

**The role of independent and interdependent working in the TMT-BOD
relationship: effectively managing environmental turbulence**

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ABSTRACT

This research explores the role of attention to independent and interdependent working in the TMT and BOD relationship to effectively manage environmental turbulence. The contribution of this study was to understand how TMT-BOD work together, despite their diversity and differences to thrive during difficult times that call for contingencies. This study draws from the strategic leadership systems theory to understand the dynamics of TMT-BOD working interdependently and independently whilst maintaining productivity and performance. This study was conducted by interviewing 14 strategic leaders who hold executive and non-executive directorship positions in the construction and property sector that are listed in the Johannesburg stock exchange South Africa. This study found that strategic leaders worked closely together during the turbulent environment and were aware of the independency implications, however, they were also unsure about the point of compromising the independency. The diagnosing system dynamics that represents assessment of strategic leadership system was found to be an effective way for strategic leaders to manage dynamics that shift the attention to address environmental turbulence.

Keywords: strategic leadership; Top management team (TMT); Board of directors (BOD); VUCA; cognitive diversity; environmental turbulence; team effectiveness

DECLARATION

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

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Date: 28 November 2022

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LIST OF ABBREVIATIONS

BOD	Board of Directors
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COVID -19	Coronavirus disease
DOA	Delegation of Authority
DSD	Diagnosing System Dynamics
SA	South Africa
SLS	Strategic Leadership System
STATS SA	Statistics South Africa
TMT	Top Management Team
UET	Upper Echelon Theory
VUCA	Volatility, Uncertainty, Complexity and Ambiguity

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1 CHAPTER ONE - INTRODUCTION

1.1 Background and business relevance

Top management team (TMT) and board of directors (BOD) play a significant role in driving strategic decision-making and leadership processes of a firm. Luciano et al. (2020) asserts that the TMT and BOD form part of the highest and most relevant positions of the firm's structure, with responsibilities to provide strategic leadership of the firm. Although the TMT and BOD are important actors in the determination of firm outcomes, they often face inhibiting factors relating to turbulent environments that challenge the firm abilities to sustain firm growth and performance (Cortes & Herrmann, 2021; Luciano et al., 2020). Environmental turbulence is referred to the extent to which the firm external environment is characterised by unpredictable, unforeseen and unexpected abruptions that pose a threat to strategic planning purposes (Luciano et al., 2020; Rego et al., 2022). These abruptions include, but are not limited to, the coronavirus (COVID-19) pandemic outbreak, international trade wars and the 2008 economic and financial crisis (Chatterjee & Chaudhuri, 2021; Reed, 2022; Wenzel et al., 2020). In addition, Ansoff et al. (2019) and Jaleha and Maachuki (2018) further asserts that environmental turbulence requires exploitation of new opportunities by articulating a clear vision of the future by implementing organisational change. Subsequently, this means that uncertainty and unpredictability imply unclear future implications and the ability for organisations to respond to uncertainty is commendably a major success.

While the emergence of the COVID-19 pandemic exposed the many underlying challenges facing businesses, threatening the survival and performance of firms globally (Chatterjee & Chaudhuri, 2021; Wenzel et al., 2020). Globally, stringent lockdown restrictions led to business closure, disruption of supply chains, halted manufacturing services, job losses and workers forced to work from home as a result of social distancing (Hu et al., 2021). Research evidence suggests that a number of firms failed to withstand the consequences of lockdown restrictions, leading to an economic crisis characterised by the lack of attention and knowledge of new technology, limited strategic responses to short- and long-term crises and lack of competitive advantages (Aburumman, 2020; Adam & Alarifi, 2021). The economic crisis caused by COVID-19 resulted in adopting improvisational behaviour using available resources to novel ways of survival and contingency (Charoenseukmongkol, 2021). Further, considering the impact of the economic crisis, these challenges have placed organisations in survival mode, and strongly tested their strategic leadership styles, decision-making processes and innovation strategies. This, in turn, holds an effect on overall viability and sustainability of such enterprises.

The changes in the external environment have forced strategic leaders (TMT and BOD) to explore alternative ways of doing business, considering their trading conditions, thus, the need for strategic leaders to effectively manage turbulent environment in the organisation. As noted, strategic leaders are influential actors, and their role requires them to have a certain degree of strategic thinking to manage the organisational performance and drive its vision to success (Puthusserry et al., 2022). For strategic leaders, strategic thinking become more critical success factor in turbulence environment times (Detjen & Webber, 2017). In instances where the environmental turbulence is left unattended for too long as a result of delays to respond, organisations are more likely to collapse. Critical strategic decision-making processes that are improvising, such as tough calls of halt production or service, organisational restructuring and/or exploring new opportunities in relation to competitive advantages, are important in response to turbulence environment (Coccia, 2020). Effectiveness of these decisions require flexibility and teams to work closely together through inter-agency and inter-organisational coordination (Coccia, 2020). Collaboration between teams to successfully face the turbulence environment requires mindful management which involves interactive relationships and trusting each other's diverse behaviours (Zafari et al., 2020). The above stresses the importance of working both independent and interdependently amongst teams for organisations to be able to face tough trading conditions resulting from both internal and external factors.

According to Joniakov et al. (2021), decision making during a crisis is a much more demanding process than in non-crisis times and it becomes a challenge when strategic leaders face difficulties in reaching consensus to respond to changes in environment. Teams are made up of different individuals with different personalities, with a possibility of system variations and instability dynamics. However, when teams share the same common superordinate goal, they are more likely to succeed (Luciano, DeChurch, et al., 2018). Teams are often diverse and individuals within the team may have different dimensional behaviours at individual capacity or as an individual team, making it a challenge to work independently as a team or interdependently with other teams. Waring et al. (2020) asserts that in extreme environment situations such as natural disaster, interdependent teams working towards a same goal is often evidenced, however, it is also evidenced that at individual and team levels where there is unique sub-goals. Luciano et al. (2020) addresses key structural forces of differentiation and dynamism to shape teams and unanticipated changes over time. Consequently, team exposure to dynamics and diversity may hinder strategic leaders' ability to effectively manage environmental turbulence within the organisation.

According to Stoverink et al. (2020), work teams face a variety of adverse conditions as a result of turbulent environments. Team adversity weigh heavily on team performance, advising on the need on working independently and/or interdependently between the TMT and BOD (Luciano et al., 2020; Stoverink et al., 2020). Luciano et al. (2020) argues that a focus on independence and conflicts of interest is likely insufficient and not useful to respond in increasingly turbulent environments. Although the turbulent environment influences attention to working independently or interdependently on multiteam system effectiveness, research highlight factors such as transformational behaviours, goal differences and cognitive diversity, which may either make or break the working relationship between TMT-BOD (Luciano et al., 2020; Samimi et al., 2020). Luciano et al. (2020) asserts that the TMT and BOD must drive their work processes through major modes: working independently and working interdependently to enhance strategic systems effectiveness, especially with environmental turbulence. During crises, collective tasks can be difficult and challenging for TMT and BOD, and research shows that working independently seems “contraindicated” (Luciano et al., 2020; Schaedler et al., 2022). With growth in research to understand strategic leaders’ dynamics of working independently and interdependently, this study explores the relationship between TMT-BOD in working independently and interdependently in crises to manage environmental turbulence whilst enhancing the effectiveness of strategic leadership systems.

1.2. Theoretical relevance

Cooperation through interactions and knowledge sharing amongst teams improves firm performance (Wong, Tjosvold, and Chen 2010). Swaab et al. (2021) promotes the discussion of superordinate goal to reduce trust, improve competition and minimise lack of agreement amongst teams. Subsequently, avoiding turbulent environment in an organisation is not possible, but making critical strategic decisions and team supporting each other through knowledge sharing and collective task sharing significantly assist in managing environmental turbulence. In understanding the processes of TMT-BOD working independently and interdependently, this research draws on the strategic leadership system (SLS) model to explore the framework (also known as the diagnosing system dynamics [DSD] framework) designed for strategic leaders which comprise of dynamics of conflict, coordination, complacency and collusion of attention (Luciano et al., 2020). The SLS model was coined by Luciano et al. (2020) to contextualise understanding of system effectiveness and emphasize attention to working independently and interdependently to enhance TMT-BOD relationship,

and in turn, drive firm performance. In addition, this model was created based on recent increasing exposure of organisations to uncertain environmental turbulence, with the objective to enhance teamwork within and/or amongst TMT and BOD. The lack of empirical evidence of exploring the pros and cons of this model encouraged this research to be conducted.

Recent study by Waring et al. (2020) examine inter-teams coordination during strategic decision making process in extreme environment, and a naturalistic observation approach was conducted, leaving a gap for new study to be performed by sourcing the lived experiences and perceptions by TMT-BOD. Ma (2021) study conducted on McDonald's case, stresses the importance of placing firms in a competitive strategic position to generate profit even in times of crisis despite lower profit margins achieved during COVID-19. Although, TMT and BOD are becoming more diverse as part of strong corporate governance (Alkurdi, 2019), it is imperative to understand how differing viewpoints affect the functioning of TMT-BOD. Building on facets of environmental turbulence and the framework for strategic leaders, as noted by Luciano et al. (2020), this research aims to understand the strengths and weaknesses of TMT-BOD working independently to effectively manage environmental turbulence.

1.3. Research problem

Significant attention has been paid to the strategic leadership concept, particularly in both academic and business spheres. Frameworks to understand the concept have been developed by scholars to better understand the role of strategic leaders on strategic decision-making and management processes to achieve and maintain favourable outcomes results (Luciano et al., 2020). In the recent years, strategic leadership has remained an important topic due to constant high level of uncertainties and environmental turbulence often faced by the TMT and BOD and their organisations, especially during times of crisis (Luciano et al., 2020). Jaleha and Machuki (2018) asserts that the nature of turbulent environment forces strategic leaders to rethinking and articulate a contingent vision of the future to influence organisational performance. Although working collaboratively as a team can be challenging for TMT and BOD as a result of different backgrounds and perspectives, it is imperative to understand their relationship of working independently and interdependently and how this affects the prosperity of organisations

According to Dean and Sharfman (1996), effective strategic decision making is influenced by external environmental factors such as customer health, new competitive product, and

changes in regulations and technology. In order to successfully achieve effectiveness of decision making, it is important to consider external environmental instability (Dean & Sharfman, 1996). Asymmetry of information, if ignored, may come from highly complex and dynamic environmental, thus accelerating the need for new knowledge creation and sharing to manage the unpredictable future faced by the world at large (Bratianu & Bolisani, 2015). The future seems to be arriving too quick to the present, challenging TMT and BOD to strategically think beyond short-term solutions is vital to help them make appropriate strategic decisions to managing uncertainty. Based on difficulties to predict the future, uncertainties can be experienced at any time, therefore, increasing the importance of flexibility and adaptability in decision making by the TMT and BOD.

Diversity of TMT and BOD as a whole enhances the strategic thinking as different viewpoints are shared either from work experiences, education, age and gender diversity (Syakhroza et al., 2021; Yang & Wang, 2014). Several options are considered by heterogeneous teams to better understand the uncertainty, therefore reaching a consensus takes longer as different viewpoints are shared and entertained first (Somech, 2006). Consequently, it is, important to understand the role of TMT and BOD as each group offer skills contribution to respond and effectively manage turbulent environment. In dyadic differences, the chairman of the BOD holds higher responsibility to ensure that strategic decision making process is concluded with minimal decision discussions with TMT (Yang & Wang, 2014). Although, strong advice and close monitoring by BOD to TMT minimise the length of time it takes to make a strategic decision where faultiness are weak than strong, given the diversity in TMT's knowledge, perception and preferences (Huynh et al., 2022). A further understanding of how BOD involvement in the strategic change process affects the TMT dynamic capabilities, particularly when faced with environmental turbulence. This will help explore the imperativeness of TMT and BOD to interact more or less when faced with environmental turbulence.

There is no evidence of empirical research on how the functioning of the diagnosing system dynamics framework for strategic leaders drives or influence the processes of TMT-BOD working independently and interdependently, especially in South African construction and property sectors. For that reason, this study draws from the SLS model (Luciano et al., 2020) to explore the role of independent and interdependent working of TMT and BOD to effectively manage environmental turbulence. This offers an opportunity to understand how the TMT and BOD interact and collaborate when faced with unpredictable, complex, uncertain turbulent environment whilst aiming to uphold firm performance and survival.

1.4 Proposed aim

The overall aim of this study is to explore experiences of TMT and BOD on working independently and interdependently to effectively manage turbulent environmental. The purpose is to understand the processes and functions that influence working independently and interdependently in TMT and BOD relationship, in turbulent environment, taking into account their diverse backgrounds and experiences.

1.5 Research questions

Based on the above stated aim, the study aims to answer the following research questions during times of crisis:

- What are the processes followed by TMT and BOD to effectively manage environmental turbulence?
- What functions does TMT-BOD perform interdependently when faced with a turbulent environment?
- What functions does TMT-BOD perform independently when faced with turbulent environment?

1.6 Scope

This research is limited to TMT and BOD as they are viewed as the forefront strategic leaders of the organisation (Samimi et al., 2020). They are influential and positioned to drive the organisational vision, values and culture by matching past and present to shape the future (Boal & Schultz, 2007). They TMT and BOD have different personality traits, educational backgrounds and experiences that leads to unique strategic approaches within top management which, in turn, determines how the turbulent environment is managed. BOD are non-executive directors that are not full-time employees of the organisation, whereas, TMT are full-time employees, and both hold multiple directorships in different industries that could lead to them enforcing certain preferred patterns to strategic decision making. Yoo and Reed (2015) refers to non-executive directors as outside directors and executive directors as inside directors, who hold diverse views of the industry environment, goal setting and business practices due to their knowledge and experience heterogeneity.

Based on the statistics, approximately 90% of South African businesses across different sectors reported a turnover below the norm due to the COVID-19 outbreak (Statistics South Africa [Stats SA], 2020). Although most sectors were impacted by the pandemic, this study focuses on the construction and property sectors. A study conducted in Irish on construction quantity surveyors organisation by Murphy and Seriki (2021) agrees that the nature construction sector is generally faced with environmental turbulence such as strong reliance on the economy, lack of resources and difficulties in predicting the world.

Focusing on the construction and property sectors, which play an important role in South Africa's development process and economic growth, is imperative because they are not foreign to turbulent environments such as political issues, economic conditions and material availability. In addition, understanding how these sectors function within processes of strategic leadership is important to understand the relationship between TMT and BOD in working independently and interdependently to influence organisational performance of these sectors.

1.7 Significance of the study

Existing research on working independently and interdependently within the teams are predominantly at the project level or senior to middle management or TMT or CEO alone (Civelek et al., 2015; Huynh et al., 2022; Wang et al., 2016) Research show limited literature on how BOD's advice affects the TMT in strategic decision-making (Huynh et al., 2022). However, BOD and TMT relationship and working dynamics in times of environmental turbulence have not been explored practically. Hence, Luciano et al. (2020) identified the need to use the strategic leadership systems which focusing mainly on the TMT and BOD relationship to understand how working independently or interdependently can lead to effective management of environmental turbulence. Therefore, exploring the strategic leadership systems will the current model either agree with the system or provide recommendations to further improve the framework. Observing a number of uncertainties that the organisations are faced with in the world, this research is beneficial to academia as it will enhance ways of effectively managing flexible strategic thinking from those in charge of the strategy and governance (BOD and TMT) to ensure that organisations are stable.

1.8 Delimitation

The boundaries of this research are set to allow the researcher to collect valid and reliable data. The TMT and BOD members from the same workplace as the researcher were excluded from participating, except in instances where they served as non-executive directors in another company or sector which is within the scope of this research.

1.9 Conclusion

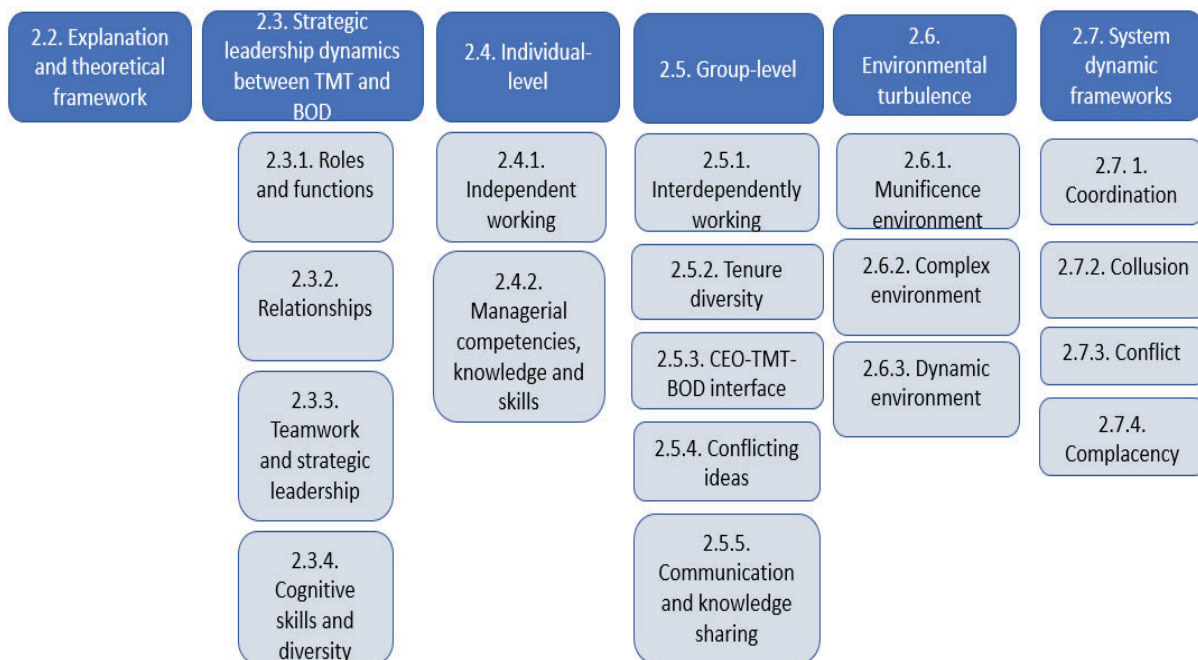
In this chapter, the challenges relating to environmental turbulence were highlighted in the context of strategic leadership. Characteristics of TMT and BOD such as personal diversity and interactions within and between the teams were identified as a problem that may hinder strategic making process, particularly when faced with environmental turbulence. While there is growing literature on strategic leadership and decision making, there is little evidence on how BOD and TMT effectively manage turbulent environments while maintaining their independency. The benefit of the study is to understand how TMT-BOD work together, despite their diversity and differences to thrive during difficult times that call for contingencies. The strategic leadership systems theory is used to understand the dynamics of TMT-BOD working interdependently and independently whilst maintaining productivity and performance. The next chapter covers the literature review related to the role of strategic leaders in influencing strategic decision-making even during environmental turbulence and times of crisis. Further, the characteristics influencing the relationships between TMT-BOD working independently and interdependently are covered to unpack the processes aligned to success factors of working collectively to achieve organisational performance.

2 CHAPTER TWO - LITERATURE REVIEW

2.1 Introduction

In the previous chapter, the concept of environmental turbulence was briefly explained in the context of strategic leadership. This chapter focuses on the review of literature conducted both locally and internationally. As elaborated in the previous chapter, the overall aim of this study is to explore the experiences of TMT and BOD professionals in working independently and interdependently to effectively manage turbulent environments during times of crisis. It is clear that there is limited research on how the TMT and BOD work together independently and interdependently to achieve goals and organisational performance. Available evidence shows that it can be challenging, but also worthwhile, for TMT and BOD to work together as a result of strong personality traits, goal differences, work experience, background and demographic characteristics which have a direct impact on the enhancement of organisational performance (Samimi et al., 2020). For that reason, this chapter provides a review of literature on strategic leadership and the functions it has in influencing TMT and BOD to work independently and interdependently to manage environmental turbulence. Figure 2.1 below shows the structure of this literature review.

Figure 2. 1: Literature review roadmap (Source: Author's own)



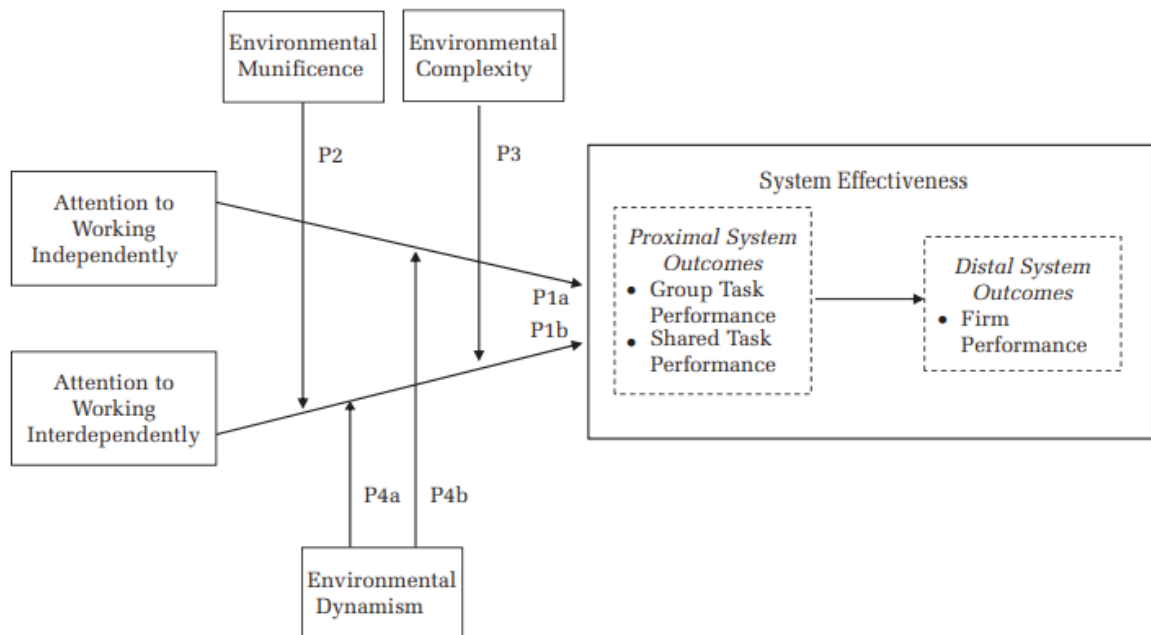
2.2 Explanation of theoretical framework

As introduced in Chapter one, the theoretical framework guiding this study is the strategic leadership systems (SLS) model, which is part of a strategic-oriented multiteam system (Luciano et al., 2020). This model was designed by Luciano et al. (2020) to emphasize that the TMT and BOD stand in a great position to work independently and interdependently to enhance shared task performance, which in turn, leads to organisational performance. While theorising this model, Luciano et al. (2020) argue how external environments, or rather environmental turbulence, may either strengthen or weaken the influence of attention to working independently or interdependently. This model expands on the agency theory, corporate governance and characteristics of upper echelon theory (UET) to offer a new perspective on understanding the TMT-BOD relationship. Although the concept of strategic leadership was already a rapidly growing field before Luciano et al. (2020) coined the SLS model, Samimi et al. (2020) argue that the field of strategic leadership did not have theories that were primarily developed to understand it, except for the UET.

The UET, as coined by Hambrick and Mason (1984), has played a significant role in suggesting the use of demographic characteristics to capture the cognitive traits of strategic leaders (Hambrick & Mason, 1984). The UET argues that top executives view situations through highly personalised lenses and their understanding of strategic situations arises from differences among members as a result of personal values and beliefs. Whereas the SLS model, as suggested by Luciano et al. (2020), promotes that the TMT and BOD should work independently and interdependently to achieve a greater outcome in times of uncertainty, depending on the nature of the turbulent environment faced by the organisation at the time.

The agency theory, which is also one of the theories used in strategic leadership research, falls short of addressing the rapid increase in turbulent environments as it focuses more on the importance of independence and ungovernable conflicts between TMT and BOD (Panda & Leepsa, 2017). Consequently, it has lost its attractiveness and importance with new developments in strategic leadership research (Samimi et al., 2020). In addition, the advances and growth in strategic leadership research have introduced new theories that are built upon other established theories to study strategic leadership processes and functions, one of which is the SLS model (Luciano et al., 2020; Samimi et al., 2020). The overview of the SLS model is presented below in Figure 2.2.

Figure 2. 2: Overview of Strategic Leadership System model functioning (Source: Luciano et al., 2020)



Note: P = Proposition.

The use of SLS draws back to its ability to understand why and how attention to working independently and interdependently enhances proximal and distal outcomes that comprise the effectiveness of organisational systems and how environmental turbulence alters the relations (Luciano et al., 2020). While the TMT and BOD consist of a team of individuals with different expertise, such as cognition and knowledge (as elaborated by UET), the SLS elaborates on how working independently and interdependently between TMT and BOD influences strategic decision choices to effectively manage the turbulent environment. This means that the operational knowledge sharing by TMT enables the BOD to better understand the type of environment the organisation is exposed to. In addition, the SLS model promotes a multiteam system through working as TMT and BOD separately, whilst also sharing tasks to achieve the same goal, especially in challenging times. This is in line with the aim and research questions of the study, and the theory will allow the researcher to understand the processes and functions that influence working independently and interdependently in the TMT-BOD relationship, taking into account their diverse backgrounds and experiences.

2.3 Strategic leadership dynamics within TMT-BOD

Strategic leaders are regarded as individuals at the top hierarchy of an organisation who are responsible for making strategic decisions and creating an overall purpose and direction for the organisation which would guide strategy formulation and implementation (Hernandez et al., 2011). Many studies have referred these individuals to chief executive officers (CEOs), TMT and BOD because they are the highest-ranked leaders who are more likely to influence a strategy in the organisation (Bromiley & Rau, 2016; Carpenter et al., 2004; Finkelstein et al., 2009; Samimi et al., 2020)).

Strategic leadership involves a process where substantive decisions are taken and structures are created by the organisation to envision the future based on the organisation's history and current status (Boal, 2004). This nourishes the organisation's ability to deal with uncertainty created by the external turbulent environments. Furthermore, this allows the organisation to demonstrate dynamic capabilities of learning, adapting and predicting the future in response to changes in the market (Teece et al., 2016).

Samimi et al. (2020) provides a scoping review of the literature to understand the concepts of strategic leaders within the top management. In review, Samimi et al. (2020) introduced a framework to answer questions such as what functions CEOs, TMT and BOD perform, why they perform those functions and how those functions are performed. This was done to better understand the functions and attributes of strategic leaders at the individual level, one-team level (executives only) and at more than one-team level (executive, non-executive and BOD) while considering the external factors such as uncertainty, dynamism, complexity and munificence that influence the success and failure of strategic decision-making and management processes (Luciano et al., 2020; Samimi et al., 2020).

BOD composition include non-executive members and executive members such as CEOs and chief finance offices (CFOs), with a wide range of expertise, industry knowledge and skills and possessing a certain reputation and network (Zorn et al., 2017). Furthermore, BOD members often have prominent positions in other companies or are retired; they are not full-time workers of the company (Whitler & Puto, 2020). In addition, they are responsible for the CEO's recruitment and termination of employment, approving organisational strategic decisions and resource allocation, finding and nominating potential board candidates, setting executive performance scorecards and levels, as well as managing the company through audits (Whitler & Puto, 2020).

Although strategic decision-making during times of crisis can be a much more demanding process for TMT and BOD, research shows that working together to achieve the goals of the organisation demonstrates the abilities of good strategic leadership (Simsek et al., 2018). For organisations to survive, Wang et al. (2016) asserts that the TMT-BOD relationship requires good strategic leadership practices and procedures, which are not only based on behavioural characteristics but also on their critical role to run the organisation to prevent high levels of uncertainty and volatile which could lead into organisational non-performance. In addition, the better the TMT and BOD are able to work independently and interdependently, they are more likely to lead the organisation to productivity and profitability and manage environmental turbulence (Boal & Schultz, 2007; Luciano et al., 2020).

2.3.1 Roles and functions

Samimi et al. (2020) functions of TMT and BOD involves strategic decision making, stakeholder engagement, human resource management, motivating and influencing, managing information, overseeing operations and administration, managing social and ethical issues and managing conflict demands. In a simplified manner, Sun and Bhuiyan (2020) state that BOD are members that provide an oversight of an organisation's operating activities and advises TMT on strategic and financial matters. Ensuring that the organisation run effortlessly even in a competitive position, each of TMT and BOD teams plays a unique but integrated role that works together to ensure the organisation operate smoothly and remains competitive (Puthusserry et al., 2022). This is in line with Luciano et al.'s (2020) argument of why and how strategic leaders should work together independently and interdependently to achieve organisation performance.

The functions of the TMT and BOD requires vast expertise, knowledge and experience to be carried out successfully, and it is practical that the strategic leaders are diverse, united and capable to share different perspectives in addressing turbulent environments during times of crisis (Luciano et al., 2020). This is evidenced by the results Kolev and Mcnamara (2022), stating that where there is small number of members, substantial cognitive diversity and minimal differences in compensation amongst TMT contribute to reaching risky strategic decisions through team coordination following the unfavourable performance. In addition, Dalton et al. (2007), also emphasized that working independently as the TMT can create dysfunctional intergroup dynamics filled with increased volatility in organisational performance

outcome. This means that working interdependently as TMT-BOD would reinforce the importance of shared task effectiveness while fulfilling good strategic leadership practices (Luciano et al., 2020).

2.3.2 Relationships

Research by Bjornali et al. (2016) revealed that diversity and unity amongst the TMT and BOD enhance system effectiveness, while BOD oversight influences the TMT diversity and effectiveness this produces a positive working relationship which fuels inclusion of more independent non-executive directors to influence the BOD service participation and TMT effectiveness relationship positively. However, the relationship effectiveness can be negatively impacted by too much focus on the BOD independency to ensure that shareholder's interest is protected, which pushes the CEO to be a loner, resulting into lack of information sharing by taking advantage of information asymmetry over the rest of the BOD members (Zorn et al., 2017). This may hinder the BOD ability to monitor effectiveness if there is no transparency of day-to-day running of the business. Therefore, it is crucial that the TMT as a whole, not just the CEO to have a relationship with the BOD and work interdependently to drive positive outcomes.

TMT effectiveness refers to a level of achieving goals through working together effectively with BOD (Ensley & Hmieleski, 2005). The relationship conflict between the TMT and the non-executive BOD members negatively affect the strategic choices taken by the organisation (Vandenbroucke et al., 2017).

Change in composition of the BOD as a team contribute to more diversity in views and perceptions, which in turn contribute to consensus strategic decision making process ineffectiveness, mainly because the new set of skill and knowledge is introduced (Harvey & Currall, 2017). Consequently, the new appointment of the chairman of the BOD is more likely to lead to other members leaving the BOD if their struggle to adapt to the new system brought by the new chair (Park et al., 2022). Furthermore, Park et al. (2022), state that in cases where there is a strong influence from the shareholders, directors decision to leaving is not entirely due to chairman change. Therefore, change in membership can be good and or bad thing that could happen depending on the skills and support availability.

2.3.3 Teamwork and strategic leadership

Currently, many business across the world are faced with dynamic external environment, and all eyes are on the leaders to be specialist in strategy. Strategic leadership remains the key driver for organisations to remain in a competitive space with strategic interactions and decisions turning out to be more complex (Sarros et al., 2016). Given the complexity in nature of strategic discussions, reaching team consensus as one team and as two teams becomes a breaking point to the right direction. This can be mediated by collective sense of ownership, which depends on team member's commitment to the team and knowledge acquisition from each other, in turn, positively contributing to teamwork effectiveness (Ayoko, 2020). This is further supported by findings from Zhang et al. (2020) study, which suggests that information sharing and interactions enhances team learning and self-creativity, particularly in unstable business environments.

Differences in individual beliefs, behaviour, acquired experiences and background are personality traits that make up cognitive diversity of TMT and BOD. However, in a group, these differences can delay strategic moves at group level, if not managed properly, as a result of conflict and contradicting ideas (Mello & Rentsch, 2015). Heavey and Simsek (2017) argues on the amount of intensity on knowledge sharing, interrelating and thinking ahead whilst acknowledging distinct expertise and experience amongst TMT and BOD to meet challenges of strategic choice. The study further contributes to the understanding of TMT strategic task approach beyond individual cognitive (Heavey & Simsek, 2017).

For organisations to effectively manage dynamic external environment, they require good strategic leadership practices and procedures, which are based on the behavioural characteristics, traits, and skills of strategic leaders (Wang et al., 2016). These practices play a critical role in running of the organisations, particularly in challenging trading conditions to manage high level of uncertainty and volatile environment faced by organisations timeously, which often result into firm closure and non-performance (Osiyevskyy et al., 2020). This means that strategic leaders (TMT-BOD relationship) has a direct impact on firm survival and their behaviour have an impact on different paths they follow (Boal & Schultz, 2007).

2.3.4 Cognitive skills and diversity

Cognitive skills are the strategic leader's ability to demonstrate nine distinguishable skills using knowledge and expertise (Mumford et al., 2017). These skills are problem identification,

analysis of the root cause and goals of the problem, limitations identification that could prevent solution execution to the problem, planning, projecting, develop new ideas, alternative approach evaluation and its appropriateness to, articulate the vision (Mumford et al., 2017). The ability to demonstrate all above critical cognitive skills in an organisation requires sharing of different knowledge and expertise, collaboration and intense discussion, thus, cognitive team diversity need.

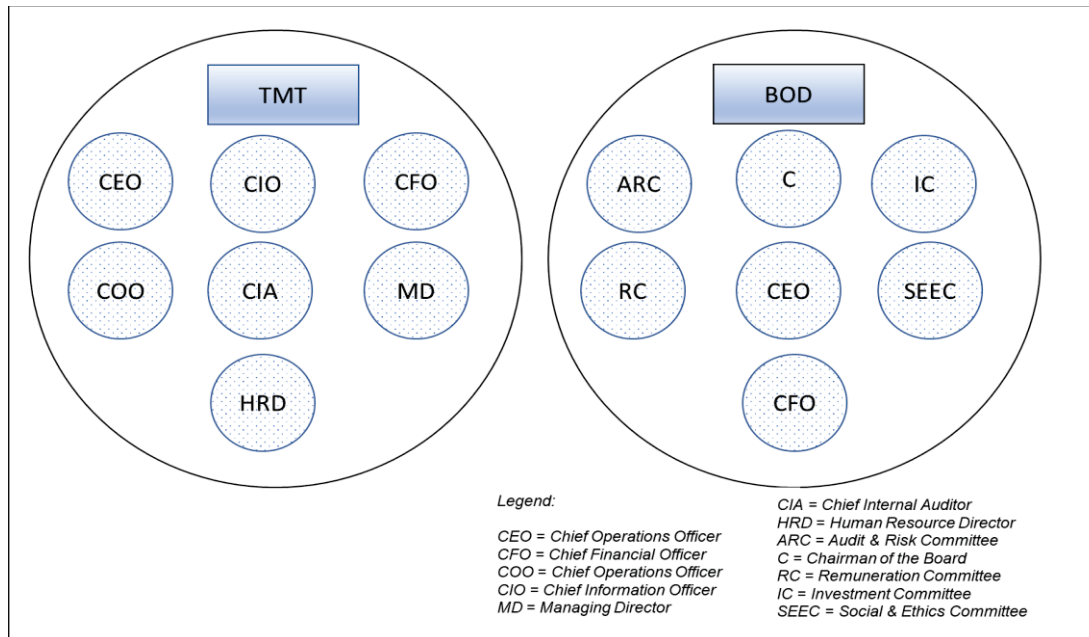
Dahlin et al. (2005) defines cognitive team diversity as the degree to which team members vary from each other's thinking, skills, knowledge, beliefs, and values. TMT and BOD cognitive characteristics mentioned by Wang et al. (2016) supports Dahlin et al.'s (2005) point of view as values, personalities, beliefs and work experience influence an organisation's strategic choices, which in turn, drives the outcome. Research shows that strategic leaders' personality traits affect a wide range of firm strategies and outcomes, including managerial risk taking, firm innovation and corporate financial strategies (Samimi et al., 2020; Shalender & Yadav, 2019). Evidence from a study conducted in an Indian automobile industry on the importance of manager's personality role in strategic decision making to enhance organisations performance (Shalender & Yadav, 2019). This implies the nature of strategic choices made in times of complexity, munificence and dynamism environment, which could reflect collective capacity of top executives and or non-executive, considering their diverse knowledge and skills.

2.4 Individual-level

2.4.1 Independent working

Prior literature has indicated that the diversity of individual members of either TMT or BOD contribute to the independent working of each group. This is best illustrated in a game analogy by Dittmann et.al. (2020: p518) where quoted "people could work together to identify a collective solution on a problem-solving task or pass the ball back and forth between players to score points in a basketball 2 game". From this perspective, this is consistent with independence view as per corporate governance and agency theory of strategic leadership, which refers to principal independency from the agent. The below diagram illustrate the TMT and BOD as individual team viewed as working independently from each other.

Figure 2. 3: Illustrative of independent working (Source: Author's own)



It is crucial to note that the efficiency of group processes depends on how each group (TMT and BOD) members behaves. Another view is that the group's performance might be negatively impacted if some members are not engaging in productive group procedures (Dittmann et al., 2020). In addition, Sonenshein and Nault (2017) agreed to the significance of the strategic group identity redirecting the cooperative and competitive behaviour to achieve one goal which is directly referring to venturing into a new market through help of the experienced members to increase cooperation where there is lack of knowledge sharing. This implies that group members should understand their group's values and culture to cooperate by helping each other based on individual attributes brought into the group to effectively explore new opportunities and sustain exiting operations.

2.4.2 Managerial competencies, knowledge and skills

A certain level of expertise based on knowledge and skills is generally an added advantage to provide valuable advice to management on strategic moves in the organisation, especially in turbulence environments. Research by Valenti & Horner (2020) makes reference to human capital resource theory's importance on board members knowledge, skills and ability to provide strategic contribution to the organisation. A collection of resources by a company that are unique in nature provides a firm's competitive advantage against peers as refers to by Barney

(1991) on resource-based theory. Leveraging on talent acquisition at BOD and TMT level differentiates one organisation from others through innovation strategy. A study performed in Norway by Bankewitz et al. (2018) found that mix of BOD with different job managerial, knowledge and skills expertise contributes positively to board participation in strategic decision making, even though interactions might take longer than expected due to different perspective consideration. In line with a study of 444 CEOs in the United States found that the organisations led by strategic leaders who graduated from top universities show higher performance and more sustained market valuations (Miller et al., 2015). This suggest that when strategic leaders possess greater skills and knowledge, they are more likely to lead the organisation to success.

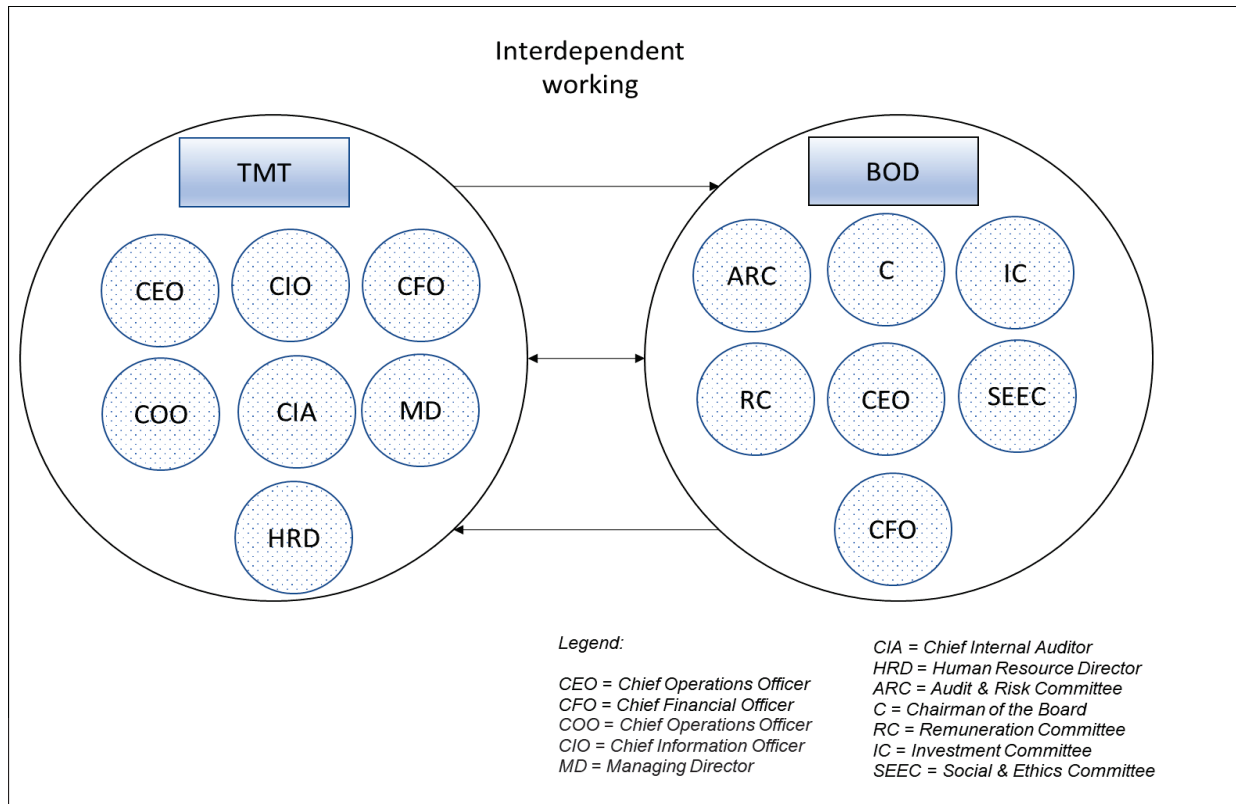
2.5 Group-level

2.5.1 Interdependent working

In the present day, organisations are faced with unpredictable changes in the workplace such as virtual working which requires stable internet connection at all times while some economies lack behind in technology adaption. Interdependent working has become more important to rapid changes and proactively prepare for action to effectively manage turbulent environment. Raveendran et al. (2020) emphasise the importance of interdependent development in the context of shaping the organisation's structure through its expansion from task interdependence to also goal and knowledge interdependent. According to Raveendran et al. (2020), interdependent working means depending on each other at work, and this could be between individual employees, teams and departments. The coordination of actors with various activities, goals, and knowledge is made easier by structuring the organization around interdependencies.

Self-understanding and aspirations to win contribute to effectively independent and interdependent working. This statement is supported by the study conducted by Chia-Huei et al. (2018) on evaluating self-construal, which found that proactive personal behaviour interdependent base employees working in jobs that requires high interdependent enhances work unity commitment and work unit proactive behaviour in comparison with low interdependent jobs. Self-construct is defined as personal aspiration of self believe to achieve a specific goal both independent and interdependently.

Figure 2. 4: Illustration of interdependent working (Authors Own)



2.5.2 Tenure diversity

Tenure diversity refers to the breadth of knowledge and skills available to a TMT from differences in the team tenure of organisation's members (Yi et al., 2018). Cognitive team with high diversity benefits more from knowledge sharing because it allows team members to use information more effectively, whereas cognitive team with low diversity benefits less from knowledge sharing (Men et al., 2019). Team members can access other team members who have the necessary formulae, procedures, routines, and expertise for obtaining, digesting, and integrating varied knowledge.

Boone and Lokshin (2019) shares that entrepreneur creativity from a diverse-nationality individuals yield positive results in TMT with smaller team and in multinational companies located in their originating country with low inequality. Further, they stated that different nationalities in TMT enhances organisation's growth through global competitive advantage, international experience, diverse background and culture gained. Consistently with Nielsen & Nielsen's (2021) argument that positive synergy contribution brought by nationality diversity

within TMT members yields positive firm's performance, growth and diverse-conducive environment. However, Simons et al. (1999) argue that less job-related diversity such as age does not influence firms performance, but agrees with the debate on the job related diversity type and its positive impact on the organisation.

The twenty-first century have shown us that women in leadership are good for long term financial performance, as they bring unique resource portfolio due to risk adverse attitude they portray, however, they lag behind man-in-experience and skills of corporate leadership (Jeong & Harrison, 2017). Observing the discussions from different scholars, the argument in tenure diversity is broad based on different moderating factors, including education, age, culture, nationality and gender, which influence diversity impact on firm and strategic decision making. A study using panel dataset of top knowledge-intensive firms in India indicated that there is an existing positive linear relationship between the overall board demographic diversity index (gender, age, tenure and education level) and firm performance (Kagzi & Guha, 2018). Samimi et al. (2020), also noted that the diversity in strategic leaders, in most cases, yield positive impact on firm's performance and growth, as it diversifies alliance. This in addition suggests that there is relationship between various dimensions of diversity and firm-level outcomes including firm survival and productivity.

Substantial age gap between the CEO and the chair of BOD significantly contribute to more intense oversight and CEO's heavily reliance on direction provided by the chair (Goergen et al., 2015). Additionally, Goergen et al. (2015) discovered that a significant age gap between the chair and CEO during a crisis damages the value of the company, which is consistent with the increase monitoring demand where quick decisions are expected to be made. Nonetheless, Xu et al. (2018) also noted possible risk unethical activities that could take place if the CEO is older than the most of non-executive directors. In addition, BOD monitoring function becomes more intense in organisations where the TMT is young and less intense where TMT or CEO is old and this increases the risk of CEO that is older to make decisions that favours his/her interest and not shareholders' interest.

2.5.3 CEO-TMT-BOD interface

TMT are more effective when CEO transformational leadership style is applied across all members, whereas leadership through segregation of members reduces level of effectiveness and performance (Zhang et al., 2015). CEO may interrupt member's abilities by differentiating them based on their intellectuality, which undermines team effectiveness and organisations

performance. Anderson & Sun (2017) defines different leadership styles as they portray difference leaders' behaviour, reaction and shape the future of the organisation. Understandings from the studies is that patterns and behaviours adopted by leader's impact others' commitment (positively or negatively) and in return affect firm's performance. The leadership style adopted by the TMT, CEO and the BOD motivates and influences the culture adopted by the whole organisation. Luciano et al. (2020) analyses the importance of TMT and BOD working independently and interdependently to strengthen firms' performance through shared tasks especially during turbulent environment. Evidence from a study conducted by Oyewobi et al. (2016) in South African large construction companies found that exceptional firms' performance is directly influenced by CEOs' decision-making style, where organisation's attributes are a moderating factor.

Exchange of information is necessary for both TMT and BOD to successfully perform their duties individually and collectively. BOD and TMT usually meet four times a year (Whitler & Puto, 2020). Based on significance of responsibilities and duties, most common powerful BOD's sub-committees are audit, remuneration, nomination and risk, with BOD chair and lead independent individuals chairing more meetings as they are most influential in decision making (Whitler & Puto, 2020). TMT handles operational and tactical concerns, while boards stay out of them, however, in order to fulfil fiduciaries duties for the company, BOD primary task is to jointly create organisation's strategy with the TMT through interdependent working (McKinsey & Company, 2016). One of the agency theory problem (cite) is that independency emphasis on BOD and TMT create separation and TMT may prefer a strategy that benefits themselves (safe strategy) and not the shareholders, therefore BOD need to monitoring the strategy selection to protect the interest of the shareholders (Yoo & Reed, 2015). BOD monitoring duties become easier when they have access to accurate operational information. Consequently, TMT may make use of BOD members with expertise in the industry to appropriately respond timeously to day to day running of the business.

Bezemer et al. (2018) findings asserts that the role of BOD chairman in the boardroom during decision making is seen as paradoxical due to the requirements of strong leadership skills to resist other directors' management powers and gracefully allow them to voice their opinion in decision making process. The chairman of the board should encourage an atmosphere of openness and discussion by supporting non-executive directors' useful contributions and foster positive relationships between executive and non-executive directors (Brennan et al., 2016). Furthermore, this is usually demonstrated by the chairman of the board in the board

meeting where both TMT and BOD meet to share information, discuss it and reach collective decisions to avoid information asymmetry (Brennan et al., 2016; Nicholson, 2017). Therefore, the chairman in the BOD is expected to set the culture of how TMT and non-executive directors should openly hold discussions during strategic decision-making process.

2.5.4 Conflicting ideas

Although conflicting enables the effectiveness in problem solving groups and is important to dynamic capabilities, it could also cause tension among the TMT and BOD if unmanaged properly (Uhl-Bien & Arena, 2018; Yoo & Reed, 2015). A study conducted in Dutch insurance firms found that TMT re-flexibility is affected by internal politics at TMT and BOD level (Rink et al., 2021). Where there is serious conflict and communication between TMT and BOD is compromised to the extent that TMT may be placed under supervision. In addition, a degree of understanding and leaders behavioural conflict can be managed by appointment of new members (Rink et al., 2021). Building from the above, conflict amongst strategic leaders at a corporate level can lead to ineffective strategic making process and minimal interactions.

However, when leaders enable organisations to be adaptive to increasingly dynamic and demanding environments, organisations are more likely to create a space for ideas to generate innovations (Uhl-Bien & Arena, 2018). Vandenbroucke et al. (2017) agrees in a sense that the task conflict contribute positively to the non-executive BOD involvement in the strategic decision making, enabling them to provide constructive advice to the TMT. Huynh et al. (2022) study on strategic change is complemented by Rink at al. (2021) study, as it reveals that intense opinion differences between TMT and BOD dynamic managerial capabilities can increase time spend on strategic decision, however, strong advice from the board and knowledge sharing can improve the size of the strategic change.

2.5.5 Communication and knowledge sharing

Discussions by strategic leaders with different expertise expose members to be bias towards those who share the same personalities or experiences. Drawing from behavioural strategy, an empirical study performed by Meissner and Wulf (2017) found that to control bias in strategic decision making, measures to debias judgement leads to positive impact on high cognitive diversity teams, while no impact was found on the teams with little cognitive diversity.

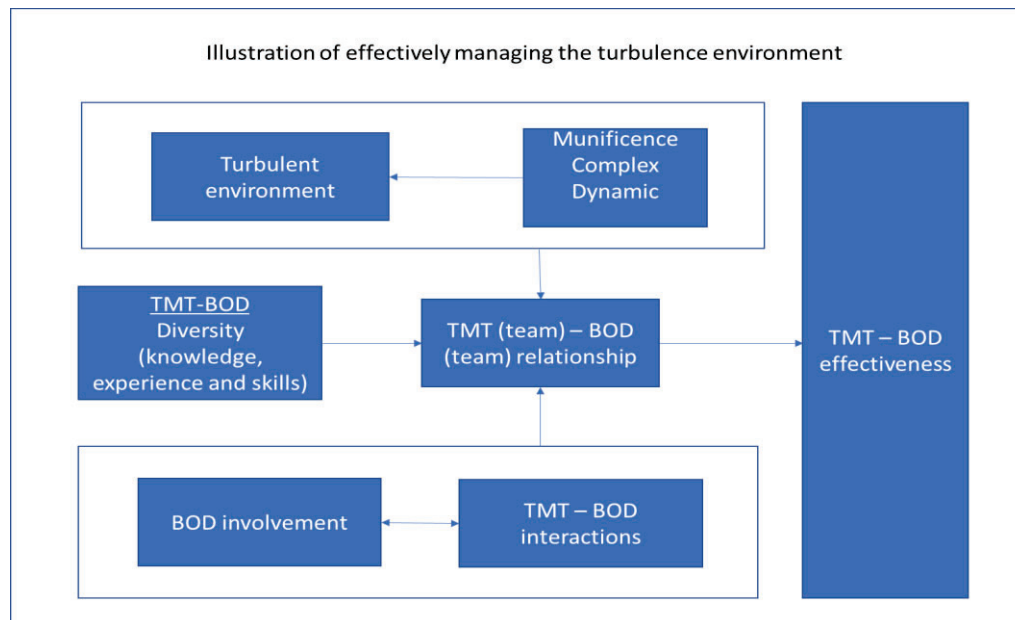
Taken from attention base view, which refers to promoting attention pattern (structured time and frequency meetings) in strategic move, diverse communication channels (rhetorical analysis, vocabulary, in person and written in text) are useful for organisations' attention flexibility (Ocasio et al., 2018). Ocasio et al. (2018) further articulate that the language and words used must be understood to avoid misunderstanding strategic move. Toefy (2021) study neither agrees nor disagree but suggest that there was no bias in accent discrimination on strategic decision choice. Based on this, dynamic communication channels usage and control bias on accent adds favourable value to strategic decision making.

2.6 Environmental turbulence

Direction of whether to pay attention on independently or interdependently working as a team is controlled by the type of turbulence environment the organisation is facing, particularly in those faced with limited growth opportunities, unstable and highly uncertain environments (Luciano et al., 2020). In this study, turbulence environment is divided into three main types by Dess and Beard (1984), those are, munificence, complex and dynamic. Conversely, according Ansoff et al, (2019), turbulence environment is divided into five categories, namely, complexity, novelty of subsequent environmental difficulties faced, rapid changes, unpredictable future and regular shift in the market. Whereas, the term VUCA refers to four categories of turbulence environment, namely, volatility, uncertainty, complexity, and ambiguity (Cousins, 2018; Millar et al., 2018; Sarkar, 2016). The above shows that there are different dimensions of explaining turbulence environment, ranging from three to five. This study, therefore, is guided by the three dimensions of environmental turbulence, namely munificence, complex and dynamic.

In the context of effectively managing the turbulent environment, TMT and BOD effectiveness is viewed as behavioural changes to cope with the demands of a particular situation, which required good relationship to exist. Figure 2 illustrate how relationship effectiveness between the TMT and the BOD contribute to the way turbulence environment is managed.

Figure 2. 5: Illustration of effective managing turbulence environment. (Source: Esnley & Hmieleski, 2015)



2.6.1 Munificence environment

The environment that is blessed with plenty of growth opportunities is referred to as munificence (Boyne & Meier, 2009) and minimum sector threats (Bloom & Michel, 2002). Strategic leaders need to ask themselves; how much involvement is required from the BOD in wealthy environments. According to Luciano et al. (2020) attention to working together between TMT and BOD is more relaxed because there is lesser debates and goal realignment on the strategic choice, allowing both teams to their roles independently. In contrast, this view might be different in cases where organisations lack resources to meet the demand or to avoid being too ambitious. This perspective is illustrated in Chen et al. (2017) stating that maturity and munificence levels of countries differs, that is China vs America, the fast growing economy in China may be too ambitious, increasing the risk on unpredictability when compare to stable environment portrait by America. Andrevski & Ferrier (2019) agrees in that aggressiveness in competition can be too costly and reduce organisations performance, particularly when they lack required resources and support.

2.6.2 Complex environment

Complex environments are those faced with too many players in the same space, greater competition and strategic decision making is under more strain for organisation to gain competitive advantage (Luciano et al., 2020). Difficult decisions on whether to invest in highly competitive space becomes critical to protect shareholders interest to avoid reckless trading. As complexity increase, well managed capital allocation to business unit becomes critical for future growth and strong competition in the market (Arrfelt et al., 2015). This drives the strategic decision of which division should strategic leaders invest more in based on growth in the market. One of the role of BOD is to protect shareholders interest (Yoo & Reed, 2015), thus attention to interdependent working while maintaining its independence is importance. For example, Markiewicz-Zahorski et al. (2021) found that due to oversupply of office properties in Europe, companies were looking into converting offices into residential space taking into account that it is cheaper when compared to converting from residential to office and increase in hybrid working. Diverse industry knowledge, experience and skills and sharing of information through interactions between TMT and BOD becomes important.

2.6.3 Dynamic environment

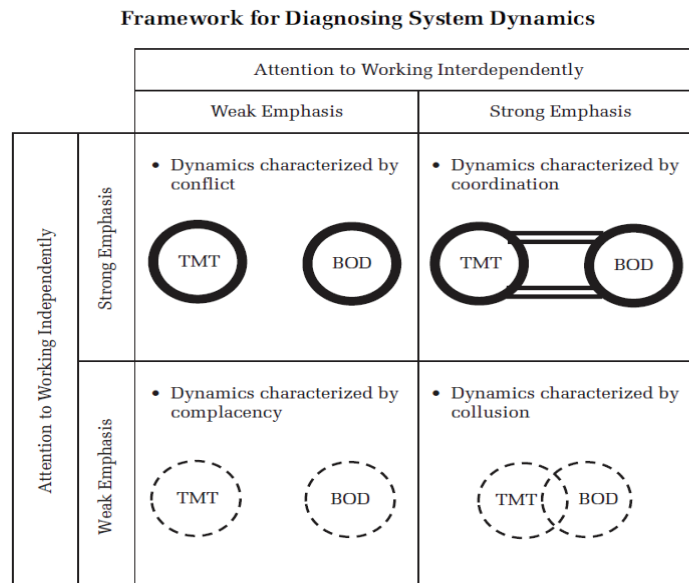
Dynamism refers to the unpredictable and unstable industrial environment due to rapid changes that create uncertainty on the future of the organisation (Dess & Beard, 1984). The uncertainty caused by Covid-19 outrage interrupted so many operations and most organisation failed to handle such disruptions while others closed doors (Chatterjee & Chaudhuri, 2021). Uncertainty causes stakeholders relationship curiosity (Luciano et al., 2020), in a way that supply chain partners may be worried about business continuity, employees worried about job protection, shareholders and investors' concern about their investment safety. Rapid changes make strategic decision more difficult as stakeholders are also affected by that strategic decision. More conversations, discussions, interactions among TMT and BOD become critical in the dynamic environment, making attention to both independently and interdependent working significantly important (Luciano et al., 2020).

2.7 System dynamics diagnosis framework

Considering the agency theory emphasis on independency by BOD and no attention to interdependency, conflict between TMT and BOD may occur, creating system dysfunctionality

(Luciano et al., 2020), among strategic leaders and making it difficult to run the organisation effectively, especially in times of turbulence environment. The ability to accommodate various viewpoints and assimilate varied knowledge is threatened by the system. Therefore, this study seek to explore the effectiveness of system dynamics framework by Luciano et al. (2020).

Figure 2.6: TMT and BOD system dynamics diagnostics framework (Source: Luciano et al., 2020)



Note: TMT = Top management team; BOD = Board of directors.

2.7.1 Coordination

The SLS operate in this area, where there is a bridge between TMT and BOD while they still maintain their independence at separate groups (Luciano et al., 2020). At this level both teams have the leeway of independent working while acknowledging the need of interdependent working through sharing of knowledge and information in attempt to achieve the common goal. Teams relationships are healthier where the knowledge integration is strongly practice (Xie et al., 2022). However, Lee et al. (2017) showed concerns about inter-group coordination is the need for setting boundaries on how much knowledge can be transferred as part of knowledge protection risk management. Lee et al. (2017) study found that interdependency duties and uncertainty contributes equally to the need for knowledge protection regulation in teams as knowledge protection regulation enhances teamwork and collaboration between teams. As much as collaboration and knowledge transfer is viewed as beneficial for teamwork, it is also

important to protect the information as it may lead in competitor's hands and undermine competitive advantage of the organisation.

2.7.2 Collusion

This quadrant lies at the bottom of the framework with weak attention in independent working undermining independency of BOD fiducial duties to protect shareholders interest as required by corporate governance and agency theory (Luciano et al., 2020). The strong awareness to interdependent working at this level can be easily confused between collaboration and collusion Schrujijer (2020), because strategic leaders may find it difficult to separate the two. This is consistent with the study conducted by Sutton & Taylor (2011) on students where discipline when engaging with one another was found to be more collusion than cooperation which raised concerns about the understanding of the two. Similarly, this is the case with bottom right quadrant and top right quadrant in the system dynamic diagnosis framework.

2.7.3 Conflict

This quadrant is indicated in top left corner of the framework and reflect less attention to interdependent working and more attention to independent working (Luciano et al., 2020). According to (Maltarich et al., 2018) team's conflict are driven by task and relationship competition amongst the teams rather than coordination. This implies that competition between the teams may not yield success as each team would want to shine over the other, instead of shinning together as an organisation. Alternatively, complex tasks are positively impacted by conflict amongst the teams as rigorous discussions are held to break through a complex situation (Bradley et al., 2015). Where the system is operating in conflict, the TMT works alone as a team and so as the BOD, there is no bridge between them to enhance each other strategic decision based on insight knowledge that the other group might have.

2.7.4 Complacency

Complacency system operation, shown at the bottom left corner in the framework, is where strategic decisions are not well thought through (rubber stamping) by ignoring the importance of both independent and interdependent working (Luciano et al., 2020). Complacency takes place when there is psychological lack of awareness about the risk associated with the particular situation (Lipinski, 2021). According to Luciano et al. (2018), repetition and recurring patterns promote complacency because teams might not communicate and bounce ideas off

with one another as they are accustomed to the process, thus undermining team effectiveness. Whereas teams that are faced with difficult tasks may communicate more and share ideas in response to the task, thus less complacency involve. From this perspective, regardless of cognitive diversity, if TMT and BOD lacks communication and transparency with each other during the turbulent environment, they are likely to be ineffective and make premature decisions.

2.8 Conclusion

This chapter provided a review of literature conducted both internationally and locally. It was clear there is growing research in the field of strategic leadership, and scholars have looked it in multiple constructs that aim to understand the relationships between TMT and BOD. The researcher reviewed qualitative studies and scoping review that were available. The theoretical framework guiding this study was explained further to make the reader understand how it would be applied in the context of this study. The literature shows that diversity in background, knowledge, skills and expertise amongst TMT and BOD may result into delays in reaching appropriate strategic decision as ideas may clash. However, it was also clear that cognitive diversity may also work in the favour of organisational success and performance. The literature also highlights the importance of understanding the roles and functions of TMT and BOD and their relationship to working independently or interdependently when they are faced with environmental turbulence. In the following chapter, the research questions guiding the focus of this study are explained and discussed.

3 CHAPTER THREE - RESEARCH QUESTIONS

3.1 Introduction

Chapter one and explained the need for strategic leaders to provide direction of the organisation, particularly in times of environmental turbulence. A deep dive into strategic leadership systems was performed through understanding the roles of TMT and BOD, and their relationship, in conjunction with the awareness of independent and interdependent working depending on the nature of the turbulence environment the organisation is facing. This chapter provides further explanation of each research question, as introduced in Chapter one, to help the reader understand what the researcher aims to get or explore from each question. Although these questions are interlinked, it is vital to further explore them individually because it would allow the researcher to explore interpretively how the TMT work independently and interdependently with the BOD to drive the strategic visions of organisations.

3.2 Research questions

Based on literature, it was found that in order for TMT and BOD to effectively manage the turbulent environment, there must be a strategic process that the organisations should follow. Processes may differ based on the nature and type of the environmental turbulence that the organisation is facing. Literature on diversity argued that diversity improves teams performance because individuals with diverse traits offer a wider variety of information, expertise, and views to their teams, which in turn, improves the cognitive processes by that teams carry out their duties (Martins & Sohn, 2022). This put pressure on TMT-BOD relationship and their system structures. Interactive relationships and trusting each other diverse behaviours enhances collaboration between teams to successfully face the environmental turbulence (Zafari et al., 2020). Therefore, research questions one's objective is to understand the processes followed by TMT and BOD within existing strategic leadership system structures in response to the rapid changing markets linked to environmental turbulence.

Question one:

What are the processes followed by TMT and BOD to effectively manage environmental turbulence?

In order to understand the processes followed, there is a need to understand why organisations are structured to have TMT and BOD in the first place. The literature state that BOD function is to provide oversight and TMT function is to run day to day operations (Puthusserry et al., 2022; Sun and Bhuiyan 2020), in order for both teams to successfully perform their duties. Withstanding understanding of each team's functions and roles, research question two's objective is to explore the functions that TMT-BOD perform interdependently when faced with a turbulent environment. This aim to answer the question of when and how do TMT and BOD decide to take an interdependent approach of working to maximise on industry knowledge and task sharing?

Question two:

What functions does TMT-BOD perform interdependently when faced with a turbulent environment?

Lastly, based on the agency theory, TMT and BOD are independent from each other, however this may result to TMT and BOD working completely in silos. This in turn, limit information sharing that might be of value for the other team to effectively perform their duties (Yoo & Reed, 2015). In addition, Miller and Lin (2022) asserts that strategic diagnosing assists strategic leaders to determine if the environmental turbulence will be best addressed by both team's attention or just one. For instance, members of a management team can jointly monitor a range of indications to spot growing concerns by paying attention to different parts of the organisation's surroundings, without the BOD involvement. Therefore, research question three was inspired by the need to understand the functions that are generally performed independently by each team in relation to the type of turbulent environment that the organisation is facing.

Question 3:

What functions does TMT and BOD perform independently when faced with a turbulent environment?

3.3 Conclusion

This chapter explained the table three research questions, guiding collection of data from strategic leaders. The diagnosing system dynamics framework will be used to assess the processes followed by strategic leaders to respond to turbulent environments. The next chapter is the research methodology and design followed by this research to achieve and respond to the research questions.

4 CHAPTER FOUR - RESEARCH METHODOLOGY

4.1 Introduction

In this chapter, the research methodology and design of this research is explained. The aim of the study is to explore the experiences of TMT and BOD on working independently and interdependently to effectively managing environmental turbulence. The interpretive nature of this research is to investigate and understand how TMT-BOD deal with conflicting ideas during strategic decision making, particularly when faced with tough conditions. In addition, this chapter covers philosophical underpinnings of this research, the approach followed, chosen research methods, and the strategy guiding data collection and sampling selection as well as, data analysis strategy. Furthermore, ethical considerations and quality assurance processes and the limitations of this study are explained.

4.2 Research setting

This research is conducted in South Africa. In 2020, the South African economy decreased by seven percent when compared to 2019, the biggest annual fall since 1946 (Stats SA, 2020). Eight out of ten industries including construction, recorded a decrease in economic activity in 2020 (Stats SA, 2020). Owing to the current depressed state of SA economy the construction sector continues to be faced with growth uncertainties (khplant, 2022). Construction industry is heavily reliant on government infrastructure spending (Deloitte, 2021). In 2021, retail businesses were further affected by the looting that took place in July 2021, which also contributed to the impact on the functioning of property businesses (Stats SA, 2021). The SA economic growth uncertainty and riots outbreak put management of construction and property in a difficult position to strategically be prepared for any future unfavourable trading conditions. The processes followed by TMT and BOD to manage environmental turbulence have never been explored in the South African context. Therefore, it is important to seek an in-depth understanding of how the TMT-BOD manages strategic decision making in tough turbulent conditions, whilst considering individual and team's goals which may differ altogether or in priority, in turn affecting productivity and performance.

4.3 Research philosophy

This research was informed by the interpretive paradigm to better understand strategic decision-making and management processes of strategic leaders in the TMT-BOD level. According to Alharahsheh and Pius (2020), interpretivism was developed through criticism of positivism with a subjective perspective to understand humans from a social phenomenon as they create in-depth understandings and meanings from their perceptions and experiences. Therefore, the researcher aimed to understand the beliefs, attitudes, behaviours, perceptions and experiences of TMT and BOD individuals in relation to working independently and interdependently to effectively manage in turbulent environments with the construction and property sector.

4.4 Research approach

This research adopted abductive approach to explore the types of processes experienced by TMT-BOD working relationship to effectively deal with turbulent environments. The abductive approach is a structured way of analysing primary data, and patterns are identified to summarise data. A model developed from underlying categorised experiences, patterns aligned with the study are located in the developed model and thereafter, changes are made to the model (Saunders et al., 2019). The abductive approach is used to create and explore the existing framework (which in this case is the strategic leadership systems) rather than only creating new framework (Saunders et al., 2019). Furthermore, abductive reasoning allows for research flexibility in instances where the study requires a change in structure. In addition, the abductive approach is appropriate for this research because of its association with human experiences or view-point, reflexive narrative of the phenomenon which aim to discover the unexpected through logical understanding of the strategic leadership systems model (Thompson, 2022; Hurley et al., 2021). This study was conducted by incorporating theoretical framework, making use of analogical reasoning of the data obtained from participants based on observed patterns and links identified during and after the interview process.

4.5 Design and methodology

4.5.1 Research methodology

This study was conducted using the qualitative research method to better understand the process followed by TMT-BOD to effectively manage turbulent environment in an organisation. Qualitative research allows participants to share their real-life experiences about the social world in order for the researcher to have a clear picture of their perceptions regarding the matter being studied. The qualitative nature of this research provides a detailed description of the event through exploratory and in-depth insights to the problems that are not easily obtained by using quantitative methods (Azungah, 2018). Therefore, this method provided sufficient meaning and clarity to address the research questions, allowing the researcher to become subjectively immersed in the subject matter.

4.5.2 Research strategy

While this study aims to explore the varying forms and processes of working independently and interdependently amongst TMT and BOD during times of a turbulent environment, the exploratory approach was adopted to capture the perceptions and experiences shared in confidence the stories told by the participants based on their experiences. According to Saunders et al. (2019), an exploratory strategy in a study is used to discover new insight and intensify the understanding of the research problem. In this case, the study focuses on the construction and real estate sectors and aims to analyse the participant's views and experience, whilst identifying types of collaboration (TMT-BOD). Interviews will be conducted and analysed until saturation is reached. The analysis will be compared and constructed between those employed by the organisation (TMT) and non-executive directors.

4.5.3 Time horizon

This study adopted a cross-sectional time horizon, which allows for quick conclusion of the findings obtained. According to Alturki (2021), cross-sectional time horizon is conducted at a point of time within a shorter period. Cross-sectional design is associated with obtaining primary data and influential to better address research question (Spector, 2019). Given the

time constraint for conducting this research, the cross-sectional time zone is appropriate for this research which will be conducted over a period of four months.

4.6 Data collection

4.6.1 Sampling method and size

This research adopted purposive and snowball sampling techniques, which are a non-probability forms of sampling, aimed at sampling participants in a strategic way relevant to the research questions that are posed (Bell et al., 2001). Non-probability sampling techniques are relevant in qualitative studies that tend to explore, examine and understand the subject matter. Individuals were interviewed privately and confidentially to freely express their views and experiences and protect their identity. Generally, the researcher purposefully recruits the participants based on the individual qualities and expertise before they partake in the study (Bernard, 2013; Nielsen & Nielsen, 2013). For this research, the participant's selected were those in charge of organisational governance in the top management team, because they envision the future of the firm and influence the direction of the firm through (Parker et al., 2019). Purposive sampling was the main point of sampling, and in cases that participants referred the researcher to their network structures or connections, snowball sampling was used.

While the point of saturation can be achieved with a minimum sample size of twelve participants (Guest et al., 2006), this research collected qualitative data from 14 participants in the construction and property sectors. Saturation for this study was not intended and the researcher was happy with all the responses from the participants. The composition of participants was made up of a combination of TMT and non-executive directors (BOD). TMT participants constituted two chief executive officers (CEOs), two chief finance officers (CFOs), two managing directors and three other members. Non-executive directors were made up of mixed members of sub-committees, namely, audit committee, nomination committee and remuneration committee, which added up to a total of 5 overall. The inclusion criteria are all participants with at least three-years' experience in the construction or property sectors, one-year experience as a member of the TMT-BOD and from organisations that are listed in the Johannesburg Stock Exchange. In cases where the targeted participants are hard to reach, the researcher made use of referrals from those already participated. Participants that were

first approached by the researcher were recommended by colleagues and friends of the researcher. The first interviewed participants recommend other participants, who later recommended others.

Table 4. 1: Profiling of participants

Participant identifier	Leadership level	Sector
P1	Executive	Property
P2	Executive	Property
P3	Executive	Property
P4	Non-Executive	Property
P5	Executive	Property
P6	Executive	Construction
P7	Non-Executive	Property
P8	Non-Executive	Property
P9	Executive	Property
P10	Non-Executive	Property
P11	Executive	Construction
P12	Executive	Construction
P13	Non-Executive	Property
P14	Executive	Construction

4.6.2 Research instrument

To investigate the processes that are followed by TMT and BOD to effectively manage the turbulent environment between TMT-BOD, this research was conducted using virtual one-on-one semi structured in-depth interviews with participants who are part of TMT and BOD in the construction and property sectors. The interview protocol allowed the researcher to pose questions that are in line with the aim and research questions of the study and to ask follow-up questions based on answers already provided by the participants. In-depth interview allows for the exploration of participants' views on the phenomena through use of open-ended questions that shapes follow up questions closely relevant to research questions (Guion et al., 2011). See Appendix C for the interview protocol.

4.6.3 Data collection process

Qualitative data for this study was collected using a virtual software called Microsoft Teams. . In preparation for the interviews, a pilot interview was conducted to test the interview protocol, the tools within Microsoft Teams to minimise non-sampling errors. This pilot interview was conducted with a colleague who is an executive and this was not counted as participation on this study. After the pilot process, participants were invited to participate in this study. After receiving confirmation of participation from participants, interview details with the link, time, and date of interview, were sent to the participants. During each interview, participant information sheet and consent details were read aloud by the researcher before the commencement of the interview.

Participants were asked for permission to have the virtual interview audio-recorded so that the researcher could take notes and allow the transcription tool within Microsoft Teams to capture every detail of each participant's perceptions and experiences without any alterations. This process assisted to effectively analyse the data within the specified time frame. Intelligent verbatim was used to edit distracting fillers and repetitions of words from the participants, to provide more concise, readable transcript while staying true to the participants' intended meaning and answer. According to Hopper et al. (2021) it is safe, quick and cost effective to use Microsoft tools for transcription.

Bell et al. (2001) refers to non-sampling error as bad interviewing and lack of interviewing skills. This study also used secondary data such as annual reports and publicised announcements to support responses obtained and further enhance the data collection process. Information such as frequency of changes in TMT-BOD will be considered as great support to response received. As part of obtaining reliable answers, interview guide was not shared with the participants beforehand, however a brief description on the research was provided during the invitation. This allowed participants to provide impromptu answers that are not pre prepared.

4.7 Data Analysis

This research adopted a thematic analysis strategy, which allowed the researcher to categorise the collected qualitative data into themes aligned with the theory and facets of environmental turbulence. Thematic analysis categorises data into salient These themes are identified during the analysis (Daly et al., 1998). important by the researcher to answer the research questions. The themes are always realised during the analysis (Daly et al., 1998). Trends and patterns recognition was linked to the strategic leadership system framework (Rice

& Ezzy, 1999), to analyse attention to working independently and interdependently during times of crisis. This analysis strategy provided the researcher with core skills to report qualitative data without imposing personal beliefs. Further, this study made use of data logging, to insightfully document the data collected including ongoing ideas during the analysis and refer back to original data for accuracy (Akinyode, 2018). This process included transcribing the qualitative data using Microsoft teams transcribing functions emerged during the interviews and categorising, coding line by line to identify themes that emerge and categorise data into codes, code groups and, ultimately, themes.

4.8 Limitations

Although the research is planned to be performed, there is a room for unexpected events or disruptions, which may result in a change in the direction of the study. Limitations may constitute deficiencies in research design that jeopardise the research findings of the study (Ross & Bibler Zaidi, 2019). Failure to disclose all limitations encountered during the study and alternative steps taken leads to miscommunication of regarding of the research relevancy (Ross & Bibler Zaidi, 2019). Noticeable, the targeted participants are the highest ranked individuals who are generally viewed as challenging to secure an interview slot with due to their busy schedules. During the recruitment process, the researcher reached out to a number of TMT and BOD individuals, who, unfortunately, were not able to respond to the emails. Initially, the researcher proposed the use of purposive sampling, but due to hard-to-reach top management individuals, snowball sampling was used.

The researcher was inexperienced to conduct research interviews, and may have led to unintentional bias on the side of the researcher to influence participants' replies. According to Greener (2018), there is a potential limitation of response bias associated with exploratory research. Unintentional bias may have transpired though interpretation, analysing and synthesising process of research participants' responses. In instances where participants' responses were not fully understood, the researcher asked participants to repeat their answers and probed with more questions. Queiros et al. (2017) shared the same sentiments that probing questions have a bias risk of chosen participants and takes longer to navigate around data collected to carefully extract key responses that are relevant to the study. In this process, there is a risk that the researcher may have left out critical responses that are valuable to the study but with the member checking, the researcher managed to achieve credibility of results.

This study was conducted using semi-structured in-depth interview instrument, which is time consuming (Queiros et al., 2017). The researcher experienced delays in conducting interviews and this posed a threat to the research timelines. These were instances where the interview time slots were clashing and emergency work related meetings took precedent for participants, leading to rescheduling. Furthermore, the risk of participants only revealing their views of events and ideas based on remembrance and memory may lead to valuable information for the study being omitted (Alshenqeeti, 2014). However, the participants' perceptions carry a level of subjectivity, which might shift over time depending on the condition at the time of the interview (Alshenqeeti, 2014). Therefore, such replies may be misleading and there is a chance that participants may only have only shared recent events as they are still fresh in mind and left out important events that they could not remember during the interview.

4.9 Quality assurance

As part of ensuring that the data collected and analysis can be trusted, deep thoughts and careful consideration is given to sampling, collection and analysis of data. Quality assurance was considered as fulfilled after the interview transcriptions were checked by the researcher to ensure that they did not miss out on everything shared by participants. The researcher listened to all recordings and checked the transcriptions as per the audio-recording. The data was then authenticated as valid and reliable for analysis. As mentioned before, this study excluded include participants that the researcher directly works with, except one non-executive director that served in multiple organisation within the property space. This one non-executive direct was included based on his vast experience in the sector.

4.10 Ethical considerations

Since this research involves interaction with humans, the researcher obtained ethical approval from the Gordon Institute of Business Science ethics committee. This approval was obtained to guarantee the protection of the well-being, dignity, and identity of participants. As consented by the participants, the virtual semi-structured in-depth interviews were audio-recorded, participation was voluntary and pseudonyms were used to keep participants' personal details confidential. Before each interview, the researcher made sure that more information about the study was explained. Individuals were interviewed privately and different links to participate in Microsoft Teams were sent separately to each participant. Confidentiality was maintained to

allow the participants to freely express their views and experiences, whilst their identity was protected. The recordings and transcriptions of all interviews were saved in a secure and highly encrypted universal serial bus (USB) and on cloud, which is only accessible by a password known by the researcher.

4.11 Conclusion

This chapter has discussed the research methodology and design that were significant for this study. The researcher elaborated on how each method, approach and strategy were used. The qualitative research guided by interpretive, abductive and exploratory approaches allowed the researcher to understand the process followed by TMT and BOD to effectively manage environmental turbulence. As noted, the study draws on the semi-structured in-depth interviews conducted with 14 TMT and BOD individuals from the construction and property sectors in South Africa. Interviews were virtual on a Microsoft Teams platform and were recorded after permission was received from participants. These participants were recruited using purposive and snowball sampling techniques. The next chapter reports the findings of this study, using thematic analysis.

5 CHAPTER FIVE - RESULTS

5.1 Introduction

The overall aim of this study is to explore experiences of TMT and BOD on working independently and interdependently to effectively manage turbulent environment. The methodological procedures of this study helped guide the data collection and recruitment processes to gain insights on the experiences of TMT and BOD in the construction and property sectors. This chapter presents the results obtained from the qualitative data collected through semi-structured in-depth interviews with 14 participants. During the interviews, participants shared their perceptions and experiences to address the role played by either working together or in silos as a TMT and/or BOD, and how this affects their relationships and cooperation to effectively manage the environmental turbulence. The first part presents the demographic characteristics of participants, the second part is the coding process and the rest of the chapter is the presentation of results based on main themes that are arranged according to relevant research questions of this study.

5.2 Participants' demographic characteristics

The final sample for this study was 14 participants. Table 5.1 presents the demographic characteristics of this study's participants by sex and years of work experience. All the participants were from organisations that are listed on the Johannesburg Stock Exchange (JSE) list. As mentioned previously, participants were selected from two high-ranked leadership levels; TMT and BOD. Nine (9/14) participants are males, whereas the remaining five are females. Thirteen (13/14) participants have more than 10 years of work experience. For ease of reference, letter P was used as a code representing the word 'participant', followed by a unique number to separately identify participants whilst protecting their identity.

Table 5. 1: Profiling of participants' demographics

Participant identifier	Sex	Experience
P1	Male	More than 10 years
P2	Male	More than 10 years
P3	Female	More than 20 years
P4	Female	More than 10 years
P5	Male	More than 10 years
P6	Female	Less than 10 years
P7	Male	More than 20 years
P8	Male	More than 30 years
P9	Female	More than 20 years
P10	Female	More than 15 years
P11	Male	More than 20 years
P12	Male	More than 25 years
P13	Male	More than 25 years
P14	Male	More than 15 years

5.3 Codes and interpretation of research questions

A total number of 339 codes were generated from the interviews as a process of capturing the essence of the entire data in a summarised form. Table 5.2 shows the alignment of this study's research questions with the interview questions included in Appendix C.

Table 5. 2: Interpretation of research questions by interview protocol

Research questions	No.	Related interview questions
What are the processes followed by TMT and BOD to effectively manage environmental turbulence?	1	How would you describe the current external turbulent environment in which (<i>company name</i>) operates?
	3	Have you been part of the TMT or BOD during periods of particular complexity (where there are growth opportunities but in a very competitive landscape)? Please explain and provide an example.
	5	Have you been part of the TMT or BOD during periods of unpredictability, ambiguity or uncertainty (e.g., in stakeholder relations)?

What functions does TMT-BOD perform interdependently when faced with a turbulent environment?	8	What functions does the TMT and BOD perform together (interdependently)?
What functions does TMT-BOD perform independently when faced with turbulent environment?	9	What functions does the TMT and BOD perform independently?

5.4 Presentation of result

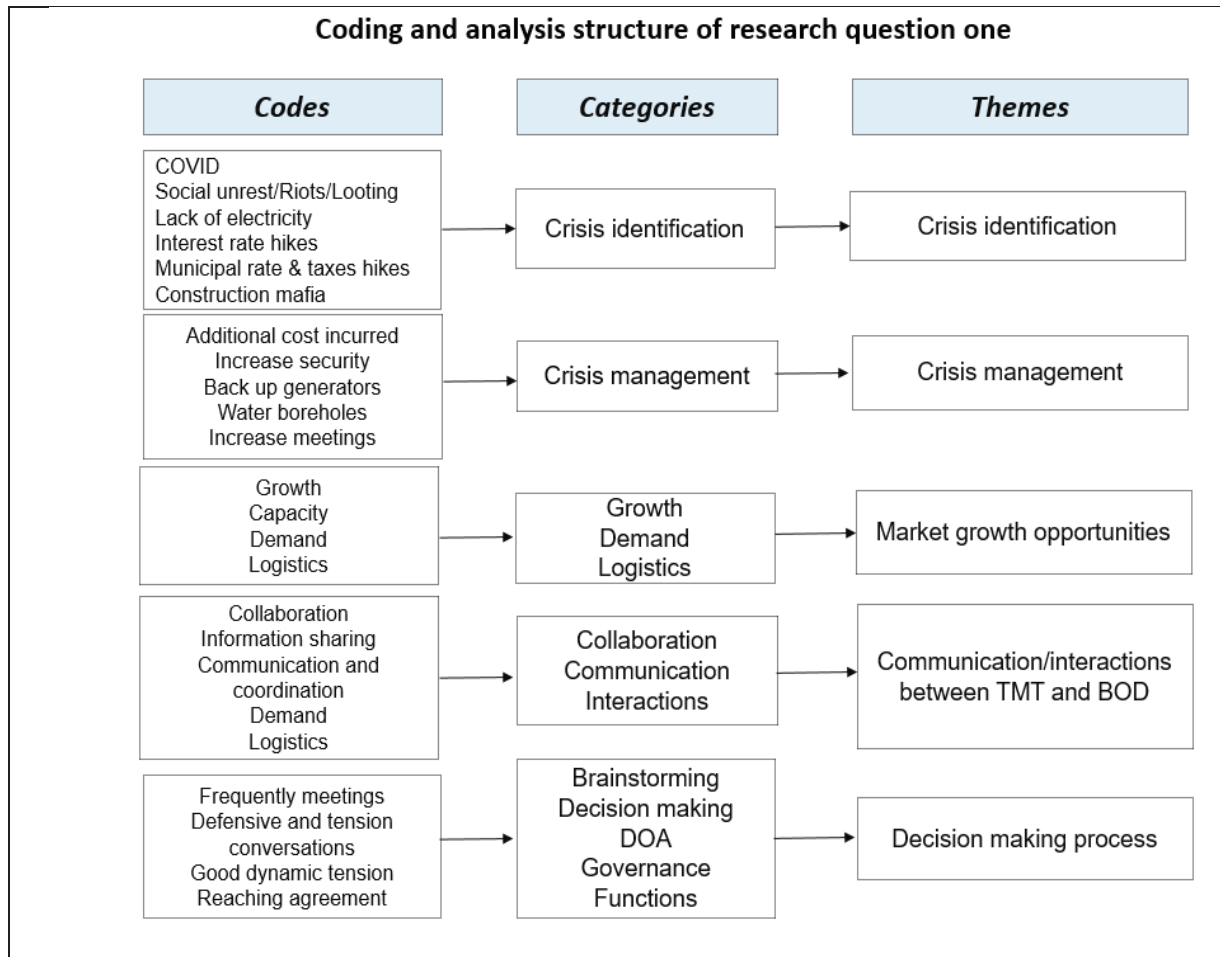
Using thematic analysis, the results are presented below, in line with the research questions of this study.

5.4.1 Processes followed by TMT and BOD to effectively manage environmental turbulence

During the interviews, participants identified a number of processes followed by TMT and BOD to effectively manage environmental turbulent. They highlighted that as part of effectively managing the turbulent environment, it is important to identify the type of crisis the industry is faced with because it allows them to manage the crisis properly and make viable decisions accordingly. In addition, participants also believed that open communication and good interaction between TMT and BOD is a significant driver to keeping everyone on the loop of what is happening in the organisation to avoid rubber stamped decisions and ensuring that the decision taken are fair to everyone who is part of the strategic team. Finally, participants emphasized on how organisations meet more frequently than usual during times of crisis to make decisions. See Figure 5.1 the coding and analysis structure of this research question.

Results from this research question are presented in the following manner:

Figure 5. 1: Coding and analysis structure of research question one (Author's own)



5.4.1.1 Crisis identification

During the interviews, all participants expressed their views on the importance of recognising and knowing the type of external factors that have a potential to significantly impact the business. They strongly believed that this enables the strategic leaders (TMT and BOD) to take necessary steps and precautions to respond directly to the nature of the external turbulent environment they are faced with. In addition, they made an example of COVID-19 as an external factor that disrupted strategic processes of many organisations. When COVID-19 engulfed the world, many organisations had no experience on how to effectively manage the turbulent environment that comes with it.

“A big one [external factor] has been COVID-19 and its lockdown restrictions. This had a significant impact [on business] over the past two years and the impact [on TMT and BOD] was twofold or multiple folds.” (P4)

“It is important to understand the nature of the type of crisis [turbulent environment]. The nature of the pandemic [COVID-19] was much a bigger challenge, as it was a global phenomenon that no one has experienced in our lifetime” (P9)

The COVID-19 pandemic has disrupted many sectors, especially the construction and property sectors. One participant expressed that:

“The property and construction industries were on a decline due to the economic challenges that the country was facing [before the pandemic], although I think the COVID-19 exacerbated that even more.” (P9)

One participant summarised the external turbulent environment that the construction sector has faced in the long time. He said:

“The government is pretty much running out of money and all the infrastructure expenditure has been used to address the issues faced by Eskom. In these last eight years, the industry [construction] has been anaemic. There has not been growth and we have observed a decline and inflation on top of that. We have just been going backwards. There have been big problems in terms of gross capital formation from the government’s point of view because the inadequate infrastructure spending as well as COVID-19 which was another disrupter and we are [still] trying to recover from that.” (P14)

Participants also mentioned additional external factors that the property and construction sectors has been faced (and currently) with, including loadshedding, political and economic riots, municipality and interest rates hikes, lack of adequate infrastructure and service delivery, floods and construction mafia.

“Due to the increase of interest rates that we are going through, there is a big pick up in terms of rental demand as well as affordability in the market.” (P2)

“Loadshedding has [had] a massive impact in the running of shopping centres. At the moment not everyone has solar or good backup power. Therefore, in some instances it means that the stores will not [operate] during the loadshedding anguish.” (P3)

“One of our buildings was burned down during the riots.” (P5)

“The unstable political environment currently poses a challenge. A year ago, what happened in KwaZulu-Natal with political instability has had a direct impact on the property sector. The inability of the municipalities to properly perform the functions and their misappropriation of funds had an impact on our business.” (P9)

P1 expressed disappointment with the South African government in failing to provide basic service delivery and enough electricity for the country, which as a result affect the operation and productivity of their organisations.

“We have back-up generators on all of our assets. We have the solar system so that we can run a business, despite the lack of electricity or that fact that we have continuous blackouts and our tenants need to trade.” (P1)

Uncertainty that arose from the social unrest and looting that took place in July 2021, as highlighted by participants was one of the unexpected external factors that negatively affected the property sector. Shopping centres and warehouses were looted and burned down, causing major losses for businesses and tenant stocks. During the interviews, participants expressed that:

“It is a constant struggle with the government from our side, but also what we see in these communities is frustration for basic service delivery that is non-existent. People get frustrated, anxious and that is why they start protesting and destroy property.” (P1)

“The social unrest last year because that was really very big and a negative event. It is a very big threat to our type of business having shopping centres in the townships.” (P8)

As evident from the interviews, construction mafia affected both the construction and property sectors and has led into investors deciding not to invest in areas of interest in South Africa. Participants raised concerned about the existence of construction mafia in both sectors. Generally, construction businesses are often hired to carry out the actual development, whereas property companies develop properties for ownership. As a consequence, to these political and economic unrests, participants noted that investors stop investing in their businesses, and this affects the productivity and profitability of the organisation.

“It is difficult to get something going [operation and profitability] where there is construction mafia, which is very distorting. It takes longer [to re-open and operate] and it is a bit difficult, but there are still opportunities in the market.” (P1)

“One of the companies decided not to invest in KwaZulu-Natal anymore because of the construction mafia. One worries about investing in areas that are volatile” (P8)

“The investors out there have been questioning our existence. Every year we deliver group results, and our platform has not contributed significantly to the group results for a number of years’ now.” (P11)

Lack of materials to rebuild the centres was also found to have hindered the processes of repairs and reopening of the shops. In addition, participants noted the difficulties of continuing with current projects or to operate after social unrests. They noted:

“A big thing was how quick could you recover from the damage done so people came in the shops, they damaged windows and shop fronts and so on. There was a huge shortage of clothes and aluminium to prepare everything and also to get your tenants operational again.” (P8)

“There is a difficulty in doing projects with the interferences, and it is legitimate because at times projects get stopped.” (P11)

5.4.1.2 Crisis Management

The TMT and BOD, as drivers of organisational strategy, are expected to provide direction on action to be undertaken by organisation in an attempt to effectively manage the turbulent environment. A number of contingency actions were adopted by strategic leaders in the property and construction sectors as precautionary measures in dealing with external factors such as COVID-19, lack of electricity, lack of infrastructural expenditure, social unrests, increase in rates and political and economic challenges. During the interviews, P1 noted that businesses incur additional costs that are not normally budgeted for in order to mitigate the risks of the turbulent environments. This includes fixing and delivering basic services that are supposed to be maintained by the government and outsourcing of security companies during social unrests.

“There are a lot of additional costs and expenses that we incur because of failure from the government or local municipalities to deliver basic services [such as] roads and water...Last year in July 2021, police officials were under-staffed in terms of dealing with the situation [looting] and that led to a decision for our company to internalise security. It is a lot more cost effective for us to internalise our security function. So, from an

investment perspective, it's not a good investment, but it is a crucial investment for us.”
(P1)

Maintaining good relationships was also something noted by the participants in terms of managing crises that comes with environmental turbulence. P8 shared a positive relationship that their organisation has with the local community, noting that it was beneficial for them during social unrests in KwaZulu-Natal. In addition, they emphasized on the importance of building good relationship with people who use the services. They noted:

“We have a very active community liaison structures programs within the community. For example, the unrest last year affected most of our shopping centres and those shopping centres were actually protected by the community. People from the community came and said that do not want the shopping centre to be burned down. This is here [was] for our benefit.” (P8)

In line with P14, but from a service provider-client point-of-view, they noted on the importance of having a good relationship with their clients, as this helps them rely on provider-client relationship during times of crisis.

“When we had the crisis - when we were desperate for cash and everyone knew that there were issues, a number of interactions and experience was required. Be it relationships and experience with the clients. We needed [to rely on our] relationships that allowed us to engage with financiers, our suppliers. We benefited a lot.” (P14)

P14 and other participants also mentioned the need for the TMT and BOD to meet frequently to discuss the issues facing the organisation and present opportunities to manage turbulent environments. They noted that since COVID-19, they spend more hours than before the pandemic for strategic management and decision-making. Before the pandemic, they only met four times a year, and now, they meet quite frequently to formulate contingencies for turbulent environments. Participants noted:

“When there are things that are happening that require a decision or input, then you will find that there is usually more updating in-between the regular quarterly meeting periods and the chair will work a lot closer with the board.” (P4)

“During early stages of COVID-19, we spent so many of our hours in board meetings that would end at 12 o'clock midnight. We have had more meetings – like today, we were called and told that we were having an urgent meeting.” (P10)

“When you have a crisis like that [business rescue], it becomes a lot more tangible to have board meetings.” (P14)

5.4.1.3 Identifying market growth opportunities

During the interviews, it was clear that participants highlighted the process of identifying market growth opportunities as effective to manage turbulent environments.

“People are looking at different sectors outside of the normal, commercial and retail industrial opportunities. Whether in infrastructure, alternative energy, student accommodation [and] social housing.” (P7)

Growth opportunities in the residential space were viewed as a steady market for the provision of affordable housing for low- and middle- income earners. Participants noted that:

“We do affordable housing, which has been relatively well supported in the sense that the lower- to middle- income market has also been a growing market in South Africa in the last five to ten years” (P2)

“Housing...is a big thing and it will become very important...there is such a big need for affordable housing.” (P14)

In addition to social housing, student accommodation was also highlighted as one of market growth opportunities that organisations are tapping into as a result of challenges in the property sector.

“You need creativity to work with brownfields and find ways to turn some of our existing buildings, which may be zoned, to commercial. To have the buildings re-zoned residential or move into transitional areas where we can turn accommodation into student accommodation.” (P10)

P2 also emphasized that the residential market with an industrial portfolio is regarded as one of growing markets that are performing well.

“The residential market along with industrial has actually performed relatively well over the last two to three years.” (P2)

In contrast, one participant had a different view on growing markets in the residential space, raising the consequences of economic challenges which results from lack of affordability.

“People can no longer afford to have flats and apartments as a result of general poor economy.” (P8)

Other spaces where growth opportunities were highlighted by participants as a process of managing turbulent environments are the storage space, e-commerce shopping and warehousing demand, which are contributing to competitive advantages in the property sector.

“We are in that space constantly and we need to make sure that we invest in logistics and retail.” (P5)

“Certain companies that are doing well moved into the logistics space because they could see that logistics, especially in terms of storage, when people who shop online, were able to go into storage/logistics market. Companies that are able to be flexible and look at horizon one opportunities and look at their pre-purchasing portfolio whilst readjusting. Those are the growth opportunities that are there.” (P10)

During the interviews, the energy space also came out as great market opportunities for organisation to tap into lately, especially during the crisis of power cuts and loadshedding.

“We are seeing opportunities in newer sectors. For instance, the renewable energy sector is something that is relatively new in the country and we try to get ourselves established in that market. [It is] highly competitive with a lot of international players.” (P11)

“The biggest right now is the energy space. When I speak about energy, it is not just Eskom. I am looking at the economy and renewable energy and there is a lot of construction opportunities that comes with that.” (P14)

P5 highlighted that when looking at operations outside of South Africa, uncertainties are viewed as a challenge for market growth and best returns for shareholders.

“If you observe South Africa and [versus] overseas, you have similar issues – the economic and political uncertainties. We have investments from the Eastern Europe and within Russia, that creates economic and political uncertainty in those areas. Share prices and property companies are not doing so well at the moment because of these uncertainties and poor growth. It challenges the board [BOD] and the senior management to get the best returns for the company under these conditions.” (P5)

During the interviews, it was further discovered that in areas where convenient shopping centres for basic needs were located have massive market growth opportunities.

“Niche portfolio or specific focus, which is the mass market or the low-income market with our centres typically being in the townships areas.” (P1)

“There is more functional shopping centres which the company is involved in, and these are more located in townships. The shopping centres which are more functional like the smaller suburb shopping centres where you would buy your bread and milk and food every few days, they tend to be more functional [and] better at the moment.” (P8)

P5 also viewed accessibility to funding as one of the positive factors to explore new market opportunities.

“The reason for listing is to get money from shareholders, so that you can invest in new properties. It is easier to get that money from shareholders if your share prices are growing. If there is no growth in share prices, the liquidity in the sector is a problem.” (P5)

Despite all the growth opportunities that emerged during the interviews, there were also market growth limitations that came out. Participants highlighted the issues of resources and capacity to enable the sector to explore these growth opportunities.

“We do not have the capacity to go and just to make rash decisions to grow because growth requires capacity, [and] capacity is not something that we have... we tried to grow and do something different [new market opportunities], but we did not have the expertise, capacity, nor did we understand it well enough.” (P6)

“Those big construction growth opportunities in the industry showed us that we do not have enough capacity to capture that market.” (P14)

Participants also noted that overdevelopment of commercial properties may lead to oversupply in the market. During the early stringent lockdown restrictions in 2020, the new ‘normal’ or notion of employees to work from home was introduced, leaving office space with a high vacancy factor and unoccupied. This meant that business had to close down and some had to incur additional costs that come with working from home whilst paying for all company rates even though the offices were unoccupied. During the interviews, participants noted:

“In the office sector, the landlords are very exposed and the risks are very high. There is a high vacancy factor and that is partly because of the economy that is not growing as it should” (P8)

“There are still people who work from home and only a few people come to the office. Therefore, there is a reduction in the need for [office] space, which impacts commercial property.” (P10)

Risk of massive market growth contribute to resource abundancy and lack of innovation. Participants shared that construction companies are experiencing limited growth in South Africa and have excessive resources in place. In addition, they also noted that when there is work available, they are more likely to ignore new market opportunities because their aim is to survive at the present moment.

“Six years ago, we did massive [construction] work at Medupi and Kusile. We were the contractor installing the boilers at both power stations and it basically became such a focal point of our business that we forgot to keep our eye on the ball of what would happen when those were finished and completed.” (P11)

“It would have to go back quite some time because I think since I have joined the recent boards, it has not been about growth, but more about survival.” (P13)

5.4.1.4 Communication/interaction between TMT and BOD

Majority of participants expressed same sentiments with regards to open communication being the key to ensure that every strategic member is kept informed about any turbulence in the environment faced by organisations. Open communication also assists the BOD to provide appropriate guidance on the strategic direction taken.

“It is a very open communication and open forum because we can call them (non-executives) anytime to ask for guidance and test whatever decisions we aim to take. The same goes for them as they enjoy not being in an executive capacity but are somewhat still involved a bit more than just the non-executives.” (P1)

“During riots, it was tough. But with lots of communication via email and WhatsApp was valuable for us to know what was happening.” (P4)

“Open communication is really important and helps in finding ways to move forward.” (P5)

“I think for an effective management and effective functionality to work, you need to have open communication and to be able to provide the right level of authority and mandate to the right people to do the job that they need to do.” (P6)

During the interviews, it was also found that when the industry is faced with turbulence in the environment, TMT and BOD works well together to respond to the shocking events and uncertainty. Despite that there was conflict sometimes and uncomfortable conversations between the two teams, the common objective was to serve and provide strategic inputs for the growth of the company. It was clear that the TMT and BOD were willing to meet more often than usual, especially during times of crisis.

“There is a lot of more collaboration to counter negative impacts on the business.” (P1)

“We have always worked closely with our board. Our board has been more on-hands compared to the normal board in most businesses.” (P3)

“It is not a point of fighting and arguing, it's more a point of figuring out now what the plan is.” (P6)

“During COVID-19, the board, executives and non-executives, as well as stakeholders were willing to meet on a weekly basis.” (P9)

“The BOD and executive management tend to come closer during crisis times, but the conflict is a bit more obviously because the board wants to understand how we are turning the business around.” (P10)

The results from the interviews also revealed that the structure of the TMT and BOD play a significant role in how each team interacts with each other. Although there are boundaries that are not expected to be crossed, in some cases it comes across as if there is no alignment of thinking between the two teams. In addition, in some cases, the sub-committee BOD teams make decisions on behalf of the board and handle the interactions between the TMT and the BOD.

“In my case, our team consist of four non-executive members, and two executive members, myself and the CEO as the executives. We debate with the board, but at the end, we come to a mutual conclusion which is the right approach.” (P5)

“Through the last couple of years, the boards that I have been involved with, the non-executives and the executives have worked a lot closer together and there has not been any divergence. I have seen convergence as opposed to divergence. I think divergence would indicate that you most probably have some behavioural or structural problems with your corporate and the board. It would be something that would be of a concern because

it would indicate that the executives are acting outside the boundaries and not in alignment with the thinking of the non-executives.” (P13)

During social unrest in 2021, participants noted that decisions had to be taken instantly. Most decisions were done virtually and over the phone or BOD was informed after the effect of what actions were actually taken. They believed that making decisions would still need to be communicated with the board, even though they were taken with immediate effect.

“During riots, executives would tell us that we are going to shut down everything and we will try and call additional security and the board would give the go ahead. It was constant and close contact between the executives and non-executives as well as regular updates.” (P4)

5.4.1.5 Decision making process

The decision-making process becomes a key step to evaluate the turbulent environment whilst aiming to make the best strategic decisions to effectively respond to the external factors affecting the organisations. It was clear that meetings are held more frequently than usual during times of crisis to make decisions. During the interviews, participants noted:

“During the early COVID-19 period, we would set-up board meetings - which would conventionally be once every quarter - at least once every month, if not bi-monthly. A lot of the emphasis and focuses on property level performances, cash flow and debt obligations. Those were the big emphasis areas because of the risk of the business within COVID-19. This allowed us to understand whether or not we will meet our tasks and obligations on a monthly basis.” (P2)

“We do have a fixed cycle which is published a year in advance because that is our normal boot cycle. But those impromptu meetings certainly do happen. And they could happen for various reasons. There is one we call the tender review committee meeting. If we want to put a significant price in for a project, we will call those meetings and non-executives will be invited to evaluate that information.” (P12)

Although decision making is not a straightforward process, participants highlighted the conflict issue that come with it and they described it as hindering and delaying to the process of making decisions. However, participants also emphasized on the need to have constructive conversations despite the risk of controversy that comes with it.

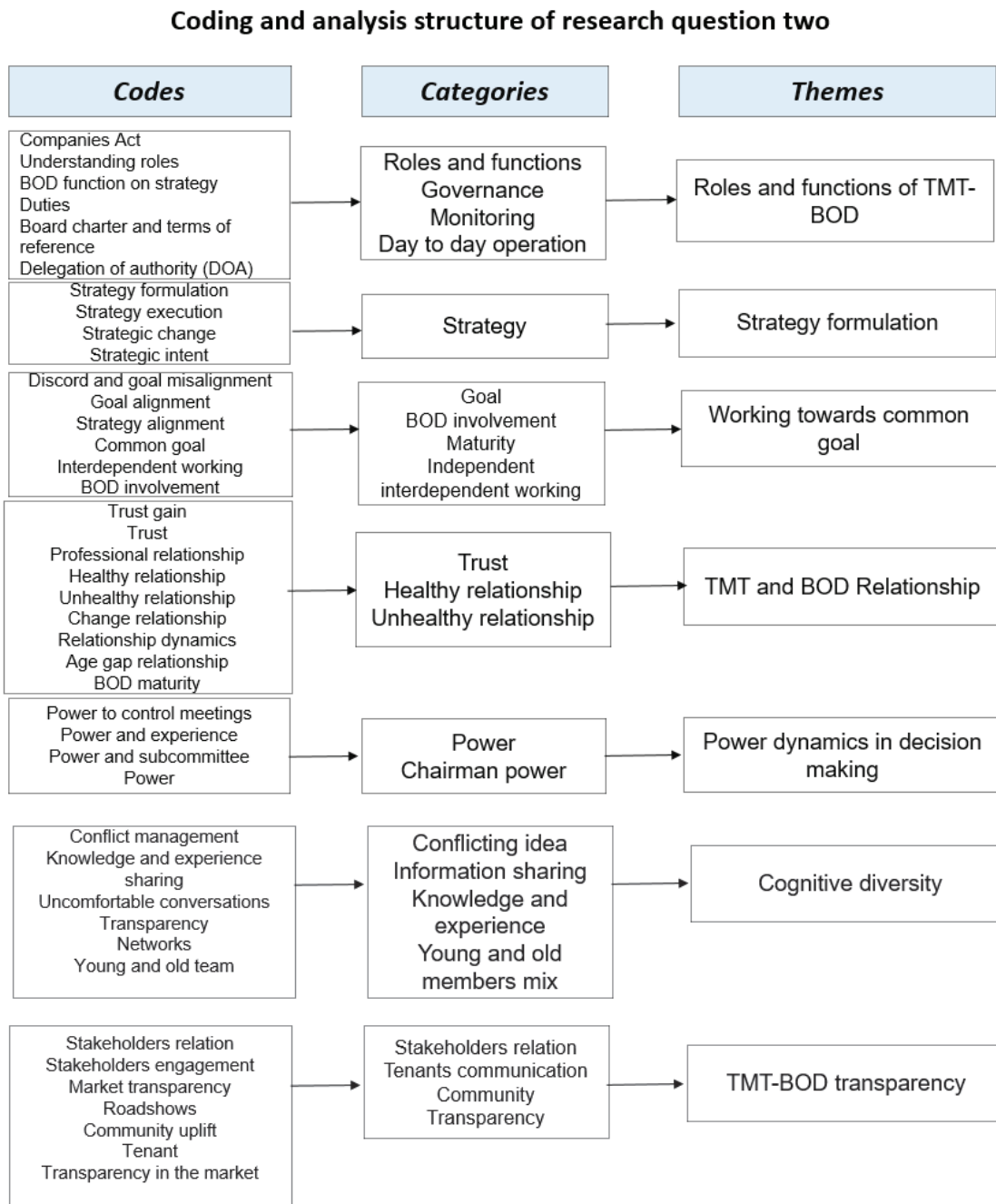
“If you have the right board members, turbulence and conflict can be managed well. Where there is conflict, it can either go in a destructive way or in a constructive manner. I have seen the conflict starting off obviously, with challenges and turbulence, but when managed well, it resulted in constructive conversations that would move the organisation forward.” (P10)

“You need to get everyone's inputs and just let the board as a collective to make a decision. You may end up in a situation where the board cannot make a decision and you have to decide on a direction. In those instances, you need a chairperson who can say, this is where we are and this is the direction I think we need to take.” (P12)

5.4.2 What functions does TMT-BOD perform interdependently when faced with a turbulent environment?

The strategy roles require collaboration, trust, and cohesion between the TMT and BOD, and it is imperative to understand the functions that TMT-BOD perform interdependently during times of crisis as a result of environmental turbulence. During the interviews, participants were asked to share the functions that the TMT and BOD perform separately within their organisation to understand how these converge to strengthen the interdependency between the two teams. Participants also shared other functions that TMT-BOD perform interdependently, and this includes the monitoring role of strategy formulation, working collectively through healthy relationships, the power relations linked to decision making process, importance of cognitive diversity and the importance of maintaining transparency between the two teams. See Figure 5.2 the coding and analysis structure of this research question.

Figure 5. 2: Coding and analysis structure of research question two.



5.4.2.1 Roles and functions of TMT and BOD

During the interviews, participants were asked to share the roles and functions they thought were performed by the TMT and BOD separately in their organisations and the functions that are carried out by the TMT and BOD as a collective. The results indicated that the BOD is more responsible for guidance and oversight of strategy implementation, whereas TMT is responsible for day-to-day running of the business.

“The executive team should manage staff, service providers, implementing the strategy of the company in terms of executing decisions taken by the board.” (P1)

“The business and the day-to-day operations should be the responsibility of management and the executive team. The board has responsibilities towards the company and should be there as a guiding mechanism that ensures the running of the business in an appropriate or responsible way.” (P2)

“They work together to define the strategy for the company. [Top] management executes the strategy and the board has an oversight duty to check that implementation is for the benefit of the company.” (P5)

“If we are mature enough and have a board that is mature enough, then you know that your role as a board member is oversight and not to do the executive directors’ work but to advise, guide and oversee.” (P10)

“The executives’ job is to do the work and make sure that the actions, aims and objectives set by the board for the company are being achieved...The board is there to advise, guide and engage with the executive.” (P13)

Participants also mentioned that roles and functions are also guided by the terms of reference and mandates that outlines the duties of sub-committee.

“Scope and responsibilities are defined in the board charter and in the terms of reference for each of the committees. In terms of certain transactional mandates, there are thresholds that might be formalised at a board level, but that filters down to management as well as how they can or cannot operate based on the scope of work.” (P2)

“There is a framework of how the business operates. The board needs to develop that framework and ensure that it is appropriate and the executive within that framework have strategic goals and various other governance matters.” (P13)

It was clear that governance also plays a critical role in illustrating the role and functions of the TMT and BOD. Participants mentioned that the Companies Act, which has relevant legislations that drive the functions of the BOD and executive management.

“As the lead independent director, I am very sensitive and attuned, and as chair of audit and risk as well, I really try and ensure that we maintain the appropriate distance from a governance perspective to ensure everyone has a grasp of their roles.” (P4)

“The Companies Act clearly defines the role of a board and the role of the executive management. We therefore try and make sure during difficult times like this that there is always going to be one or two independent non-executives who have crossed the line.” (P10)

In contrast, overstepping on regulated roles and functions may be experienced during turbulent situations. Some participants expressed that if the situation was small, the TMT would handle those situations. However, if the turbulent environment is bigger, the BOD would have to handle those crises in collaboration with TMT. This raises concerns over measurement of the BOD’s involvement in day-to-day running of the business. In addition, the distinction between the roles and functions of the BOD and the TMT then becomes blurry.

“At times, you find that the non-executives can handle a lot because the systems help them even if the executives have not been there for a long time or are not that experienced.” (P4)

“Municipality risk is becoming so big. It is no longer only a management issue anymore, now it is a board’s issue. The risks change the roles and responsibilities of the top executives and directors.” (P9)

5.4.2.2 Monitoring role of strategy formulation

During the interviews, maturity of the BOD came out as an added advantage to strategy formulation. Most participants referred to strategy formulation as being the duty of BOD whereas strategy implementation was directed towards TMT. Generally, strategy formulation is done once a year and is informed by the growth direction and the particular turbulence that may be going on. Participants indicated that where there was conflict in formulating the strategy, the company is most likely to underperform. Participants shared:

"I do not believe that an organisation can function without a direction of a clear communicated strategy that is informed by the growth of the business... for a business to have [strategic] direction, the board needs to inform the strategy." (P3)

"[Top] management cannot implement strategy that the board is against with because it leads into a situation where nothing moves forward in the company as a result of conflict between the two teams...executives sit together with the board at a strategy session and agree on the strategy for the company." (P5)

"The board and executive management tend to come closer during these times of uncertainty, but the conflict is a bit more because the board wants to understand how we are turning the business around." (P10)

The uncertainties that the world has experienced lately was perceived by participants as a wake-up call that requires planning and a quick adjustment to strategies implemented by organisations to ensure organisational success in managing challenging conditions or environmental turbulence.

"Now because of the risk of what is happening worldwide, it is not only a reporting issue anymore but a need to strategically change the ways that we run our businesses going forward." (P8)

5.4.2.3 Working towards common goals

The alignment of goals and priorities between the TMT and BOD emerged as a key reason for the two team to work interdependently well together. Discordance within strategic leaders results in the wrong strategic direction being followed. During the interviews, participants acknowledged the conflicts that arise when setting out goals. However, they also mentioned that conflicts are easily resolved when the TMT and BOD are working together towards with common understanding. Approved strategy was set to further assist the TMT and BOD when addressing the shock that the sector experienced. Most participants acknowledged that the TMT were willing to engage with the BOD and obtain their inputs when it comes to the strategic direction of the organisation.

"The different strategic objectives should filter into our strategy, mission and vision of the company. There was less conflict at the strategic level because we were all working

towards the same common and along the same objectives. Having said that, you do get instances where you get differences or opinions or ideas.” (P2)

“Everyone has got a vested interest in working together to make the best choice for the company because it has always been happening that way to work together towards a common goal.” (P5)

“There may be different parties busy with different things, whether the management or the non-executives or the combined parties, but at the end of the day – we should have a common goal and outcome.” (P7)

“If there is discord between executives and non-executives or even between non-executives themselves, you really do struggle to get the organisation moving in the right direction. Business is hard enough with discord or misalignment at the board level. So critical executives and non-executives should work together and be aligned with all non-executives.” (P13)

5.4.2.4 TMT and BOD relationship

During the interviews, it was clear that the success in the organisations was a result of health relationships built among and between the TMT and BOD. Participants noted that trust, harmony and respect, common goals shared, constructive conversations, open communication and understanding allows strategic leaders to perform their duties successfully to achieve organisational performance.

“There is a good open relationship. Members understand the scope of their responsibilities. If you can have an honest conversation about what it is that one should or should not be doing, that accountability is also kept intact at the right time as and when you need to be accountable for certain actions you can only have a good environment and dynamic between top management and the board.” (P2)

“I have always seen it as a very good relationship where I have always seen our board going ‘the extra mile’ beyond their expectations. I have always seen them working closely with us as management.” (P3)

“The team works quite closely as executives amongst themselves and also with the non-executives...the relationship between the executives and the non-executives is a lot closer and consistent.” (P4)

“If you want your business to be successful, robust and to be sustainable, non-executives and the executives need to have a healthy relationship, where everyone respects what others does, and be able to align their goals and ambitions and those of the organisation to the same hymn sheet.” (P13)

One participant referred to a company being placed under business rescue as one of the instances that brings about change in the relationship between the TMT and BOD. When business rescue practitioners (BRP) take over the management at the company, the TMT and BOD become less important, and they develop a feeling of being unwanted.

“It is only now that we are in business rescue that I see because this as a bit of cracks, there has been some kind of change [in relationship] because of the fact that the company is now placed into under business rescue. All of that has created by the fact that the BRPs have taken over.” (P3)

“it is very fluid and not rigid, though it depends but it [relationship] is mostly good. When it is risky times, they [TMT and BOD] worked together and the relationship is a little bit challenged.” (P10)

Disagreements were found to hinder healthy relationships between the TMT and BOD. However, other participants described the disagreements as a good process that allows different perspectives and ideas to be tabled for consideration in strategic decision making and management processes. During the interviews, participants also expressed that culture and differing personalities drive the relationship. They believed that sometimes the chairman is the one who creates the tension between the non-executive and executive members, especially if they side with one team or the other.

“There are a lot of conversations that happen outside the board meeting. They are not just limited to a board meeting scenario where we sit down as a group and we chat. We have a very strong chairman that sets the tone in terms of how we should interact as a board and how the board/non-executives should interact with management.” (P2)

“They may have experience and understand the industry, but they also value the fact that you are coming with a different and broader experience. It just depends. It is also

individual driven through the culture that the chairman of the board cultivates. The chairman is very important in setting the tone of [TMT-BOD] relationship. It happens sometimes you find the chair standing between the non-executives and executives and favours the executives.” (P4)

“When they disagree, it is very important for the executive team to listen to why they all disagree, because it is valuable to find balance. So overall, the working relationship between executive team and the board is very healthy, but sometimes it is difficult to sort of, differ, but it is a good thing.” (P9)

Participants also mentioned trust as the contributing factor to TMT-BOD’s healthy relationship. It was clear that organisation without trust had very bad working relationships between TMT and BOD.

“A good functioning and a happy board is always a great board. A bad functioning or unhappy board can be completely destructive and value destructive to a business.” (P2)

“It depends on the company. In some, the relationship is really good. When the executives do not trust the non-executives and vice versa, it becomes a problem.” (P4)

“If there is no trust, you can do more harm than good.” (P8)

A further finding shows that a mix of young and old members of TMT and BOD makes a good combination and generally create good relationships. Furthermore, young members learn from those with experience in the field through knowledge sharing.

“We have a unique situation in that the executive team is very young and the non-executives are a bit older and have been in the industry for many years. We do rely a lot on their [non-executives] guidance to test the decisions we make on a daily basis.” (P1)

“They have very good relationships. Some of the members have been around for a very long time and some are relatively new, which is good as it gives you a refreshing and good understanding of each other.” (P6)

Rotation of the board members was also found to be a solution to building a good relationship and the spirit of *Ubuntu* between the TMT and BOD, particularly when the members have served on the BOD for a long time.

“Either leaving the board or joining the board will cause more of a change because you are removing yourself from something you know, a particular element. So, I have

witnessed how that can change the [relationship] dynamics between the executives and the non-executives.” (P4)

“The relationship was good except for some of the board members, which had been on the board for over 10 years. There was recycling and when the new board members came, the relationship was good. It all comes down to credibility *Ubuntu*.” (P5)

“On the one board that I was on, there was a very hostile environment between executive directors and non-executives. BOD members were significant shareholders, and created conflict of interest. Board members did not have confidence in the ability of management and in management's view that was overstepping their mark. This was resolved by stepping down from the board. The situation that was quite volatile.” (P7)

“This is probably one of the negatives of being a non-executive director that it is healthy to have rotation. So non-executive directors do not always all stay long period of time.” (P8)

5.4.2.5 Power dynamics in relation to decision making

As mentioned in the results of *Research question one*, this study found that meeting more frequently than usual and the working together relationship between TMT and BOD helps smoothen the processes of decision making, no matter how tough the turbulent environment. Participants identified agility, readiness, and quick response as best approaches to deal with the fast-changing environment and uncertainties caused by environmental turbulence. However, this requires a strong culture, effective systems and processes to be in place.

“Make sure that you are close enough to know what is going on and have the right structure and processes in place to ensure that you can move quickly and that you have fairly readily access and availability to information so you make the right decisions quickly and efficiently enough.” (P2)

“In our case, the situation has shown that we can work together. Our board has a concept of *'free the hands of executives a bit.'* As non-executives, we only meet once in two or three months because we do not want to control too much.” (P8)

“The reliability of a board executive, non-executive and other stakeholders, who are willing to meet when asked, the need and the urgency to also meet because everyone wanted to make sure we get through the pandemic.” (P9)

During the interviews, the researcher found that the chairman of the board can use their power to direct the decision-making processes. Participants raised concern around the power of the chairman and expressed that it is one-sided and not fair in managing the decision-making process, especially if either siding with the non-executive or executive all the time.

“That [power] dynamic is highly dependent on the chairman of the board. Sub-committee chair set the tone within committees so that we can also affect the dynamic of the relationship between executives and non-executive...sometimes you get a chairman who thinks that they are there to protect the non-executive or the executives. That is a bit problematic because they create a block. So, when non-executives are trying to find out something, the chairman is standing there saying no. The executives will hold the notion that the 'chief' protects us and the non-executives struggle to break through the chairman's wall.” (P4)

In addition to interactions and collaborations between TMT and BOD, Delegation of Authority (DOA) was found to be the most important document in the decision-making process for strategic leaders, as it provides direction as to who or which committee has authority to make a particular decision.

“These things are ruled by DOA. If something is at an executive threshold within the DOA, then typically they would not be that much interaction because the executives can execute and go through with the transaction, whether selling or acquiring something. But usually, when the non-executives get involved, it will be when the DOA allows the threshold to be breached, requiring BOD's approval or approval from the investment committee, which is where some of non-executives will sit.” (P4)

“The collaboration between the executive and the non-executive level of board members, we have delegation of authority in place. For our business we have agreed on certain limits whereby the executives can make an investment decision up to a certain level. Collectively they take decision up to a higher level.” (P1)

“We have a very structured system, what we call a delegated authority system [DOA].” (P11)

5.4.2.6 Cognitive diversity

Interestingly during the interviews, it was found that cognitive diversity enhances strategic direction and management through sharing of ideas, different perspectives and engaging with those who are knowledgeable and experienced in the specific industry.

“There is a lot of experience in our top teams, people with a lot of good knowledge and industry experience and are very accessible. We give good input for being around for a long time.” (P2)

“From different personality traits, viewpoints and perspectives come, which is what you actually need in this world because having the same traits does not take anyone anywhere...We have a very wide range of expertise from our board, which helps. They are very approachable, highly knowledgeable, and very helpful.” (P6)

“We do have those engagements with executive directors and even non-executive directors. Sometimes they have a contact, in a specific industry sometimes but it is more kind of ad-hoc than kind of a coordinated approach.” (P11)

On the other hand, this study also found that cognitive diversity could well be the cause of conflict between the TMT and BOD. However, if it is managed properly, decisions can still be taken jointly. The benefits of having non-executive directors in strategic processes was found to be an added advantage as they have connections outside the organisation and this helps the organisation to manage the external factors whilst leaning from other organisation's experiences. Some non-executive directors serve as BOD members in multiple organisations which gives them an upper hand when it comes to knowledge diversity.

“I think that's the benefit of having non-executive directors, they open doorways to introduce you to people you may need for business. They do not interfere, which I think is quite critical, because you cannot get them to negotiate on your behalf. But they can introduce you to the people, you need to be introduced to get yourself to something.” (P6)

“We have a mature board which understands the background and they have property experience. One of the challenges we are facing and is that very often when you have people who are on the board and do not have property experience, and do not understand the history of the property industry, or do not understand the risks associated with running a property company, then these issues can become a little bit of a challenge.” (P10)

5.4.2.7 TMT-BOD transparency

Transparency was found to be key to success interdependent working between TMT and BOD in the construction and property sectors. During the interviews, participants noted that:

“We have always worked closely with our board. Our board has been more hands on compared to the normal board in most businesses.” (P3)

“During times of uncertainty, you actually find that you meet more with the board and you have much more engagement but the goal is still the same and you are still working together.” (P5)

“It is very collaborative. There is no one who is more in charge than the other because nothing is never dictated. It is always conversational.” (P6)

Where there is a lack of transparency and effective communication, participants noted that it was due to the non-executive members not being involved in day-to-day running of the business, which means that they did not have easy access to the information that would help them to provide guidance from an informed perspective. This can lead to uninformed strategic decisions being taken.

“The non-executive role is not to get into too much of the details. So, on the overall basis, there's always complexity in the detail, but often, the non-executives are not exposed to that.” (P13)

P6 had a different perspective on BOD's involvement in the detail to provide proper guidance. The chairman of the BOD was found to be the one who is more involved than the rest of the BOD members.

“The board chairman is here every few weeks sometimes, or at least every quarter for a good few hours checking, double checking and cross checking everything. They take it passionately, which is good, because when you go back and ask for assistance, or guidance, it is knowledgeable guidance as they know what is going on. There is no need to explain anything because they are involved in the detail.” (P6)

In times of uncertainty, participants indicated that conducting roadshows, releasing the performance results, and posting them on the company's website were some of the ways to engage with the stakeholders to maintain transparency.

“You have to protect the rights of the stakeholders and create value for them in whichever way or form. The one thing we have always tried to do was to ensure that we are transparent to our stakeholders and we communicate with them appropriately when required.” (P2)

“Engagement through annual and interim results and thereafter conduct the roadshows.” (P3)

“Investor roadshows, they become very critical during these times [crisis].” (P10)

Careful consideration on the type of information that is being shared with the stakeholders was raised by a few participants as being important too, along with the need to ensure all stakeholders receive the same kind of information they deserve.

“We actively engage our stakeholders across the food chain. Whether that be our tenants/funders/shareholders/employees and team, on whichever level it is, we have to be as proactive as possible with them.” (P2)

“You got to be careful, but you cannot deal with individual stakeholders separately. You always have to understand that information can be price sensitive, and make it somewhat an unfair advantage.” (P13)

One participant also referred to one instance when the TMT and BOD had to engage with the stakeholders, when share price was dropping drastically and investors were worried about losing their investments.

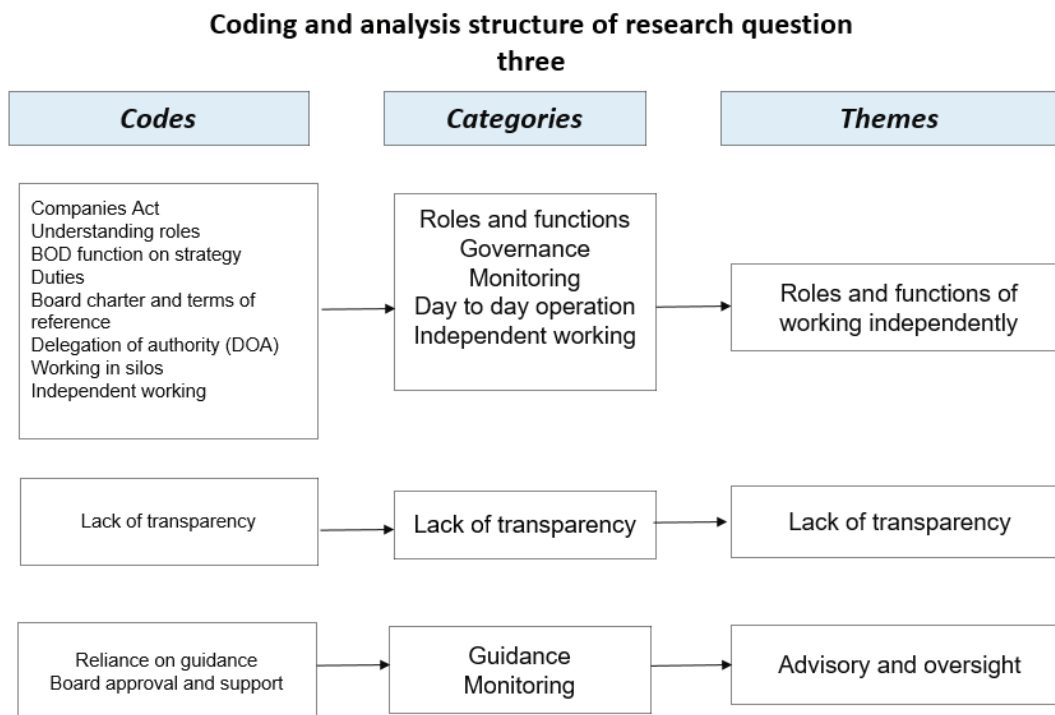
“For us particularly, we had something like that around 2008. Our share price came down quite a bit around that time. So, it was nervousness in the market, there was a lot of work done by the Board and management to keep those stakeholders informed...we had to prove to the shareholders and banks that the company is financially stable. The interaction would have been from the management team, showing the board where we are financially and what we can do as collective.” (P5)

5.4.3 What functions does TMT-BOD perform independently when faced with a turbulent environment

During the interviews, participants were asked to share the functions that the TMT and BOD perform independently within their organisation to understand the working relationships to

manage environmental turbulence. Although there are companies that have team working independently, participants did not have much to say about how they work independently to effectively manage external factors during times of crisis. The results suggest lack of transparency between TMT and BOD when working together and attention to advisory and oversight. See Figure 5.3 the coding and analysis structure of this research question.

Figure 5.3: Coding and analysis structure of research question three (Source: Author's own)



5.4.3.1 Roles and functions of working independently

Under research question two above, roles and functions of both BOD and TMT were presented. In addition to that, the functions that were found to be performed by TMT and BOD independently and separately are day-to-day running of operations in the organisation and oversight and guidance. Some participants expressed that they have enough experience to not engage with the non-executives (and vice-versa), which raises a discordance between the two.

“The Board really has the older non-executives. They use the non-executives as a sounding board, depending on how much experience the executives have versus the

non-executives. At times the executives feel as though they know the industry and the company. Non-executives are just here because of King code and the JSE told us that they are supposed to be here.” (P4)

“Operationally, the day-to-day running of the business, that is the executive management team's responsibility.” (P10)

“As non-executives, we do not engage with the executive team as often, though we do have some engagement with them. However, to a large extent they [Board] provide oversight and cheer most of the things the social and ethics committee (SEC) refers. The remuneration committee and the risk committee also provide oversight and they do not get involved in the day-to-day activities of the business unit or the business platforms.” (P11)

King IV requires the BOD to maintain their independence when performing the monitoring and guiding function. However, this was viewed as impractical sometimes because the BOD meeting is also attended by CEO and CFO who are part of TMT. For example, audit committee is independent and sometimes communication is directed to the audit committee chair. Further, it is found that the CFO is copied for awareness, and that makes it less independent. Participants noted:

“When there is a corporate action, it is constituted only to have a few non-executives and it has to be independent on non-executives. Even during meetings, the CEO and CFO are invited to assist us because they have the information. They have the nitty gritty...even if it is the chairman whom the letter is being addressed to, it is also sent to the executives. As a chair of an audit committee, I know that the auditors will write to me but the CFO is copied.” (P4)

“Some issues require an audit committee that is legislated by social and ethics committees. Then there is King reports that talks about governance, which tells how many non-executive directors versus executive directors you need to have on the Board.” (P14)

5.4.3.2 Lack of transparency and engagement

Participants revealed that the lack of transparency and engagement between TMT and BOD with the stakeholders may affect how organisation manage turbulent environment during times

of crisis. During the interviews, participants noted that engagement is important and if not done, companies are more likely to experience challenges.

“The main thing with stakeholders is communication and keeping the channels open. The worst thing that you can do is to not communicate and engage with them. Those engagements happen with the Board and you have to work out your stakeholder engagement plan in terms of who is going to deal with who, and how that is going to work. That stakeholder engagement plan is really key when you launch any new projects, and if you move into a new area and start operating.” (P12)

“Communication through your integrated annual report and one-on-ones. They are advised on being cognisant of what information can or cannot be shared with stakeholders.” (P13)

5.4.3.3 Advisory and oversight

During the interviews, participants raised concerns about the independence of the Board when there is one executive member such as company’s secretary to take minutes during BOD meetings. They noted:

“Even when the non-executives are meeting in the boardroom, the executives obey. The executives are there anyway, audit committee, as we know it is made up only of independent non-executives, but once again, CFO always attends.” (P4)

“The chairman of the board is here quite often and has meetings with the CEO.” (P6)

5.4.4 Independent and interdependent working

The results revealed that the TMT and BOD are working closely together after facing the uncertainties of COVID-19 and social unrests, and the non-executives are becoming more involved in ensuring that organisations are sustained and performing well. However, it was also clear during the interviews that at times when organisations are faced with difficulties, the TMT work together without the BOD, however when the sectors are faced with difficulty, TMT and BOD work together.

“When the company was going through a difficult time, the executive team worked together. When the sector went through a difficult time, the entire BOD worked closer together as a team. The main problem was when we look back at the uncertain times for the company, had a lot to do with the non-executive directors in the company. There was a lot of animosity, not between each other, but between shareholders and the non-executive directors. When it was within the sector, the company’s executive and non-executive directors worked closer together.” (P1)

“There is quite a lot of interdependence or the fact that we are trying to get work through this particular crisis or turbulent time.” (P4)

“In my environment and in the organisations that I have been involved in - there has been an increased participation from board members. We have had more meetings. We are getting closer to organisations and we [non-executive directors] are becoming more involved which is taking up a lot more of our time.” (P10)

The study also found that the BOD is less involved when the economy is stable with no turbulence in the industry, whereas during times of uncertainty they are more involved in working with the TMT to effectively manage the threats that comes with environment turbulence.

“We find that in any normal environment when running an organisation, and the economy is doing well, there is no turbulence. There is less time required from the board because it is going well, like a well-oiled machine. During times of turbulence and during times of uncertainty, there is a more demand from executive managers and the Board to actually get more involved in the organisation to find solutions. We end up spending more time together and means we are getting closer together.” (P10)

An interesting perspective shared by one participant was that non-executive directors sometimes have difficulties separating themselves from encroaching onto TMT functions if they come from a similar experience as the company they serve as a Board member.

“It is important that some non-executives are independent people, but many of them are drawn from experience in running their own organisations.” (P14)

Furthermore, one participant shared that when they were faced with crisis, they started off badly by pulling into different directions, which in turn resulted to the organisation being placed under business rescue.

“In terms of whether we work together or not to survive a crisis like this, we started off with pulling in very different directions. That is probably the reason why we ended up in business rescue because we were too obsessed for far too long with just securing revenue.” (P14)

Some participants raised the issue of the reliance that the BOD should have on TMT because of TMT’s knowledge on the operation and, therefore, understanding of the uncertainty and impact on the organisation.

“From a budget perspective, the board cannot function without management and the management also needs the support of the board in order for it to function well.” (P3)

“The executives have their own functions on a day-to-day basis, but there are not much the non-executives do by themselves other than when they ask the executives to leave the meeting for a while because they are discussing their performance.” (P4)

5.4 Conclusion

In this chapter, key results addressing each research question were presented. It was evident from the findings that the property and construction sectors have faced a number of external turbulent factors, which all need the attention of the strategic leaders to respond to. These turbulent environments included the COVID-19 pandemic, the July 2021 social unrest, a lack of service delivery by municipalities, a lack of economic growth, increase in interest and municipality rates. Finally, it was clear that that in most cases the TMT and BOD have good relationships and they work well together in times of crisis. The next chapter is the discussion of the results.

6 CHAPTER SIX – DISCUSSION OF RESEARCH RESULTS

6.1 Introduction

The purpose of this chapter is to meaningfully discuss the results presented in chapter five, with reference to existing literature and previous research conducted by other researchers. Qualitative data collected with executives and non-executive members from the construction and property sectors has shed light on the experiences of TMT and BOD on working independently and interdependently to effectively manage environmental turbulence. In this chapter, the results of this study are compared to existing literature to identify the similar patterns and provide new insights that this research has contributed to the field of strategic leadership. Discussion of the research results in this chapter is structured according to the research questions of this study. This order is followed to seek and provide answers based on in-depth reasoning of this study. Finally, the researcher provides evidence on how the system dynamics diagnosis framework from the Strategic Leadership System (SLS) model is in line with this study and identifies the areas of the framework that may need to be modified for future research.

6.2 Processes followed to effectively manage turbulence environment between TMT-BOD

The purpose of this research question was to understand the processes that TMT and BOD follows in an attempt to effectively respond to external factors and turbulent environment in the property and construction sectors. Based on the research results in chapter 5, processes include identifying the crisis before managing it, good communication and interactions between the TMT and BOD, identifying market growth opportunities to ensure the business keeps running and the process of fair decision making.

Based on the experiences and perceptions of participants, it is important to identify and recognise the type of external factors that have a potential to significantly impact the business. In addition, they believed that this enables the TMT and BOD to take necessary steps and precautions to respond directly to the nature of environmental turbulence. During the interviews, participants identified the common type of crises to be the COVID-19 and its impacts, riots and social unrest, lack of electricity as a result of loadshedding, increase in interest and municipality rates, political issues and slow economic growth. Additionally, they also identified construction mafia as a major external factor affecting the construction and

property industries. In the literature review, environmental turbulence are described as the events that are volatile, uncertain, complex and ambitious (VUCA) (Cousins, 2018; Millar et al., 2018; Sarkar, 2016). Although this study was guided by the concept of turbulent environment from Dress and Bread (1984), which defines environmental turbulence as magnificent, complex and dynamic. The way turbulent environment was described by participants of this study is in line with definitions from previous research. The type of crises identified by participants can be viewed as turbulent environment due to their nature of making the business environment volatile, complex, uncertain, and ambitious.

The results from this study also revealed that the TMT and BOD perceive residential portfolio, storage and industrial, energy space and small convenient shopping centres as new market growth opportunities. In the residential portfolio, market growth opportunities were identified in low- and middle-income earners and affordable houses. In storage and industrial spaces, growth opportunities were discovered due to the increase in demand for online shopping and e-commerce which requires more warehouse space for goods and services to be shipped. In the small convenient shopping centres, most of them are located in the residential/township areas where there is high demand for basic needs, however these areas are exposed to threats such as crime and looting. In addition, the energy space was also identified as growth opportunity due to constant challenges with power cuts and loadshedding,

The above-mentioned growth opportunities identified by participants during data collection are indicators of munificence environment which represents market growth opportunities which have minimal threats to the sectors (Bloom & Michel, 2002). However, looking at the research results there is huge growth opportunities but with more threat in areas that are exposed to high rates of crime such as townships. Storage and industrial growth opportunities were consistent with the interest shared by Fortress Real Estate Investments (2022). Furthermore, the political uncertainty and slow economic growth in South Africa shows that the economy is unstable, even though there are growth opportunities available. This is consistent with the literature that assert that countries' maturity and munificence levels are not the same and it makes reference to fast growing economy (ambitious) in China with stable economies in America (Chen et al., 2017).

Participants were also concern about oversupply of office space and the complexity of converting office buildings into residential spaces due to the original structure set up before COVID-19. Competition for office space was too high before COVID and now employees are working from home and the offices are left empty, and this increases vacancy rates and adds

to unnecessary costs that companies have to pay to secure office spaces. The results also indicated that the investment committee, which is made up of only non-executive directors, is responsible for approval of business acquisition, allowing interrogation and in-depth of the market space the organisation is embarking on and thorough assessment of return on investments for projects shareholders' interests. This is consistent with literature review on complex environment, which are highly competitive, resulting to difficulty investment decisions to protect shareholders interest (Yoo & Reed, 2015). This type complexity to office space oversupply and conversion to residential portfolio was addressed by Markiewicz-Zahorski et al.'s (2021) findings, which found that converting office space into residential units is cost efficient considering that it was accommodated at planning stage, unlike when the conversion is from residential to office.

The results demonstrate that unpredictable and unstable environments within the industries are caused by political uncertainty and poor economy. The property sector is heavily reliant on consumer spending, which is much affected by poor economy in South Africa. Participants further raised concerns about the uncertainties in construction sector in relation to government's expenditure for infrastructure and basic services. Concerns by the participants are inconsistent with literature review which shows that rapid changes create an industry environment that is unpredictable and unstable (Dess & Beard, 1984). Previous literature further investigated how stakeholders become very curious about the direction of the company in times of uncertainty especially if they are interested in investing (Luciano et al., 2020). Concerns raised by participants were consistent with CEO of Calgro M3 Holdings Limited recent interview on eNCA (YouTube 2022). The CEO explains the challenges they have faced with the construction mafia as the company while operating in this KwaZulu-Natal (KZN) province, hence decision to exit the operation in the area. This agrees to this study's results on stakeholder engagement that is performed through conducting roadshows, annual and interim results presentation when necessary to give confidence to stakeholders.

This research revealed the importance of constant communication and interactions between TMT and BOD. Sharing of different views and managing conflicts through uncomfortable conversations were found to be step towards managing environmental turbulence. Furthermore, goal alignment was also found to be the key focus to succeed in turbulent environments. Participants also shared the importance of working together more and how it was valuable for their organisations to meet more frequently than usual to manage external factors that come with environmental turbulence. Decision making was mentioned throughout

all interviews as being interrupted and delayed by conflict, but participants also emphasized the importance of meaningful and uncomfortable conversations despite the controversy that goes along with them. TMT and BOD found themselves making decisions such as finding alternative ways to keep the light and fridges on at the shopping centres and the business going during water and power outages.

Complexity of strategic decisions to be made by TMT and BOD going through conflicting ideas, holding uncomfortable conversations are consistent with the study conducted by (Sarros et al., 2016) on the strategic interactions becoming more complex in addressing dynamic external turbulent environment. Literature presented that the team effectiveness work perfectly through collective approaches, team commitments and knowledge sharing which mediate the level of controversy (Ayoko, 2020). This confirms that the results of this study are in line with other scholars' findings from the literature review as participants shared that the turbulent environment such as COVID-19 brought executives and no-executives closer to work together and as a collective.

The results also showed that in certain instances where there is controversy in discussions, the chairman makes the calls on the way forward to avoid further unnecessary delays. Delays in strategic move were found to be caused by conflict or contradicting ideas due to different background and experiences, which was also relevant in Mello and Rentsch's (2015) research. In addition, the results also show that the chairman makes the decision where the board cannot decide due to contradictions. In addition, conflict enhances the chances of exploration and exploitation but it must be well managed and controlled. Available literature shows that Conflict, while necessary for dynamic capacities and enabling the efficacy of problem-solving groups, may also lead to friction between the TMT and BOD if improperly managed (Uhl-Bien & Arena, 2018; Yoo & Reed, 2015). While literature suggest that bringing in a new member manage conflict (Rink et al., 2021), this study found that the chairman can only manage the conflict. Similarly, change in directorship though rotation, new member joining or leaving controls dynamics of power and conflict between the TMT and BOD. Therefore, if conflict between the TMT and BOD or within their respective groups is not well managed, ineffective strategic decisions are likely to be made.

6.3 Functions performed by TMT and BOD independently from each other

Participants' understanding of the function performed by TMT and BOD was revealed to be that the TMT is responsible for day-to-day running of the operations and strategy implementation, whereas BOD is responsible for overseeing and providing guidance to strategy implementation. This is supported by functions of TMT and BOD outlined in Samimi et al. (2020), which states that strategic decision-making and overseeing operations and administration forms part of functions of the TMT and the BOD. However, Samimi et al. (2020) does not elaborate further on what function are performed by CEO, TMT and BOD individually and/or together. Despite lack of functions split by Samimi et al. (2020), the findings of this study are supported by Sun and Bhuiyan (2020) who outlines that the BOD functions are to provide guidance, advices and oversight to TMT operational matters.

Literature further confirms with the views and perspectives of this study's participants by asserting that the functions of the TMT also involves the management of staff, service providers and strategy execution (Samimi et al., 2020). In addition, included Samimi et al. (2020) eight functions of the strategic leadership are stakeholder engagement and performing human resource management, which were highlighted by this study's participants. The researcher also found that stakeholder engagement was mostly performed by participants' companies through investor roadshows, annual reports and interim results and result presentations.

Participants presented their strong awareness and importance of non-executives' independency requirements from agency theory (Panda & Leepsa, 2017). Consequently, the researcher noticed that during the interview, majority of participants responded to working interdependently functions as working closely together while keeping attention to independency of non-executives' involvement in operations. However, it was not clearly identified how far should the BOD (non-executives) be involved to still maintain their independency, particularly when faced with turbulent environment. In addition, there was emphasis from participants that they try very hard not to overstep the independency boundaries.

According to Samimi et al. (2020), there are concerns over lack of academic studies conducted on the drivers that results to strategic decision not taken at all and ignorance over certain strategic ideas because of their complexity. Lack of decision was raised by one participant, who shared the experience where TMT and BOD were pulled out into different directions which

landed the company into business rescue. Furthermore, delay of making a strategic decision is consistent with Huynh et al.'s (2022) arguments on intense discussion with different opinions which results to delays in making a strategic decision. Notwithstanding, goal alignment was perceived by participants as the driver to resolving conflict between the TMT and BOD. The positive response that was common amongst participants was that they were willing to work well together in their teams to achieve a common strategy or objective in their companies. Literature by Vandenbroucke et al. (2017) complements the responses from participants on that conflict allows the non-executive directors to have a constructive advice to TMT.

TMT-BOD relationship enhances team effectiveness whilst accommodating diverse members to effectively manage environmental turbulence (Ensley & Hmieleski, 2005). Trust, respect, open communication and healthy relationship were identified as common responses that participants referred to when describing the nature of relationship between the TMT and BOD. Participants further alluded to the importance of working well together to avoid crises affecting the performance and strategic processes of the organisation. Academic literature compliments the perspectives of participants in terms of team effectiveness by elaborating on how it is improved by unity amongst the TMT and oversight from BOD which then improves relationships, especially when there are more independent non-executive directors in the BOD (Bjornali et al., 2016). The level of involvement from non-executive directors is negatively affected where there is relationship conflict (Vandenbroucke et al., 2017). In this study, the opposite was observed during the analysis of the results obtained from participants as their conflict was constructive rather than personal. For example, non-executive director's involvement was acknowledged as going extra mile and beyond expectation because the relationship was good.

Nevertheless, participants alluded to change in relationship when there are changes in directorship, especially the chairman of the BOD as he is responsible to set the culture, vision and has a controlling role in strategic decision-making processes. As discussed in the literature review, Anderson and Sun (2017) defines different leadership styles as different in terms leaders' behaviours, reactions and how they shape the future of the organisation. Literature and this study's results are in line because leadership style shape the culture of the organisation, and this is applicable to all strategic leaders (TMT and BOD as a whole) not just the chairman of the BOD. This study's evidence also resonates with a study by Bezemer et al. (2018) on the role of BOD chairman in the boardroom during decision-making processes, suggesting that the role of chairman role is seen as paradoxical due to the requirements of

solid leadership skills to resist other management powers and gracefully allow other directors to voice their opinions. Therefore, the role of BOD can be seen as the strong promoter to set the culture of interactions between the executive directors and non-executive directors during the cause of strategic decision-making processes.

Change in composition of the BOD as a team contribute to more diversity in views and perceptions, which in turn contribute to strategic decision-making process ineffectiveness, mainly because the new set of skills and knowledge (Harvey & Currall, 2017). This literature is not consistent with the results from this study, as participants shared that the rotation of non-executive directors turns out to be a solution to build the good relationship between the TMT and BOD, and this brings out the spirit of humanity – also known as *Ubuntu*, particularly if the change is part of resolving the hostile environment. Available literature supports the spirit of *Ubuntu* by noting a degree of understanding that the leaders' behavioural conflict can be managed by appointment of new members (Rink et al., 2021). Nonetheless, participants acknowledged that the change in members can go from good to bad, which is in line with previous literature. Based on the above, change in members of the TMT and BOD can lead to building either good or bad relationship.

According to this study's participants, the relationship of young members with older members in the TMT and BOD complemented each other and was used to leverage the appropriate knowledge transfer, which they saw as a benefit. However, in instances where the whole TMT is made up of young members, there was too much reliance of non-executive directors within the BOD to provide guidance. This was supported by the participants' response that noted the chair of the BOD regularly visits the CEO. Literature on the age generational gap confirms the heavily reliance on the chair of the BOD monitoring and guidance by the CEO of the organisation (Goergen et al., 2015). BOD members are generally more experienced and older as they often have prominent positions in other companies or are retired (Whitler & Puto, 2020).

Based on participants' perspectives, the researcher found that cognitive diversity enhances the decision-making processes through sharing of ideas, different perspectives and engaging with those who are knowledgeable and experienced in the industry. Participants highlighted the benefits of having leaders from diverse backgrounds, and this is consistent with the literature by Bankewitz et al. (2018) who emphasized that the mix of BOD with different managerial experiences, knowledge and skills expertise contributes positively to board participation in strategic decision-making processes. Although the interactions might take

longer than expected due to different perspective consideration, but participants believed it was good for organisational performance and outcome. This study also found that cognitive diversity can cause conflict between the TMT and BOD, however, if it is managed well, companies have an opportunity to use it for their advantage. Literature shares the same sentiments that the task conflict contribute positively to the non-executive BOD involvement in the strategic decision making, enabling them to provide constructive advice to the TMT (Vandenbroucke et al., 2017). Furthermore, participants also raised the challenges of convincing the other teams on the route taken or to be taken, and this happens mostly if the whole team has no industry background or experience.

The literature reviewed highlighted that cognitive teams with high diversity benefits more from knowledge sharing because it allows team members to use information more effectively, whereas cognitive teams with low diversity benefits less from knowledge sharing (Men et al., 2019). In this study, participants were more inclined to be in a structure where there is visible in wide range of expertise, experience and highly knowledgeable non-executive directors within the BOD, which they viewed as very helpful. Further, one of the benefits of having non-executive directors in the strategic decision-making process for guidance accessibility to the executive team, especially those non-executives that serves in more than one board within the same sector. Overall, these results from this research question suggest that functions that are performed interdependently by TMT and BOD start from understanding roles and functions of each team to ensure that independency by non-executive directors is not compromised. In addition, demonstrating healthy relationships, trust, respect, and transparency allows them to effectively manage environment turbulence.

6.3 Functions performed by TMT and BOD interdependently

Building on to the previous section, where the researcher gained insights on function performed interdependently, participants revealed that the main functions that are performed TMT alone are day-to-day running of the operation and execution of the strategy, whereas the functions of the BOD include providing guidance, advice and monitoring the performance of the TMT. These duties are performed independently by TMT and BOD. Concisely, Sun and Bhuiyan (2020) assert that BOD are members that provide an oversight to the operation activities and they advise the TMT on strategic and financial matters. Although the TMT are more exposed to the business operation and have more insight on operational issues, the

results revealed that some executives feel that they have enough experience to not engage with the non-executives. This is consistent with Xu et al. (2018), who assert that less monitoring from BOD might create a room for unpleasant strategic decision.

6.4 TMT and BOD System dynamic diagnosis framework exploration

As discussed in chapter two, the diagnosing system dynamics framework from the adopted strategic leadership systems (SLS) model adopted for this study brings attention to independent and interdependent working between the TMT and BOD to effectively manage turbulent environment. Figure 6.1 shows the alignment of the framework with the results of this study to determine if whether how independent and interdependent working of TMT and BOD works in practice. The researcher plotted the system dynamics diagnosis framework that was introduced by Luciano et al. (2020) based on participants' experiences. This allows the researcher to understand the effectiveness of SLS model within the context of this study, and to see if there would be any need to modify it for future research.

Figure 6.1: Demonstration of independent and interdependent working in the construction and property sector

		System dynamics diagnosis Framework	
		Attention to working interdependently	
		Weak emphasis	Strong emphasis
Attention to working independently	Strong emphasis	<p>Dynamics characterised by <i>conflict</i></p> <ul style="list-style-type: none"> - Organisational (uncertainty) - Less BOD involvement (no turbulence) - TMT more experienced than BOD - BOD existence to fulfil governance - Unmanaged conflict 	<p>Dynamics characterised by <i>coordination</i></p> <ul style="list-style-type: none"> - Sectoral uncertainty - BOD's getting more involved lately (uncertainty) - Interdependently working (crisis) - Rely on each other to function well - Age gap - Drastic share price drop - Open communication - Cognitive diversity - Goal alignment - Growth opportunities
	Weak emphasis	<p>Dynamics characterised by <i>complacency</i></p> <ul style="list-style-type: none"> - Pulling in different direction (Crisis) - Chasing divisional revenue - Unmanaged conflict within the team 	<p>Dynamics characterised by <i>collusion</i></p> <ul style="list-style-type: none"> - BOD with TMT experience (detachment) - BOD meetings lack independency (Secretary taking minutes or CEO for details) - Chair of BOD working more closely with TMT than the rest of the BOD - CEO inform Chair first - BOD member exclusion (not in any sub-committee) - Conflict of interest (BOD also a shareholder)

Coordination

The top-right block represents the strong attention paid to independent and interdependent working by TMT and BOD in responding to environmental turbulence. Participants' experience that landed in this section are those that demonstrated commitment to working together to achieve a common strategic goal without overstepping on each other's roles. Uncertainty experienced by the sector were noted to have brought together the TMT and BOD to work as a collective and share tasks. In recent years, organisations are facing more dynamic external environment and strategic leaders are expected to be experts in strategic decision and direction (Sarros et al., 2016). It was clear that the TMT and BOD work more closely together than before to keep each other informed and make sound strategic decisions. In addition, this helps them manage the external factors closely. Generational age gap was also highlighted as the driver for young TMT and older BOD to pay attention to working independent and interdependent, due to the eagerness of younger teams to learn from those who are experienced and the experienced ones to adjust to fast changing world.

Collusion

The bottom-right block represents dynamics of TMT and BOD that are driven by collusion. This means that the participants' experiences in addressing the external environment were more focus on working together than independently. Importance of independency as suggested by the agency theory, Panda and Leepsa (2017) highlight how the TMT and BOD may overstep each other in some functionalities. Further, the BOD non-executive members that are experienced in TMT roles find it difficult to allow the TMT to perform their functions without interfering beyond monitoring duties. Participants also raised concerns on BOD chairman, highlighting how the chairman can be overprotective of the CEO or work more closely with the CEO than the rest of the BOD members.

Conflict

The top-left block represents dynamics of TMT and BOD that experience conflict. Conflict is strongly driven by working independently rather than interdependently. The findings of this study indicated that uncertainty at an organisation level was addressed by only TMT, resulting to strong emphasis on independent working. For example, the decision to install power generators as a back-up electricity during load shedding and water pumps and borehole as an

alternative during water outage. These kind of decisions were concluded by TMT and presented for noting to investment committee in accordance with the approved delegation of authority. This is consistent with Puthusserry et al. (2022) and Sun and Bhuiyan (2020) findings which suggest that the TMT function is to run day-to-day organisational operations.

The researcher further found that there is generally less BOD involvement in the construction and property sectors during the times where the was steady markets with less turbulence. Additionally, it was discovered that when TMT is more experienced than the BOD, they do not rely on the monitoring and advisory services from the BOD. This is consistent with independence view as per corporate governance and agency theory of strategic leadership, which refers to principal independency from the agent (Luciano et al., 2020). Dynamics characterised by conflict block hinders the BOD monitoring effectiveness because there is little to no transparency of day-to-day running of the business, especially when TMT is well experienced and conflict between TMT and BOD is uncontrollable.

Complacency

The bottom-left block represents the dynamics that are characterised by weak attention to working independently as TMT-BOD and working interdependently with the other team. The results from this study suggest that during the crisis, the TMT and BOD members followed different methods of managing the turbulent environment individually, which led the organisation to be placed under business rescue. Complacency dynamics were linked to the experiences of participants through their operations which focused more on growth opportunity and revenue generation without assessing the resource capacity of meeting the demand in a competitive space. This is consistent with the study conducted by Andrevski and Ferrier (2019), which highlights that the aggressiveness in competition can be too costly and can reduce organisational performance, particularly when they lack required resources and capacity.

6.5 Summary of turbulent environment and system dynamics diagnosis framework

In summary, Luciano et al.'s (2020) view was that when a sector is faced with a munificent environment, where there is abundant growth opportunity and less threat to the market, independent working by TMT and BOD might be sufficient. This is consistent with the findings

of this study where minimal turbulence exists, resulting to less BOD involvement, which falls within the conflict dynamic category within the system dynamic diagnosis framework. Luciano et al. (2020) further concluded that munificent environment allows the strategic leaders to focus more on their roles and functions to gain competitive advantage, which ultimately release the pressure of BOD involvement. The munificent environment was found to be a comfortable space for an organisation, which allows the TMT to focus more on running operations while BOD focuses on monitoring duties.

The environment that is exposed to complexity, where there are abundant growth opportunities in a competitive space with uncertainties about the future, Luciano et al. (2020) assert a strong attention to interdependent working. Recognition of the competitive market trends by TMT and BOD is critical to identify the internal business units that are equipped to take those opportunities and invest in them sufficiently (Arrfelt et al., 2015). This is consistent with the findings of this study as participants were aware of the growth opportunities available in the construction and property sectors. For example, the renewable energy space, industrial and storage and affordable housing were mentioned by participants as growth opportunities that are highly competitive. In the system dynamics diagnosis framework, this is categorised as coordination, based on a view that growth investment decisions contribute to the working relationship between TMT and BOD.

While complexity focuses on growth opportunities in a competitive market, dynamism focuses on unstable environments due to rapid changes which catches stakeholders' attention as they fail to predict the future of their relationship with the organisation (Luciano et al., 2020). The findings from this study showed how certain processes including regular engagements with shareholders helped maintain relationships and transparency to strengthen strategic management and approaches during times of turbulent environment. These engagements were performed through conducting roadshows and announcements on the website in accordance with the JSE listing requirements. Based on numerous engagements with multiple stakeholders and trying to manage the unstable environment, task sharing between TMT and BOD increased the importance of working both independently and more closely together to achieve a common goal. This finding was consistent with Luciano et al. (2020), as open communication and goal alignment was categorised as coordination, highlighting the strong need for attention to working independently and interdependently by TMT and BOD.

7 CHAPTER SEVEN – CONCLUSION OF THE STUDY

7.1 Introduction

This provided insights into explore experiences of TMT and BOD on working independently and interdependently to effectively manage environmental turbulent. The understanding of the processes and functions that influence the TMT and BOD to work independently and interdependently were outlined by the participants. This research found that a number of firms were incapable to withstand the consequences of stringent COVID-19 lockdown restrictions, leading to an economic crisis characterised by the lack of attention and knowledge of new technology, limited strategic responses for short- and long- term crises and the lack of exposure to competitive advantages (Aburumman, 2020; Adam & Alarifi, 2021). Observing a number of uncertainties that the organisations are faced, this research is beneficial to academia as it attempted to understand ways researchers and practitioners can enhance strategics processes to effectively manage external factors when they hit companies. In addition, this study gives them an opportunity to have flexible strategic thinking, especially those in charge of the strategy and governance (TMT and BOD) to ensure that their organisations perform well and are stable. It was evident that this study is consistent with other studies that were conducted by other scholars previously at the project level or senior to middle management or TMT or CEO (Civelek et al., 2015; Huynh et al., 2022; Wang et al., 2016).

While there was already growing literature on strategic leadership and decision-making process, there was little evidence on how the TMT and BOD work effectively to manage turbulent environments while maintaining their independency (Luciano et al., 2020). The focus of this research drew from the strategic leadership systems (SLS) model, which was coined by Luciano et al. (2020) to explore the TMT-BOD relationship dynamics that are experienced during environmental turbulence through the application of system dynamics diagnosis framework. SLS brings attention to independent and interdependent working as part of analysing system dynamics between TMT and BOD when faced with environmental turbulence. The characteristics of TMT and BOD such as personal diversity and interactions within and between the teams were identified as a problem that may hinder strategic decision-making and management processes, particularly when faced with environmental turbulence.

7.2 Principal theoretical and research conclusion

This research was guided by interpretive, abductive, and exploratory approaches which allowed the researcher to understand the perspectives and experiences of TMT and BOD on working independently and interdependently to effectively manage environmental turbulence. As noted, the used semi-structured in-depth interviews conducted with 14 people who are part of the TMT and BOD in the construction and property sectors in South Africa. There were a number of turbulent environments that were experienced by construction and property sectors, and participants mentioned the COVID-19 pandemic, the July 2021 social unrest, a lack of service delivery by municipalities, a lack of economic growth and the increase in interest and municipality rates. In addition, this study found that strategic leaders worked closely together during the times of crises when faced with these turbulent environments.

During the interviews, the researcher found that participants were aware of governance requirements, suggesting that non-executive directors should be independent as they act on the best interest of the shareholders. However, the shocking events strongly challenged the strategic processes in the construction and property sectors and the need to work closely together in an attempt to respond to such events made it complex for TMT and BOD to not overstep the governance requirements. In addition, governance was still blur on how much BOD's involvement should be part on monitoring strategic processes without breaching the TMT independency rule. This research finding was consistent with the system dynamics diagnosis framework by Luciano et al. (2020), as this study revealed that TMT and BOD in construction and property sectors worked well together to respond to turbulent environments. However, where the TMT felt experienced enough, the system was dysfunctional. Furthermore, diversity in age was found to meet the expectations of SLS. Interestingly, the study found that BOD chairman plays a key role in managing the power dynamics between the teams for effectiveness.

Existing relevant literature was reviewed as part of exploring the system dynamics diagnostic framework within the TMT-BOD relationships to understand whether or not the framework allows for further exploration to independent or interdependent working between TMT and BOD, especially when there are turbulent environments. Roles and functions of the TMT and BOD were mentioned by participants and they noted that the BOD are members that provide an oversight of an organisation's operating activities and advices the TMT on strategic and financial matters, while TMT function is running day-to-day business operations (Samimi et al., 2020; Sun & Bhuiyan, 2020)).

The functions of the TMT and BOD requires vast expertise, knowledge, and experience for them to be carried out successfully. Research by from Bjornali et al. (2016) revealed that diversity and unity amongst the TMT and BOD enhances system effectiveness, while BOD oversight influences the TMT diversity and effectiveness. This produces a positive working relationship which fuels inclusion of more independent non-executive directors to influence the BOD service participation and TMT effectiveness. This was further supported by the findings that suggests that healthy relationships enhance to team effectiveness in managing turbulent environments (Esnley & Hmieleski, 2015). Further, the researcher noted the importance of knowing and identifying the type of external factors, the resources available for use including cognitive diversity, goal alignment and the way the TMT and BOD converse, in response to managing environmental turbulence.

The researcher also explored the three dimension that explains turbulent environment, which are munificent, complexity and dynamism. These dimensions represent abundant growth opportunities, in a steady and unstable markets and highly competitive space with rapid changes (Luciano et al., 2020). There were concerns highlighted in the literature reviewed on the confusing in differentiating collaboration and collusion (Schruijer, 2020). Further, it suggests that collusion lacks independent working whereas collaboration is an opposite. In diagnosing the dynamic all four quadrants were explored by the researcher as part of understanding how strategic leaders manage the turbulent environment.

7.3 Recommendation for management and/or other stakeholders

One of the key findings from this study was that the TMT and BOD understand their functions and roles in the organisation very well. As noted, the TMT is responsible for running operations and the BOD's function is to provide guidance and oversight. However, if they just stick to their functions, they will be likely to fall within the conflict quadrant which reflect strong awareness to independent working and ignores interdependent working completely. Based on the findings, awareness to both independent and interdependent working are equally important to be assessed in any turbulent environment. Thus, the researcher invites strategic leaders in their respective organisations to assess the nature of the turbulent environment before attempting to respond. In addition, this assessment can be included in the approved terms of reference or DOA.

Good relationships between TMT and BOD were found to be the cornerstone for working together and they assist with the leeway of independent working while interacting with one another. The researcher recommends that strategic leaders to be vigilant of activities that can land them into a collusion quadrant which may be easily confused with collaboration. Collusion represents weak attention to independent working and strong attention to collective working as TMT and BOD. Falling into collusion quadrant compromises the governance and agency theory requirement as it jeopardises the fiduciary duties of BOD to act in best interest of the shareholders.

7.4 Limitations and suggestions for future research

The level of involvement by BOD in managing the turbulent environment was noticed as becoming more critical, and the findings of this study revealed that there is more than one turbulent that was (and still is) faced by construction and property sectors. It was unclear on the level that the BOD should contribute as part of interdependent working, particularly in complex and dynamic environments. Therefore, the researcher saw a gap that academics can explore on BOD's involvement whilst maintaining the independent status from the TMT. Although this study was performed at the TMT and BOD level, the researcher noticed a gap in the exploration of system dynamics diagnosis framework focusing on BOD and shareholders. The researcher believes that shareholders may influence the dynamics experienced between the TMT and BOD by convincing the BOD to make decisions that only favours them alone and neglects other stakeholders that are also important in ensuring that the business is successful.

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LIST OF APPENDICES

Appendix A: Ethical clearance approval

**Gordon Institute
of Business Science**
University of Pretoria

**Ethical Clearance
Approved**

Dear Makhosazana Mhlongo,

Please be advised that your application for **Ethical Clearance** has been approved.

You are therefore allowed to continue collecting your data.

We wish you everything of the best for the rest of the project.

[Ethical Clearance Form](#)

Kind Regards

This email has been sent from an unmonitored email account. If you have any comments or concerns, please contact the GIBS Research Admin team.

Appendix B: Copy of consent statement

Informed consent for interviews

I am conducting research on the role of working independently and interdependently between top management team (TMT) and Board of directors (BOD) to effectively manage environmental turbulence. Our interview is expected to last approximately 45 minutes, and will help us understand the process followed by TMT-BOD to effectively manage turbulence environment in an organisation. **Your participation is voluntary and you can withdraw at any time without penalty.** By signing this letter, you are indicating that you have given permission for:

- The interview to be recorded;
- The recording to be transcribed by a third-party transcriber, who will be subject to a standard non-disclosure agreement;
- Verbatim quotations from the interview may be used in the report, provided they are not identified with your name or that of your organisation;
- The data to be used as part of a report that will be publicly available once the examination process has been completed; and
- All data to be reported and stored without identifiers.

If you have any concerns, please contact my supervisor or me. Our details are provided below.

Researcher name: Makhosi Mhlongo Research Supervisor name: Dr Tracey Toefy

Email: 21846163@mygibs.co.za

Email: ToefyT@gibs.co.za

Phone: 072 067 9931

Phone: 082 202 0792

Signature of participant: _____

Date: _____

Signature of researcher: _____

Date: _____

Appendix C: Interview protocol

Participant identifier	
Gender	
Top Management or Non-executive director level	
Years of experience as TMT or BOD member	
Number of years in the current sector	
Sector	

1. How would you describe the current external turbulent environment in which (*company name*) operates?
2. Would you say the BOD (TMT) work together (interdependently) MORE or LESS during turbulent times? Why?
3. Have you been part of the TMT or BOD during periods of particular complexity (where there are growth opportunities but in a very competitive landscape)? Please explain and provide an example.
4. How did the BOD (TMT) interact with the TMT (BOD) during the period of complexity and abundant growth?
5. Have you been part of the TMT or BOD during periods of unpredictability, ambiguity or uncertainty (e.g., in stakeholder relations)?
6. How did the BOD (TMT) interact with the TMT (BOD) during the period of unpredictability/ambiguity/uncertainty (dynamism)?
7. Describe the nature of the BOD's (TMT's) relationship with the TMT (BOD)?
8. What functions does the BOD and TMT perform together (interdependently)?
9. What functions does the BOD (TMT) perform independently of the TMT (BOD)?
10. Have you noticed changes in the nature of the relationship between the BOD (TMT) and the TMT (BOD)? What prompted these changes?
11. Did the changes lead to the BOD (TMT) working more independently or interdependently?

General questions

12. Who makes the final decision in those functions?
13. Is there anything else that you would like to share?

Appendix D: List of codes used

Document Group	Code
Growth	P1 - Growth opportunities in high competitive space
	P1 - growth opportunity challenges
	P1 - Niche portfolio, mass market or low income market
	P1 - student accomodation and logistics
	P10 - creativity for new opportunities
	P10 - logistics and storage market
	P11 - lack of growth
	P11 - Renewable enery growth opportunities
	P13 - survival, growth
	P2 - Affordable market
	P2 - Lower to middle income market
	P2 - Residential market steady
	P5 - Economic growth
	P5 - Growth uncertainty
	P5 - Political uncertainty and economic growth
	P5 - share price growth
	P5 - Share price, uncertainties and poor growth
	P6 - Business acquisition decision
	P6 - Capacity to grow
	P6 - Manage growth
	P7 - growth in energy, infrastructure and residential
	P8 - Growth in townships
	P8 - Growth limitations
	P8 - High vacancy, office sector
	P8 - Market growth
	P8 - Market growth in Townships
	P8 - Reduction in market (big malls)
	P8 - Reduction in market residential
	P8 - township centre growth

Crisis identification	<ul style="list-style-type: none"> P1 - Construction mafia P1 - Frustration for basic service delivery P1 - Poverty and high crime rate P1 - social and health issues P10 - Economic impact P10 - Oversupply, no demand P10 - Small business tenants P11 - Business survival P11 - construction mafia P2 - Business rescue (Loss of revenue) P2 - Funding P2 - Lockdown P2 - Rates increases, affordability P3 - Loadshedding (additional cost for solar) P3 - Rates increases, affordability P3 - Tenant type P4 - Tenant affordability P5- Insurance P7 - Difficult in supply chain (COVID) P7 - Interest hikes, COVID P7 - Interest rate hikes, COVID P8 - COVID P8 - High trading density P8 - High vacancy, office sector P8 - Increase in rates and taxes P9 - Lack of service delivery P9 - uncertainty
Shareholders Return	<ul style="list-style-type: none"> P1 - Additional cost P1 - Shareholders return P2 - Benefits or returns P2 - Drop-off in valuations P2 - Loss of revenue P2 - new shareholders P2 - Shareholders expectations P2 - Stakeholder relationship P3 - Business rescue (Loss of revenue) P3 - Stakeholder relationship P4 - Loss of revenue P4 - loss of revenue & Insurance coverage P5 - share price growth P5 - Shareholders return P7 - Shareholder involvement P7 - shareholders interest P8 - shareholders interest P8 - Shareholders return

Relationship

- P1 - Healthy Relationship
- P1 - Professional Relationships
- P10 - BOD involvement
- P10 - matured
- P10 - relationship
- P12 - Good relationship
- P2 - Good Relationship
- P2 - Healthy relationship plus honesty
- P3 - Change relationship
- P3 - Good Relationship, beyond expectation by BOD
- P3 - relationship change
- P4 - Relationship
- P4 - Relationship control by the BOD chair
- P4 - Relationship types depends
- P5 - Longer period in BOD taint relationships
- P6 - Mix of old and new members relationship
- P6 - Relationship between Chairman and CEO
- P6 - Required professionals with expertise
- P7 - TMT and BOD relationship dynamics
- P8 - Relationship with communities
- P9 - Healthy relationship allows thorough investigation

Functions and roles

- P10 - Companies Act roles and functions
- P10 - Day to day business
- P10 - Lack of clear roles in Companies Act
- P10 - understanding role
- P13 - BOD function understanding on strategy
- P13 - duties
- P13 - Executives job
- P13 - Roles and functions
- P13 - understanding functions
- P13 - understanding roles and mandate
- P2 - Board charter and terms of reference (roles)
- P2 - BOD functioning
- P2 - Functions
- P2 - Roles and functions
- P2 - Structure
- P3 - all functions need BOD direction
- P4 - Understanding role and governance
- P5 - Understanding roles
- P6 - Core function focus based on available resources
- P6 - Functions
- P9 - Functions of the BOD

Knowledge and experience	<ul style="list-style-type: none"> P1 - Information sharing P10 - industry experience P11 - Renewable energy growth opportunities P2 - Knowledge and experience and collaborative P2 - Knowledge and experience sharing P6 - Diverse knowledge and expertise P6 - Lack of expertise and knowledge P6 - Networks P6 - Required professionals with expertise P8 - non-executive wider exposure to ESG
Interaction	<ul style="list-style-type: none"> P1 - Collaborative P1 - Decisive P1 - Information sharing P10 - Conflict P10 - conflict management P10 - sharing of ideas P11 - Communication and coordination P13 - More convergence than divergence P2 - Collaborative P3 - Collaborative P3 - Complacency P4 - Collusion impact P4- Collusion P5 - Collaborative P5 - decisive P5 - Interaction process P6 - interactions P9 - Increase number of meetings
Community	<ul style="list-style-type: none"> P1 - Community uplift P4 - Community Stakeholder
Power	<ul style="list-style-type: none"> P10 - Power to control meetings to a constructive manner P10 - Power to control the meetings constructively P11 - Power and water supply P12 - Power and experience P4 - Power P4 - Power and subcommittee P7 - Power

	P1 - CEO makes final decisions
	P1 - Decisive
	P1 - Final decision
	P10 - BOD discussion length
	P10 - defensive and tension conversation
	P10 - Defensiveness and tension discussions
	P10 - Difficult and honest discussions
	P10 - Final decision making
	P10 - uncomfortable conversations
	P11 - CEO makes decisions
	P11 - TMT present to BOD for insight
	P12 - good dynamic tension
	P13 - Both makes decision
	P13 - More convergence than divergence
	P14 - Board
Decision making	P14 - Healthy tension
	P2 - Difficult to plan the future
	P2 - unable to plan due to uncertainty
	P3 - chain on who makes the final decision
	P3 - tension - management, the board and the BRP
	P5 - The BOD makes the final decision
	P6 - Brainstorming
	P6 - different viewpoints
	P6 - no one makes the decision
	P6 - Uncomfortable conversations
	P7 - Majority rules
	P8 - Brainstorming
	P8 - Reaching agreements
	P9 - Avoid rubber stamping decisions
	P9 - Decision making
	P9 - Executive makes decision
	P9 - uncertainty
	P11 - Global company
Maturity	P4 - Company maturity and systems in place
	P8 - Maturity
Trust	P1 - Change based on trust gain
	P8 - Trust
Conflicting interest	P8 - vested interest
	P8 - vested interest

	<ul style="list-style-type: none"> P12 - Supply chain (COVID) P2 - Lockdown P4 - COVID P7 - Difficult in supply chain (COVID) P7 - Interest hikes, COVID P7 - Interest rate hikes, COVID P8 - COVID P9 - COVID P9 - COVID Impact P9 - COVID on relationships P9 - effective manage Covid P9 - improved work relationship since COVID
COVID	
	<ul style="list-style-type: none"> P1 - Looting (Security) P1 - Poverty and high crime rate P4 - Executive handled the riot and regular communication P4 - Riots P5 - Riots P8 - Social unrest impact
Riots	
	<ul style="list-style-type: none"> P11 - Highly regulated and risk assessment P3 - Regulatory P6 - Regulations
Regulations	
	<ul style="list-style-type: none"> P1 - Corporate governance P10 - Lack of clear roles in Companies Act P14 - Governance P2 - Governance, purpose of BOD P2 - Structure P2 - Structure and process P4 - Meeting composition and attendance P4 - Understanding role and governance
Governance	
	<ul style="list-style-type: none"> P9 - Lack of service delivery
Service delivery	
	<ul style="list-style-type: none"> P5 - Economic growth P5 - Political uncertainty and economic growth P9 - Economic impact P9 - Macro economic, political instability
Political and economic growth	
	<ul style="list-style-type: none"> P1 - Construction mafia P11 - construction mafia P14 - death in construction opportunities and P8 - construction mafia
Construction mafia	
	<ul style="list-style-type: none"> P1 - Collaborative P2 - Collaborative P3 - Collaborative P5 - Collaborative P6 - Collaborative P6 - different viewpoints
Collaborative	

Delegation of authority	<ul style="list-style-type: none"> P1 - Delegation of authority P11 - Delegated authority P11 - Terms of reference P13 - understanding roles and mandate P4 - Delegation of authority P1 - Independently performed P1 - Independently and interdependently working P10 - Independent working P10 - interdependent working P10 - More time spent together P11 - BOD independent working through its sub committees P14 - independent people P14 - not working together P14 - Pulling in very different directions
Independent and interdependent	<ul style="list-style-type: none"> P3 - More engagement within BOD and TMT P3 - reliance on each other P3 - Working together P4 - Independent challenges P4 - interdependent working P4 - No functions are performed independently by non-executives P7 - Strategy, working together P9 - change to work more together P9 - change to work together P9 - TMT independent working
Information sharing	<ul style="list-style-type: none"> P1 - Information sharing P1 - Lesson learned P2 - Knowledge and experience sharing P6 - Networks P6 - Required professionals with expertise P6 - Uncomfortable conversations P8 - Transparency P9 - TMT independent working
Conflicting ideas	<ul style="list-style-type: none"> P10 - Conflict P10 - conflict management
Innovation	<ul style="list-style-type: none"> P10 - lack of innovation P8 - Act quickly
ESG	<ul style="list-style-type: none"> P12 - ESG P13 - Raising ESG funding
Loadshedding	<ul style="list-style-type: none"> P1 - Lack of electricity P11 - Power and water supply P2 - Loadshedding (additional cost for solar) P3 - Loadshedding (additional cost for solar)

BOD involvement	<p>P1 - BOD quartely meetings P10 - BOD involvement P11 - Accessable BOD/TMT relationship P11 - BOD support P12 - non executives intervention P13 - Non-executive member less exposed P3 - Board approval and support P3 - BOD exit due to Business rescue P4 - Committee Power P4 - Composition of BOD P4 - Meeting composition and attendance P6 - BOD too much invloved P7 - BOD support P7 - shareholder as BOD member effect P7 - Shareholder that is BOD member impact P8 - BOD involvement and take responsibility P8 - BOD support P9 - BOD and Management reliability P9 - BOD input</p>
Stakeholder relation	<p>P10 - Investor relation P10 - Stakeholder engagement P10 - Stakeholder relationships P13 - Stakeholder engagement P2 - Stakeholder engagement P2 - stakeholder engagement - transparency P2 - Stakeholder relationship P3 - Role on who engage with which stakeholder P3 - Roles on who interact with which stakeholder P3 - shareholder engagement through roadshow and reports P3 - Stakeholder relationship P5 - Stakeholder engagement P5 - Transparency in the market P8 - Transparency</p>
Demand	<p>P10 - Oversupply, no demand P11 - Infrustracture Capacity issue P6 - Capacity to grow P8 - oversupply (less demand) P8 - Oversupply of office space, no demand P8 - Shortage of supply</p>

Communication	<ul style="list-style-type: none"> P1 - Open communication P11 - Communication and coordination P12 - Open communication P12 - resource, opportunities P13 - Communication through annual reports P2 - Good communication and trust P4 - Adoption of social media communication P4 - Awareness P4 - Communication to non-executive directors P4 - Community Stakeholder P5 - open communication P6 - Open Communication
Strategy	<ul style="list-style-type: none"> P1 - Lesson learned P14 - executing the strategy P14 - Strategy P2 - Shorter period strategy P2 - Strategy alignment P3 - Strategy P5 - Strategy P5 - Strategy and reputational relationship P7 - Strategy, working together P8 - Strategic change P9 - Strategic intent
Statistics	<ul style="list-style-type: none"> P2 - Statistics
Loss of revenue	<ul style="list-style-type: none"> P12 - low prices P2 - Loss of revenue P4 - Loss of revenue P4 - loss of revenue & Insurance coverage
Low income earners	<ul style="list-style-type: none"> P1 - Niche portfolio, mass market or low income market P2 - Lower to middle income market
Tenants	<ul style="list-style-type: none"> P10 - Small business tenants P10 - Tenant retention P3 - Government tenant risk P3 - REDA reduced rentals P3 - Tenant type P4 - Smaller tenants (mom and pops) P4 - National footprint clients P4 - Tenant affordability
Collusion	<ul style="list-style-type: none"> P4 - Collusion impact P4 - TMT and BOD divided P4- Collusion
Brainstorming	<ul style="list-style-type: none"> P6 - Brainstorming
Young and old members	<ul style="list-style-type: none"> P1 - Young team, old team P13 - experience of younger team P6 - Mix of old and new members relationship

Interest rates hikes	P7 - Interest hikes, COVID P7 - Interest rate hikes, COVID P8 - Increase in rates and taxes
Transparency	P5 - Transparency in the market P8 - Transparency
Uncertainty	P1 - Lesson learned P11 - Geographic support P13 - Difficult times P5 - Growth uncertainty P9 - uncertainty
Crime	P1 - Poverty and high crime rate
Guidance	P1 - Reliance on guidance P13 - Guide Role P3 - Board approval and support
Social and health issues	P1 - social and health issues P8 - Cost cutting environmentally P11 - existence questioned P11 - Justification of the existence
Tough environment	P11 - Tough environment P14 - Anemic industry, going backwards, government infrastructure spending P14 - steep decline
Infrastructure	P11 - Infrastructure Capacity issue P11 - lack of infrastructure P7 - growth in energy, infrastructure and residential
Funding	P13 - Raising ESG funding P2 - access to funding P2 - Funding P5 - Source of funding dried out
Affordability	P1 - Additional cost P11 - Lack of interest in market due to affordability P11 - Operating in South Africa P2 - Affordable market P4 - Tenant affordability P8 - additional cost
Business Rescue	P2 - Business rescue (Loss of revenue) P3 - BOD exit due to Business rescue P3 - Business rescue (Loss of revenue)
Logistics	P10 - logistics and storage market
Renewable energy	P11 - Power and water supply P11 - Renewable energy growth opportunities P14 - Renewable energy P14 - team support P7 - growth in energy, infrastructure and residential

Chairman	<ul style="list-style-type: none"> P12 - Chairman P4 - Chair compensation P4 - Chair involvement P4 - Chair setting tone
Goal	<ul style="list-style-type: none"> P13 - Discord and goal misalignment P13 - healthy relationship and goal alignment P2 - Strategy alignment P7 - Common goal
Survival	<ul style="list-style-type: none"> P11 - Business survival P13 - survival, growth P8 - Survival
Trading density	<ul style="list-style-type: none"> P8 - trading density defination P8 - Trading density, good turnover, township, healty gain
Share price	<ul style="list-style-type: none"> P5 - share price growth P5 - Share price, uncertainties and poor growth P5 - Shareholders return
Change	<ul style="list-style-type: none"> P10 - BOD maturity and good chairman P10 - BOD maturity improvs relationship, conflict management P10 - change relationships based on challenge P11 - change based on underperformance P2 - new shareholders P2 - No change, healthy relationship P4 - exit of chair brings change in relationship P6 - No change in BOD members P8 - Non-executive rotation P8 - Strategic change P9 - change to work more together P9 - change of roles and responsibility due to rapid change P9 - change to work together
Financial impact	<ul style="list-style-type: none"> P10 - Financial impact and property maintainance