already adopted a philosophy that emphasises openness and a free flow of ideas. Employees in an organisation may not accept and implement strategies that are merely handed down to them as readily as they would if they were allowed to participate at some point in the decision making process – even if these passed-down ideas are accepted as being good for the organisation (Smith 1997:188).

Military leadership, taken to extremes, is not condoned by Skjelsback, in Garsombke (1988:51) for the following reasons: he believes that the military personality is socially irresponsible, impulsive and egotistical. According to

Skjelsback, the militaristic mind holds some very dangerous concepts as central to its ideology. They are the following:

- Human life is cheap and dispensable.
- Violence against the outside groups is condoned and even encouraged.
- Human nature is weak and inherently evil.
- Threats based on fear are a way to control people or to deter competition.

Because of the weaknesses and drawbacks in the military model, the wholesale adoption of a military model is not recommended. The organisational leader might instead utilise certain positive elements (such as systematic thinking and a winning attitude) from the military style of leadership.

7.1 Conclusions about tough leadership

Tough leadership is regarded as being appropriate – especially in an era when an organisation is expected to change in order to survive. Tough leaders believe that the only way in which organisations can survive is through highly disciplined processes. Tough leaders draw on the military analogy that people cannot be managed and that they should rather be led from the front. Certain behavioural traits are required by tough leaders as they lead from the front. They are assertive and tough; they command loyalty, trust and respect; they apply light government and they personally clearly define the strategy and priorities.

The ability to control situations and people by means of discipline has a great appeal for many organisational leaders – especially when they are in situations in which a lack of time and the requirement for a high degree of trust is a crucial factor in the change process.

8 TOWARDS A LEADERSHIP MODEL

The importance of transformational leadership – especially transformational leadership in South Africa – has been propounded by many theorists (Bass 1994:15). It holds the key for dealing with a changing workforce who have high aspirations and who wish to become more involved in the workplace. Moreover it holds the key for developing a workforce, for transferring skills, and for building trust and harmony in the workplace.

It is not however a solution for organisations which need to change quickly in order to survive. In cases where leaders are brought into an organisation for the specific purpose of renewing that organisation, a quicker, more direct, more forceful and more disciplined type of leadership is preferable. Tough leadership is therefore more appropriate as the *first* approach in organisational transformation. The shift to transformational leadership can then be made once the organisation is stabilised. Transformational leadership may then provide an improved and sustained culture of learning, openness and empowerment.

The interchangeability of these two styles of leadership is confirmed by Dixon (1995:53) who contends that low-stress which operate in situations that manifest no painful uncertainties do best under democratic leadership while organisations that are in flux and are subject to stressful ambiguities (like the military in times of war) actually *prefer* an autocratic leadership style.

The following styles appeared to be useful in enabling the leader to effect organisational change:

- utilise a “divide and rule” approach when dealing with discussions with those reluctant to change.
- focus on the power of the *team* as opposed to *individual* excellence.
- have an animal-like magnetism which should be used to persuade followers to move in a particular direction.
- adopt a forceful and dominating approach.
- nurture important and well-liked team members.
- have the ability to understand and use to their own advantage their knowledge of the human psyche - especially as it manifests in team dynamics.
- have the ability to use both verbal and non-verbal cues to wield influence.
- have an intuitive ability to gauge and enhance the energy levels of employees.

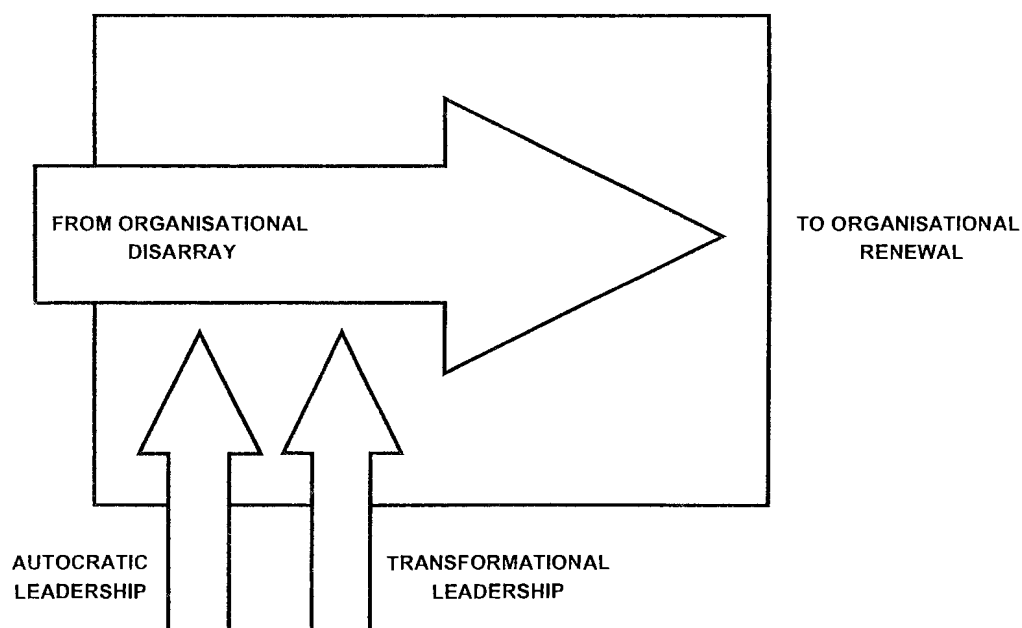
During times of uncertainty and especially in the early phases of organisational transformation leaders would need to be less democratic and to direct with “light

government”. Once the organisation is resuscitated and moves in the rhythm of the change process, a more transformational leadership style would be appropriate.

The transformational leadership approach compliments the direct, tough leadership approach in that it “frees” the “captured” organisation through, instilling pride, respect, inspiration and prompts intelligence, rationality and problem solving amongst the workforce.

It is therefore conceded that direct, autocratic leadership and transformational leadership are to be used sequentially in order to *effect* and then *sustain* organisational change. The direct, autocratic approach initiates and enforces the change, while the transformational leadership ensures that the organisation begins to grow it’s workforce and the organisational culture in order to ensure continued organisational life.

This combination approach is diagrammatically represented below:





The transformation and leadership within an organisational transformation context may take on various approaches each differing in nature, scope and process. In this study organisational transformation is viewed from an international and South African perspective. The latter mentioned perspective presents a process that is far more complex and multifaceted from a change management perspective than the international approaches.

The political and economic context ought to be considered when researching the process of organisational transformation in South Africa. In order that the process can be located within the broader context of social change. To date, few studies have been conducted on the change process from a leadership perspective.

The study further examines leadership and in particular, the leadership of those executives who were engaged in organisational transformation. Transformational leadership is generally perceived as being most significant in effecting organisational transformation because it attempts to instill pride, gain respect, inspiration and prompts intelligence, rationality and careful problem solving (Nanus 1992). However, while transformational leadership is shown to sustain change and it does not necessarily mobilize or induce change. In this study, a more direct or quasi military leadership style was noted as a necessary precursor to change. Once the organisation recovered sufficiently it is necessary to

introduce a more inspiring and nurturing approach to leadership such as transformational leadership.

The findings of this study are therefore of relevance in that they provide insight into the various types of leadership approaches which would need to be introduced at different stages in the organisational transformation process.

Based on the theoretical reviews of successful transformation, a leadership model was formulated in order for leadership in South Africa to achieve and sustain organisational transformation. The popular view that transformational leadership is the ultimate factor in attaining organisational transformation because of its participative and empowering components was integrated into the view that a quicker and more urgent approach to leadership was required. In the South African context where leaders are expected to convert their organisations into world competitors and to address the former apartheid imbalances within their organisations, a more direct and forceful leadership approach needed to be employed. The more direct “tough” approach was highlighted in that it can be usefully drawn upon to facilitate the initial stages of organisational transformation.

CHAPTER 3

RESEARCH METHODOLOGY

1 INTRODUCTION

In this chapter, I will consider the methodological and theoretical decisions which are the premises on which this investigation is based. The statement of the problem in Chapter 1 showed that the researcher would have to use various research techniques to elucidate how leaders perceived and understood organisational renewal and transformation. This chapter discusses how the three main research methods, which were used to examine the leadership of five organisations in South Africa, were utilised and justified. The investigation was based on the premise which I explained in Chapter 2. That premise is that the top leadership are always the main agents of change in their organisations.

This chapter explicates the research design employed and outlines how a "sample" of leaders in five organisations were selected, and how the exploration utilised a qualitative research approach.

The perceptions which were explored in this study included an examination of the participating respondents' expectations, their views about transformation and the

problems and successes which they experienced. The findings of this exercise are reviewed and analysed in some detail in Chapter 4.

The chapter also deals with the way in which the "sample" of respondents was selected. It was necessary that for the researcher to ascertain which South African leaders she should approach for interviewing (this then would constitute the "sample"). In order to identify a suitable "sample", the researcher had to rely to some extent on the expert advice of leadership experts (who, as it happened, are also mainly academics). In this way, a judgemental sample was identified. (This process is discussed in Section 4 of this chapter.)

The researcher also had to verify the criteria that she used to determine the sample. She achieved this by undertaking a survey of South African organisational documentation. The technique which was used to analyse this documentation is discussed in Section 5 of this chapter. The research process was thus organised in the following way.

2 JUSTIFICATION FOR UTILISING A QUALITATIVE RESEARCH APPROACH

The research design as elucidated in this chapter is premised on the epistemological presupposition that quantitative approaches are incapable of capturing the richness and depth of people's experiences. The author uses a variety of hermeneutical positions which she has taken from the social sciences in

their broadest and most generic sense. These include Weberian and phenomenological orientations to knowledge. McKay and Romm (1992:72) refer to the generic interpretive "umbrella" to refer to the work of, for example, Weber (1973), Schutz (1976) and Garfinkel (1976).

Interpretive social science attempts to interpret and hence understand the meanings of particular forms of social actions. In terms of such an understanding of social life, human beings are seen as active appropriators who constantly produce meanings by interpreting the world in which they find themselves. Meanings are constructed and reconstructed by social actors in the process of social life. When examining society it is accordingly necessary to analyse the way in which actors experience and negotiate a meaningful reality in the course of their interactions with others. The aim of interpretive social science is to examine how the construction of meaning is accomplished in the process of social life.

For this reason, a qualitative research approach, which is designed to engage research subjects in a process of dialogue, is employed. The research design is intended to capture how the selected leaders perceive the changes in their organisations. By drawing on the interpretive tradition, the study aims to reveal the five leaders' interpretations and experiences of the world in terms of the meanings that they use actively to construct their own social reality. Meanings do not have an existence which is separate from the social actors who construct them. Instead, they are constructed and reconstructed by actors in the course of social interaction. It is this richness that cannot be captured by means of statistical

data, and this is the reason why the researcher adopted a qualitative research design.

2.1 The research design

The research therefore followed the steps outlined below.

Firstly, the researcher identified those organisations whose leaders fitted the profile discussed in the previous chapter. Thereafter, the researcher undertook a range of interviews with leadership specialists in South Africa. (These are discussed in more detail in the subsequent section which deals with sampling.)

Secondly, the researcher validated the choice of organisations which she identified by using the above-mentioned approach and by making a documentary study of each one. The data obtained in this way was useful for interpreting the findings from the subsequent interview phase.

Thirdly, the researcher carried out in-depth individual interviews. These were analysed and interpreted in terms of the principles of the interpretative approach. In this phase of the study, the leadership approaches and styles of the selected South African leaders were explored

2.2 Documentary study

As I have already indicated above, I had to locate the leaders within an organisational context as well as understand how much progress an organisation had made in any kind of transformational process. Before I could do this, I had to have a valid method for conceptualising and using documents. Because I had to make certain decisions about the selection of documents pertinent to this study, I followed the process outlined below.

2.2.1 External documentation

I also consulted various external sources of communication during the process of this research. This external documentation included periodicals, journals, business reviews (all of which revealed the organisation's own account of its successes in terms of organisation renewal and transformation). Stacey (1970:43) states that newspapers, periodicals and popular journals are all sources of information and are in themselves both a means of communication and rich objects of study.

2.2.2 "Sampling" the documents

In contrast to the methods of experimentation and observation which almost always requires that the field be delimited by sampling, Bailey (1987:291) suggests that "document study can often use a larger sample". This seems to suggest that it is unnecessary to have to "select" a sample (in the conventional

sense. Nevertheless, some form of "sampling" did occur and various journal articles which contained unique and (often) well reported accounts of how organisations had been transformed, were examined. I also used the documentary technique as a guide when I selected the "sample" of organisational leaders who were interviewed in the subsequent phase of the study.

Examining journal articles about organisational transformation also enabled the researcher to identify novel approaches which had been used by particular leaders to introduce and sustain organisational transformation. These approaches (as discussed in the journals) supplied for the researcher with cues for the interviews. She made sure that these approaches were addressed and explored during interviews. In this way, the journal articles helped to validate and identify areas that needed to be probed. The external documentary technique also helped to determine the extent of the period in which change was introduced as well as the duration and pertinent stages of the process.

2.2.3 General survey of the literature

As with all research, the survey of the literature as outlined in Chapter 2, played a significant role in this investigation. While mention is made in Chapter 2 of those general sources of literature which were examined by the researcher, additional documentation specific to the various companies were also investigated. These included the following:

Financial and business periodicals

Human resource and organisational development journals

Newspapers dealing specifically with business reporting or business papers which were supplementary to mainstream newspapers

Various sources of literature pertaining to management and transformation (as discussed in Chapters 1 and 2).

2.2.4 Internal documents

It was also necessary that the researcher (in addition to the external sources mentioned above) to obtain and analyse a number of documents which were internal to the organisations being investigated. Stacey (1970:44) suggests that in-house publications are literary sources that should be explored but that their exploration should depend on "a strict test of relevance". In this study, annual reports, the organisations' vision and mission statements, transformation policies and affirmative action policies were considered relevant and were therefore studied. These documents were considered to be relevant because they reflected the organisations' "realities" as well as the organisations' intentions. They included:

Annual reports

Annual reports portrayed an organisation's roles and intentions and enabled comparisons to be made over a period of several years. This proved useful for gaining insights into the change process over a period of time.

Various researchers have stressed the importance of a realistic future vision for an organisation. Weeks (1990) claims that articulating a vision in an organisation displays a willingness on the part of leadership to reformulate perceptions, concepts, values and beliefs pertaining to the organisation's psyche. An in-depth understanding of the organisation's vision was thus important and extremely relevant for widening the researcher's understanding of the dynamics and aspirations of an organisation's leadership.

Affirmative action policies

Affirmative action policies that were examined displayed a leadership's commitment (or lack thereof) to the concepts of affirmative action. An organisation which was not committed to affirmative action might, for example, present a single page brief on their policy. Such documents were also characterised by vagueness, few measures and little (if any) quantification. These findings allowed the researcher to probe the relevant leader on the subject and to gain insight into the lack of progress in this area.

Newsletters and magazines

Newsletters and magazines also constitute a form of written evidence which enabled the researcher to gain access to the psyche of the organisation in advance of the research being done. These internal documents, although popular in design, convey those of the organisation's values, beliefs and assumptions which give rise

to organisational behaviour (Weeks 1990:208). This view is supported by Peters (1989:410) who maintains that such organisational symbolism confirms "what really counts around here" when organisations are changing.

The documentary study of both external and internal sources was thus considered to be invaluable to the research design for this study in that it validated the sample, highlighted areas to be explored and provided a good overview of the various organisation's positions in terms of their approach to and progress in organisational transformation.

The documentary research was fundamental in informing the investigation. The documents in particular provided a useful backdrop for the subsequent in-depth interviews.

3 IN-DEPTH INTERVIEWS

As suggested earlier, the method of in-depth interviews was an important method for collecting data for this study. Robson and Foster (1989:47) describe the individual interview as a penetrative technique which, they indicate, "if used correctly, it is the deep digging tool" of researchers.

Robson and Foster (1989:47) regard the individual in-depth interviews (as opposed to a group interview) in the following cases as being an essential research technique for understanding people's experiences:

The method (of in-depth interviews) is optimal when socially and personally sensitive subject matter needs to be investigated. In this study, such sensitive questions included the researcher asking "What is your relationship with the union?" and "How do you stand in terms of affirmative action and employment equity?"

The method is optimal when respondents are making exaggerated claims and could become a problem in a group discussion especially when questions such as "What skills or attributes did you bring to the post of chief executive officer?" and "What success stories can you tell about your leadership?" are asked in an interview.

The method is optimal when the researcher wishes to be alerted to the "truth" of various attitudinal responses and in those cases where individual interviews might provide insight into attitude. This was especially evident when exploring the non-performance of workers and discipline at the workplace.

The method is optimal when the population under study necessitates the use of individual interviews rather than group discussions. Because of widely differing leadership styles, the confidentiality of business practices, and the uniqueness of situations, it was necessary to conduct individual interviews with respondents.

Section 4 will describe the way in which the sample of respondents was selected.

3.1 The rationale behind using various interview techniques

In this study, the use of in-depth interviews as a technique for the investigation offered many advantages to the researcher in her endeavour to explore the varying styles of leadership and the changes which took place over a period of time in different organisations. The interview provided the researcher with the opportunity to redefine or customise questions to suit the various respondents in situ. It also enabled the researcher to amend the order of questions to harmonise the flow of discussion. This meant that the interview could proceed naturally and there was no need to impose an artificial structure on the interview process. This form of flexibility was necessary because, in some cases, the sector and/or sector-specific legislation informed the actual construction of the question and the type of probing utilised. The flexibility afforded by the in-depth interview process enabled the researcher to ascertain what kinds of questions were appropriate for the different respondents without her having to write out all the various possibilities (as would have been necessary had a mailed questionnaire been utilised).

The loosely structured in-depth interview, as opposed to a postal survey (which generally obtains a low return rate) or more structured interviews, enables a high response rate. This may be a consequence of the sense of confidentiality that interviews of this kind offer, but it may also be a consequence of the fact that many people prefer to respond orally rather than in writing (Bailey 1987:174). This offered opportunities for respondents to provide more complex answers, to

elucidate nuances and to provide non-verbal cues in the form of (non-verbal) behaviour and also in the form of diagrams or sketches which respondents tended to construct in the course of the interview when they needed to explain complex issues. This enabled the researcher to obtain qualitative understandings of the meanings ascribed by the respondents to their approaches to transformation.

While what has been described above illuminates the merits of the interview process for an in-depth analysis, certain disadvantages are integral to the approach. Thus, for example, the approach is more costly than a mailed survey – in terms of both time and money. The interview also does not provide the respondent with time to consult records or to "check" information. In this study, this often meant that the respondent had to phone or fax the researcher and ask for supplementary information. Finally, the lack of anonymity may have impacted on answers to questions pertaining to more sensitive issues.

3.2 Eliciting response: rapport through using in-depth interviews

As with all research, it is necessary for the researcher to establish a degree of credibility and rapport with the subject(s) in order to undertake the research. "Rapport" generally refers to the cordiality and cooperative spirit which is obtained at that stage in the interview when the respondent has accepted the research goals of the interviewer and actively seeks to help her or him to obtain the information that she or he seeks.

This desire on the part of the respondents to assist the interviewer was experienced by the researcher in the following ways:

When the researcher approached identified leaders in writing, told them of the investigation and requested a personal interview, they responded almost immediately. All requests were honoured: there were no refusals.

In some cases the leaders had prepared (without prompting) a summary of their view of leadership.

They also provided the researcher with supplementary documentation such as affirmative action policies and transformation forum minutes.

In many cases, the leaders exceeded the time allocated for the meeting. This affirmed the establishment of rapport. Given the tight schedules to which the sample of leaders were held, their willingness to grant time for the interviews and their willingness to speak freely and openly, was another confirmation of the kind of rapport which was established.

Almost all of the leaders asked for extra time so that they could complete the telling of their stories. The researcher found that such extended sessions allowed her to gather the information that she required.

Conducting the interviews

The interviews were all conducted in the interviewees' offices in their corporate head offices in the Gauteng area. Permission was in all cases given for the researcher to tape-record the interviews. The researcher had all the interviews transcribed and analysed. The data obtained were classified according to whatever trends were discerned. These are discussed in detail in the next chapter.

The interviewer's approach

Robson and Foster (1989:52) emphasise how important it is for the researcher not to be an unnerving and threatening silent observer because, as they say, "it is impossible to know what influence his or her presence has on the respondent". Although the interviewees were, by virtue of their positions, unlikely to be unnerved, the researcher nonetheless ensured that she followed all the "rules" for research protocol when conducting the interviews.

Benson and Hughes (1983:77) suggest that the interviewer must try to:

- create an atmosphere that encourages the respondent to talk freely in the knowledge that what is said is a private and anonymous matter
- create an atmosphere in which he/she can talk about the more private and intricate details of his/her life without [adverse] consequence. (Author's insertion)

Robson and Foster (1989: 51) describe qualitative research fieldwork as "essentially informal and variable" and continue by stating that "it has to be, as it is dealing with living material". When the respondent holds the territorial advantage, probing (to name but one activity) becomes less threatening. According to Robson and Foster (1989: 51), "the intention is to build an intimate atmosphere in which the respondents feel inclined to express his or her natural opinions and feelings rather than distorting or suppressing them".

The researcher was satisfied with the level of attention, commitment and sincerity experienced in the interview. The researcher assured the respondents that the interviews would be written up in a way that ensured their anonymity. Their willingness went beyond the initial hopes of the researcher and most of the interviewees requested an opportunity to read the findings. This seemed to indicate their availability for further questioning (should the need arise).

The semi-structured interview

In this research the semi-structured interview was primarily employed. Although the bulk of the interview was conducted using some form of interview schedule, the researcher tended to use this only as an aide-mémoire. The semi-structured interview was chosen as the major data collection technique because it allowed for flexibility in eliciting information of a qualitative nature. Qualitative information about the topic was recorded by the researcher, who was able to seek clarification and elaboration on the answers given. Themes and sub-themes were

introduced according to the interview guide but not necessarily in the order or sequence.

As Fielding (1988:212) notes, the semi-structured interview and the thematic guide allow the researcher to probe and open opportunities for the respondents to expand on issues raised. This kind of interview gives people more of an opportunity to answer on their own terms than does the standardised interview format. The most important advantage of the semi-structured interview for the purpose of this study is that it provides a better structure for comparability than does the focus group interview. The value of being able to make a comparative analysis with a certain degree of flexibility was thus deemed to be important. The main advantage of the semi-structured interview was that it permitted the researcher to obtain comparative data through the exploration of central themes and that it also allowed the interviewer to hone in on aspects of the interviews. This provided the following two necessary components for this study (May 1993:94):

It provided qualitative depth by allowing the interviewees to talk about the subject in terms of their own frame of reference. This was necessary especially since they have their particular view, vision, background and approach to leadership within a specific industry line.

Because this technique includes what are known as "life history or oral history interviews", asking leaders about their leadership approaches and techniques as

opposed to assuming that they use a text-book approach to leadership added an extra dimension of personal meaning and value to their accounts.

Focusing the interview

Moving from a semi-structured interview to a more focused interview is especially effective once rapport has been properly established. This kind of rapport also allows information of a more personal nature to emerge more comfortably. Once the researcher was satisfied that a theme or sub-theme was being addressed, she steered the interview towards a more open-ended, conversational and situational format in which she encouraged narration. The researcher only redirected the conversation when it strayed altogether from relevant topics.

The appropriateness of using the focus interview for leadership studies is confirmed by Bailey (1987:192). He argues that the focus interview might be more appropriate where communication might be impeded by the use of a rigid, highly structured interview schedule, a schedule in which all questions are decided in advance (regardless of the actual situation). In this study, the respondents were given a great deal of liberty to express themselves and articulate their ideas. The researcher's chosen approach allowed respondents to engage in a genuine conversation rather than merely answer pre-structured interview questions. This opened the way to a much greater degree of interaction.

Where the universe of discourse varies from respondent to respondent, the interviewer should have the freedom to change the wording of the question so as to pitch it to the understanding of the respondent. Because the nature of her respondents' businesses varied so much in their respective organisations, the researcher needed to be able to re-formulate her questions in the context of the interview. The researcher also needed to be able to contextualise the phrasing of any particular question so that it became relevant to, for example, a factory or a plantation or a depot or a store (as the context demanded).

Finally, the more focused interview is a superior format when a researcher is trying to elicit unconscious or non-rational emotional feedback. This was especially evident in discussions that centred on non-compliance, non-performance and industrial unrest (topics likely to elicit highly emotive responses or opinions).

The tactic of moving from a semi-structured interview style to a focused approach appeared to be effective in ensuring that all themes and sub-themes were answered to the researcher's satisfaction. While interviewees were given the freedom fully to express their own lines of thought, the researcher was given the opportunity to elicit vital information of a qualitative nature.

3.5 The interview process

In this study each subject was interviewed at his office within three weeks of being approached by means of a letter or telephonically. All subjects gave permission to allow interviews to be tape-recorded. This method was beneficial for two reasons. Firstly, accurate recordings could be obtained and transcribed and, secondly, the researcher was able to conduct the interview in a manner which was both comfortable and which allowed for thoughtful probing because she did not have to resort to writing.

Patton (1980:246) points to the necessity of capturing the actual words of the interviewees in qualitative interviewing because there is no substitute for raw data of actual quotations spoken by interviewees. In addition, the researcher made sparse notes during interviews. These notes consisted of key sentences and words on spaces which had already been provided below each question on the interview guide. This served as a kind of non-verbal feedback for the researcher.

Immediately after each interview, the researcher transcribed the tapes so that responses might be studied at leisure. Once this had been done, the researcher replayed the tapes and simultaneously made further notes about her impressions of each of the respondents as they related their experiences. These were situated under the appropriate headings from the interview guide. Section 5 below discusses this process in detail.

4 CHOOSING THE SAMPLE AND GAINING ENTRY

Organisations in both the public and private sector of the South African business environment have been subjected to the impact of both major micro and macro environmental changes. It was imperative that organisations which were successful and had made considerable contributions in the field of organisational transformation be identified for the purposes of this research. It was equally crucial for the researcher to gain access to the most senior level of these organisations so that she could obtain the personal accounts of their chief executives. This permitted the researcher to gain insight into their leadership approaches and strategies.

Judgemental sampling by leadership experts in business

Because of the rapid changes which are taking place in organisational development and current affairs, it was necessary for the researcher to consult experts in the field (experts who had a day-to-day knowledge of businesses successes which were predicated on organisational transformation). The researcher therefore approached four leading figures in the business environment. She explained to them the research project and the type of organisations to which she would need to gain access. These business experts judged the leaders according to various criteria. Each selection was limited by the requirements of the literary survey and by the researcher cross-verifying each expert's "list" by

discussing each selector's list with other experts. In this way, the researcher selected the sample.

4.2 Selection of the sample

After the final list had been obtained in this way, the researcher decided that, if she wished to gain a comprehensive and comparative understanding of leadership in South Africa, she would have to select a sample that was representative of a variety of industries. In the case of respondents working in the private sector, four out of the five organisations were selected on the grounds of the fact that they also featured in the Financial Mail's survey list of the top 100 South African organisations for 1998 (Financial Mail Special Survey, May 1998). In order to gain access, the researcher selected a "sample of convenience", and the variety of industries was selected on the basis of their having their head offices located in the Gauteng area.

The industries thus selected were from the engineering, mining, retail, manufacturing and the health sector. As indicated above, the names of executives interviewed were obtained by the leadership experts by way of a judgemental sampling approach. The composition of the leaders selected were as follows:

- Director
- Group Chief Executive Officer
- Group Managing Director
- National Managing Director
- Managing Director

All the respondents selected were directly involved in the planning and implementation of the organisational transformation process. The respondents would therefore be able to concentrate on those aspects of the process which they deemed to be of critical importance in the realisation of organisational transformation. Maximum benefit might therefore be obtained from recording and analysing the personal experiences and perceptions of the respondents thus interviewed.

A number of respondents requested that neither their names nor those of their organisations be divulged because of the sensitivity of the information which they were willing to provide. For the purpose of this study, therefore, the respondents are referred to as respondent A,B,C,D and E so as to identify the various respondents without divulging their names or those of their organisations. To ensure that the anonymity did not influence the scientific integrity of the study, the following measures were implemented.

- Their names were divulged on a confidential basis, with their permission, to the promoter of this study, so that the authenticity of the information obtained might be confirmed.
- The information obtained from each respondent was cross-referenced with the information obtained from the other respondents who were interviewed and with the literature study.

It is recognised that, because of the qualitative approach here being utilised, it is not possible to generalise from such a sample. But the researcher argues that such research does not pretend to attain to generalisable knowledge. It focuses mainly on capturing the leaders' thoughts about their own experiences of the renewal and transformatory processes.

5 DATA CODING AND ANALYSIS

In qualitative research, the researcher needs to organise the data so as to make sense of the large volume of information obtained in the interview process. It was therefore necessary in this study, that the researcher applied a data coding procedure which would enable the researcher to use the data to answer the research questions. Neuman (1997:422) outlines three phases of data coding:

- In the phase of open coding the researcher identifies initial themes and ascribes initial codes thereby limiting the amount of data.

- In the phase of axial coding the researcher attaches codes to the various themes which emerge from the initial phase of coding.
- Finally, in the phase of selective coding the researcher considers and then selects specific codes from the two earlier phases.

In order arrive at a selection of dominant themes it was necessary for the researcher to proceed with the data coding process and with the formulation of relevant concepts.

To do this, the interview tapes were replayed so that the researcher could focus on the dominant themes and trends that emerged. While listening, the researcher made notes on her impressions of the respondents and on their experiences and accounts. These were slotted under the appropriate headings from the interview guide (The guide was informed by the findings of the literature survey outlined in Chapter 2.) The researcher then made a detailed study of the transcriptions of the tapes and in addition to cataloguing the findings under headings appropriate to the various themes on the interview guide, the researcher applied the process of concept formation.

Concept formation is, according to Neuman (1997:421), an integral part of data analysis and begins during data collection phase but continues after the three phases outlined above is completed. As indicated above, it is necessary in qualitative research that the data is organised into categories on the basis of themes, concepts or similar features. New concepts are developed, conceptual

definitions are formulated and the relationships among concepts are formulated. Eventually, these concepts are linked to each other in terms of sequence, as sets of similar categories that are interwoven into theoretical statements.

As the researcher proceeded with the concept formation phase, she made use of the analytic memo technique. This requires the researcher to construct a memo or discussion of thoughts and ideas about the data. Each theme or concept forms the basis of a separate memo, and the memo contains a discussion of the concept or theme (Neuman 1997:421). The analytic memo thus forges a link between the raw data and more abstract theoretical thinking. The memo permitted the researcher to analyse data in terms of what is presented in the research report. Rewritten sections from the analytic memos became sections of the final report.

6 CONCLUDING REMARK

In this Chapter, the methodological principles underlying the investigation were discussed. These were used to justify the choice of various techniques employed in the empirical component of the study.

In the next chapter, the interviews will be discussed and analysed in terms of the following themes:

- The organisational profile
- The leader's view of organisational transformation
- The leader's approach to attaining organisational transformation
- The success and challenges as perceived by the interviewee.

CHAPTER 4

ANALYSIS OF FINDINGS

There is only knowledge from a point of view.

Jean-Paul Satre

1 INTRODUCTION

Having discussed the research design in chapter 3 which was used to obtain the necessary data from interviews, in this chapter the findings of this study will be presented by stating some of the responses of the five leaders who were studied.

As previously stated, the rationale for the study is to acquire a clear understanding of how a group of demonstrably successful leaders viewed organisational transformation and how they were able to accommodate in their leadership style two opposite and very different styles (the transformational and military/autocratic) in order to transform their organisation. Furthermore, in this study the researcher will attempt to acquire an insight into the approaches, success and shortcomings of the respective leaders during their quest for organisational transformation.

In this chapter all of the five leaders who were studied will present their views on leadership. In some cases the leaders views will be presented in direct quotes. The quotes given do not constitute the sum total of all the views of leadership but are purely a selection of the most important quotes in this study.

This chapter will analyse the findings under the following headings:

- (1) Organisational profile
- (2) The leader's view of organisational transformation
- (3) The leader's approach to attaining organisational transformation
- (4) Success and challenges

2 LEADER A

2.1 The organisation's profile

Organisation A is an industrial group which is listed on the Johannesburg Stock Exchange with intensive manufacturing and trading interests. Major industries served by Organisation A include automative, steel, mining, transport, building (including housing), ship repair, telecommunications and water reticulation.

The organisation's group activities may be summarised as follows:

Engineered products

An international company, with its home base in the USA, was acquired by Organisation A in May 1998. The Engineered Products Inc is a world leader in the design and engineering of both timber and light-gauge steel roof trusses. Products manufactured by this division include timber truss connector plates, construction hardware products and a complete range of manual and fully automated machinery and equipment utilised by the truss manufacturers.

It is a leading processor, stockist and distributor of customer-specified, high-quality blanks in flat sheet, plate and profiles in carbon steel, stainless steel and aluminium. Market reach is achieved through a countrywide network of 30 focused service centres, factories and distribution outlets to a wide industry base which includes automotive, appliance, building and construction, engineering and general fabrication.

Automotive division

The Automotive Division sources nationally and international and manufactures a range of products required by both the light and heavy-duty vehicle after-markets. It makes these products readily accessible via competitive distribution channels. From a zero base in August 1996, the division has grown to an annual turnover of

around R1,175 billion and a market reach through its sourcing and distribution chain in excess of R1,5 billion.

Distribution is achieved by means of strategically located warehouses in the major centres and by utilising established information systems. The company ensures that the leading brands of such products are always available and product quality is always underwritten by the manufacturer's warranty.

Automotive technologies

As the principal South African supplier to automotive assemblers, the division supplies first-tier systems to the local market and second-tier components to the local market and to offshore partners. It also services its aftermarket customer base in local and offshore markets.

Transport

Organisation A manufactures, services and repairs buses, semi-luxury coaches, road tankers, refrigerated insulated bodies, trailers, semi-trailers and commercial vehicle and van bodywork. It assembles, services and distributes commercial vehicles for freight markets and port terminal tractors, and coach and bus chassis for passenger vehicle markets. Its patented short coupling tri- and inter-linking trailer systems enhance operators' profitability.

Water

Organisation A manufactures, imports and distributes a wide range of valves, pumps and couplings for pipelines and stationary diesel and petrol engines.

Engineering

Organisation A manufactures heavy mechanical equipment and services the mining industry and steel mills. The division designs and manufactures products in various fabrication, machining and manufacturing facilities such as gastainers, coal feeder breakers, components for earthmoving equipment, pre-engineered steel frame buildings, water storage tanks, communication masts, composition railway brake blocks, forged railway tyres, rolled flanges for the petro-chemical industry and mine detection vehicles.

The rolling stock business focuses on the manufacture and refurbishment of locomotives, rail freight wagons, draw gear, couplers and bogies.

Ship repair yards along the South African coast undertake ship repair, the conversion and refurbishment of vessels and the fabrication of medium-sized floating structures (like barges).

2.2 Leader A's views about organisational transformation

How leader A experienced the organisation

According to leader A, the organisation was excessively bureaucratic and reactive and did not have a strategic focus. It was "covertly a Broederbond, quasi [sic] organisation" that made its profit mainly out of other government and other quasi government institutions, which traded very much on its Broederbond connections. Leader A also stated that the organisation was very Afrikaans in its nature and he thought it did not have any place whatsoever in the future.

There had also been, according to leader A, a culture of silence in the organisation. This meant in effect that no one was allowed to speak up or speak out about anything important. Communication was only one way (from the top downwards). The organisation was also characterised by reactivity and it had apparently never even enjoyed the benefits of a strategic workshop. The leader expressed his dismay at the lack of ethics and morality which prevailed in the organisation: "Frankly, I was quite appalled at what I saw. I have never seen such a morally [and] ethically rotten corporation in all my life. It was stunning."

As has already been mentioned earlier in the text, the organisational culture as it existed when leader A joined the organisation was simply crying out for change. Leader A described what he found as hierarchical, bureaucratic and without strategic focus.

Leader A also noted that the culture was not participative: no mechanisms permitting any kind of free flow of information or input from the ground level upwards existed. Ethics and morality were a major concern to leader A because he noted that "people operated in the most unethical manner. There was no transparency and one could get away with the most disgusting of behaviour." This concurs with Sunter's (1997:31) description of a world-class organisation as being ethical in all aspects of its culture and operation. The World Bank is considering drawing up a black list of companies which are suspected of corruption and organisations will be exposed for bribery and unfair labour practices (Sunter 1997:31).

The company had been allowed to stagnate and decay to an amazing degree, and the leader described it as having "run out of ideas and [having] ... no way of changing into the future whatsoever".

The leader further noted that an urgent and direct intervention was needed in order to influence and redirect the organisations culture. To this end his leadership "decided" on the new culture of the organisation and allowed it to cascade downwards. They in turn encouraged input from the ground up and fed this information into the desired culture design.

The desire to define the organisation's culture was supported by the organisation's executive committee which felt that everyone in the company – no matter how scattered geographically – should be made acquainted with this initiative.

"They said to me that the rest of the company will never believe this unless you go around and actually talk about it."

The key message that was communicated was that (1) the organisation was in a serious condition, (2) the organisation would cease to exist unless it was reshaped, and (3) the organisation had no option but to change radically.

Apart from reshaping through participative interventions, the leader noted that there was a need for the unloading of excess baggage in the form of guilt, unresolved anger and the unjust treatment which prevailed in the organisation's history. In the second half of 1997, the organisation embarked on a kind of "Truth and Reconciliation" hearing process. It was felt that this was necessary before the organisation could move forward and close the past. The leader describes this necessity for this measure in the broader South African context: "The interesting thing is that this organisation is 100 years old and the history of the company is very much like the history of South Africa. It's got its good bits and its got its very dark bits and in trying to build relationships with the unions it became very clear that there are some bits of the past that just would not go away".

The "Truth and Reconciliation" process was begun and thousands of people went through the process of speaking to the company's "Truth and Reconciliation" commissions which were set up on a national scale. The submissions gave evidence of abuses which ranged from racism to sabotage to sexual harassment and even sexual abuse. Some of those who gave evidence were perpetrators and some were the abused or harassed themselves. Many who heard the submissions were quite shocked by the severity of the problem. Although the leader had expected that much that was unsavoury and atrocious would be exposed, he nevertheless found the intensity and level of the suffering personally alarming: "Some of the stuff was so unacceptable that I could not believe these things could happen. People had been treated very, very badly."

Although the process was emotional and lengthy and therefore very costly, the leader felt it was necessary before the organisation could move forward. Because the organisation could not deny what had occurred in the past, it was necessary to deal with the all the significant issues of the past if all employees were to be allowed to make a fresh start. When I questioned the leader about the changes that became evident in the employees who went through this process, the leader commented: "We had grown men crying like babies in front of the "Truth and Reconciliation Commissions". People said they had the opportunity to tell their story, get it out in the open, and only now could they move on".

Strategic transformation

The leader not only introduced a change of culture to the organisation but viewed work practice as critical for organisational survival. The organisation under the leadership of leader A strategically implemented a process whereby management performance was measured by improvements in EVC (economic value created) and the degree of transformation brought about by every associate working for the company. Each person working for the company also had to show how he/she was contributing to the company's commercial success. Leader A's intervention ensured the development of commercial skills at every level of the company. This development was reviewed on a monthly basis as the company began to be managed in terms of the accuracy of forecasts made by unit managers.

Leader A also introduced a system of financial reporting whereby those concerned reported on their business units financial situation not later than five days after each month's end. This system ensured that management could take the appropriate action in time to enhance profits, reduce working capital and correct the cost base. This action-division management style is able to identify underperformers almost immediately. Because incentives are based on EVC and improvements in headline earnings, such individuals are removed from the system by their peers or after they have accepted their own underperformance. This form of peer management and output-based assessment is described by the leader as: "the best method we could think of. Instead of having to chase and counsel the

underachiever, he looks at the bottom line and concedes: "OK, guys, I see that I'm not performing". ... Maybe [he] cannot improve – and in that case he is out of there. He leaves graciously".

The strategic transformation approach which was introduced by leader A concurs with Nasser and Vivier's (1993:107) view that a paradigm shift towards competitiveness is a move towards replacing too much harmony with a healthy degree of creative tension.

Racial and gender transformation

Leader A was of the opinion that the racial and gender mix of the organisation should be transformed but conceded that the organisation had failed in this regard. A current national shortage of black and female candidates in the engineering industry was cited as the main reason for this state of affairs.

Leader A felt that there were too few black and women personnel in engineering because they tended to by-pass engineering and choose careers in fields that he called "softer options". The leader was concerned that the poor representation of black and female was compounded by the fact that it was difficult to retain these categories of personnel and because they were often poached from the organisation. This was a major concern and source of irritation to leader A who felt that this practice was unacceptable in South Africa. he expressed his annoyance by saying: "We pay them more than generously ... other people just

buy them. They want a black face [and] so they just buy a few people. They are not interested in the person's career path or the other organisation that they are poaching from. They just want a face to put in the window".

Window dressing and tokenism was considered to be unethical by leader A and he said that he would not practise it. Leader A preferred to take the long-term view that the strategy of "growing" personnel within the organisation was both more realistic and attainable: "We are not going to window dress at all. We will rather grow people from within and put real people with real power and real jobs and that's really what we continue to do".

Although leader A considered this approach to be the best and most ethical business practice, he remained unsure about how it might be sustained because qualified black professionals and women were in great demand and were poached even after having been developed within the organisation. The leader hoped that the organisation would retain staff by nurturing and developing them. In spite of his hope, staff continued to be poached. This interminable cycle was summarised as follows by the leader: "We try to grow people from within but that's tough [because] as you grow them they get poached".

The leader therefore conceded that employment targets were not achievable. He recognised the need for a more representative workforce in his organisation but did not consider it to be the main goal of organisational transformation. Instead he

cited change in organisational culture and organisational turnaround as major and achievable components of organisational transformation.

The leader's specific style and approach towards attaining organisational transformation is discussed in the following section.

2.3 Leader A's specific style and approach

Morality and ethics

Leader A repeatedly cited morality and ethics as important issues in discussions. As was mentioned earlier in this chapter, leader A was appalled by the lack of transparency, the corruption and dishonest culture that existed in the organisation.

On joining the organisation, the leader found the organisation "low in terms of values and morality, the corporation was totally unprincipled."

The leader was deeply concerned to emphasise issues of morality and ethics as part of his leadership style.

Leader A began by specifically addressing his top management on the subject of bribery. Bribery, he said, was unacceptable to the newly agreed value system which had been endorsed by all members of management. Leader A also found it necessary to address all the shareholders about the subject of bribery because

bribery had very much been a standard part of the procedure in that particular industry and in his company in particular: "I had to say to them [that] there is a whole chunk of business in the organisation which I cannot get if I do not bribe because that is what our competitors do. We are not prepared to go down that road so either you now instruct me from the board that it is OK to bribe because that is the way business is conducted in those industries and I want you as the board and the principal shareholders to understand".

After this statement to the board, leader A was instructed by the board to withdraw from dealing with any businesses which operated by means of bribery and corruption. It was important for leader A to make this point to the board if he wished to eliminate unethical behaviour throughout the organisation. Once he had established an ethical base at the higher reaches of the organisation, the leader described how he extended this attitude throughout the organisation. "If our people steal from us we will be the first to put them into jail. We prosecute all the time".

Leader A is adamant that responsibility, morality and firmness should continue to be implemented – even though the price to be paid may be high: "In a country where fraud has become a national past time we try and at least hold the line even if it leads to strikes and uncomfortable situations".

Communication

Leader A noted that although the organisation possessed a formal communication system, it was primarily a top-down and one-way system in which members' views and thinking about the organisation were never considered – a system in which no one was ever given the opportunity to speak: "Staff were all choked up with their thinking but could not express it."

Leader A noted the need for two-way (top-down and bottom-up) communication and viewed it as being necessary for implementing the desired organisational culture. The leader used communication forums to achieve consensus about a new organisational culture. He advanced his own views in these forums about what he thought a desirable organisational culture and values might be. This might be interpreted as imposing a one-way culture. The leader however was confident that he had a clear understanding of the organisation and its shortcomings and could introduce a framework which would save the organisation. He further thought that the condition of the organisation was critical and that there was not sufficient time (at that time) to conduct full participation forums. He nevertheless made arrangements to include employees' ideas and thinking in the system. He described this process as follows: "We broke people up into groups of about 8 to 10 people and we said, "Elect a spokesman and discuss our new credo and culture and anything else you would like to discuss, and give us feedback."

According to leader A, the response was positive and they received an abundance of feedback and suggestions from employees. The need to express their opinions – particularly about the past – was a critical factor. "People were very excited and gave us ideas outside the scope of what we wanted. The input kept coming and we used as much as we could. After that we realised that we need[ed] to keep these communication forums going otherwise we were going to kill the organisation and its people".

Participation and empowerment

The launching of a communication forum signalled the beginning of a form of participative management for the leader. This was not yet full participation but it was the beginning of participation by the staff in work-related matters.

Participation is considered by leader A to be the cornerstone of transformation. He is of the opinion that the main component of organisational transformation is inclusivity which allows "every person to rise to the best that they can".

Leader A further believed that structures or systems which would allow individuals to contribute to the organisation should be in place. He felt that this was especially important because of the skills shortage in South Africa. In order to facilitate the upward movement of all employees, leader A stressed the necessity for the workforce be both participative and involved. He described the manner in which he intended to maximise individual capacity as follows: "Unless

we tease the absolute maximum out of every person we are not going to succeed." Unless this happened, he felt, employees would not feel motivated or involved in the organisation.

The leader conceded however that although his company was possibly a leading companies in terms of worker involvement, his organisation "has still [got] a long way to go".

Teamwork was considered to be an essential part of participation because it would allow employees to grow in and contribute to the organisation. His view of team skill is defined as "regarding the team as more important than the whole". He regards teamwork as being of paramount importance in business because "if someone's got team skills, then they will survive this new organisation".

But participation in general and participation in teams were not merely regarded as mechanisms for ensuring full staff involvement and providing intrinsic satisfaction for employees. They were also (in the leader's view) mechanisms for separating performers from non-performers. Performance (especially at a high level) was measured by leader A as follows: "Success is achieved as a team so you succeed or you fail as a team. What happens is that people will quickly weed out the non-performers because they are not prepared to have their own bonus system prejudiced by someone else's non-performance".

In saying this, leader A once again emphasises the fact that the organisational culture and its people are able to remove non-performers from the organisation through peer or organisational pressure.

Personal style

Apart from the characteristics listed above (communication and participation), many of the successes achieved by the leader could be attributed to a variety of personal inputs which he introduced – inputs which speeded up change in his organisation and which reinforced the need for change and the manner in which change would be approached.

Leading by example

The leader spoke continuously about the importance of dedication and pride in one's work. He uses uncompromising terms to describe the standard of his work and his performance: "I probably work harder than anyone else in this organisation [and] so I lead by example."

He also indicated that empathy and fairness were important factors in leading by example. He said that he would not expect his employees to do what he was not prepared to do.

Leading by example was not only about work but also about the importance of values. It was important for the leader to be respected not only for his work performance and achievements but also for his integrity and values. The leader believes that his sense of integrity should be uncompromising – even if that should cost him his job. He described how his career had been prejudiced in his previous job because he had not supported an unethical strategy. He conceded that some people might find his style threatening but he believes that when staff become accustomed to his style they will accept him because they will know that he "has no hidden agendas".

Leader A also believes that in order to be fair, a leader should not hold grudges. If a leader reprimands someone for poor performance, he/she should not pursue the point forever but should rather let it pass once it has been addressed: "I don't carry the baggage of the past into the future. So they always know where they are with me and we address everything in the open. It's totally transparent and that ultimately, I find, is what motivates people most. In the initial phase it makes people quite nervous because it is the exact opposite".

A tough and forceful approach

Leader A described and displayed a very firm approach to changing his organisation. He contended that change could be extremely painful for employees and management but that pain was necessary to effect change. This concurs with McCalman and Paton (1992:7) who suggest that if employees accept significant

corporate change, they must accept some degree of pain. The greater the change, the more extreme will be the pain needed to mobilise employees to implement change.

He maintained that management adopted a "tough stance" in negotiating with the union even during the process of change. The following quote demonstrate several of the leader's beliefs about a firm management style in the organisation. "We cannot afford to be soft. We are a lot tougher than most companies. If people get out of line, they get handled. ... We've never gone soft on the disciplinary issues".

Leader A displayed his belief in a firm approach when referring to a union action which precipitated a strike: "We said, "Look guys we can't continue like this. All the goodwill that we have generated you guys have absolutely destroyed. We've moved away from the company being unacceptable. We've built trusting relationships and now you guys have broken that down entirely and we are not prepared to put up with it." So we just closed down the plant".

When describing the manner in which the plants were closed, leader A uses strong quasi-military language: "We mustered up a small army to support the personnel who were going in to close the plant. We needed a strong military force there because we were not prepared – if word got around – to be bodily harmed [and] so we went in well prepared and with force".

Leader A displays reasonableness and good faith with the unions until he loses faith in their behaviour. After that he displays a robust intolerance towards them. Thus, for example, he cites an occasion when his staff went on a sympathy strike. Leader A explained to the union that they had customers to supply and that work therefore could not be interrupted. The strike nevertheless continued. Leader A then recruited an alternative labour force for the organisation which produced substantially more with far fewer people after only one week of training and one week of experience on the job. He said: "When the staff return, they will have to face retrenchment. Because the shop stewards were the cause of this, they [the shop stewards] are going to be at the top of the list."

Leader A takes note of the newly recruited labour force's high productivity rate and rehearses what he is going to say to the staff when they return. (He is determined to use the events of the strike to make a point about productivity and possible benefits for the firm). "We are going to say we had 550 people and our latest calculations say that we can do the same output with 300 people because we are going to say that the previous week people didn't even know the organisation two weeks ago and they have produced that high output with only 300 people. Now that is to be the standard or the rest of you will be fired as well".

Symbols

Leader A also attributes his personal style and leadership success to the way in which he presents himself. For example he does not wear a tie which he considers to be an "ego symbol". He believes that ties often are a barrier that people (especially management) hide behind. To make himself more accessible and approachable, leader A wears an open-neck shirt at all times – except when the situation demands that he dresses more formally.

Another indication of his symbolic style is the use of first names. He is not addressed as "Mister ..." but rather by his first name. One of the first changes he introduced when he took office was to insist on the use of his first name. Leader A describes the extent to which this gesture had made him more approachable. "Because of this a lot of people got to know me as "Joe", and they would come up to me and shake my hand and say. "How are you, Joe?" Some of the reserved people in lower middle management would still call me "Mr A" and I'd say, "That's not my preferred mode of address."

Personal drive

Leader A attributes the drive which make him successful as a leader to his passion. He constantly sets personal goals for himself and says that once he has achieved them, he gains great satisfaction. Because this satisfaction is very short-

lived, he has constantly to seek out further challenges. His sense of achievement and restlessness is illustrated in the following statement:

"If tomorrow's like today, then tomorrow I'm kind of bored. So I like problems. I dive into problems and help to solve problems".

In order to work to his optimum level, leader A needs to work independently without constantly having to report to a higher level. He describes this need as critical to his growth and describes himself as follows: "I'm a bit of a maverick so I don't like a boss breathing down my neck."

2.4 Leader A: successes and challenges

Leader A highlighted the various successes he achieved about since he had become head of the organisation. Not only had he increased productivity and profit, he had also succeeded in reshaping the organisation. He did this by ensuring participation and input from all the company's employees. By eliminating unnecessary levels, he reshaped the organisational culture by flattened the organisational structure. He also opened communication and allowed free-flowing two-way communication. He also wiped out corruption and bribery and replaced it with value-based ethically sound work practices.

The most notable success which leader A brought about was instituting the Truth and Reconciliation Commission model to deal with past injustices in the

organisation and so permit reconciliation and a transition to a renewed organisation.

The area which leader A concedes he has not been able to address is that of employment ratios. The employment and retention of black employees is particularly deficient in the organisation. Leader A attributes this failure to the scarcity of qualified candidates coupled with an increased demand for such of candidates on a national scale.

3 LEADER B

3.1 The organisation's profile

Organisation B is a holding company of several platinum mining divisions and constitutes the third-largest platinum producer in Southern Africa. The Chairman's Report for 1998 describes the status of the organisation as revolutionary for a South African mining industry. This "revolution", according to the report, achieved the following:

- Marketing and contracted disadvantages were eliminated.
- The underground mining method has changed.
- Sub-decliners were started as a more capital efficient means of access to arc-reserves.
- Concentrator and smelter technology were updated.

- Refinery and particular rhodium recoveries were optimised.
- The most progressive industrial relations in the industry have been developed.
- The total staff was reduced by one third while the same production levels were maintained.

A programme called "One Team – One Vision" was introduced to access the knowledge and skills inherent in the organisation and "unlock the potential" of the employees. The company:

- accelerated the "roll-out" of best mining practice in all their mines.
- developed the most efficient underground hard rock mine in the country.
- improved concentrator recoveries.
- improved smelter through-put.
- reduced staff to 55% of the 1990 level.

The Annual Report of 1998 stated the organisation's values as follows:

- Act with integrity in all our actions.
- Be sensitive to the environment and play an active role in conservation.
- Encourage our employees to realise their potential through development, education and training.
- Remove discrimination.
- Practise affirmative action.
- Assist [those] employees who wish to do so, to live with their families.
- Respect and promote the safety and health of all.

When he joined the organisation, leader B found that organisation B was profoundly hierarchical – "almost militaristic". Since the culture was extremely hierarchical, rank status was paramount. The workforce was very large and very labour-intensive. One of the major challenges facing leader A was to reduce the number of layers in the organisation and so improve productivity.

3.2 Leader B's views about organisational transformation

Organisational culture

Leader B views organisational transformation primarily from an organisational culture perspective. The institutionalisation of a commonly accepted organisation culture was one of the major interventions introduced by leader B. When leader B had examined the existing organisational culture after having become managing director, he constituted a executive team plus union representatives which was called "Fixco". An outside consulting team was employed in order to assist Fixco with organisational change. According to leader B, outside assistance was necessary in order to keep the momentum of the project going and in order to ensure impartiality.

Fixco identified twenty different initiatives which were necessary to bring about organisational culture change. These included inter alia creating conditions for change, examining why employees were demotivated, the structuring of bonus

systems, the formulation and sharing of values, and an acceptance of the importance of training and development.

The manner in which Fixco involved all stakeholders is significant because it effected participation at every level. Presentations which explained the proposed new culture were made to 2000 employees at a time (Fixco ultimately made presentations to 30 000 employees). Although the number of employees who had to be contacted were very large indeed, leader B explains how Fixco were made to answer questions and address concerns:

Many of the employees did not have any trust in management because of the history which I think is typical of all South African mines. ... Safety performance is very bad and there is almost a sense that the company doesn't really care about them. ... These were quite difficult presentations. There was a couple of them where we were not allowed to leave until we had answered their questions. We were also asked, "Are you going to come back and speak to us if this vision doesn't work? What's in it for us?" – and some [other] very difficult questions.

Leader B regarded organisational transformation as producing an increase in productivity and a reduction in the labour force. Five to six years prior to leader B's arrival, organisation B had got itself in a position where it was not competitive in business, mining or productivity. Leader B therefore regarded this deficiency as his main challenge: he saw his mission as making the company more profitable.

As part of the quest for survival and profitability, leader B decided to widen the horizons of the organisation and release more resources for mining by outsourcing non-core functions while focusing on core functions. Leader B took a very critical view of what he called a very "bloated organisation". He introduced operating units with a very lean organisational structure. To set an example, he reduced his head office staff from 300 to 20 people. He supported leaner structures by saying: "I think too many people create work and create politics that feeds on itself and I believe that a very lean structure is more efficient and allows for quicker decisions".

This down-sized and focused approach to business has paid off in the long run. Leader B is satisfied with their results: "We are now in a situation where we are a leading industry in mining productivity. We have just done a bench mark exercise with our competitors which shows that we've got the best refinery and the best performance in the business".

The emphasis on flatter staff structures for successful future organisations and for organisational survival is confirmed by Dessler (1995:12) who attests that flatter organisations will be the norm in the future and that pyramid-shaped organisations will give way to leaner, flatter organisations.

The process of reshaping the organisational culture in organisation B has been measured by the external consultants and they confirm that "there is generally a better vibe amongst all levels of the work force".

Racial and gender transformation

Leader B was confident that his organisation is on the right track with regard to racial and gender representivity because they develop and provide opportunities for previously disadvantaged groups. Because his organisation is a mining organisation, women are not recruited for operational functions (they have been precluded from mining by legislation). He was however confident that women were entering other professions associated mining.

The emphasis on the inclusion of black personnel in the organisation appeared to take place in the low to middle organisational levels where he noted that many black candidates were "now in possession of a blasting certificate". Leader B noted that the organisation has a definite policy about affirmative action: "Let them bring the Employment Equity Bill. We think it's fine. Let them bring it in."

The researcher probed further in order to find out whether leader B was aware of the requirements of the Act. Leader B responded that it was difficult to retain senior black staff because they were highly sought after in the job market – in spite of more rapid promotion of black candidates and their faster increases in salaries. Leader B felt that they were still not retaining black personnel and that this eventually "throws everything out and it gets too distorted".

Leader B therefore believed that his organisation was doing everything possible to rectify the racial inequities in his organisation. But because of the vagaries of

market forces (i.e. the strong demand for black professionals), he felt justified in defending their position to the labour commission. He contends that he would rather rely on natural progression which – although it takes more time – is more natural and sustainable.

Ethics

Leader B presented a major moral and ethical value to his whole management team when he stipulated that organisational politics would not be allowed in the organisation. Leader B described his refusal to tolerate this behaviour in the following words: "We don't allow clashes amongst the senior people and prior to me taking over there was a whole group of senior managers in charge of little empires and there was a whole bunch of politics going on".

On being probed by the researcher as to how organisational politics could be avoided and/or curtailed, leader B described how people who indulged in organisational politics were "moved" out of the organisation. "When I took over the organisation and saw political games, I would call them and say, "You're a great guy but, I'm sorry, the way you play politics in this organisation is destructive."

When the researcher probed further so as to find out exactly how these managers are in fact removed from the organisation, leader B told the story of how two managers in particular were in conflict and causing a lot of tension. In order to

resolve the situation, he spoke to both managers and requested them to resolve their differences or leave.

Leader B cites the placing of pressure on one's staff as being an extremely important means for introducing change in one's organisation. Staff who feel uncomfortable and out of tune with the organisation's new system of ethics are also encouraged to leave the organisation. Leader B describes how the new culture makes it difficult for such staff members to remain in the organisation: "It is a bit crude but I say the organisation spits them out. We have had some really good people who have actually recognised that they don't fit in. They just put their hand up and said, "Look, I am a leader in this organisation and I can see that my style of things and the way we are going no longer harmonise. I no longer fit the mould and I would like to leave."

Communication

Leader B's communication focus was two-pronged. Firstly he placed a major emphasis on open and honest communication. Leader B saw this as being of paramount importance if he were to retain credibility with his staff while effecting the organisation's down-sizing and transformation. Leader B exemplified the old adage of "giving the bad news with the good" as follows: "We tackled the tough questions up front. We told people we were going to reduce the number of jobs and we were going to do it every year. When we communicated the vision we

said, "This is what's going to happen" [and] so people knew where we were heading. We didn't hide the tough issues".

Leader B felt that this honesty paid off. There was less labour unrest than had been expected and workers participated a lot in all programmes.

Leader B considered his own high visibility to be a prerequisite for bringing about organisational transformation. Leader B himself made presentations to 30 000 employees by addressing groups of approximately 2 000 people at a time. Kotter (1995:63) endorses the importance of mass communication for bringing about change. He attests to the fact that change is impossible unless hundreds or thousands of people are willing to get involved. Leader B thought that it was important to make the presentation himself. He also thought that his visibility was necessary and made a conscious effort to manifest it. Leader B compared himself to his predecessor whose style he thought was detrimental to the image and cause of transformation. "Historically most of the people who worked underground could not name or recognise the top person in the company".

By making presentations to every employee, leader B thought that he had reached every staff member apart from "those who had been on leave".

Leader B believed that the face-to-face communication had paid off and he was confident that all the staff knew who he was. He believes that he is well liked throughout the organisation because of his openness. He believes that if the

researcher were to ask any of the union leaders about him, they would make positive comments. Leader B attributes this positive image to high visibility as well as to the way in which he speaks to people: he says that he does not talk down to people and that he is also being open. He tells them "exactly what the truth is".

Leader B qualified this statement by saying that there might be people who may think that he is "miserable or whatever", but in general he has received a lot of feedback which indicates that he is well liked and well respected. This is positive feedback for a leader who is bringing about fast change and who is operating in an organisation which traditionally has had a culture of mistrust and fear.

Motivation and reward

Leader B displayed a strong sense and understanding of being able to motivate not only staff reporting directly to him but also the broader staff base. For instance leader B was himself once a miner and believed that he knew quite clearly what type of reward and recognition a miner wanted and what "exactly motivated" a miner every day. He is very clear that his motive for rewarding is not done "out of the goodness of his heart" but is rather offered in order to obtain performance and output from his staff.

Leader B contended that treating his support staff (those employed at the organisation's head office) with dignity and respect was critical to maintaining an

efficient and loyal workforce. He displayed a relaxed and easy attitude towards these staff members and added that they too were human and (as such) were entitled to have days in which they were not in top form. He emphasized this as follows: "Everyone is allowed to have what I call "a bad hair day" – [that is, one] when you're just miserable and stuff but generally you've got to be able to smile".

When he opines about the "human" side of leadership, leader B believes that it is important for a leader to be "approachable [and] on the same level" and to be able to relate to his workforce. In response to the researcher's question as to how he thought he might be perceived by the workforce, leader B gave the following reply (it illustrates his confidence in his leadership style and in the enrolment of his workforce): "The secretaries would basically jump out of the windows for me and for the rest of the staff. I think they would say I am someone who has had a positive impact on them and on the company".

Empowerment and teamwork

Leader B made several references to "freeing" his staff to make them happier so that they could influence and be in more control of their own destiny. He does not specifically use the term "empowerment", but he implies it as he refers to changes in the organisational culture. His concept of empowerment is wide and incorporates a freer environment and a shift away from what he repeatedly called "a culture of fear". He summarises this new culture as "creating a more positive

environment and a place where its people recognise and give recognition for their performance in one way or another".

According to leader B, trust is also linked to empowerment. This is a fundamental requirement if a free organisational culture is to be created. Leader B points to frankness, "open cards" and a willingness to share information – all of which (he believes) contribute to building the kind of long-term trust which is empowering to the workforce.

Leader B emphasises that teamwork brings about organisational transformation. According to leader B, the ability to work in a team is a crucial skill and is the major criterion he uses when recruiting and selecting staff. Although he believes in the importance of technical skills, he says that he has rejected many qualified and skilled candidates because he did not believe that they could contribute team skills. The ability to work in a team is cited by Dessler (1995:16) as critical if organisations of the future wish to survive. Dessler (1995:16) states that work will be organised around teams and processes, and that workers will have to belong to a multi-functional team.

A tough approach

Although leader B uses military analogies to describe certain aspects of his leadership, in the majority of cases he cites examples of his fairness and kindness in his approach to guiding his staff. He believes in being sensitive when delivering

"hard messages" and considers staff members' feelings, backgrounds and histories carefully as he attempts not to offend them. When leader B believes that he has done all he can to get his message across gently, he becomes "tired" of their stubbornness and then uses a tougher approach – which is described as follows: "Different people are motivated by different things. There are a few people in this organisation who don't appreciate my reasonable approach and then I need to use the wire brush approach from time to time

It's the only language they understand and it is very necessary if I want to keep this ship afloat and sail into the unfriendly seas safely and stay on course. I feel very much like a captain of a ship, a very large ship sometimes".

Symbols

Leader B made use of organisational symbolism in a variety of ways in order to transform his organisation's culture. He also used it to draw attention to himself: "When I initially came into the organisation, and to get peoples attention I felt that people are not listening to me and the organisation is not listening to me. They think I'm a replication of the past MD. ... So I did different things. I stopped wearing a tie and I did little things that are different so people thought. 'This person does things differently. He's not going to fit into the old culture of doing things'".

Leader B used this symbolism and behaviour to get the attention of his staff and break down the formal barriers which had existed in the previous organisational culture. To further break down the formal organisational culture he introduced first names as a form of address, and asked to be addressed in this mode.

The work environment was also important to leader B for symbolising change. Leader B was instrumental in moving his head office core staff from a traditional mining house in the city to a more trendy office park in the suburbs of Johannesburg. Leader B describes the importance of the environment: "A good environment is important so that people feel good about coming to work. ... If I don't have a nice environment, I get very depressed. If I don't have windows I will go nuts".

The importance of balance between an "over the top" and a reasonable environment is important. Leader B added that his staff had a hand in designing and in creating their own work environment and in choosing their art work.

3.3 Leader B: successes and challenges

Leader B cited many successes in his approach to and achievement of organisational transformation. His major achievement was the turnaround of an organisation which had been running at a loss for five to six years and which has now become a leader in the mining industry. He believes that he achieved this largely through the reduction of staff and his involvement with and building of trust among the remaining staff.

Leader B focused on the organisational culture for effecting changes which he viewed as critical for sustaining a successful organisation and ensuring it would have a place in the future. "Freeing" the culture, building trust and open communication, and humanising the work place were all critical factors for leader B.

Leader B did not believe that it was realistic to transform the representivity of the organisation with regard to gender and racial transformation because of the low number of applicants available in these groups. He did concede that they were transforming gradually from within the organisation. He said that the necessary number of females and blacks were not available in the market place and that transformation of the representivity of the organisation could therefore not be carried out in the short term.

4 LEADER C

4.1 The organisational profile

Organisation C is a fully integrated forest products business employing about 20 000 people and comprising eight operating divisions:

The Forests Division owns and manages extensive hardwood and softwood plantations in Mpumalanga, KwaZulu Natal, Northern Province, the Eastern Cape and Swaziland. The division supplies timber to the group's processing divisions as well as to outside parties. A sophisticated forestry research and development centre based in Pietermaritzburg forms an integral part of the drive to improve yields for the division.

The Kraft division produces bleached eucalyptus pulp as well as white-top and brown kraftliner, testliner and fluting at its Richards Bay, Piet Retief and Flexiton mills. The division has an annual production capacity of 500 000 tons of draft pulp and 380 000 tons of kraftliner and fluting. An integrated chemical plant at Richards Bay produces most of the mill's bleaching chemicals. The chipping plant at Richards Bay exports in excess of 850 000 tons of hardwood chips to customers in the Far East.

The Paper division produces newsprint, super-calendered magazine and telephone directory paper and a range of fine printing and writing papers, including carbonless copy paper, at its 520 000 tons per annum Durban mill. The mill benefits from having its own thermo-mechanical and groundwood pulping facilities as well as a modern recycled fibre plant.

The Cartonboard division manufactures a range of coated packaging and industrial board for the carton and print, stationery, construction and core winding industries and has an overall capacity of 180 000 tons a year.

The Recycling division is the largest waste-paper collection and recycling operation in South Africa, selling 300 000 tons of waste annually to the organisation's operations and outside customers.

The Timber division operates 12 sawmills and other manufacturing facilities which produce SABS-graded lumber and a wide range of solid wood products, including plywood, rotary cut veneer, finger-jointed Edgelam panels and mouldings. The division also has interests in the manufacture of decorative sliced veneers and chipboard and the distribution of lumber and allied building products.

The Mining Timber division is the major supplier of mine-support systems to the South African mining industry. The division processes about 600 000 tons of timber in its six mills, supplying products to the country's gold and platinum mines.

Paperlink division operates as a paper board merchant supplying the printing and allied industries.

4.2 Leader C's views about organisational transformation

Strategic transformation

The leader was known in South Africa as a turnaround specialist. His success was measured by the way in which he turned the share price from R12,00 to R57,00 after a few months of office.

His opinion of organisation transformation was that it can only be attained through instituting a correct structure and (thereafter) an appropriate strategy.

Leader C attributed his achievement of correct structure and down-sizing to the manner in which he empowered his staff. "I utilised my own philosophy which is now fancy buzz words. I called the management team together and said, 'This is the problem. We employ x people. We are making a turnover of y. The more we make, the more we lose. ... I'm giving you a week to go away and tell me what we can do. I want to reduce cost structures by Z'".

Leader C was able to reduce his staff significantly on the recommendation of his management teams. This intervention, he believes, was done by the people.

Leader C also noted areas apart from restructuring in the organisational culture, which he thought needed change. He noted that people were afraid to take risks and responsibility. Because he attributed this to a lack of confidence in themselves and in their decision-making ability, Leader C increased the staff training and development budget by 50%. He describes what he found in relation to staff development at Organisation C: "One of the things I discovered once I put in new levels of responsibility and accountability, [was that] people didn't know how to make decisions because they [hadn't ever known] ... how to make a decision before in their lives".

Leader C is convinced that the empowerment of his workforce caused the organisation to turn around and survive economic decline. He is satisfied that he is "doing something right" for the organisation, and notes that by changing the organisation he has saved the organisation and that the shareholders are "over the moon".

With regards to racial and gender transformation, leader C believed that his organisation had already addressed the question of representivity before the matter of employment equity was legislated. There is however a shortage of black staff because of the general market shortage of suitable candidates.

Leader C has set up many programmes to facilitate accelerated development for black staff. He believes that targets can only be achieved through internal

development. He also puts pressure on his management to ensure that they strive to develop a sufficient number of black staff. In order to ensure this happens, Leader C chairs the diversity workshop and sets targets for its members to achieve.

When the researcher asked him if he had experienced any resistance to accelerated black development, he said: I say to them. "Look, it's going to happen and if you don't like it, you better go and find a job elsewhere."

Leader C agrees however that he has broken down most resistance and has given the programme a lot of momentum and support from the top.

High energy and inner drive

According to leader C, bringing about organisational change requires a lot of energy and inner drive, which leader C believes he has "been blessed with". On being asked how he achieved success in organisational transformation, leader C spoke at length about the path he followed to reach top management. He had no university education other than the "university of life". He passed his apprenticeship within three years with distinctions. He moved through the organisation from the ground level and so experienced all facets of the industry. His success as a change agent is summarised in the following statement: "My energy and drive comes from within myself. I haven't needed someone to drive me. You can't motivate me. I can't motivate you".

While the researcher accepted that leader C had a high degree of inner drive and self motivation, she probed further in order to ascertain how he had used these assets to motivate a workforce to embrace radical change.

Leader C explained his success in terms of giving his workforce a safe and trusting environment. He believes that he motivated them through being "up front" with the workforce and allowing them to be part of the change process. He also believes that his enthusiasm and energy was "contagious". He asserts that when people become excited, they enjoy what they are doing – but not the other way around. His link between enjoyment and work is summarised in the following quote: "If you're losing, you're actually getting tired. If you're winning, you actually don't get tired".

Communication

Leader C began a high visibility communication programme as a part of his transformation initiative. He went to the grass-roots level and visited plantations where he delivered his message of change and shared his intentions. He stressed that visibility and the personal delivery of messages were crucial (especially at the beginning of change initiatives) so that the change process could be given credibility and momentum. He described his involvement as follows: "In all the change programmes I've embarked on, I have shared it down the line and I have

taken the lead as the change agent and started breaking it down with a presentation of what I need, what's behind it, why we were doing it".

Leader C also believes that visibility is crucial to the change process if one wishes to emphasise one's sincerity. Many organisations have gone through an enormous amount of change and have also failed. Many people have therefore become cynical and saturated with change. Because change is a high risk activity, it is necessary for the leader to endorse the intended change process with his visibility. The apathy of many staff towards change is summarised in leader C's quote: "People hear about it and say, 'Huh! We've heard that before it's not going to happen'. So you've got to become like the corporate crusader and you've got to preach the gospel and you've got to walk the talk".

Communicating informally is equally important to leader C. He often creates opportunities to get to know his staff and attempts to remember as much about them as possible. On a few occasions he has gone away on three-day visits with various groups of employees: "I went with these guys to the mountains for three days and sacked and slept with them, ate pap with them and drank with them".

This type of sharing and communicating was important for leader C as it gave him the opportunity to learn more about his staff, their culture and their ways. He believes that he has become a good listener (which he was not in the past) and that this is very important for effective communication. His socialising with them has sent a message to all employees that leader C cares.

Leader C also introduced a communication cascading system where forums of up to 300 people are addressed on subjects of finance, marketing and human resources from their respective directors. According to leader C this has proved to be very successful. He states that previously this kind of information was "sacred and could not be told to anybody".

Empowerment and teams

Leader C dealt with the issue of empowerment immediately after having joined the organisation. He was particularly perturbed by the fact that his management teams were not empowered to make decisions and identify and solve problems. For this reason he intensified their training programme and included them in problem solving exercises for the organisation.

He cites the freedom which he gives to his secretary as an example of empowerment. He encourages her to make decisions which impact on her working environment and speaks openly to her about his work plans and philosophy. His secretary has a fair idea of what must be done, who he should see, and so on.

To empower people, according to leader C, is to give them confidence. For this reason leader C not only focuses on training and giving employees opportunities

to make decisions; he also ensures that people are given positive feedback. Recognition is seen as being a vital part of empowerment.

Because of this belief, leader C gives immediate recognition in the form of awards or by means of a congratulatory memo when he sees that his staff are performing well. He describes his style and desire to give recognition as follows: "I don't want somebody looking over my shoulders and in the same way I won't look over my staff's shoulder. My staff have blossomed like roses and we've reached a stage where I've got to say to them. 'Guys, these are the results. This is how well we are doing'."

Leader C believes that it is critical to let staff members know how well they are doing so that their sense of achievement may grow.

Leader C believes very strongly in the value of team work. He plays the role of coach in the team work process. He believes that he manages and leads in much the same way as does a rugby coach, and he bases his philosophy on his experiences in rugby teams from his "days as a rugby player". He is vigilant about the way in which his staff performs and he constantly assesses them as team players. He ensures that they play a meaningful role in the process. He also ensures that they do not work only for their own interests and that they are not arrogant in the approach towards others. Leader C believes he has a "gut feel" about staff who are not playing as part of a team. He states that when he identifies these non-team players, he confronts them because "if they haven't got the

company at heart, they are working in their own interest and are actually restricting the development of the company".

The importance of working in teams is confirmed by Dessler (1995:16) as being critical for organisations which hope to survive into the future.

Tough leadership

Moving an organisation through rapid change in order to turn the organisation around requires firm and tough leadership. Leader C states that he has "radar antennae" and is able to pick up non-performance and non-conformers in his organisation. If he sees that his warnings and admonitions have had no effect on erring individuals, he puts pressure on them to "eliminate themselves from the organisation".

When he discussed his firm stance in this regard, management leader C describes himself as follows: "My eyes go a bit black and my staff get a little shaky. Body language is a wonderful thing and also at the end of a day I call a shovel a shovel. I'm not a tyrant but I can make my presence felt".

He uses military analogy to describe this kind of firm stance: "I'm a great one in believing in commanding this business instead of demanding".

4.3 Leader C: successes and challenges

Leader C was able to bring about organisational renewal through turning the organisation around and raising the share price from R12,00 to R57,00. He did this through down-sizing and cutting costs. Both empowerment and communication were critical in his quest for transformation. Leader C chaired the transformation committee and placed a strong emphasis on developing and retraining black staff in the organisation.

He was deeply concerned about the challenges presented by legislation for employment equity and becoming globally competitive. If the company was to become globally competitive, then operations would have to be automated and jobs would have to be cut. The Employment Equity legislation also put much greater pressure on employers who already were working under pressure. The conflict inherent in equity versus efficacy (Misselhorn 1998) is strongly felt by leader C who believes that equity will not come cheaply and that efficacy is necessary if equity is to be gained.

5 LEADER D

5.1 Profile of the organisation

Organisation D is a retail store that was established in Johannesburg in 1897. It has an annual turnover of approximately 1.2 Billion. Organisation D has approximately 1900 permanent staff members and 18 000 temporary staff members. As at December 1999 the organisation has 340 stores in South Africa which includes two in Botswana and five in Namibia.

During the last two years, changes have been made in organisation D. Customers have been made the centre of the organisation's thinking; what they need, when they want it, how much they are prepared to pay and how they expect to be served. The product categories of organisation D include: books, stationery, magazines, cards, videos, toys, confectionary, gifts, interactive software and cellular products.

The organisation has highlighted three key relationships in their strategic functioning. These relationships are with:

- Customers
- Suppliers both locally and abroad
- The outsource company of organisation D
- The services which have been outsourced by organisation D include:

- warehousing and logistics
- information technology
- financial services and the administration of the payroll

In an endeavour to align organisation D's business processes and practices, within ever changing environmental demands, the leadership of the organisation identified key strategic drivers which were incorporated into the organisation's business. These strategic drivers are regarded as crucial in providing world class professional competence to enable the organisation to deliver cutting edge retail service. The key strategic drivers of the organisation are:

- New information systems
- The re-establishment of business and retail discipline
- The establishment of business transformation initiatives to reshape organisation D and build profitability
- Business realignment strategies through key merchandise and supply chain initiatives.

5.2 Leader D's views about organisational transformation

Leader D believes strongly that organisational transformation is the cause of organisational renewal and turnaround. Despite the company's dominant "high street" presence, it had declined markedly in the market place over the preceding five years. Leader D believed that this had been caused by poor strategic

positioning, poor leadership and poor systems. Leader D notes that poor systems are very debilitating in a retail environment and that it is essential to have comprehensive access to sales margins and inventory information.

Leader D states that when he was appointed as managing director, he succeeded in turning the organisation around by firstly addressing the problem of the cost base – which had grown out of favourable proportion to the company's sales productivity. Leader D also put a world-class systems strategy in place – one which provided the kind of timeous and accurate information which enabled the company's leaders to make correct decisions. Finally he introduced a repositioning strategy for the organisation – one which made it more relevant to its customers.

Leader D's immediate focus on addressing the cost base of the organisation concurs with the view of Nasser and Vivier (1993), who argue that the source of successful competitiveness may be predicated on shifts in paradigms, such as those which obtain when collapsing cost centres are turned into profit centres.

Leader D regarded cultural transformation as a spin-off from the financial transformation. Although he did not see cultural transformation as a major component of transformation, it was important for him in terms of the kind of people he employed. It was for this very reason that leader D replaced his management team. He justified this course of action as being absolutely necessary. "When you're looking at turnarounds, the first and most important thing is that its impossible to turn around a company with old management in place. You've got

to change the management in totality and that is what I did. Of the original twelve there are only two left".

Racial transformation

Leader D described his organisation as being predominantly run by white men ("pale male"). His attitude to racial transformation was detectable in his approach to development within the organisation. He believed that historically South Africans had not allowed sufficiently qualified blacks to move up in the industry. He did not believe that making affirmative appointees from outside the organisation was a practical step as they "were very hard to come by".

He preferred to develop black candidates by allowing them to manage (first) a small store and then a larger store, and then after that by appointing them as regional managers.

The number of black candidates who are moving up this route is, according to leader D, limited because, as he says, "a lot of black people have not got matric because of the education in the seventies. They were busy overthrowing a government."

Leader D was confident that the organisation would have a sufficient number of blacks in management over time. His attitude to women was that there was a

sufficient pool of talented women who were managing stores and that they could be moved into managerial roles.

Leader D's emphasis on transformation was largely on organisational turnaround and obtaining market share. His version of organisational cultural transformation focused largely on the kind of person he would like to have working for him and the attitudes that such people would have to possess.

He was open to racial transformation and he felt that he was on track with regard to gender ratios.

The tough approach

Team leader D appears to embody only one style of management as he brings about change in his organisation: he was noted for being primarily autocratic and authoritarian in approach.

When he was appointed to his post, leader D replaced 10 of the 12 members of his management team. He justified this as follows: "When you're looking at turnaround, it's impossible to turn around a company with old management in place. You've got to change the management in totality".

The researcher probed in order to find out how these members of the management team were moved out of the organisation. The forcefulness of leader D is demonstrated in the following answer:

" Listen. They left on their own accord – but they were pushed. They were told that there was not a place for them, [but that] there might be place lower down in the organisation. Obviously, under those circumstances, they just said no, they'd rather go".

Leader D replaced members of his management team with people he knew from his previous tenures of employment. Leader D "allowed" the remaining two management members to stay on as he believed that they had "the right attitude". The characteristics that leader D looks for in people is that they should be committed, persistent, determined and have a positive attitude.

Once leader D's team was in place, it was necessary for him to stipulate the "rules of the game". The "rules of the game" are critical to leader D as they keep people focused and depoliticise the work place. Furthermore they ensure that people know how to engage one another and work together as a team. Problems and conflict can therefore be resolved and not "pushed under the carpet".

Leader D adds that he is "dictator" when it comes to running a team and he does not want to hear unnecessary "stuff". People, he believes, should simply produce because they are "being paid a lot of money".

Empowerment

Although leader D talks about empowerment, there is not much evidence of this in the company. When questioned by the researcher about empowerment, leader D responded by saying that once he had decided on the path to be taken, he allowed his staff to do the implementation. He describes this approach as follows: "I am very hands-off in terms of what we have decided. The "how" I leave up to my people".

As far as empowerment (as defined by him) is concerned, leader D performs a strong monitoring function and ensures that the strategy is followed. He states: "My job is to keep the vision alive and to make sure it's on track and that there's alignment".

Leader D then qualifies this by saying how he would respond if his staff were not on track by stating, "I'm absolutely ruthless when they don't keep on track."

His reservations about empowerment are confirmed when he states that people should display a certain degree of maturity before they are able to be empowered. His qualified view of empowerment is evident in the following statement: "You actually have to disempower, establish discipline and get everyone thinking the right way and align with the vision before empowering".

Communication

Leader D believes that he has failed to deliver in the area of communication. He refers to an article which he has just read about a Continental Airline turnaround case study. In that case a high level of communication was included in the process of their turnaround. He believes that he has failed the organisation in this regard: "If there's anything where I can be critical in terms of what we've done it is communication. We have not communicated enough".

When the researcher asked him why he had neglected communication, he stated that it had happened because he had "tried to take short cuts" and had therefore relied on the line function to communicate – and that they had not been very effective in doing that.

Kotter (1995) says that failure in communication is caused by attempting to take a short cut. He says that skipping steps in the change process only creates an illusion of speed and never produces satisfying results.

Leader D, however, spent time in communicating with his management team in monthly one-on-one sessions. He spent four to five hours with each of them in these monthly sessions and they discussed priorities, obstacles, staff. Leader D describes the importance of these monthly sessions: "That's how I keep the whole

thing together. So my main communications are very detailed – not a let's-have-a-cup-of-tea-session".

Leader D tried to ensure his visibility on the ground level in his industry by visiting various stores on the weekend. He states that staff appreciate it when he visits their store and that they are getting to know his face and him as a person.

Personal style

Leader D displays a tough personal style. He has no hesitation in firing staff and believes in discipline above all else. Discipline is, in his philosophy, the sine qua non of staff management.

He describes himself as an "absolute dictator" and pushes his workforce towards their goals. If any staff member digresses, he becomes "ruthless". Leader D concedes that he is not people-orientated but emphasises that he has good judgement. Good leadership, he believes, does not depend on people skills but on judgement. This he summarised as follows: "If you look at world leaders, they are hard, and some of them are not always ethical but people follow them because (nine out of ten times) they've got good judgement".

He describes his low tolerance for failure as follows: "I am an absolute dictator when it comes to implementation and I've got zero tolerance for poor implementation and poor performance".

He believes toughness is crucial in turnaround situations and that there cannot be any room for softness and tolerance. He states that "You've got to be hell of a tough in a turnaround situation. It's a luxury to tolerate things. You've got to be a dictator".

5.3 Leader D: successes and challenges

As far as turning the organisation around, leader D was successful in reducing the cost base of the organisation, and in increasing sales and productivity. He attributed his success to making decisions on behalf of the organisation and then allowing the implementation to take its course, while all the time monitoring and ensuring alignment with the vision.

Information systems which ensured accurate and timeous information as well as a repositioning strategy for the organisation were both done under leader D's guidance and on his recommendation.

Leader D succeeded in turning the organisation around by means of a direct, forceful approach.

He did not appear to be concerned or even aware of the corporate culture. It appeared that it was only the bottom line that mattered to him. With regard to racial and gender transformation, leader D believed time would make the numbers

more representative and he made allowance for internal programmes to develop and prepare future managers.

6 LEADER E

6.1 Profile of Organisation E

Organisation E is a Gas and Welding and Healthcare organisation which operates through a network of over 85 branches, 17 gas-producing plants, two welding product factories and 30 hospitals and healthcare services operations. The company conducts business in South Africa, Botswana, Lesotho, Malawi, Mauritius, Namibia, the Seychelles, Swaziland and Zambia, and manages gas companies in Kenya, Nigeria and Zimbabwe.

Through international links with its present group, organisation E has access to international technology, research and development and it uses these resources in sub-Saharan Africa.

In their industrial division, which comprises gases and welding businesses, expansion has taken place in the gas and welding divisions. In the previous year, organisation E had been successful in further developing two niche market expansions, namely an operation dedicated to serving home oxygen therapy patients and hospitality. The hospitality division services restaurants, clubs and pubs with a range of products.

The annual report of organisation E's healthcare division 1998 reports that their hospitals are in the enviable position of having higher than average occupancy levels and very solid support from doctors. This had contributed to organisation E becoming a preferred provider of healthcare services.

6.2 Leader E's views about organisational transformation

Leader E is the executive director of organisation E. He views organisational transformation largely in terms of growth and continued expansion. Leader E believes in laying a solid "foundation and creating a strong springboard for the future growth and performance by embarking on new capital projects and making strategic acquisition". Leader E also believes that they should further enhance their position by continuing to invest in manufacturing technology. Leader E did this by introducing continuous improvement programmes. He believes that these programmes have given them a cost-effective base from which to compete in world markets.

Leader E was emphatic about continuous improvement being the cornerstone of growth and world-class business. Leader E ensured that his organisation was able to access their sister companies' research and development, in which R500 million a year is invested. Because of this, organisation E is able to bring advanced technology quickly to the market and so offer their customers the increased efficiency of superior manufacturing processes.

Leader E predicated cultural organisational transformation very decisively on supporting business strategy through a strong focus on productive working relationships. Leader E believes that being able to get employees to identify with the company is crucial to an improvement in productivity. He also believes that the emphasising the importance of employees is paramount to organisational success. The following quotation shows how leader E is determined to nurture a culture which is supportive of the organisation's strategy: "Commitment from our staff cannot be taken for granted. We are working hard on the organisation's culture to improve relationships by better two-way communication, meaningful participation, recognition of achievement, fair treatment and trust".

Leader E viewed employment equity and affirmative action as arising out of training inside the company. He concedes that the organisation has not succeeded in attracting and retaining candidates at a very senior level.

When the researcher probed leader E about what he intended to do to acquire a more representative work force, he stated that employment equity was linked into their succession planning process. This process accelerates the development, training and exposure of candidates. From this it appeared (1) that organisation E was not concerned about ratios, (2) that transformation was largely a commercial venture, and (3) that the question of race would be addressed separately and later.

Empowerment

Leader E used the word "empowerment" frequently in his discussion. He appeared to give the organisation clear guidelines as to what he believed they should be achieving and producing. This type of empowerment bordered on partial participation and was evident in the examples which he adduced. The examples showed that he gave his staff a directive and then asked how they would like to follow the matter through. The following example illustrates this approach of this leader: "I will say. "This is what I want. Okay, how would you like to do this? Let's set down some criteria that we're going to hold you accountable for and agree on them and I don't want to see them again. We'll meet weekly or monthly."

Leader E appears to link empowerment with monitoring and control. He does not believe that he is able to reach all his divisions. He therefore feels that he has to allow them to take responsibility for their areas of concern: "I really said to them, 'Clean up your patch.' These are the words I used".

Leader E would re-evaluate processes at meetings and if the managers were on track, he would allow them to continue in their particular approach: "It's your baby. Stay with it."

The researcher probed further to determine what leader E would do if his management did not perform according to his expectations. He replied that he would give them guidance and if that didn't work, "he would make sure they didn't stay on senior level". Leader E stressed that if his management were not aligned to his vision and mission, his entire focus and strategy would fail. He therefore would not "tolerate anyone who digressed from his vision through approach or attitude".

The forcefulness of this philosophy was emphasised by the sentence, "There is no space for them here."

Communication

Commitment to communication was cited by leader E as one of the most important components for achieving productivity. After that he cited a sense of loyalty to the organisation as being the next most important factor. Leader E has made many workshop presentations to explain the organisation's vision and values. He adds that this was very time-consuming but that it allowed him to "endorse" his vision and values. These presentations were then cascaded down to all levels of the workforce. Feedback and questions were fed back to his office.

Leader E believed that these presentations were important in that they showed his staff just how much he believed in them. He felt that these presentations were not just a transitory craze. They also allowed him to become better known throughout

the organisation. he sets out the advantages of this approach in the following words: "People were more open to getting the vision and values from a person, especially the leader, because it was not on a piece of paper but rather came from me in person".

Leader E boasts of a very good communication strategy which had been recently approved by the London School of Economics. Various in-house newsletters are published and are frequently distributed and the organisation has green areas in place which are well supported and have proved to be effective communication forums.

Leader E is supported in ensuring change and sustained growth by his human resource department, to which he frequently turns. He states that they "are an enabling factor which he relies on for change management and organisational development".

According to leader E, his most valued form of communication is through his "cascade sessions" with his management team. This mechanism allows messages to be conveyed downwards to the first level of management within two to three days.

Leader E also uses various forms of communication ("a quick phone call, memo or e-mail") to give recognition to exceptional staff performance.

Personal style

When he was asked by the researcher what the key to his leadership success was, leader E said that he was always approachable and that he inspired his workforce by leading through example.

Thus leader E claims that he is always the "last to leave the office" and that "if you phoned him at 07h00 he would be at his desk". He believes that he works harder than most people in the organisation and that he would not expect them to do any form of work that he himself would not do. In this regard leader E displayed a strong sense of pride and a highly developed work ethic.

Leader E also believes that he displays a passion for his work and shows his management team how excited he is about good productivity and profits. He believes that this excitement is important because it "is contagious".

He indicates that his style of leadership is very open and that he is approachable and says that he schedules half a day a month for staff who wish to see him about work-related matters. If there are urgent matters, he does not refuse any member of staff access and his secretary is aware of this.

6.3 Leader E: successes and challenges

Leader E has been successful by leading the organisation through an economic recession into a period of growth and strategic acquisition. Through the introduction of continuous improvement programmes, the organisation was able to bring advanced technology onto the market more quickly and offer it to their customers. They were therefore more competitive in the market place.

The success of this growth was supported by staff who were committed to the vision and mission of the organisation and the organisation's progressive and fair work practices.

A challenge which faces leader E is the slow movement towards employment equity. At the time of conducting this research there was no plan in place to address this problem other than succession planning.

7 CONCLUSION

In this Chapter, the findings which emerged during the in-depth interviews with the five leaders are presented. An attempt is made to capture the richness and the nuances of meanings as articulated by the leaders and hence the Chapter is characterised by lengthy quotations which illuminate their responses to various themes pertaining to their views of organisational transformation and their

perceptions regarding their challenges and successes at the various stages of the organisations history.

In this Chapter, these views are discussed against the background of the various types of leadership approaches as discussed in Chapter 2. The variant approaches examined in Chapter 2 provide a scaffold for the analysis and interpretation and for the attendant discussion of the respective in-depth interviews. It is recognised that the researcher (in this study) is not a passive reporter of "neutral accounts" but rather an active agent in the construction of the "leader's worlds" - this meaning that the researcher's own ideas and themes impinge on the discussion. It is for this reason that an endeavour is made to allow the voices of the respondents to surface through the use of lengthy quotations (as is customary in qualitative research) in order that the reader is able to apply his/her own understandings to the aspects under discussion.

The subsequent Chapter begins with an overview of the themes identified in this Chapter. Chapter 5 is intended to provide a consolidation of the themes isolated during the interview process. While Chapter 5 is separated (from Chapter 4) for practical purposes, it is necessary that the discussion therein is seen as a continuation of Chapter 4.

CHAPTER 5

CONSOLIDATION OF THE FINDINGS

1 INTRODUCTION

This dissertation (research) was undertaken with the specific purpose of acquiring a clear understanding of the role of leadership in organisational transformation and what leaders themselves understand by organisational transformation in South Africa. As such the dissertation is essentially an insight study. The findings from Chapter 4 are analysed and discussed with reference to their implications for the development of leadership and organisational transformation and the literature on these two aspects.

A consolidation of these aspects is pertinent at this point in order to arrive at a more comprehensive and conclusive understanding of the leadership approaches. Accordingly, this chapter consolidates the main findings of the individual cases (as elucidated in Chapter 4) and consolidates these in terms of the themes which were discerned in the interpretation and analysis of the findings.

The insights acquired and the conclusions drawn from this study will serve as a source of reference for South African organisations as they undertake the quest to transform their organisations in the South African context.

2 DISCUSSION OF THE FINDINGS

It may be contended, in line with the findings, that all the leaders viewed organisational transformation from the point of view of organisational survival, turnaround and renewal (Nasser & Viviers 1993). All the leaders in the sample argued that organisational survival was paramount and that cultural transformation and employment equity could only be realised if organisations focused on transformation once they had been stabilised as successful, stable and functionally competitive enterprises. They were of the opinion that a primary focus on racial and gender transformation could not bring about organisational sustenance and growth but might in fact cause negative growth (Misselhom 1998).

The leaders however accepted that if they hoped to sustain the success and competitive edge of their organisations, they would have to put in place certain organisational cultural practices which would foster a sense of belonging, involvement, and loyalty within their organisations. The benefits of creating an organisational culture conducive to participation, the sharing of values, and decision making at all levels of the workforce is affirmed by writers like Kotter (1995), O'Toole (1995) and Smith (1997).

Although all the leaders who have taken their organisations through organisational transformation adopt a transformational leadership approach at

some stage of the change process, they do not actually begin by focusing on these issues. It was evident that most of the leaders who were challenged to accept a transformational imperative to ensure the survival of their organisations, nevertheless adopted a direct and rigid leadership style in the early days of their leadership.

Their first priority was to acquire a realistic and accurate study of the markets which their organisations served. On the basis of this knowledge they determined strategies which would enable their organisations to deliver competitive products or strategies.. The leaders would then assess their current organisational processes and design the kind of organisational structures and processes which would best deliver their strategies. Leaders usually have a good sense of what might happen if they were to change their organisation. They carefully manage and monitor the changes which they implement and never fail to repeat this process as markets change or new markets develop (Butler 1998).

For all the leaders, the starting point of all organisational transformation was situated in their vision. All leaders either entered the organisation with a clear vision in mind or else formulated their vision soon after having joined the organisation. The vision which they had in most cases personally formulated then became the motivating driving force or the main spring of their organisations. The importance of first designing a vision and then striving to implement it is supported by writers such as Nanus (1992) and Smith (1997), who contend that a leader's vision is the connection between today and tomorrow. They also assert

that the leader becomes the master designer and builder of institutions and that they are the architects of the organisation's future.

It was clear that in the processes of transformational leadership, communication was accorded a high priority for effecting organisational transformation. While various forms of communication were used to inform the workforce of impending changes, communication itself in fact served as a catalyst for unclogging the channels of information in organisations. It was found that a free and unimpeded flow of information in all directions (both vertically and laterally) increased participation, enthusiasm and trust in the work place and therefore facilitated smooth and committed transformation. This confirms the theory that effective participative management and communication are necessary if employees are to commit themselves to change (Sham 1996).

The span of communication was strongly emphasised and all the leaders in this study were able personally to contact large numbers of the workforce at all levels. Most used 'road shows' in order to make their own presentations to their staff. Since the leaders were able to convey the seriousness and the intention of the impending changes, the effectiveness of such methods proved to be crucial. In most cases leaders reported that they had addressed hundreds or thousands of employees during the pre-change process. The value of reaching such large numbers in the early stages of change is affirmed by Kotter (1995), who attests that change is impossible unless hundreds or thousands of people are reached and are persuaded to commit to the envisaged process of change.

Another aspect of the importance of mass communication was confirmed when the leaders noted that it crucial for them to maintain a high visibility profile among their workforce. Leaders noted that their names and faces became widely known (in contrast to what had been the case among their predecessors). They affirmed that their personal visibility had been crucial factor for giving the change process a human face. Their visibility and approachability also endorsed their programmes and conferred credibility on the change process. Useem (1996) notes the importance of high visibility and adds that leadership visibility matters most during periods of stress and uncertainty when the direction ahead is least clear and when people are in doubt as to what course they should follow.

There were other important observations that leaders made with regard to the visibility of any leadership in organisational transformation. All the leaders in the sample believed that they had to lead by example, that they had to be seen to be working harder than anyone else in the workforce, and that their approach to ethics and morality had to be beyond reproach. This is endorsed by Laferla (1998) and Covey (1996) who confirm that leadership has a primary role to play in eliminating unethical behaviour. Many leaders displayed a low tolerance for and low level of acceptance of organisational games and organisational politics, and some even ban it from their organisations. This approach coincides with that of Laferla (1998) who concedes that the determination to manipulate others, to engage in corporate politics and to employ unethical methods can lead to the destruction of an organisation.

The empowerment of the workforce, particularly by the leader's management team, was characterised as being crucial for bringing about organisational transformation. Because of the nature and urgency of the change process, most leaders took the lead in identifying the organisation's vision and new direction. It was only after such direction had been established, that they encouraged and developed the empowerment process. While this might be interpreted as a pseudo or partial form of participation (see Salamon 1991), the leaders understood that they had a primary mandate to ensure the organisation's actual survival since no transformation can take place in a defunct organisation.

Leaders mostly empowered their workforces largely by creating the kind of environment which enabled workers and employees to enrich and contribute to their work life and the work processes in which they were engaged. This was achieved by means of training programmes and a participatory management style (Smith 1997). Leaders believed that the long-term benefits of empowerment and transformation could sustain their organisations' turnaround and growth. They understood the benefits of empowerment to be, firstly, that it empowers employees in terms of skills and knowledge and, secondly, (a point noted by Senge 1992), that it engenders loyalty over an extended period of time as authentic dialogue takes place between at all levels of decision making.

Leaders were aware of the importance of learning and “stretching” themselves. They all read and studied constantly and made reference to what Koestenbaum

(1991) refers to as “ceaseless learning”. This was stated as an essential part of the lives of leaders. Leaders were all of the view that if they were to inspire their colleagues and followers to rise to higher levels of ability and potential through coaching and teaching, then they too must ensure that they are constantly learning and developing their skills.

Recognition and reward was cited by all leaders as being critical for organisational transformation at all times but especially during those times when there is a lot of resistance to impending change processes. Each leader had preferred personal ways of demonstrating recognition and reward. In two instances, leaders shared the profit gained from improved productivity rates with all the work force; this was done to illustrate the benefits of changed work processes in a practical and tangible way. Other leaders used more traditional forms of recognition such as memos or telephone calls to the particular employees or organisational divisions. The timing of recognition was viewed as being crucial.

The majority of leaders used organisational symbolism to reshape and reprioritise certain values in the organisation. Since all the organisations had to be moved away from being habitually ossified, formally stratified and rigidly hierarchical, and since it was often a culture of fear that had to be dismantled, many leaders responded by changing small yet significant aspects of their business practice such as the dress code and modes of interactional address between individuals. Thus, for example, in most cases leaders stated that they no longer wore a tie and that they would only allow themselves to be addressed on first name terms. These

apparently small effects made a major impact and gave birth to a more open and freer kind of organisational culture. When reshaping organisational cultures, actions speak louder than words. During times of organisational change, employees are constantly observing cues which indicate to them what important behaviour and value changes have taken root in the company (Weeks 1989). It was therefore necessary for the leaders to endorse their professed commitment to change by means of potent symbolism.

Transformational leadership in itself was not perceived by any of the leaders as being a sufficient condition for turning their organisations around. While some leaders used transformational leadership in the latter phases of change, some used it intermittently but only after they had introduced, in the early stages, a severe quasi-military style of management.

In most cases leaders used a direct and autocratic style of leadership in order to resuscitate their organisations and pull them back from the brink of oblivion. In this they followed their gut instincts or merely acted in accordance with what they knew (from prior experience) would work. In many instances leaders had been deliberately brought into the organisation to revive or turn the organisation around. The time frame in which they had been given to do this was in most cases very short and they were often thus compelled to adopt an autocratic approach to save what had become a sinking ship.

Such leaders found themselves was in what amounted to a war situation: the primary issue at stake was the survival or demise of the organisation. In all such cases, conditions were turbulent and uncertain and large numbers of people needed to be inspired to achieve a series of urgent objectives.

Leaders made constant reference to the “pain of change”. The pain brought about by change which was experienced by the workforce was always noted and identified by leadership. However leadership recognised this pain as temporary and necessary to induce and sustain change. This argument is supported by McCalman and Paton (1992) who contend that the greater the change required, the more extreme must be the pain which is needed to mobilise employees to implement change.

The leaders utilised an autocratic style of leadership (although they also incorporated transformational initiatives). Thus, for example, although all the leaders applied "light government" with a clear focus, within the first few days after their appointments each leader redefined the organisation's priorities and strategy (Nasser and Vivier 1993). Discipline was strongly maintained by all leaders and, in some cases, leaders were only prepared to empower their workforce once they had shown signs of real discipline in the workplace. Discipline was always a precursor to organisational transformation and it obviously was held in high esteem by many of the leaders especially in organisations which needed to be changed quickly and in which reliance and trust were crucial factors (Garsambke 1988).

The emphasis on winning and on being the best was cited by most leaders who brought their organisation up to a point where they were as good as (or, in some cases, better than) their competitors. Many made use of concepts and elements which are traditionally associated with military strategy, tactics and procedures (capability, victory, challenge, supremacy and winning the battle).

As they coped with resistance to change, the leaders adopted a quasi-military approach to factions or individuals. Most leaders agreed that the new organisation culture would permit the severance of individuals, groups and or teams which did not conform: their new organisational culture would encourage resisters to voluntarily leave the organisation. Nasser and Nel (1993) refer to the utilization of a "divide and rule" approach when dealing with dissension. When the divide and rule approach was considered too severe, leaders used another form of persuasion: they used their "animal-like magnetism" to persuade their followers to move in a particular direction. This quality has been identified by Nasser and Nel (1993) as being a characteristic of a pack leadership.

Although the leaders relied largely on direct and a quasi-military style of leadership, they were all careful to soften this with a transformational approach. The military style might thus produce a "barking of orders" and too much emphasis on top-down communication: such elements might easily entrench an authoritarian structure in an organisation and destroy the possibility of successful change and transformation (Lascaris and Lipkin 1993). It is also obvious that too

much control and top-down communication can sabotage employee participation. It was noted that the leaders in this study were able to temper their firm and direct approach with real two-way communication and participation (albeit not in the early phase of organisational transformation).

The leaders' success in using an autocratic style when necessary and the organisations' acceptance of such a style was confirmed by Dixon (Dixon 1996) who states that whereas low-stressed groups working in situations that are not fraught with painful uncertainties operate best under democratic leadership, organisations such as the military in times of war and organisations which need above all to survive and which are subject to stressful ambiguities actually prefer an autocratic style of leadership.

The onus in organisational transformation is on the leader to know when to use an autocratic approach and when to revert to democratic leadership.

The majority of the leaders expressed their concern about organisational transformation from a racial and gender point of view. While all the leaders were in favour of having a more racially representative organisations, they were not able to implement this as the mandate they received was to rescue the companies to which they had been appointed. All leaders stated that it was difficult to recruit and retain black candidates because they were being constantly solicited in the industry.

All the leaders appeared to be stuck in the belief that the solution to the racial problem would be effected by the long-term development of the staff within their organisations. This procedure will not comply with the requirements of employment equity act of 1998. All the leaders believed that their primary responsibility was to improve the efficiency and productivity of their companies and that equity goals should be pursued by the government. They believed that the private sector should be left out of the process and that they should be allowed to deliver efficiently. They also believed that diluting efficiency with the demands of equity would hinder privatisation (Ahmed 1998).

There therefore exists a major challenge with which these leaders have not come to terms and which they will have to address: how to reallocate the composition of their organisation in terms of (especially) race while sustaining their organisations' efficiency.

CHAPTER 6

CONCLUDING REMARKS AND RECOMMENDATIONS

1 INTRODUCTION

This chapter concludes the study by highlighting the elements of transformational leadership used for organisational transformation. The chapter further makes recommendations to assist leaders to ensure that organisational transformation is sustained. Certain directions for further research became evident, and these directions are highlighted in order that they may be taken into account for future studies.

2 OVERVIEW

In terms of this study, there are two definite styles of leadership which leaders use in order to transform their organisation. The two styles of transformational leadership and autocratic/military leadership are used interchangeably - although the autocratic style predominates. No one leadership style was used exclusively, and a transformational style was used to soften the impact of the quasi-military style of leadership. The elements of transformational and military style leadership will now be described below.

2.1 The elements of transformational leadership used for organisational transformation

The interviews that were conducted show that there appear to be various elements of transformational leadership which were crucial to organisational transformation. These elements are as follows:

- The leader formulates a clear organisational vision soon after he joins the organisation.
- There is a strong emphasis on communication. The primary objective of this organisation is to share and sell the vision and then later to open channels of communication from the top down and to encourage communication from the bottom up.
- The leaders communicated with large numbers of employees. Their purpose was to obtain a critical mass (in terms of committed numbers) of supporters and followers.
- Employees want leaders to be visible and leadership visibility remains crucial both before and during changes.
- Leaders lead by example in terms of work load, dedication and commitment.
- Leaders have to embody a high degree of morality and ethics and encourage this in others.
- Empowerment, especially of the leader's management team, gives empowered members more scope and influence in their work. It also moves employees to

higher levels needs and enables them to transcend their own self-interest for the good of the organisation.

- Leaders recognise and reward staff who display commitment and who enthusiastically confirm changes and new ways of thinking.
- Leaders use organisational symbolism and novel (usually informal) ways of interacting with staff to reinforce new behaviour and reshape the organisational culture.

As noted above, transformational leadership was used in each case to supplement firm and autocratic leadership. The elements of autocratic leadership which the leaders used are outlined below.

Elements of autocratic leadership used for organisational transformation

- Leaders adopt and maintain a strict quasi-military style leadership.
- Leaders apply "light" government with a definite tactical intention and clear focus.
- Leaders reintroduce stringent discipline into the workplace.
- Leaders emphasis winning and being the best in the industry.
- Leaders cope with dissension by applying a divide and rule strategy.
- Leaders often deliberately marginalise weak team members (thereby diminishing their power and influence).
- The organisation's vision and values are predetermined by the leader and are then presented as a fait accompli to the organisation.

- Leaders have forceful and dominating personalities (the "animal magnetism" referred to above).
- Leaders closely manage and monitor change.

The leaders in the sample had mostly been brought into their organisations specifically to turn the organisation around. The de facto structures, cultures and ethical standards which they encountered upon arrival often shocked and astonished them. In many cases the leaders dismantled the existing organisation by eliminating layers and reducing staff (particularly the number of those in the management team). The leaders alternated as they thought necessary between two types of leadership style (the transformational and the autocratic). Cutting posts, removing people and obstacles and formulating a personal vision and value system are elements which are taken from the autocratic leadership style while the transformational style delivers elements inspiration, communication, empowerment, visibility and leading by example. The latter were used to sustain and reinforce the new order.

2.2 Concluding remarks

The research and observation in this study indicated that the leaders viewed organisational transformation primarily from the point of view of organisational survival: in most cases the survival and turnaround of the organisation was of the leader's primary mandate. As South Africa now has an open economy (with all the opportunities and threats which go along with such a status) all the leaders

interviewed aspired to make their companies comply with world-class standards (Sunter 1997).

Although the term "organisational transformation" in the South African context alludes especially to racial and gender inclusion (Mbigi and Maree, 1994; Lakhani, 1998; Khaye, 1998; Ralinala, 1998), this study showed unambiguously that the leaders believed that their first responsibility was to resuscitate and stabilise the success and capacity of the organisation. They placed this imperative over the requirements of (for example) racial transformation although they accepted in theory that good business practice would have to be compromised if racial and gender quotas were to be realised. Most reverted to believing that time would provide the solution that they could not immediately implement with regard to race and gender.

This did not however preclude them from taking firm measures to increase the number of black candidates from within and outside the organisation or from chairing the many programmes and committees established for the purpose of advancing blacks within their organisation.

The researcher used a qualitative research methodology to elucidate the manner and approach which leaders used to achieve organisational transformation. By doing this, it was possible to identify two alternating and supplementary approaches to leadership (the transformational and autocratic/military styles).

All leaders were brought into the organisation with a specific brief to turn the organisation around. The leaders all began with a drastic intervention: they replaced, removed or retrained their existing management teams. They also began by thinking through and then introducing their own vision for the organisation, along with its accompanying value system. Because all the leaders were given a very limited period of time in which to turn the organisation around, they moved swiftly, non-democratically and with quasi-militaristic resolution. Because the situations in which they found themselves were so critical, the leaders could not afford to accommodate dissension or resistance to change. They therefore used various tactics such as divide and rule and the direct application of force to remove opposition in the organisation.

The researcher has contended above that the major and in particular the first part of organisational transformation is effectively attained by implementing an autocratic/quasi-military approach. The researcher also contended that a totally autocratic/quasi-military would be self-defeating in the long run and would not allow for organisational sustenance. A more inspirational and nurturing form of transformational leadership is also necessary if the workforce is to be kept motivated and happy. Transformational leadership enabled the redirected organisations to grow by opening up communication, empowering the workforce and heightening the confidence of leaders. By an application of such a style when appropriate, the leaders secured both the dedication and the loyalty of their workforces.

The researcher concludes that transformational and quasi-military leadership styles are compatible during a time of organisational transformation. It was also noted that during times of painful uncertainty and stressful ambiguity, people actually prefer an autocratic leadership style. It was also noted that once an organisation has reached a state of relative calmness and stability, employees thrive better under transformational leadership (Dixon 1996). It is up to the leader to sense which style of leadership is appropriate and when to use it.

The peculiarities of the environment in which South African organisations operate require a leader be constantly alternating between the one style and the other.

3 RECOMMENDATIONS

The following recommendations are made to help leaders to ensure that transforming organisations continue to grow and develop according to the changing external environment and also to ensure that issues of human development and compensatory justice are addressed in the kind of increasingly competitive and global market in which employees have to operate.

3.1 Change readiness assessment

Leaders do not have to tackle demands for change without preparation. A change readiness assessment would show the leader those areas on which he/she has to concentrate immediately. It will also all other problems and requirements at all

levels of the organisation. Such an assessment will also include all risk indicators and possible types of interventions. This would provide the leader with a more comprehensive and scientific strategy for introducing change (Deloitte and Touche Change Leadership Methodology 1999).

3.2 Employment equity aligned to overall organisational strategy

Leaders should include the implementation of an employment equity as a strategic objective for their organisation. To this end any strategic or business planning initiatives should be integrated with employment equity objectives (e.g. project planning should incorporate diversity initiatives and meeting agendas should incorporate items on employment equity). The performance management, particularly of managers, should also incorporate an assessment of their ability to manage, and motivate and evaluate their various subordinates. Managers at all levels should be required to promote and maintain successful employment equity within their functional areas. Since the management acumen and example of leadership are so critical to the successful implementation of employment equity, leaders of organisations should consider high-level exposure and training in the field of diversity and cross-cultural understanding. Such training should be action-oriented and customised to suit the core business of the firm (Oakly-Smith 1999).

3.3 Leadership alignment

A leadership alignment programme can ensure that the new management team works synergistically with each other and with their leader.

Leadership alignment is the process of achieving a common understanding among the organisation's leadership of the technical, organisational and business impacts of change or the implementation of the change on their enterprise. An aligned leadership is able to communicate a consistent message about change and visibly demonstrate the shared vision, objectives and goals of change. During the alignment process, and throughout the change process, any conflicts within the leadership group are resolved. This eliminates obstacles to the change progress. The main objective of the leadership alignment programme is to ensure that the leadership team has a collective vision, that they are committed, that they clearly understand their roles and responsibilities and that they are aware of the extent of their accountability for implementing and nurturing successful change.

3.4 Facilitate continuous learning

If leaders are to maintain a competitive world-class organisation, they need to ensure that their workers be developed as world-class employees. They therefore need to develop the core competencies and intellectual capital that have been identified by the organisation's vision and strategy by means of:

- establishing a culture of continuous and collaborative learning and personal growth
- incorporating leading-edge local and international practices in continuous learning in order to effectively address performance needs
- developing leadership and decision making abilities in all individuals
- ensuring that all individuals have clear development plans and that managers are playing their role in mentoring/coaching

By such a process, intellectual capital is maximised, learning opportunities are created and personal responsibility for learning is encouraged.

3.5 Continuous organisational culture survey

The intermingling of an autocratic leadership approach with a transformational leadership style is potentially problematic. This apparent anomaly is risky and certainly not permanently viable (especially in the changing South African socio-political environment) where the workforce are displaying a strong and increasing desire for participatory democracy and self-reliance. Research therefore has to be undertaken to ensure that this kind of alternating approach to leadership is acceptable and sustainable in the long term. It is significant that most of the leaders regarded organisational transformation as referring primarily to organisational renewal and turnaround while employment equity was perceived as merely conferring an additional (secondary) gloss to their main agenda (profitable and successful business practice). Further research is therefore also needed to

determine how employment equity may be incorporated into the strategic plans of organisations.

4 RECOMMENDATIONS FOR FURTHER RESEARCH

Certain directions for future research became evident during the course of the study while others derived from the research findings. These directions represent unexplored territory and should be taken into account in any future studies.

4.1 The strategic management process

The amount of world-wide environmental uncertainty, turbulence and discontinuous change have increased exponentially. Although the traditional strategic management process is deemed to have evolved in response to the changing nature of the organisation's environment context, strategic change cannot be effectively managed without taking the organisation's human dimension into account. As obvious as this may seem, it is in effect the most neglected dimension of the strategic management process. Many of the problems experienced in managing strategic change may well be attributed to the fact that leaders have less insight and understanding about managing the more abstract human dimensions of the corporate and strategic change process.

Environmental analysis is a crucial component of the traditional management process. The emphasis traditionally was placed on the formulation of strategy, and environmental analysis played a fundamental part in that formulation. An

underlying assumption that has been entrenched within traditional strategic management theory is the notion that organisations need actively to monitor, analyse, interpret and adapt to key environmental trends and events that will have a major impact on the activities of the organisation in the future. Both in theory and in practice, environmental analysis is a fundamental component of the strategic management process. Numerous linkages exist between environmental analysis and the various constituent components of the strategic management process. But environmental analysis must also take cognisance of the various manifestations of environmental uncertainty, turmoil and discontinuous change.

4.2 Enterprise transformation

Enterprise transformation could add another dimension to organisational transformation. It refers to simultaneously changing an enterprise in a way that involves several business-related factors such as strategy, process, people, information, technology and performance management. Enterprise transformation addresses those organisational challenges that are complex and systemic in nature, and not merely related to a single discrete functional area or business discipline. It produces an integrated set of programmes to achieve a desired change and focuses on optimising the enterprise, and not just the separate components of the organisation. An organisation's desire to implement enterprise transformation would arise out of:

- a common consensus that there is a fundamental business problem that goes beyond piecemeal solutions
- an urgent desire to seize a market opportunity
- an urgent desire to create a sustainable advantage by being prepared for and responsive to any challenge that might arise in an uncertain future.

5 CONSTRAINTS OF THE STUDY

The sample size of five South African leaders could indicate a limitation to the study. It is contended however that the in-depth case analysis could lend support to the fact that the sample was limited to only five respondents.

A further constraint to the study could be the fact that leadership in organisational transformation was studied from the leaders point of view and not from the workers point of view. In the demarcation of the topic for investigation, it was decided to confine the scope for the purposes of this study from the leaders perspective only.

6 CONTRIBUTION OF THIS STUDY

While this study focused on the way in which a selected group leadership were able to bring about organisational transformation and the manner in which they combined transformational leadership with an autocratic/military management, the study should be appraised for its contribution to

situating leadership in organisational transformation in a practical framework, and researching the theory and practice of leadership from the leader's point of view and not simply from those of writers or theorists.

6.1 Contribution of situating leadership in a theoretical framework

While much has been written about leadership and transformational leadership, the literature has not provided a theoretical base for leadership in organisational transformation from a South African perspective. To achieve this aim it was necessary to discuss the various meanings of global and South African organisational transformation. It was found that leaders adopted organisational turnaround and survival as their primary locus for change while changes to the organisational culture change was seen as a means to sustain a better working environment and employment equity was recognised as a form of transformation but not one that is absolutely necessary for organisational survival.

It was found that varying perceptions engendered variations in interpretative nuances and this in turn caused a definition of organisational transformation to remain elusive. It was therefore necessary to take into account the various types of organisational transformation when locating leadership focus in a theoretical framework.

It was also necessary to discuss the forms of leadership in terms of their focus on bringing about sustained organisational transformation. It was illustrated that in all cases leaders utilised a principle of direct and autocratic management at the introduction of transformation and that they later used transformational leadership to normalise and manage the situation.

6.2 The following elements of transformational leadership were discussed and evaluated:

- organisational vision
- communication
- visibility
- critical mass
- leading by example
- morality and ethics
- empowerment
- recognition and reward
- organisational symbolism

6.3 The following approaches to a quasi-military/autocratic leadership styles were discussed and evaluated:

- direct and forceful intervention as a priority of leadership
- "light government" with a clear focus and intention

- the reintroduction of stringent discipline into the work place
- the divide and rule approach to dissension
- the marginalisation and diminished role of team members who oppose the overall vision and strategy and who refuse to become team players
- the predetermination of a corporate vision and values by the leader
- the monitoring and close management of change

When organisational survival and turnaround were the primary mandate, it was found that leaders first adopted a military style management and then shifted to a transformational leadership style (but that they never relinquished a fundamentally quasi-military style of practice, priority and discipline).

6.4 The value of obtaining input from leaders as opposed to specialists

Since the researcher located leadership in a theoretical framework and thereafter empirically researched the actual approaches and experiences of leaders, it may be argued that this methodology contributes to the study of leadership in South Africa in general and to that of leaders in organisational transformation in particular.

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ANNEXURE A

INTERVIEW SCHEDULE

BIOGRAPHICAL INFO

Age

Time in position

Educational Qualification

Employment History

ORGANISATIONAL PROFILE

LEADERS VIEW OF ORGANISATIONAL TRANSFORMATION

- Strategic
- Cultural
- Employment Equity

LEADERS VIEW OF LEADERSHIP

HOW DID THE LEADER BRING ABOUT ORGANISATIONAL TRANSFORMATION?

- Vision and values
- Communication
- Participative and empowerment
- Team work
- Ethics
- Motivation and reward
- Symbols

WHAT WERE THE LEADERS SUCCESSES?

WHAT WERE THE LEADERS CHALLENGES AND FAILURES?

WHAT WOULD THE LEADER DO DIFFERENTLY?