

South African Executive Leadership an Art form: skills requirements

A research proposal submitted

by

Louise Snyman

E-mail: louisesn@absa.co.za

Mobile: 082 377 5348

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ABSTRACT

Globalisation has increased the level of competition in the world economy and for South African organisations to be in a position to compete on a sustainable basis, they need competitive advantage. The art of leadership is required to unlock these advantages by understanding the new reality, new leadership roles and skills requirements.

The purpose of this study is to explore the understanding of South African executive leaders in relation to the literature in order to establish whether South African executive leaders are aware of the new reality, the new role they have to play within their organisations and whether they have the skills to do so. The exploratory nature of this topic lends itself to an inductive theory building philosophy and a qualitative research method is followed to explore the topic. Face-to-face semi-structured interviews are conducted with eleven South African executives. The sample is extracted from the population by using non-probability quota, judgemental and convenience sampling techniques. An inductive analysis is performed on the data gathered in order to obtain the required results.

A clear understanding of what their competitive advantages are is lacking, which in turn is limiting on the executive's ability to extract value from these. The new roles of leadership are understood, but not mastered due to the fact that the skills required to master these roles are known to the executives but not internalised. Recommendations are made by the researcher to enable this.



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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 Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University.

Louise Snyman

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CHAPTER 1

INTRODUCTION TO RESEARCH PROBLEM

1.1 Introduction

Leadership and the skills required to lead have been the topics of much research in the past, but relating them to a form of art may not seem particularly academic. However, in an age where the only constant is change, taking our cue from an activity that has been the focus of human creativity for centuries might just be the angle we need to create competitive advantage in a globally competitive environment.

Collingwood (2001a,b) (in Higgs (2003)) suggests that to be led is a basic human need and as long as collectives of people have been established, a leader has emerged. Freud (1927) (in Higgs (2003)) explains that groups of individuals need leaders to provide them with an identity and a sense of purpose. Leadership is therefore a social phenomenon that has naturally evolved over many centuries.

Art, which has also been a human activity for many centuries, is described by Wikipedia as, "... making something with the intention of stimulating the human senses as well as the human mind" (Wikipedia, 2007, p. 1). Art is therefore an action, an object, or a collection of actions and objects created with the intention of transmitting emotion and/or ideas.

In stimulating and transmitting ideas, the link between executive leadership and art becomes apparent. Ideas have undeniable consequences not only in the way human beings change the way in which they behave, but also in the way organisations are run. Rothberg (2004) states that in order to enhance and extend the way we lead, manage and develop organisations and to develop sustainable competitive advantage, we need to generate, progress and harness ideas.

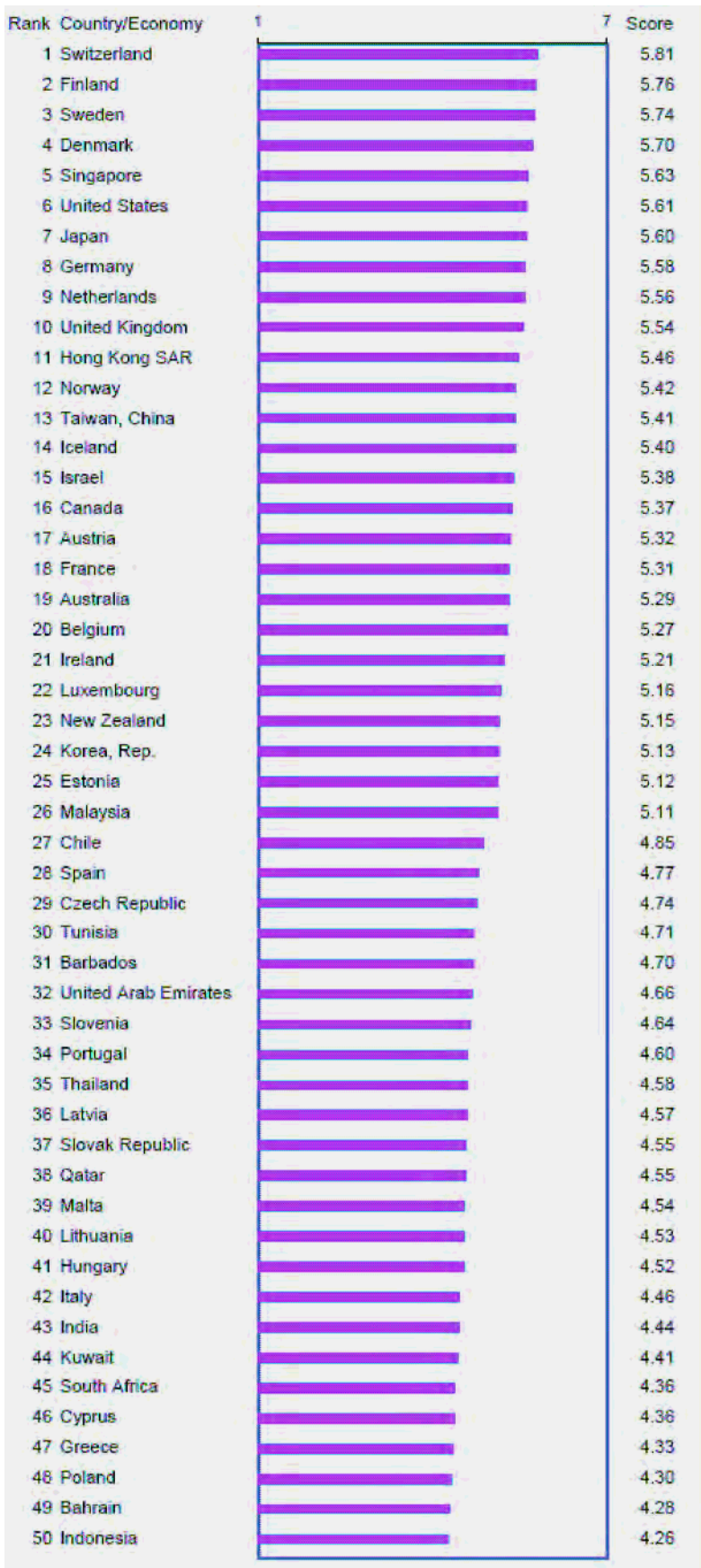
People often say that an idea just comes to them or jumped out at them, but this is not a true reflection of the creative process. Subconsciously individuals use stimuli and unconscious skills to create art or ideas. The aim of this research is to establish what those unconscious skills are and whether South African leaders are aware of them and can leverage them to create innovative organisations that have competitive advantage to compete globally.

1.2 Background to the Problem

Globalisation has resulted in the mobility of markets, capital and labour – thus marginalising the importance of national boundaries. South African companies are currently experiencing the competitive nature of the global economy. No longer do they only compete locally, but they have to create competitive advantages to out-perform international competitors and multi-nationals, both locally and internationally.

South Africa is ranked 45th on the World Economic Forum's Competitiveness Ranking for 2007. The ranking is motivated by the World Economic Forum report, which contains criteria including good property rights, private institutions, goods and financial markets and business sophistication. Factors that weakened South Africa's rating were income inequality, poor health and education systems, a high unemployment rate and inflexible labour markets.

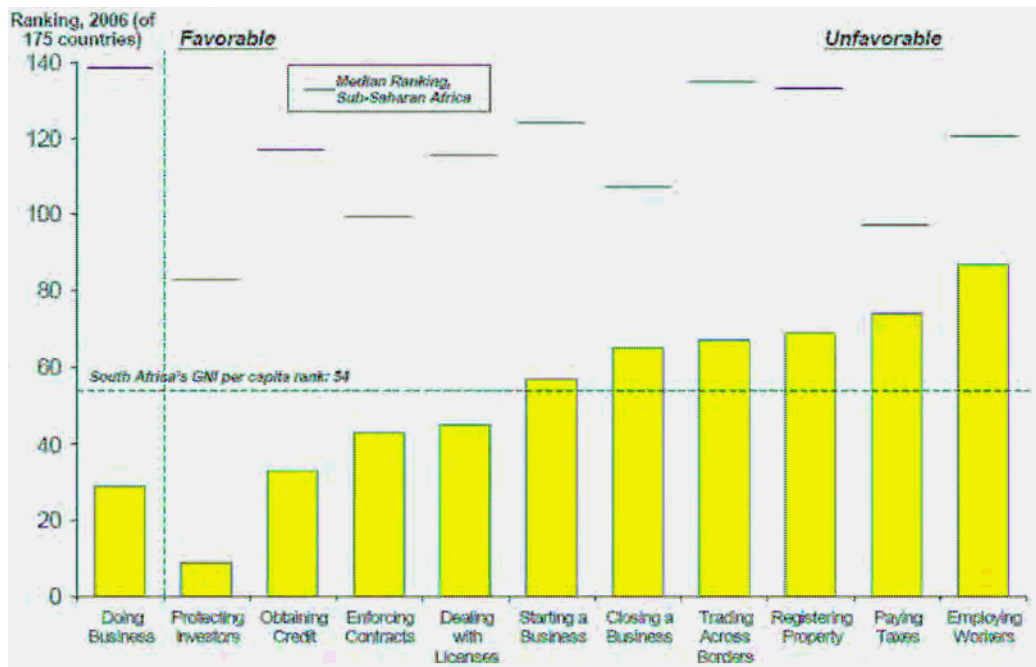
Figure 1: World Economic Forum's Competitiveness Ranking for 2007



Source: World Economic Forum (2006-07)

Research done by the World Bank in 2007 echoes the World Economic Forum's findings. Doing business in South Africa is regarded as difficult, with the most prohibitive factors being labour mobility and skill levels. Isa (2007) concluded in an article published in the Business Day, that business confidence levels according to the South African Chamber of Commerce and Industry Index for 2007 dropped from a high of 103,5 in December 2006 to an all time low of 96,9 October 2007. How can a South African company then become competitive in the global arena?

Figure 2: Ease of doing Business in South Africa

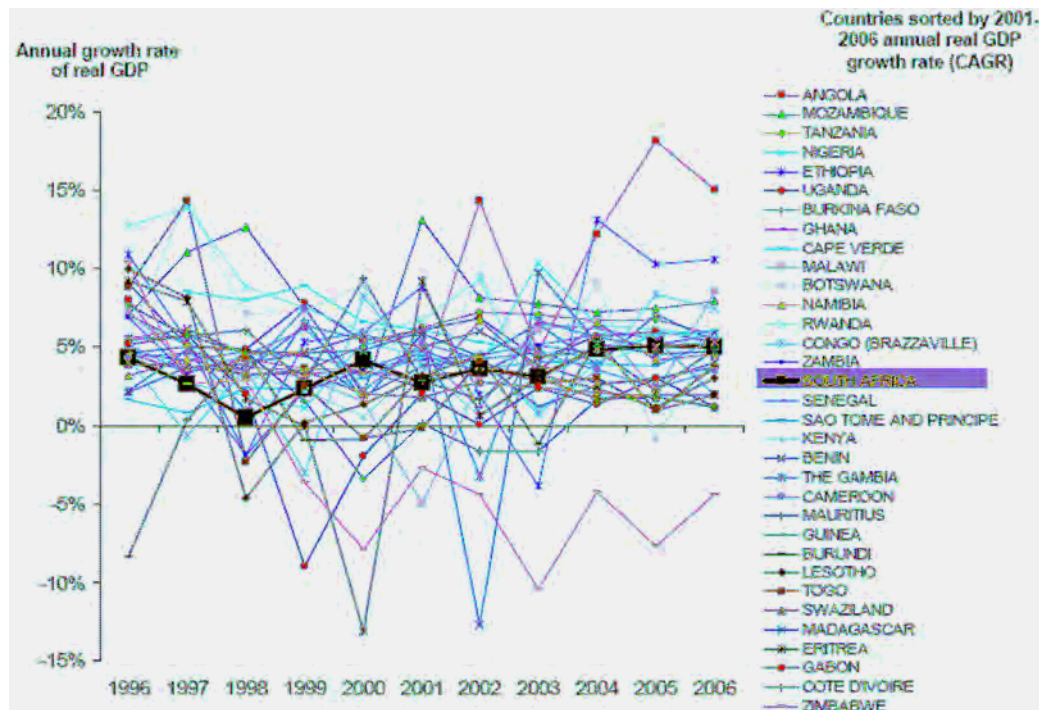


Source: World Bank on doing business (2007)

Resulting from the increase in international competition, many South African organisations have been forced to become more efficient and have embarked

on re-engineering processes, streamlining operations, restructuring, down or right-sizing and redesigning in a quest for survival (Denton and Vloeberghs, 2003). Operational efficiency is required in every business, but the question that needs to be answered remains: ‘Is it enough to sustain competitiveness?’ As illustrated by Figure 3, South Africa’s real GDP growth over the past five years, although sustainable, is actually average. This indicates a lack in gain of global markets, capital and labour, which limits growth.

Figure 3: Comparative Economic Performance: Real GDP Growth Rates



Source: EIU (2007)

Michael Porter (1996) states that a company can outperform its rivals only if it can establish a difference that it can preserve. He argues that operational efficiency means performing similar activities to your rivals, but just better or

more effectively. This leads to a leadership focus on increased production, cost minimisation and a general improvement in the utilisation of resources, as in the case of South African organisations illustrated above. Operational efficiency as a strategy is commonly referred to as a race to bottom, as it is not sustainable over an extended period of time.

Andrews (1987), Drucker (1994) and Porter (1996) are all in agreement that being unique is the only way to outperform your competition on a sustainable basis. This is however easier said than done. How does an organisation become unique? Porter (1996) is of the opinion that organisations should not only focus on product differentiation but also on differentiating themselves by either performing activities differently or by performing different activities to their competitors. In order to accommodate such vast ranges of activities, innovative or creative thinking is required.

If South African organisations are to become globally competitive on a sustainable basis, they need to possess a distinct advantage over their competitors. This advantage can have many forms, for example product, cost, process, culture, organisational structure, brand or a combination of these or others. The advantage lies in creating a unique organisation differentiated from their competitors. To create such an advantage or uniqueness, the leadership needs to create an innovative organisational environment. In doing so a unique organisation is a work of art rather than a science, which requires leadership to have a very different skills set from what was used in the past.

1.3 Research Problem

Different writers have different opinions about how an organisation can compete on a sustainable basis in the global economy. The most predominant view is that of creating a unique strategy that sets you apart from your competition. A second view is that a unique strategy is not enough and that a unique organisation in totality is what is needed, but the question that emanates from this view is how to achieve organisational uniqueness?

In order to obtain an answer to this question the researcher will be exploring what roles executive leaders need to play, their skills requirements and the developmental process required to obtain such skills, in order for them to create a unique organisation that can compete globally.

The variables that need to be investigated are:

1. What do South African executives understand competitive advantage to be and how is it created?
2. How do South African executive leaders view organisational structure?
3. What do South African executive leaders see as their primary role and secondary roles as a leader of an organisation?
4. Do South African executive leaders believe that these roles have changed over time and if so why have they changed?
5. What do South African executive leaders see as the necessary skills requirements to enable them to fulfil these roles?

6. How do South African executive leaders suggest they obtain and improve these skills?

1.4 Research Objective

April, Macdonald and Vriesendorp (2000) suggest that in times of change, leadership becomes critically important. They further comment that the magnitude of today's changes will demand not only more leadership, but also new approaches to leadership. Such new approaches should enable change in order to keep up with global competition of which South Africa is undoubtedly part.

The researcher will be exploring these new approaches to leadership and the skills requirements that are needed by executive leaders in South African companies to ensure South African organisations are competitive in the global market. In other words, what skills are required by the executive leadership to master new leadership approaches, to enable South African companies to become unique and create sustainable competitive advantages in the global economy?

In order to understand the primary objective above more holistically, some secondary objectives needs to be built on. Firstly the researcher needs to establish South African executive leaders understanding of competition in today's world, whether they believe in differentiation and how to establish this. It is crucial to understand how South African executive leaders currently view

organisational structures and their particular roles within the organisation. Consequently, once they have defined their roles, it is necessary to determine what skills leaders require to fulfil these roles. In order to highlight new skills requirements the researcher will also be probing whether South African leaders experience a change in their traditional roles and why these roles have changed. Finally, the researcher needs to establish how leaders would go about obtaining and developing these skills.

1.5 Research Scope

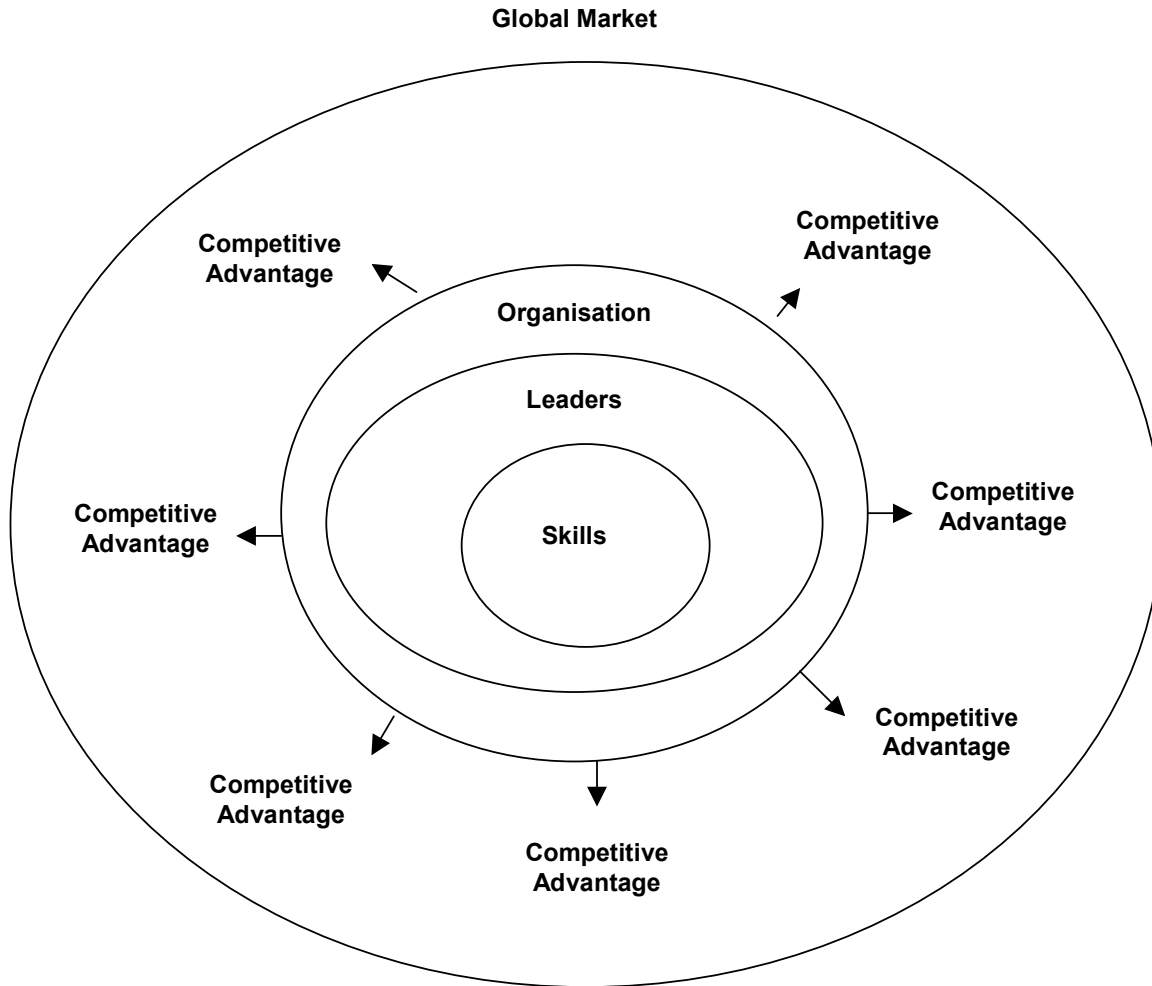
In research done by Nienaber (2007) on assessing the management status of South Africa, her findings shows that South African business faces unique competitive challenges within the scope of management. One of the challenges she describes is the unavailability of competent South African senior leaders. She concludes that senior leaders are primarily responsible for creating and maintaining competitive advantage.

In reflecting on Nienaber's (2007) findings, the link between executive leadership, their competencies or skills and their ability to create competitive advantage, appear as common themes. These variables are however, still muddled. Figure 4 illustrates a more logical train of thought.

In order for competitive advantage to be established on a sustainable basis, organisations need to be unique and differentiate themselves from the competition. In creating unique organisations, leaders need to understand the

complexities of organisational structure and their role in the establishment of a differentiated organisation. To enable the above, leaders need to know what skills they need and be able to consciously use them.

Figure 4: Global Leadership Framework



Exploring the above in a South African context will enlighten the researcher as to whether executive leaders are truly competent to lead South African organisations as competitors internationally on a sustainable basis.

1.6 Conclusion

South African organisations are not very competitive in the current global market. In order for organisations to compete more aggressively leaders need to understand and align their organisations to the changing macro-environment. Due to the changes in the macro-environment the way business is conducted today is very different from a couple of years ago. This has forced leaders to look at their organisations and roles within them differently. In exploring the skills requirements for South African executive leaders in this new reality, the researcher attempts to focus leaders on becoming more aware of the unconscious or inner personal skills that they utilise on a daily basis to fulfil their roles within organisations.

In the following chapter the current literature on the above mentioned concepts will attempt to enhance understanding and create a clear flow of logic.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

Globalisation is a complex and unintended phenomenon which is a reality in today's world. It has changed the way business is conducted worldwide and the way in which nations and organisations compete with one another. In order for organisations, especially South African organisations, to stay competitive, the researcher explores possible solutions to ensure that South African organisations stay part of the game and are not eliminated.

In this review the researcher analyses what competitive advantage is and how it can be created. Concepts that will be discussed include the formation of organisational structure and how they can differentiate themselves by the establishment of a unique and innovative organisation based on idea generation throughout the entire organisation.

April *et al.* (2000) comment that the magnitude of today's changes will demand not only more leadership, but new approaches to leadership. This review will delve into the evolution of leadership and highlight the different approaches as the business environment has changed over time. Wheatley (1999) concludes that this new dynamic and changing world has forced leaders to 'make up' as they go along, not because of a lack of experience or planning skills, but because that is the nature of the new reality.

This new reality thus forces leaders to explore new skills sets to enable them to improve their ability to lead. Shelton and Darling (2001) suggest such a new skills set which they term quantum skills. In this review quantum skills will be explored.

The non-material nature of the skills suggested above, stimulates questions as to how these skills can be acquired and improved. The researcher further questions whether self-awareness is a method of understanding and improvement of such skills.

In understanding the above mentioned concepts the researcher will then be able to explore whether these concepts are or can be part of organisational reality.

2.2 Competitive Advantage

2.2.1 Introduction

In today's ever changing and dynamic world of global competitiveness, leaders need to think on their feet and as referred to previously, April *et al.* (2000) reiterate leadership becomes critically important. Leaders need to enable change by positioning the organisation for future competition by creating a competitive advantage within the organisation. Ma (1999) defines competitive advantage as "...the asymmetry or differential in any firm attribute

or factor that allows one firm to better serve the customers than others and hence create better customer value and achieve superior performance” (Ma, 1999, p.259). Thus for leaders to position organisations for future competition they need to differentiate their offering from that of their competitors.

2.2.2 Uniqueness

Andrews (1987), Drucker (1994) and Porter (1996) are all in agreement that being unique is the only way to outperform your competition on a sustainable basis. Martin (2007) warns that organisations should know that even if they own a unique product that no one can touch today, it could be obsolete tomorrow. Porter (1996) confirms that uniqueness should not only focus on product, as product can be copied and brought to market relatively quickly. He states that organisations should be focusing on activities. Organisations should be differentiating themselves by either performing activities differently or by performing different activities than their competitors. Andrews (1987) is in full agreement stating that the purpose, policy and organised action of an organisation is crucial in creating competitive advantage.

In creating competitive advantage organisations thus have to start doing things differently as well as doing different things from their competition. Ma firmly believes that in order to achieve any advantage in business and especially to achieve superior advantage, a firm “...has to look deeply and systematically into what it has, what it knows and does, and what it can get” (Ma, 2004, p.911). In other words leaders need to understand their current

and possible future resources, competencies, activities and internal and external environments in order for them to decide on what their competitive advantages are and going to be. Once this is known they can work towards creating a differentiated or unique organisation.

2.2.3 Innovation

In creating anything different or unique a certain level of creativity is required. Mintzberg (1994) (in April, Macdonald and Vriesendorp (2000)) suggests that to establish a creative organisation, strategic planning should be done on a conceptual level as opposed to an operational strategic formulation. He continues to say that this will allow the organisation as a whole to participate in the unique formulation of its being. Creativity should thus be at the heart of an entire organisation and not just at the executive strategic level. Rothberg (2004) agrees and further states that in order to enhance and extend the way we lead, manage and develop organisations and to develop sustainable competitive advantage, we need to generate progress and harness ideas.

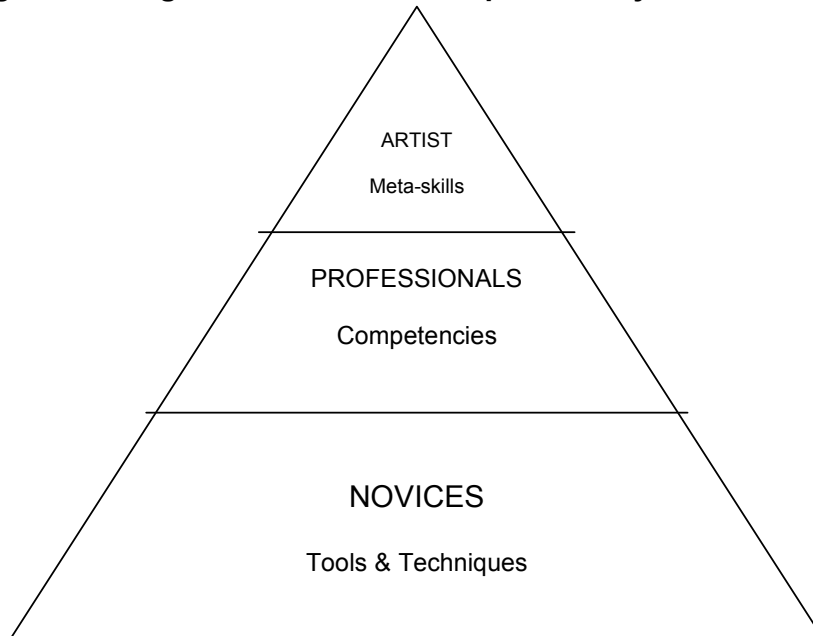
Hamel (2000, p. 116) (in Englehardt and Simmons (2002)) agrees with Mintzberg and suggests that business managers should “make like a cell – divide and divide”, as this frees resources from the existing business model, creates space for new thinking, and provides opportunities to nurture entrepreneurial talent.

This does however, suggest that the traditional form of leadership where senior leaders set a vision and middle management implements it operationally to be far too controlling, thus prohibiting fresh ideas and opportunities.

2.2.4 Organisational Structure

Leadership exist at all levels of an organisation, Willem (2007) however sees people within an organisation as operating at distinctive levels. He explains his logic, illustrated by Figure 5 as, novices who are the workers of an organisation need tools and techniques to guide them in their productivity. Professionals can loosely be translated into middle management. These individuals require competencies to deal with day-to-day management and leadership problems. Thirdly, he refers to executive management as artists who in turn require “meta skills” to drive and enable the vision of the organisation.

Figure 5: Organisational Leadership Hierarchy



Source: Willem (2007)

Jaques (1990) agrees with Willem (2007) and confirms that the reason for hierarchical organisations is not only due to tasks of lower and higher degrees of complexity, but also the fact that there are discontinuities in complexity that separate tasks into categories. The hierarchical structure thus attempts to simplify the complexities within an organisation.

The levels of analysis do however confuse the findings. From Willem's (2007) segmentation of novices, professionals and artists, it is clear that leaders in these different segments will behave differently and have different personality traits.

Focusing on the artist or executive leadership of the organisation, we now attempt to establish what part and roles they play in differentiating the organisation.

2.2.5 Artist

In defining the nature of art we try and draw parallels between an artist and the executive leaders of organisations.

“Art is defined by Aristotle as the realization in external form of a true idea. Art however is not limited to mere copying. It idealizes nature and completes its deficiencies: it seeks to grasp the universal type in the individual phenomenon” (<http://www.utm.edu/research/iep/a/aristotl.htm> (24 September 2007)). Works of art are created to stimulate human senses and minds, thus allowing free thought about the environment which an individual finds him or herself in. In an organisational sense the environment can be internal or external but what is really important is the stimulation of the individual to allow for free or creative thinking.

Kao (1996) argues that mere stimulation is not sufficient. He defines creativity as the art of giving birth to new ideas and the discipline of shaping and developing those ideas into realised value. The art is thus for leadership to not just stimulate creativity within the organisation to allow for innovation, but then to have the ability to use ideas to create differentiation to establish competitive advantage.

Executive leadership should thus create an organisation as a work of art in order to stimulate the senses and minds of the employees by enabling a

conducive environment, not just for creative idea generation, but also to realise the value of those ideas.

2.2.6 Conclusion

In stimulating all levels within an organisation to contribute to the ideas generated in an organisation, a far more unique strategy and culture will form. This in turn will create a competitive advantage for the organisation which is very difficult for competitors to copy. The logic is clear, but it still does not provide an explanation of how leaders can become artists and create a work of art within their organisations. In order to unravel this problem we need to start by understanding how leadership and leader's roles have changed over time and how it is currently viewed within the organisation.

2.3 Leadership

2.3.1 Introduction

Leadership is an often discussed topic. Lessem and Baruch (1999) suggest that in the past, approaches to management and leadership tended to limit their focus to two alternative dimensions, either people or task, transaction or transformation and that they failed to deal with the diversity of human nature. This lends itself to the theory of wholeness rather than parts or building blocks and the relationships between these fields which are all part of the system.

Campbell (2007) recognises that in more recent years the focus of leadership research has moved to explore the inner character of a leader, with theories on traits such as emotional intelligence (Goleman, 1998), character (Burns, 1978), ethics (Ghoshal, 2005) and spirituality (Strack *et al.*, 2002), amongst others. This has sparked debate around issues such as whether to focus on leadership behaviour or personality, but lets first understand what leadership is before discussing the role of a leader and how to improve his or her inner character.

2.3.2 Definition and History

The Collins Dictionary defines 'to lead' very broadly as: "guide, conduct, persuade, direct, control, with result, give access to." Nienaber (2007) focuses on the leadership of an organisation and defines it as a governing body of an organisation which should discharge its responsibilities in such a way as to create and maintain an environment in which employees can perform with a view to fulfil its purpose. In order to achieve this, a leader will have to choose any one, or combinations of the above-mentioned actions or behavioural influences, as defined by the Collins Dictionary.

The combination of actions and or behavioural influences listed, alludes to the management versus leadership and transactional versus transformational leadership debate, as elements of both descriptions are quoted. Burke (2006) clarifies that good management aims to arrive at order and consistency by drawing up formal plans, designing rigid organisational structures and

monitoring results against plans, while leadership is about coping with change. Cacioppe (1997) sees transactional leaders as having the ability to understand and help their followers to reach their goals and at the same time achieve the goals of the organisation. He further states that transformational leaders have a worthwhile and challenging vision that is communicated to and motivates and inspires his or her followers. Management and transactional leadership thus focuses on achieving short-term goals, while leadership and transformational leadership are more long-term orientated.

As stated earlier, Lessem and Baruch (1999) suggest that in the past, approaches to management and leadership tended to limit the focus to two alternative dimensions; either people or task, transaction or transformation oriented, and that they failed to deal with the diversity of human nature. April *et al.* (2000) (adapted from Hill (1998)) summarises the leadership theory transition over the past five decades in Table 1 that follows.



Table 1: Transition in Leadership Theory

| 1940s | 1950s | 1960s | 1970s | 1980s | 1990s |
|--|-----------------------|---|-----------------------------|---|----------------------|
| Traits | Task and relationship | Contingencies | Leader-follower interaction | Transformation and vision | Credibility and soul |
| | | World-view | | | |
| A controllable, predictable world. Newtonian science | | —————▶ | | A systemic, complex world with multiple causality | |
| | | Organisational philosophy | | | |
| Organisation as a machine | | —————▶ | | Organisation as a self-organising community | |
| | | Time orientation | | | |
| Future orientation | | —————▶ | | Respect for the future, regard for the present and understanding of the past | |
| | | Role of the leader | | | |
| Plan, control and organise | | —————▶ | | Steward, teacher, designer, facilitator and catalyst | |
| | | Leadership power base | | | |
| Positional power | | —————▶ | | Referent power (and positional power) | |
| | | Activities of the leader | | | |
| Analyse a problem, solve it, sell the solution to others and manage the implementation of the solution | | —————▶ | | Formulate a vision and create an environment that enables the achievement of the vision | |
| | | Follower role | | | |
| Followers as a means of production | | —————▶ | | Followers as the key source of information and creativity | |
| Instrumentalism | | | | Humanism | |
| | | Source of wisdom | | | |
| Leader | | —————▶ | | Followers and the organisational system | |
| | | Outcome of leader-follower interaction | | | |
| Compliant followers dependent on the leader | | —————▶ | | Committed, empowered followers | |
| Attainment of profit | | —————▶ | | Profit as well as stewardship of employees, the organisation and society | |

Source: Adapted from Hill (1998) (in April *et al*, 2000, p.27)

Fairholm (2004) is in agreement with the findings of Table 1 and suggests that leaders should, rather than focusing on roles and job descriptions, be the creators of environments and relationships. In order to do so, they should

however, ensure that they understand the environment or system that they are operating in.

2.3.3 Leadership Today

The changes in leadership as described in Table 1 above have been brought about by changes in the way business is conducted today. Speechley (2005) confirms that such changes have been brought about by technology development and globalisation. Such developments have resulted in greater information availability at a much greater speed, which has increased the complexity of the business environment.

Wheatley (1999) comments that our experience with the layers of complexity and the sense that things are out of our control are signals that we are failing to understand the deeper reality of organisational life and of life in general. In the theory of “new science”, the sum of the parts of an organisation cannot give us the whole. Wheatley (1999) emphasises that organisations are part of a system, and that we cannot understand the system by looking at only the parts, we need to look at the system as a whole. Internal and external environments are included in systems thinking.

Fitzgerald (2001) is of the view that since organisations are in their very essence complex, dynamical, non-linear, and far from equilibrium systems, chaos is the science of organisation. According to April *et al.* (2000) the discomfort of chaos will allow creative thinking to solve problems or the

discomfort experienced. It is however not just about chaos as Fitzgerald (2001) confirms that chaos and order are not opposites from which one must choose, but two aspects of the very same reality. April *et al.* (2000) agrees and believes paradoxically that maintaining the equilibrium while embracing the creative power of turbulence is the basis of leadership.

According to Fairholm (2004), these concepts affect how we view the structure and arrangement of our social organisation. He further contends that the new way of looking at organisations requires us to concentrate on relationships and culture more than on control and measurement techniques. April *et al.* (2000) agrees with the importance of relationships in the more complex organisations of present times. They add to the argument by mentioning that you cannot observe anything without interacting with it, thus implying that relationships need to be cemented by interaction rather than just superficial arms length dealings. Relationships thus become the focal point rather than task complexity.

2.3.4 Conclusion

The study of leadership originated in the paradigm of better controlling organisations and the people in it by planning, analysing and instructing. The focus has clearly shifted to that of creating an environment for the organisation to perform in self-organising systems. For this to be possible, according to Goodman (1995) (in Vloeberghs and Denton (2003)) leadership has to understand the causal relationships between the components of any

given system and the complexity there of. They have to accept the fact that any system is the sum of more than its parts, all of which are interconnected.

The changes in the business environment have forced changes in leadership focus from planning, controlling and organising to leaders becoming stewards, teachers, designers, facilitators and catalysts. This in turn requires an adaptation of leadership skills. The question that needs to be answered is what skills do leaders need to draw on to enable them to perform their new roles within these more complex organisations? In order to attempt to answer this question, the field of quantum skills is now explored more fully.

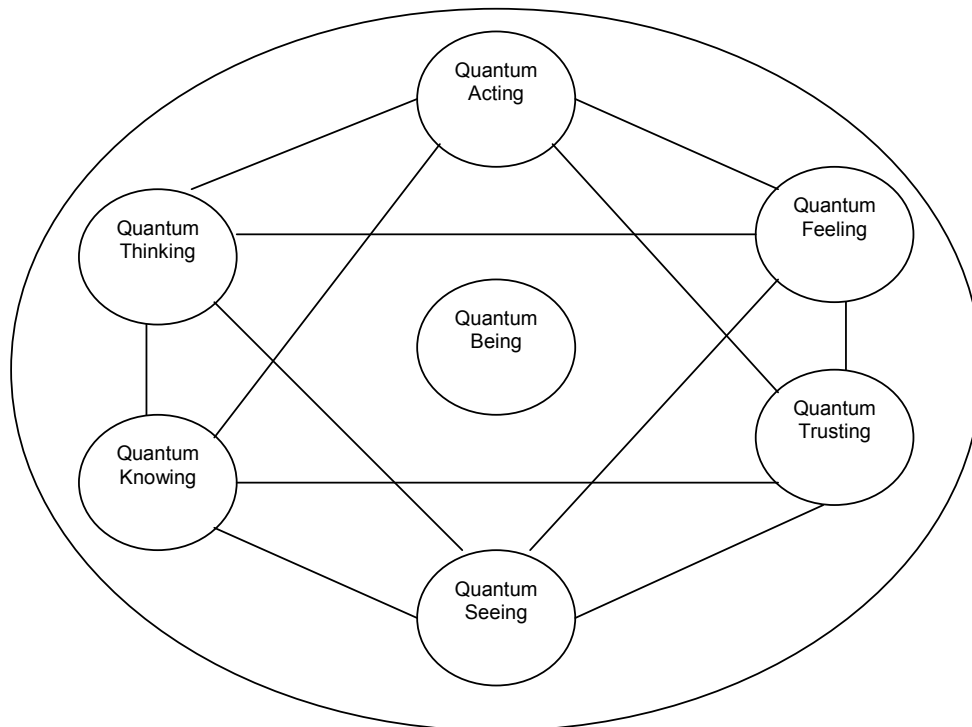
2.4 Quantum Skills

2.4.1 Introduction

Dyer (1995) (in Shelton and Darling (2001)) says that even though a person may be viewed primarily as a material being, there is also an invisible, non-material dimension (referred to as the mind, consciousness or spirit) with functions that appear to be affected by quantum principles. In order to understand quantum theory or principles, we look to Collins Dictionary for a definition: "...energy of electrons is discharged not continuously but in discrete units or quanta". Thus the non-material dimensions of the leader's inner person can be utilised in desired amounts, alluding to the fact that leaders can identify and manage these competencies.

Shelton and Darling (2001) describe these competencies as quantum skills and they are illustrated hereunder by means of Figure 6 the quantum skills model.

Figure 6: The Quantum Skills Model



Source: Shelton and Darling (2001, p.265)

Figure 6 shows an inter-relationship amongst these skills and thus the focus stays with the whole system rather than the parts, as explained earlier in this text, this is the new reality. The upside down triangle represents the psychological principles of the inner person of a leader while the right side up triangle represents the spiritual principles of the leader's inner person. A more detailed description of the model follows:

2.4.2 Psychological Quantum Skills (upside down triangle)

2.4.2.1 Quantum Seeing

Reality, or at least the individual's experience thereof, is directly related to those things that individuals think about. "Hence, managers' beliefs reinforce their perceptions and their perceptions reinforce their beliefs" (Shelton and Darling, 2001, p.266). Such paradigms are often named filters through which individuals look at the world.

Shelton and Darling (2001) thus equate that the skill of quantum seeing enables managers to consciously select their intentions, thus aligning their perceptions with their desires. Clear intention serves as a magnifying glass and provides a lens through which managers can make new perceptual choices, according to Shelton and Darling (2001). Simpson and Burnard (2000) refer to quantum seeing as a process of reviewing and re-defining boundaries in order to identify and clarify focus and redirect energy into that focus. Thus, quantum seeing provides managers with the ability to focus on things that support the desired results required and not missing opportunities due to an unconscious lack of awareness.

2.4.2.2 Quantum Thinking

Many organisational issues are paradoxical and pose questions that cannot be answered by rational, binary thinking, according to Shelton and Darling

(2001). They are also of the opinion that our current organisational decision-making processes and our education system are logical, linear, rational and binary which does not allow for “out of the box” thinking. April *et al.* (2000) confirm that the habitual response to resolving paradoxes has been to deny one side or the other, the skill is thus choosing the most appropriate logical, rational or aligned solution. Wheatley (1999) quotes Einstein in saying: “No problem can be solved from the same consciousness that created it” (Wheatley, 1999, p.7).

“In order to think paradoxically, leaders must awaken the capacities of the right hemisphere of the brain – the side of the brain that thinks in images not words, and is, therefore, not bound by verbal language and logic” (Shelton and Darling, 2001, p.267). Shelton and Darling (2003) further expand this thought by adding that if leaders are able to access their right brain potential, they escape the tyranny of time and enter a realm where seemingly opposite options can be integrated into highly creative solutions.

2.4.2.3 Quantum Feeling

Shelton and Darling (2001) describe the skill of quantum feeling as one that enables the business executive to feel good internally, regardless of what happens externally – to try and combat the reality that negative emotions exhaust and positive emotions energise. April *et al.* (2000) confirms that the focus of a leader’s energy on others needs to be redirected to themselves.

The three tools they highlight are introspection, reflection and inquiry into the self to test assumptions.

Without an internal shift in consciousness and a new set of emotional choice skills, managers keep following the old patterns in their organisations, commit to old paradigms, regardless of the new opportunities available to them as per Shelton and Darling (2001).

2.4.3 Spiritual Quantum Skills (upside triangle)

2.4.3.1 Quantum Knowing

Research suggests that many executives do acknowledge a strong reliance on intuition, but few make their intuitive abilities public and even fewer attempt to propagate and integrate intuitive knowing into daily organisational development activities and practices, say Shelton and Darling (2001).

Langer (1994) (in Shelton and Darling (2001)) has developed a theory that states that it is desirable to focus on staying aware rather than focusing on gathering information, as certainty leads to mindlessness. She states that when someone is certain, he/she typically ceases to pay attention. Thus Shelton and Darling (2001) conclude that retaining mindfulness keeps the manager's connection to the quantum field of infinite information open. This they should do with confidence.



2.4.3.2 Quantum Acting

Quantum acting, according to Shelton and Darling (2001), is the ability to act with concern for the whole – the whole self, the whole organisation, the whole society and the whole planet that leads to managers making responsible choices. Wheatley (1999) refers to this aspect as personal integrity, the values, visions and ethics of the individuals. Fairholm (2004) confirms that values determine (even dictate) individual and organisational behaviour, which could have a major impact on internal as well as external relationships.

2.4.3.3 Quantum Trusting

Wheatley (1999) states that organisational behaviour is influenced by the invisible and that if leaders try and understand these forces it will enable them to understand concept of control that it does not exist. “Quantum trusting is the ability to trust the natural process. This skill enables managers to ride the rapids of change, fully participating but without having to control the course” (Shelton and Darling, 2001, p.271), enabling flexibility and free thinking within the organisation.

2.4.4 Quantum Being (relationships)

A complication in organisations is that research indicates that leaders help create meaning for teams and groups of people, interpreting, reacting and show emotional responses to ideas, concepts and situations as per Gardener

(1995) (in Speechley (2005)). Andrews and Field (1998) remind us to be aware that although leadership arises from individual social episodes, a re-identified concept of leadership becomes a part of our everyday organisational world. This emphasises the need for leaders to remember that leadership is embedded in the social sense and to relate this to the organisation. Leader's behaviours influence the behaviour of everybody in the organisation.

Fairholm (2004) confirms that an important concept in the new sciences is the idea of fields – invisible forces that structure space and behaviour. “Scientists use field theory to explain the connection they observe between apparently disparate and non-linear activities” (Fairholm, 2004, p.375). Thus, field theory helps us understand the complex relationships that exist in the organisation.

Campbell (2007) agrees that the inter-relationships are a key construct in the perspectives, indicating that changing any part of any one sub-system will affect all other sub-systems because of their mutual interdependence. For leaders to enhance relationships within these subsystems or parts, a foundation of understanding and mutual respect is vital for recognising the needs of the whole system.

Quantum being recognises the relational nature of the organisation and its environment, and requires managers to approach relationships with openness and vulnerability, as a new entity is created that is greater than the sum of the two individuals (Shelton and Darling, 2001). This skill enables a manager to

own his or her feelings, rather than project them on to others (Shelton and Darling, 2001).

2.4.5 Conclusion

Shelton and Darling (2001) see people not just as material beings, but also identify an invisible, non-material dimension. According to these authors quantum skills are utilised in their attempt to unpack or explain the non-material dimension of a person. In their writings they suggest further that the balance and cross-pollination of these skills will enable a leader to think differently and thus to become authentic change masters by changing themselves and their companies. These skills are thus of vital importance to enable leaders to deal with the changing business environment and leadership focus and roles. A comparison between what South African executive leaders view as required skills sets and quantum skills will be explored to try and establish whether leaders understand these skills and utilise them.

Although these skills are well defined, the authors do not offer an explanation as to how leaders can obtain and improve these quantum skills. Due to the non-material nature of these skills they can not be learnt by attending a course.

2.5 Improving Quantum Skills

2.5.1 Introduction

Changes in the global macro business environment have forced leaders to change their focus and roles within organisations. Speechley (2005) states that leaders have recognised that different, or at least more enhanced skills and techniques, are required to lead organisations successfully. One method listed by Koen and Crow (1995) (in McCarthy and Garavan, 1999) of improving or increasing inter-personal (quantum skills) is by increasing individual self-awareness.

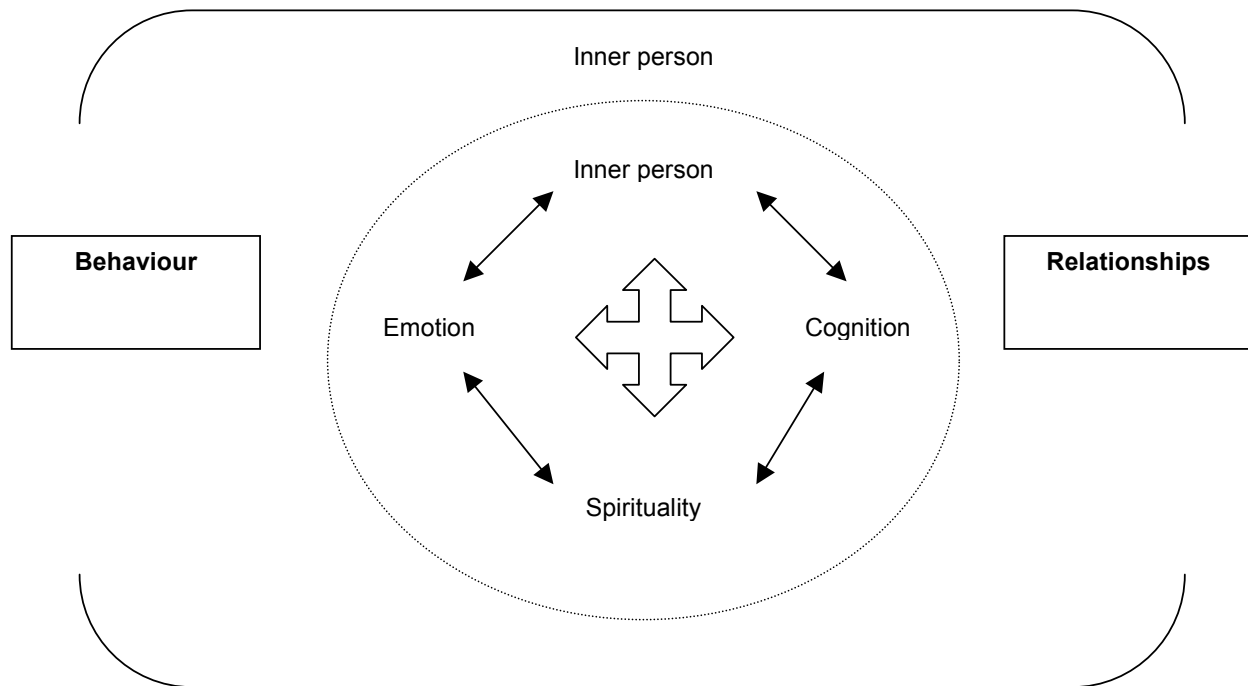
2.5.2 Self-awareness

Goleman (1998) (in McCarthy and Garavan (1999)) suggests that an individual who is self-aware has a deep understanding of his or her emotions, strengths, weaknesses and drivers. McCarthy and Garavan (1999) write that literature in general suggests a view that proposes that the effectiveness of many management and career development activities can be enhanced by paying attention to the issues of managerial self-awareness. In April *et al.* (2000) Cashman is quoted as saying "... leadership is not something we do. It comes from somewhere inside us. Leadership is a process, an ultimate expression of who we are. It is our being in action" (Cashman, 1998, p.18). This suggests that if leaders explore their understanding of themselves, their inner person, they will embark on a process of teaching themselves their own

quantum skills. This will give them the ability to manipulate their personal actions, behaviours and paradigms to a specific situation.

Campbell (2007) sees the leader's 'being' as standing central to the intra-individual study of leadership. He demonstrates this viewpoint in terms of Figure 7 below:

Figure 7: An Holistic Intra-individual Model of a Leader



Source: Campbell (2007, p.139)

He refers to 'existence' (the outer layer) as the individual's physical presence and 'essence' (the inner layer) as the individual's non-material attributes. Reflecting on this model it can also be seen that better self-awareness or inter-personal skills will contribute to the improvement of the behavioural and relationship level of being.

2.5.3 Conclusion

Improved self-awareness will allow the leader to trust in his or her skills and in so doing allow them freedom from their current paradigms. This allows leaders not to see organisations as they currently are, but conceptually what they could be. In knowing the self leaders will have the confidence as artists to master their new roles in becoming stewards, designers, teachers, facilitators and catalysts.

2.6 Overall Conclusion

It has been said that leadership is vital in times of change. In the current business environment the only certainty is change and as Wheatley (1999) suggests this is the new reality. Leadership is thus an even more important aspect of business now than what it was in the past.

The role of leadership has dramatically changed over the past couple of decades as a result of the ever changing global business environment. The demands on executive leadership are extreme and complex. These complexities will only increase with the rate of globalisation that is taking place.

South Africa is not excluded from the above. As South African GDP is growing at a rate of plus minus 5% while their organisations aim for much higher

growth rates, they have to compete in the bigger market. South Africa is only rated 45th on the World Economic Forum's Competitiveness Ranking for 2007 (World Economic Forum, 2006-07), which is rather uncompetitive. For South African executive leaders to improve this rating they need to ensure greater differentiation from their local and overseas competitors. Do South African executive leaders understand this concept and if so how are they going to bring about such differentiation?

Some suggestions are made in the literature as to how to create sustainable differentiation, but for leaders to take up the role of enabler they need to understand what skills are required to do so. Shelton and Darling (2001) have suggested quantum skills be used as a tool of self-discovery, thus increasing the leader's self-awareness. The researcher will be exploring if South African executive leaders agree and understand these skills.

The literature only offers theory and it is uncertain if this theory is understood by leaders or even known to them. The paradoxes of life and organisational life are apparent to all, but how leadership deals with them becomes either inhibiting to creativity or stimulates creativity which generates opportunity and uniqueness. This study will explore the ability of South Africa's executive leadership to become creators and artists to shape their organisations for globally competition.

CHAPTER 3

RESEARCH PROPOSITIONS

3.1 Introduction

In a globally competitive environment South African organisations have no choice but to compete. For South African organisations to survive they need to adapt at the current speed of change in their environment which is rather quick due to the effect of globalisation and technology development. They need to 'adapt or die'.

The literature reviewed in chapter 2 suggests that in order for organisations to compete at a global level, leadership needs to create a sustainable competitive advantage within their organisations over that of their competitors. Sustainable competitive advantage can only be created through differentiation. Leaders can only compile a unique strategy or position in this complex environment if the organisation is creative and new ideas are generated on a sustainable basis. In order to achieve this, leaders need to create their organisations as works of art to allow stimulation of the individuals working in the organisation.

According to the literature, the role of the executive leadership in organisations has changed substantially over time as the nature of the business environment has changed. This in turn implies that different or improved skills sets will be required by executive leaders to enable fulfilment

of these new roles. Quantum skills have been suggested as a possible new skill set that can be used by leaders. Due to the fact that these skills are new, literature was also consulted to try and establish how to acquire and improve such skills.

This research is a journey in understanding how executive leaders can improve themselves in order to improve organisational competitiveness on a sustainable basis in an environment influenced by globalisation.

3.2 Purpose of Research

The purpose of this research is to explore the views of South African executive leaders with respect to the concepts highlighted in the academic literature and to establish whether South African organisations current reality can not be improved by some of these concepts.

The researcher will explore the understanding of competitive advantage and how to create competitive advantage within organisations. The researcher also wants to explore the executive leaders' thoughts on organisational structure as this will stimulate debate around executive leaders being artists in order to create their organisations as works of art. This builds on the concept that uniqueness in strategy which in theory should allow increased levels of competition. In exploring executive leadership's roles in organisations, the researcher strives to get a clearer understanding of what the roles currently are and how and why these roles have changed over time. If the executive

leaders interviewed believe that their roles have changed, the researcher needs to further investigate what they believe the skills set required to be which will allow them to fulfil these new roles and how would they go about acquiring such skills sets.

The researcher is therefore attempting to establish what executive leaders see as their reality in terms of the concepts and constructs built in the academic literature review in chapter 2. This will enable the researcher to compare the executive leader's reality with the literature to establish differences or gaps which could stimulate recommendations for business improvements.

3.3 Propositions

1. What do South African executives understand competitive advantage to be and how is it created?
2. How do South African executive leaders view organisational structure?
3. What do South African executive leaders see as their primary role and secondary roles as a leader of an organisation?
4. Do South African executive leaders believe that these roles have changed over time and if so why have they changed?
5. What do South African executive leaders see as the necessary skills requirements to enable them to fulfil these roles?
6. How do South African executive leaders suggest they obtain and improve these skills?

3.4 Conclusion

In exploring the above, the researcher gains a better understanding of where in the journey South African leaders find themselves and whether South Africa has executive leaders at its disposal that are able to inspire South African organisations to compete in the global future.

Preliminary future research suggestions:

1. The ultimate organisational structure for a specific organisation – a case study
2. Leadership awareness development
3. Relationship-building as a tool of organisational healing
4. Are all quantum skills are required or just some
5. Quantum skill analysis
6. Measurement tools for quantum skills
7. Development of quantum skills
8. A possible correlation between creativity and profitability

CHAPTER 4

RESEARCH METHODOLOGY

4.1 Introduction

There are many different reasons for conducting research. In general, scientific research is used to analyse empirical evidence in an attempt to prove or disprove concepts. Applied research is undertaken to answer questions about specific problems identified, while basic research intends to expand the boundaries of knowledge.

Knowledge, according to Zikmund (2003), is a blend of information, experiences and insights that provide a framework that can be thoughtfully applied when assessing new information or evaluating relevant situations. He continues by stating that through expanding knowledge by way of observation or events, we form concepts or general ideas which can be then be stated as propositions explaining the relationship between the ideas, which in turn forms theories through a coherent set of propositions.

There are two main approaches to theory development, namely deductive theory testing and inductive theory building. According to Hyde (2000) the difference between the two is founded in the deductive approach representing the positivist paradigm, which is also explained as the theory testing process, which commences with an established theory or generalisation and seeks to see if the theory applies to specific instances. The inductive approach

representing the relativist paradigm can be seen as the theory building process, starting with observations of specific instances and seeking to establish generalisations about the phenomenon under investigation.

The nature of this research topic lends itself to that of inductive theory building due to its exploratory nature.

4.2 Research Design

Guba and Lincoln (1994) (in Hyde (2000)) argue that the choice of research paradigm, rather than the choice of research method, is the overriding concern. The paradigm, within which the researcher undertakes this study, is a relativist paradigm due to the fact that the research was exploratory in nature and the researcher was aiming to establish general themes or variables in the chosen topic.

A qualitative research method was selected to explore how executive leaders in South Africa view their role and their required skill base in order to build creative and unique organisations that are in a position to compete globally. This is in line with the traditional view of writers that quantitative enquiry generally adopts a deductive process while qualitative enquiry generally adopts an inductive process. Hannabuss (1996) agrees that qualitative research stresses “understanding”, while Frankfort-Nachmias and Nachmias (1996) (in Hyde (2000)) echo that a qualitative study seeks to identify underlying concepts and the relationships between them. Quantitative

research, also known as descriptive research, is designed to describe characteristics of a population or phenomenon according to Zikmund (2000). Table 2 is a summary of the differences between quantitative and qualitative research methods, while Easterby-Smith, Thorpe and Lowe (1991) (in Hyde (2000)) simplify qualitative enquiry as examining data that is narrative, while quantitative enquiry examines data that is numerical.

Table 2: Summary of Differences in Quantitative and Qualitative Research

| Dimensions | Quantitative paradigm | Qualitative paradigm |
|------------------------|--|--|
| Purpose | Prediction and control | Understanding |
| Reliability | Stable – reality is made up of facts that do not change | Dynamic – reality changes which changes people’s perceptions |
| Viewpoint | Outsider – reality is what quantifiable data indicate it to be | Insider – reality is what people perceive it to be |
| Values | Value free – value can be controlled | Value bond – value will impact on understanding the phenomena |
| Focus | Particularistic – defined by variables studied | Holistic |
| Orientation | Verification | Discovery |
| Data | Objective | Subjective |
| Instrumentation | Non-human | Human |
| Conditions | Controlled | Naturalistic |
| Results | Reliable | Valid – the focus is on design and procedures to gain real, rich and deep data |

Source: Jarratt (1996, p.7)

Hyde (2000) concludes that quantitative methodologies seek to describe the general characteristics of a population and ignore the details of each particular element studied, while qualitative methodologies seek to explain the particular, thus allowing in-depth research.

Shaw (1999) suggests that the design used should be flexible enough to permit the researcher to uncover and explore issues which emerge as

interesting and potentially capable of understanding the substantive research problem. Although flexibility is a major focus for the researcher, it is important to establish the basic framework of the analysis before data collection. Decisions around unit of analysis and data collection methods were taken by the researcher before the data was collected.

4.3 Unit of Analysis, Population and Sample

Patton (1987) (in Shaw (1999)) asserts that the key factor in selecting and making decisions about the appropriate unit of analysis is to decide “what unit it is that you want to be able to say something about” (Patton, 1987 (in Shaw, 1999, p.62)). This researcher was interested in the opinion of executive leaders regarding their roles and skills base required to create competitive advantage for their organisations that they manage in a global environment. The unit of analysis of this study was South African executive leaders as their opinions were researched and explored.

In identifying the target population, Zikmund (2003, p.373) suggests the researcher asks the question “...to whom do we want to talk?” The researcher identified that the executive leaders of globally competitive South African organisations as the unit of analysis, formed the collective that information was required from. The researcher did not limit this research to any specific industries and although global competition was a requirement, it did not require physical presence of the organisations in other countries. This also includes local competition of organisations with international shareholders.

Thus, the target population that has been identified consists of the executive leaders of South African organisations, with no specific industry focus, that compete globally.

In selecting the research sample from the target population, non-probability sampling was used. Although random probability sampling allows for statistical generalisation of the research, in the case of an in-depth qualitative study, non-probability sampling is best suited to allow the researcher control of the sample which may allow for analytical generalisation. This view is corroborated by Yin (1989) (in Stenbacka (2001)) who states that analytical generalisation is relevant in qualitative research.

Control was required to ensure that the sample was representative of gender and population groups within the target population of executive leadership in South African organisations competing globally. If the researcher's sample were not representative, then analytical generalisation would not be possible.

Table 3: Occupational Levels in South Africa According to Gender and Population Group

| Occupational levels | Male | | | | Female | | | | TOTAL |
|---------------------------|----------------|----------------|---------------|----------------|----------------|----------------|---------------|----------------|------------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top management | 1,256 | 344 | 558 | 7,982 | 393 | 83 | 86 | 1,079 | 11,781 |
| % | 0.1% | 0.2% | 0.9% | 2.9% | 0.1% | 0.1% | 0.2% | 0.5% | 0.5% |
| Senior management | 3,459 | 1,232 | 1,968 | 19,852 | 1,256 | 500 | 498 | 5,326 | 34,091 |
| % | 0.4% | 0.8% | 3.1% | 7.3% | 0.3% | 0.3% | 1.1% | 2.4% | 1.5% |
| Mid-management | 39,283 | 7,384 | 6,961 | 57,337 | 34,442 | 4,042 | 3,322 | 27,146 | 179,917 |
| % | 4.2% | 4.8% | 10.8% | 20.9% | 8.2% | 2.6% | 7.2% | 12.1% | 7.9% |
| Skilled | 94,485 | 34,364 | 20,797 | 110,226 | 61,606 | 36,482 | 14,086 | 89,707 | 461,753 |
| % | 10.0% | 22.4% | 32.3% | 40.3% | 14.6% | 23.2% | 30.5% | 40.0% | 20.2% |
| Semi-skilled | 399,981 | 61,970 | 21,918 | 49,895 | 126,033 | 62,075 | 18,152 | 72,548 | 812,572 |
| % | 42.5% | 40.4% | 34.0% | 18.2% | 29.9% | 39.4% | 39.3% | 32.3% | 35.6% |
| Unskilled | 288,287 | 27,823 | 5,102 | 5,385 | 129,408 | 30,043 | 4,584 | 8,052 | 498,684 |
| % | 30.6% | 18.1% | 7.9% | 2.0% | 30.7% | 19.1% | 9.9% | 3.6% | 21.8% |
| TOTAL PERMANENT | 826,751 | 133,117 | 57,304 | 250,677 | 353,138 | 133,225 | 40,728 | 203,858 | 1,998,798 |
| % | 87.8% | 86.7% | 88.9% | 91.6% | 83.8% | 84.6% | 88.3% | 90.8% | 87.6% |
| Non – permanent employees | 114,363 | 20,333 | 7,163 | 23,124 | 68,174 | 24,318 | 5,405 | 20,640 | 283,520 |
| % | 12.2% | 13.3% | 11.1% | 8.4% | 16.2% | 15.4% | 11.7% | 9.2% | 12.4% |
| TOTAL | 941,114 | 153,450 | 64,467 | 273,801 | 421,312 | 157,543 | 46,133 | 224,498 | 2,282,318 |
| % | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

Source: Department of Labour's Employment Equity Analysis Report (2004)

The secondary data in Table 3 was used to establish a trend in male/female and African/Coloured/Indian/White percentages currently present in the executive leadership of South African organisations. Although this data is not specific to organisations that trade globally, it provides a guideline for further sampling techniques.

Table 4: Executive Leaders in South African Organisations based on Representation of Gender and Population Group

| Occupational levels | Male | | | | Female | | | | TOTAL |
|---------------------|---------|----------|--------|-------|---------|----------|--------|-------|--------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top management | 1,256 | 344 | 558 | 7,982 | 393 | 83 | 86 | 1,079 | 11,781 |
| Percentage of Total | 11% | 3% | 5% | 68% | 3% | 1% | 1% | 9% | 100% |

Source: Extract adapted from table 3, Department of Labour's Employment Equity Analysis Report (2004)

Table 4 was used to calculate the percentage of male/female according to population groupings in order to establish what the South African executive leadership looks like currently. De Ruyter and Scholl (1998) are of the opinion that careful target group selection and classified sampling is needed to ensure that all possible views and opinions may be expressed. They further stress that the sample must reflect the population adequately and in qualitative research to cover the subject of study comprehensively. The researcher used the quota sampling technique to ensure that the sample is representative of all sub-groups within the population as per the above statistics. The calculation can be seen in Table 5. In order to limit the bias and systematic error in this approach, the researcher further applies judgemental sampling limiting the sample to executive leaders with at least three years of executive leadership experience.

Table 5: Sample based on Quota and Judgement Sampling

| Occupational levels | Male | | | | Female | | | | TOTAL |
|---------------------|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top management | 3 | 0 | 1 | 12 | 2 | 0 | 0 | 2 | 20 |
| Percentage of Total | 11% | 3% | 5% | 68% | 3% | 1% | 1% | 9% | 100% |

The researcher decided to use a sample size of twenty in anticipation of cancellation of appointments due to the business schedules of executive leaders. This was in line with the percentages calculated in Table 4. De Ruyter and Scholl (1998) confirm that qualitative research can be characterised by the use of small samples. Hyde (2000) agrees that the

purpose of qualitative research is to expand and generalise theory and not to establish the frequency with which a phenomenon is likely to occur in the population. Patton (1991) (in Hyde (2000)) continues to say that qualitative methods produce a wealth of detailed data on a small number of individuals.

Table 6: Actual Participation based on Quota and Judgement Sampling

| Occupational levels | Male | | | | Female | | | | TOTAL |
|---------------------|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top management | 0 | 0 | 1 | 8 | 0 | 0 | 0 | 2 | 11 |
| Percentage of Total | 11% | 3% | 5% | 68% | 3% | 1% | 1% | 9% | 100% |

Sixteen respondents of a sample of twenty accepted interviews of which five had to be cancelled due to diary constraints. The actual number of interviews held by the researcher was eleven as illustrated in Table 6. Interviews were secured on a convenience basis due to limited access and time constraints of the population group. No specific industries were targeted although the sample represents financial services, retail, health care and property sectors (Interview Schedule is attached as Appendix A). Even in using quota and judgemental sampling, no interviews were secured with African male or female executives due to diary constraints of these senior executives. By not obtaining the opinions of this population group, the researcher does not understand their viewpoint in terms of the research conducted, which limits her insight. This further limits the researcher's ability to analytically generalise the research findings.

4.4 Research Instrument

The exploratory nature of the study influenced the researcher's decision on using interviews as a tool for data collection. Patton (1990) (in Hannabuss (1996)) concludes that the purpose of interviews is to find out what is on someone's mind and thus find things we cannot elicit by direct observation.

The three main interview forms, structured or formal interviews, semi-structured or quasi-structured interviews and open structured or informal interviews were investigated by the researcher. Ericsson and Simon (1984) (in Jarratt, 1996, p.27) state that the "...accuracy of verbal reports depends on the procedures used to elicit them and the relation between the requested information and the actual sequence of heeded information". Informal interviews were suggested by Hannabuss as preferable when complex, personal or sensitive issues were being probed, while formal interviews ensure that all aspects of the research problem are probed. As flexibility was necessary to ensure all variables were covered and simultaneously that the necessary depth of information was obtained, the researcher decided on semi-structured interviews to ensure freedom to explore.

Yin (1994) (in Alam (2005)) suggests that interview protocol assists to improve the reliability of qualitative studies. The researcher developed an interview protocol based on the theory gathered. The protocol includes details such as respondent's name, gender and population grouping, company they work for, title and several semi-structured questions. Yin (1994) (in Alam

(2005)) further suggests that the interview protocol be piloted, but that this should not be seen as a pre-test but rather as a “dress rehearsal” that may assist the researcher in developing relevant lines of questioning.

A pilot study has been done for this study, which gave the researcher the opportunity to evaluate the sequence of the semi-structured questions as well as the level of understanding of the interviewee. No significant changes were made. (The Interview Protocol is attached as Appendix B).

4.5 Data Collection Method

The identified sample was approached by the researcher by making use of gatekeepers known to the potential interviewees, which ensured a high level of first approach response of 90%. The gatekeepers were provided with a letter explaining the researcher’s current studies and a brief outline of the topic. Care was taken not to include too much information to try and limit possible response bias. The use of gatekeepers substantially increased the percentage meetings granted to an 80% success rate.

Face-to-face meetings were scheduled at the interviewees’ offices and at their convenience to try and limit further non-response. Diary constraints did however, limit the number of executives interviewed from a total of sixteen accepting the invitation to eleven actual interviews being conducted as illustrated in Table 6. It was also important to the researcher that the interviewees be comfortable in their own surroundings and could speak freely,

as a secondary motive to have interviews at the interviewee's offices in their familiar environments.

Semi-structured interviews were conducted using the interview protocol. Rapport was established with the respondents by some informal introductory conversation before the researcher opened the discussion with some general questions. All conversations were recorded (with permission from the respondent) to ensure that the researcher analysed the respondents' own words and not her interpretation thereof. The researcher also took extensive notes during the interview and formalised them immediately after the interview to limit interviewer bias.

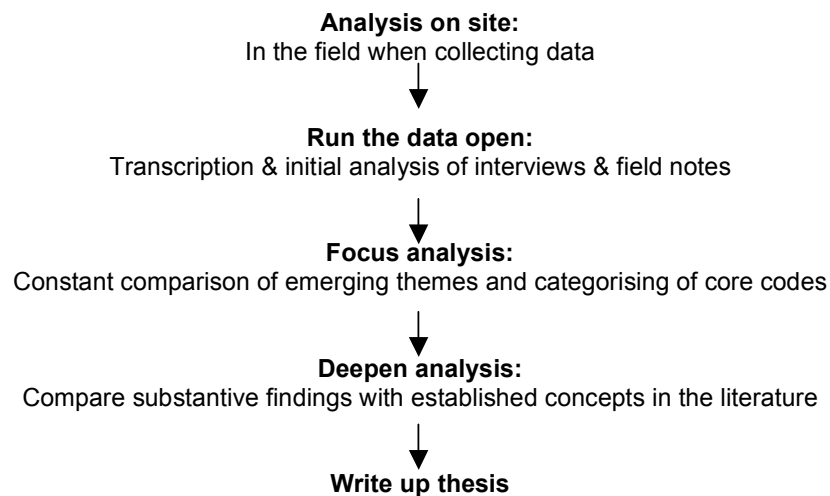
Although the interviews were conducted using the interview protocol, the researcher allowed for the conversation to flow which resulted in some interesting discussions. The researcher probed these further to gain a complete understanding of the respondents' intent and meaning.

4.6 Data Analysis

Although there is not a set formula for qualitative analysis, there are some guidelines with regard to inductive analysis of the data. Shaw (1999, p.65) was guided by literature on grounded theory which recommended that "...qualitative data involves: the reading and re-reading of transcripts and field notes (Easterby-Smith, Thorpe and Lowe, 1991); the use of codes to bring order, structure and meaning to raw data (Strauss and Corbin, 1990); the

constant comparison of the codes and categories which emerge with subsequent data collected and also with concepts suggested by the literature (Glaser and Strauss, 1967) and the research for relationships among emerging categories of data (Marshall and Rossman, 1995)". Based on her interpretation of the above readings, Shaw produced a process of inductive analysis, seen in Figure 8.

Figure 8: The Process of Inductive Analysis



Source: Shaw adapted (1999, p.65)

Jones (1985) (in Shaw (1999)) warns against forcing the data into logical deductive assumptions and stresses that it is important for the data to be inductively analysed. Shaw (1999) agrees that the activities of data collection, analysis and interpretation overlap in exploratory studies.

On collection of the data the researcher started analysing and interpreting the data. On completion of the interviews the field notes and recordings were

immediately transcribed, coded and notes were made from memory to ensure that all was analysed before any information was lost.

4.7 Limitations

The validity of data in a qualitative study is questioned by many writers. Their argument is that in order for something to be valid, it needs to be measured. In the case of a qualitative exploratory study, nothing is measured but the aim is to understand the social phenomena or trends that can be witnessed. The researcher always runs the risk of respondent bias, but according to Stenbacka (2001) validity can be achieved by using non-forcing interviews with strategically well-chosen informants. Even though the researcher guarded against asking closed questions and influencing the respondents, it was still a reality that her opinion was asked during the semi-structured interviews.

Reliability, according to Stenbacka (2001) is concerned with the measurement method's ability to produce the same research result every time it is used. In qualitative research there is no prescribed method as it is impossible to differentiate between the researcher and the method used. Stenbacka (2001) concludes that reliability can only be attained by a good description of the entire process and enabling conditional inter-subjectivity while Ruyter and Scholl (1998) agree that they focus more on the accurate descriptions of each step taken during the research process and a systematic approach. The researcher attempted to describe and manage the research process

systematically, but due to the non-linear nature of qualitative research, had to adjust schedules and questions to fit the situation that presented itself.

The generalisation of the findings in qualitative research is seen by most writers as impossible due to the small sample sizes used. Yin (1989) (in Stenbacka (2001)) makes a distinction between analytical and statistical generalisation. He is of the opinion that analytical generalisation is possible in qualitative studies as the purpose of the study is to understand the respondents' reality. This is however, only true if the sample is strategically chosen relative to the study. In using quota and judgement sampling techniques the researcher attempted to obtain a representative sample of South African executives based on gender and population groups. Convenient sampling technique was also in an attempt to increase response rates. The researcher did fail to obtain meetings with African males and females due to their extremely busy diaries. This constraint limited the researcher's ability to analytically generalise her findings as her sample was not representative of the executive leadership profile as set out in Table 5. This further resulted in limiting the researcher's insight into South African executive leader's reality as a portion of the population was not represented. Not all possible industries were represented in the sample which further limits generalisation.

4.8 Conclusion

The researcher utilised a qualitative method of inductive theory building. In doing so, clarity with regard to the variables investigated needed to be clear to ensure validity of the study.

The population formation and sample selection was very important in ensuring reliability of the study and were therefore done systematically to ensure rigour. Interviews were semi-structured, which allowed the conversation to take its own shape and for the researcher to understand and formulate links between the different variables being researched.

The data collected was analysed using the process of inductive analysis.



CHAPTER 5

RESULTS

5.1 Introduction

A process of inductive analysis was utilised by the researcher in compiling the interview results. Firstly, the data was collected by conducting face-to-face semi-structured interviews with a select group of eleven company executives. The sampling methodology followed was discussed in chapter 4 of this thesis. Immediately following each interview the researcher analysed the notes taken during the interview, which were later supplemented with more detail from the interview recordings made by her. (The Detailed Interview Notes are attached as Appendix C). A focused analysis was conducted by comparing the emerging themes from each interview and the results were recorded in this chapter.

5.2 What do South African Executives understand Competitive Advantage to be and how is it Created?

5.2.1 Globalisation

The researcher opened the conversation with a brief explanation of the topic choice by using Figure 4 discussed in chapter 1. 90% of the interviewees were in consensus that as a result of globalisation the scope of competition has changed. Further reasons given for them exploring overseas markets

were that the South African market has a limited capacity in terms of size and the South African economy is currently growing at an average rate of 5%. The growth of South African organisations far exceeds this. The inevitable is thus true, South African organisations have to engage with overseas markets to sustain their growth rates.

A singular opinion was expressed that there is no need for South African organisations to compete overseas as there are enough opportunities within South Africa. This interviewee did however contradict himself by adding that his company is currently in negotiations for the purchase of a foreign organisation.

5.2.2 Competitive Advantage

In order for South African organisations to compete globally (and locally), 90% of interviewees agreed that they need to differentiate themselves from the competition. Michiel le Roux, Non Executive Director of Capitec Bank Holdings Ltd, emphasises the point by saying “...even a small difference makes for a very different competitor”.

Three interviewees stated that South Africans seemingly suffer from an inferiority complex even though the skills and intellectual capital to compete globally is present.

Prof Gill Marcus, Chairperson of Absa Group Ltd, is of the opinion that South African organisations are globally competitive at times, but not consistently. In her opinion the South African government and organisations do not understand what their competitive advantages are, as South Africans rely on the current commodity boom and thus do not strategically position South Africa organisations correctly in the global market.

Responding to the question what gives South Africa and South African organisations opportunities, two interviewees acknowledged that South Africa have a combination of first world higher education and thus skills in a developing third world country, which is a unique situation to be in. They did add that although good skills exist, they mostly reside in the executive and senior leadership of organisations and that far more skilled people are required. Dr. Andrew Golding, Chief Executive Officer of Pam Golding Property Group (Pty) Ltd, and Dr. Christo Wiese, Chairperson of PEPKOR Ltd, were in agreement that South Africans from a very young age have to deal with diverse and difficult environments which gives them a type of vitality or battled hardiness, which can definitely be seen as an advantage to South African organisations. The fact that South Africa is not a homogenous, but have rather a diverse society, makes for an even more complicated working environment. Prof Gill Marcus, Chairperson of Absa Group Ltd, were quick to point out that South Africa is also privy to extraordinary resources, such as buyer diversity and good positioning in Africa, further advantages. An example was that of South Africa's long coastlines, which are currently under utilised.

Understanding an organisation's strengths eight of the interviewees agreed is important as competitive advantage can be established by crafting a different strategic position from your competitors. Michiel le Roux, Non Executive Director of Capitec Bank Holdings Ltd, suggested that the focus on strategic position can have many forms and does not only apply to having a niche approach, but advantage can also be created by positioning the organisation across a wide spectrum of the market in question. Four interviewees pointed out that a company's culture is very much part of the organisation's strategic positioning and definitely creates differentiation.

5.2.3 Creating Uniqueness

Earlier in this text, five interviewees agreed that South Africa does have some unique resources and talent, Prof Gill Marcus, Chairperson of Absa Group Ltd, is however of the opinion that there is a distinct need to place even more focus on creating uniqueness in organisations based on their strengths. A unique organisation is not limited to only having a unique positioning strategy in the market, but can also be established by creating new or innovative products, incrementally different products and/or processes or a unique organisational culture. Avinash Singh, Managing Director of Absa Debtor Finance (Pty) Ltd, stated that sustainable differentiation can be achieved and embedded by bundling competencies (whether culture, product or other strengths) as such a unique formulation is very difficult for competitors to copy. In terms of cost, the consensus was that cost efficiency cannot be completely ignored, as it is a business driver. This issue is not to be the major

factor anymore however. Louis von Zeuner, Executive Director of Absa Group Ltd, was of the opinion that "...cost minimisation is incestuous – and besides in South Africa we just do not have the scale and or volume to compete on cost".

73% of the interviewees agreed that in order to craft a clear strategy it is of vital importance that leadership understands the market they want to compete in, not just in terms of current needs, but also the long term trends envisaged. A further requirement is an understanding of the organisation's strengths and competencies, as well as the external environment relating to their competitors' strengths and weaknesses.

All eleven interviewees mentioned the fact that the leadership of South African organisations is primarily responsible for drafting the strategic position. The researcher did probe to establish what level of leadership they meant, to which the reply was the leadership on an executive level. Two interviewees, when breaking competition down into a more local environment, said that they prefer for the business units themselves to be responsible for drafting their own strategic positioning, as they are more in touch with the level of competition in their particular market and thus the solution is more sound. The consensus was however, that it is up to leadership to craft a clear strategic understanding of where to compete (clear market definition), how to compete (what you want to do) and how to extract value by doing so.

5.2.4 Innovation

Nine out of eleven interviewees were of the opinion that in order to create a unique organisation that has established a competitive advantage in the market, they as executive leaders, need to inspire their organisation to be innovative. The interviewees were also in agreement that innovation does not happen in the executive space of an organisation and in order for the people of an organisation to be creative they need the freedom to do so; “...clear air” was the expression used by Dr. Andrew Golding, Chief Executive Officer of Pam Golding Property Group (Pty) Ltd. In the opinion of both Paul Harris, Chairperson of Firstrand Ltd and Dr. Andrew Golding, Chief Executive Officer of Pam Golding Property Group (Pty) Ltd, innovation can only happen when a certain level of chaos exists within the organisation. They see it as vital to create thinking organisations to ensure uniqueness in order to establish competitive advantage.

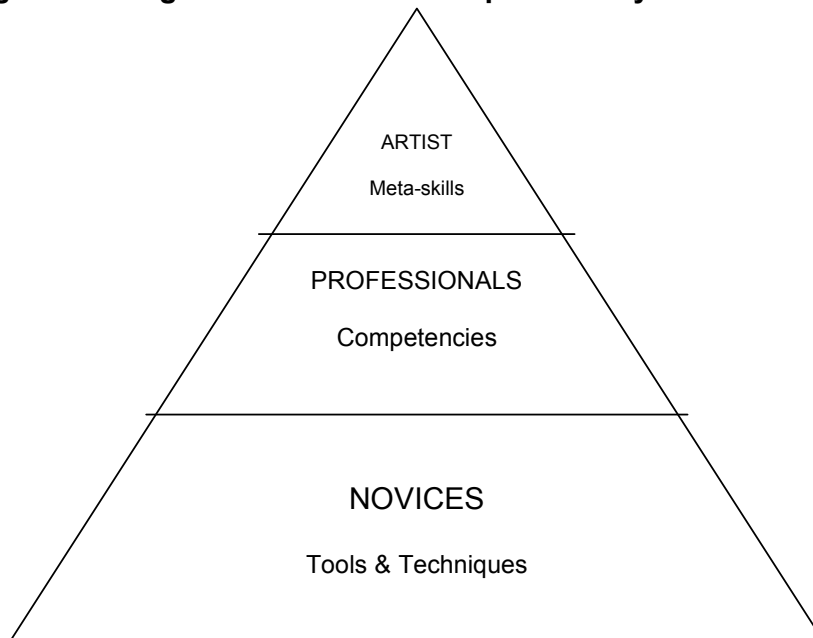
5.3 How do South African Executive Leaders view Organisational Structure?

5.3.1 Organisational Structure and Leadership

The researcher needed to understand how executives view their organisational structure and differing levels of operation in order to fully comprehend how all people in the organisation can participate in creating a thinking organisation. Thus the Williams (2007) Organisation Leadership

Hierarchy model was shared with the interviewees, as seen in Figure 9 below. The researcher's basic understanding of the model, as discussed in chapter 2 of this study, was also shared with the interviewees. Their opinions were then requested.

Figure 9: Organisational Leadership Hierarchy



Source: Willem (2007)

They all agreed, eleven in total, that hierarchal structure is unavoidable within organisations although a difference in opinion did arise around the level of structuring that takes place. Some were adamant that the structure needed to be created and managed by leadership, while others were more comfortable with a decentralised organisational structure where levels form naturally around people. Michiel le Roux, Non Executive Director of Capitec Bank Holdings Ltd, argued that even in smaller more entrepreneurial organisations or decentralised bigger organisations, levels are inevitably formed.

Although interviewees were in agreement with regard to the basic principles of the model, two interviewees did suggest that the triangle should be turned upside down. In their opinion the executive leadership is a support function to the business and should be visually seen as such. Four interviewees commented that executives lose contact with the day-to-day operations of their organisation and that all knowledge is definitely not at the top level. Most interviewees expressed concern as they interpreted the model as having leadership only showing at the artist level, while they are of the opinion that leadership exists at all levels of the organisation. Concern was also expressed at the simplicity of the model, as most interviewees believed that the real world is far more complex and chaotic.

Four interviewees specifically expressed that they liked the reference of executive leaders as artists for the following reasons:

- psychology plays a very important part in leadership as leadership is about people and it is an art to master the psychology of people
- art is subjective and very often leadership is as well
- different artists have different styles and the same is true for leadership
- the art of executive leadership is getting all the people in the organisation to live the organisation's particular culture and vision on a daily basis

5.4 What do South African Executive Leaders see as their Primary Role and Secondary Roles as a Leader of an Organisation?

5.4.1 Primary Role of Executive Leaders

The primary role of executive leadership, which the greatest percentage of executives agreed upon, is the creation of the medium and long term strategic vision of the organisation. Frans Stroebe, Chief Executive Officer (resigned) of World Wildlife Fund South Africa, quoted Helen Keller to emphasise the point: "...what is worse than to be blind? To have perfect eyesight, but no vision". Louis von Zeuner, Executive Director of Absa Group Ltd, summarised this as "...the ability of executive leaders to discount the organisation's future position to the present". This statement also implies that leadership needs to make the right decisions with regard to investments and resources to enable the organisation's future position to materialise successfully. Paul Harris, Chairperson of Firstrand Ltd, called this "...drafting a flight plan for the organisation".

For executive leaders to be able to draft this flight plan they must be familiar with their internal as well as their external environments. All interviewees mentioned the importance of an executive's ability to see opportunities in this changing environment and to have the ability to adapt their flight plans to exploit such opportunities. They all see the strategic vision as a fluid and changing position adapting as the environment around them changes.

5.4.2 Secondary Roles of Executive Leaders

The creation of an internal organisational environment where people feel empowered and are able to grow as individuals is also a vital role that leaders should play, according to nine of the interviewees. Paul Harris, Chairperson of Firstrand Ltd, said that “The role of leadership is not to make good decisions, but rather to facilitate good decision-making”. He felt very strongly about the fact that leaders do not get judged by the number of people they control, but rather by the number of people they liberate. Four interviewees expressed that leadership should display a willingness to take risks with people and to give them the freedom to think for themselves and to get on with their own micro-business within the greater organisation. This, according to the interviewees, motivates people to align themselves and their micro-businesses within the organisation to the strategic vision set by the executive. Two interviewees specifically mentioned that they see their role as the glue which enables the strategic vision to gel with the rest of the organisation. In Dr. Andrew Golding’s, Chief Executive Officer of Pam Golding Property Group (Pty) Ltd, words, “... you need to have the ability to take people with you”. This implies influencing rather than controlling people through commands within the organisation.

A further correlation in interviewee’s responses was the composition of a well-balanced executive team. As one will never find a perfect leader they felt it very important to recruit an executive talent pool with complementary strengths and weaknesses. Talent management throughout the organisation

was also mentioned by a couple of interviewees as part of their organisational focus which they try and embed in all levels of their organisations.

5.5 Do South African Executive Leaders believe that these Roles have Changed over Time and if so why have they Changed?

5.5.1 Past Roles of Executive Leaders

Only one interviewee believed that the roles described above have not changed. In his opinion globalisation has not changed the primary function of executives in the organisation.

All the other interviewees believed that the function of executives has changed markedly over time. In their opinion the primary drivers of businesses used to be far more operational and focused on risk reward. This resulted in a shorter to medium term focus which meant more of a cost management strategy than long term strategic positioning. Louis von Zeuner, Executive Director of Absa Group Ltd, stated that "...the emphasis was placed on management of organisations rather than their growth".

The entire leadership approach according to the majority of interviewees has also changed from a far more hierarchal command and control environment to a consultative empowering environment.

5.5.2 Reasons for Change

The reasons given for these changes were firstly the fact that South Africa's political environment has changed, thus allowing South African organisations to become part of the global market and global competition. Secondly, the global macro-environment has changed, spurred on by rapid technology improvement and the internet. Thus the speed of change, development and the availability of information have all forced current executives to do things differently, as they do not have as much time available to think and make leisurely decisions. Thirdly, one interviewee noted that people within organisations are speaking more about their emotions and what they believe in and what they want out of their contribution to their organisation. This approach forces executives to listen and to start speaking the same language.

5.6 What do South African Executive Leaders see as the necessary Skills Requirements to enable them to fulfil these Roles?

All interviewees agreed that strong business and technical skills are essential characteristics for executive leaders as these skills enable them to analyse information much faster, thus enabling them to make better business decisions. It was also mentioned by one interviewee that specialist skills are not required by executives as they would employ specialists for each function.

The skill of understanding people and the psychology of people was the most common requirement identified by interviewees. Some called it emotional

intelligence while others called it the ability to understand people. Their explanation of this type of skill is the ability to know themselves in terms of strengths and weaknesses, whether it be technical or emotional, which allows the leader to engage with people on the appropriate level of maturity. According to one interviewee, this skill will also allow a leader to adapt or change as the diverse environment around him or her changes. Others called it the ability of leadership to engage with people and interact with them on their own level to ensure understanding.

The second skill most interviewees agreed that was a necessity for good leadership was the ability to think into the future or be creative enough to see future trends. One interviewee, Frans Stroebel, Chief Executive Officer (resigned) of World Wildlife Fund South Africa, said that executive leaders need the ability to see the difference between cyclical change (which is when they have to adapt their game plan) and structural change (which is when they need a new game all together). The word visionary was used by some while other preferred the phrases, “creators of strategic focus” or “long term plan”.

The energy and passion of executives was the skill that was third most popular amongst the interviewees. Words commonly used were “passion”, “energy”, “flair” and “character”. They all agreed that this skill gets filtered down through the organisation and creates an energised organisation. This characteristic is narrowly associated with the ability of leaders to inspire

people and relate the organisation's future vision with them in such a manner that they want to be part of the process.

Interviewee responses indicated that the fourth most common replied skill is that of understanding their environments. This presupposes the ability to navigate their way through massive amounts of information in order to cement their understanding of their environments. One interviewee commented that a leader should be curious enough to want to find the right answers. This, they claim, assists them in making decisions faster as they are familiar with their environments. Thus it enables them to make decisions in the now and from a position of knowledge.

Next, the skill of humility was mentioned. The ability of a leader to be mature enough to know that his or her power and knowledge is not the only truth available within the organisation was stressed. One interviewee stated that it is the ability to hold onto your integrity even when you are in a position of power. A second interviewee confirmed that the ability of a leader to understand that he or she holds the power of the position rather than personal power is very important in maintaining personal perspective.

The sixth most common skill according to the interviewee's replies was the ability to understand that in a business environment the answers are not always black or white. Avinash Singh, Managing Director of Absa Debtor Finance (Pty) Ltd, called it "...being comfortable in the grey space" or an uncertain world.

Frans Stoebel, Chief Executive Officer (resigned) of World Wildlife Fund South Africa, was of the opinion that it is not just the skill sets of leaders that make them good leaders, but the ability to know which skill or combination of skills to use when and where.

5.7 How do South African Executive Leaders suggest they Obtain and Improve these Skills?

Interviewees were unanimous in their view that experience and exposure locally and internationally are the two most important ways of developing and improving the skills mentioned above. Exposure allows individuals to not only learn from the executive team's wealth of knowledge and experience, but to also make their own mistakes and develop at their own pace.

Knowing yourself as an individual was the recommendation from three interviewees. In understanding who you are and what your paradigms are, you will be able to reflect on what your skill base is and what needs to be developed. Feedback was suggested as an important tool to improve self-awareness. In obtaining feedback, communication or the ability of the leader to talk and listen to people was cited as necessary to allow for valuable information transfer.

Talking and listening to people from diverse backgrounds was recommended too, as this will allow leaders to broaden their current paradigms. Also reading

books, newspapers and journals will allow them to broaden their thinking and see the external environment in new ways.

Formal education and executive learning programmes were also suggested by the interviewees, as well as finding mentors who are perceived to be more complete leaders.

One interviewee recommended that executives should stimulate their right brain activity by experiencing and/or practicing a form of art. He suggests that this will allow them to think freely which often stimulates creativity in other spheres of life, and can then be utilised in the world of business.

5.8 Conclusion

The making of detailed notes and summarising the themes found during the encoding of the notes, some realisations are made by the researcher. In the following section, chapter 6, a deeper analysis will be undertaken by comparing the substantive findings in chapter 5 with established concepts in the literature recorded in chapter 2. This comparison will allow for further finding and establishing gaps which can be researched in the future.

CHAPTER 6

DISCUSSION OF RESULTS

6.1 Introduction

South Africa organisations are facing numerous challenges which require guidance from strong leaders. These leaders need to understand the role they need to play and what skills will enable them to do so.

The phenomenon of globalisation has changed the way business is conducted worldwide. As a result, the concept of only competing regionally has disappeared and organisations have to compete on a much vaster playing field.

South African organisations are no exception and in some instances the transition to a global landscape is not a voluntary act. The economic growth rate in South Africa is approximately 5% which is exceeded by most the growth rate of organisations. Coupled with the phenomenon of growth rate, is the issue of volume and scale. South Africa as an economy is relatively small with limited buyer power and skills availability.

According to the World Economic Forum's Competitiveness Ranking for 2007, South Africa is ranked 45th in the world (World Economic Forum, 2006-07). They motivated this position positively by stating that South Africa has good property rights, private institutions, goods and financial markets and business

sophistication. The Forum indicated that some of the challenges for South Africa were income inequality, poor health services, high unemployment ratings and inflexible labour markets.

Coupled with some of South Africa's unique challenges as mentioned above, is the fact that leaders of South African organisations also have to deal with the generic challenges facing the business world. The increased intensity of complexity and the rate of change in the business environment results in continuous new challenges that leaders encounter, which Wheatley (1999) refers to as the new reality.

April *et al.* (2000) concludes, that the magnitude of today's changes will demand not only more leadership, but new approaches to leadership. Leaders thus need to know what their new roles are in this dynamic environment and how and why they have changed. This knowledge will allow for a greater understanding of what skills they require and what skills they must improve on to enable fulfilment of these new roles.

In exploring the above the researcher conducted interviews with eleven executive leaders of South African organisations. The results of the interviews were captured in chapter 5 of this thesis. In this chapter the researcher will be discussing the findings by comparing it to the literature recorded in chapter 2. The researcher insight was limited to a portion of the population as no interviews were conducted with back executives as was required by her quota sampling method. Bias with regard to interviewees being led by the opinion of

the researcher is possible although the researcher limited her opinion by keeping with the interview protocol rather than explaining her own point of view. Thus the reality of what interviewees thought or felt was captured rather than what they thought the researcher wanted to hear.

6.2 What do South African Executives understand Competitive Advantage to be and how is it Created?

It was interesting to find what executive leaders conceived competitive advantage to be as it sets the ground work for their interpretation on their roles within the organisation and skill requirements.

Frans Stoebel, Chief Executive Officer (resigned) of World Wildlife Fund South Africa, commented "...competitive advantage is being good at something different, a unique plus". This opinion correlated to Ma (1999) definition of competitive advantage as "...the asymmetry or differential in any firm attribute or factor that allows one firm to better serve the customers than others and hence create better customer value and achieve superior performance" (Ma, 1999, p.259).

The view that South Africans have an inferiority complex even though they have the skills and intellectual capital to compete globally may stem from the fact that South African organisations are not always competitive globally. Prof Gill Marcus, Chairperson of Absa Group Ltd, is of the opinion that South African organisation is not very competitive due to the fact that the South

African government and local organisations do not understand what their competitive advantages are, as they rely on current commodity booms to compete, rather than positioning themselves globally. She is also of the opinion that advantages are created by the fact that the South African business environment is complicated as a result of skills shortages, social inequalities and a diverse society. Thus the leaders produced by this nation are exposed to a difficult business environment from a young age which grants them experience in dealing in complex environments. This scenario, coupled with extraordinary resources such as South Africa's positioning in Africa, buyer diversity and lengthy cost lines, create opportunities for differentiation.

In order to create sustainable superior performance, South African organisations need to differentiate themselves from their competition on an ongoing basis. Andrews (1987) states that the purpose, policy and organised action of an organisation are crucial in creating competitive advantage. Loosely interpreted, this means that competitive advantage can be created by what organisations do, what they stand for and what action they take to accomplish the first two. The purpose of the organisation includes a market definition and unique positioning within that market, what products or services they deliver and at what price they deliver value to their customers. The policy of the organisation is how they go about doing their business and what the organisation deems is correct and ethical behaviour, thus shaping the culture within the organisation. The focused actions of an organisation shape the day-to-day operations of an organisation, concentrating on process flows and best

practice actions. The strategic positioning of an organisation can thus be seen as a combination of all three factors raised by Andrews.

Avinash Singh, Managing Director of Absa Debtor Finance (Pty) Ltd, suggested that “...sustainable differentiation can be achieved by bundles of competencies within the organisation”. In combining and bundling purpose, policy and actions, the organisation can create a unique strategic position with respect to its competitors. Cost efficiency may be part of the strategic positioning of the organisation, but cannot create a sustainable competitive advantage. This is in agreement with Porter’s (1996) opinion that organisations should be differentiating themselves by either performing activities differently or by performing different activities to their competitors, as cost efficiency is not a sustainable strategy.

Ma firmly believes that in order to achieve any advantage in business and especially to achieve superior advantage, a firm “.... has to look deeply and systematically into what it has, what it knows and does, and what it can get” (Ma, 2004, p.911). This would mean that leadership needs to have a clear understanding of the organisation’s current strengths, competencies and resources, knowledge about current market positioning, competitor’s strengths and weaknesses and what it requires and can obtain to compete in the future.

The contribution to establish differentiation does not only come from the top of the organisation. Louis von Zeuner, Executive Director of Absa Group Ltd,

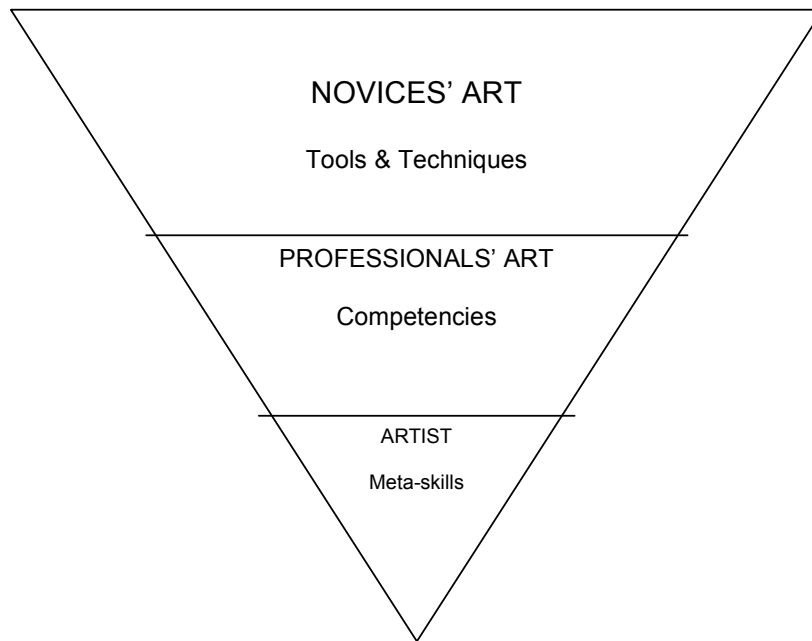
states that “...not all knowledge is at the top of an organisation. Leaders need to enrich their staff to stimulate innovation”. This creates further complexities in the organisation’s environment, which needs to be untangled until clear understanding is established.

6.3 How do South African Executive Leaders view Organisational Structure?

In creating a thinking or innovative organisation, leadership needs a good understanding of how organisational structure is formed and what it generically looks like. If leaders understand the structure, they can create opportunities outside of the current organisational paradigm.

William’s (2007) Organisational Leadership Hierarchy model in chapter 2 and again referenced in chapter 5, shapes an organisation according to task complexities with the aim of simplifying the complexity within organisations. The required skills at each level of task complexity is also a generalisation, as these skills do exist on other levels, but are a requirement to move to the next level of complexity. One has to guard against the thinking that leadership and knowledge only lives at the artist level of this model and also understand that innovation takes place throughout the organisation. Figure 10 is an adaptation of William’s model to illustrate these understandings.

Figure 10: Organisational Leadership Hierarchy



Source: Adapted from Willem (2007)

The reason for turning the triangle upside down is based on the fact that executive leaders (artists) have the responsibility to create an organisation as a work of art. They not only stimulate free thinking in an organisation, but also set the conceptual strategic positioning to guide and support the organisation's creation on the canvas provided for them. The balance between allowing too much freedom and/or too much structure is represented by this triangle balancing on its apex. Dr. Andrew Golding, Chief Executive Officer of Pam Golding Property Group (Pty) Ltd, agrees by saying, "...it is about finding the balance between chaos and order within an organisation at the stage of evolution it is in".

6.4 What do South African Executive Leaders see as their Primary Role and Secondary Roles as a Leader of an Organisation?

The role of executive leadership has been alluded to earlier in this chapter, although not clearly stated. Table 1 in chapter 2 is an adaptation done by April *et al* (2000) from Hill's work in 1998 in which they state that the role of leadership is that of steward, teacher, designer, facilitator and catalyst. They continue by saying that the activities that leaders should be undertaking are those of formulation of a vision and creating an environment that enables the achievement of that vision.

Louis von Zeuner, Executive Director of Absa Group Ltd, summarised this as "The ability of executive leaders to discount the organisation's future position to the present". He explains further, "Leaders need to connect the future with the current reality and build a bridge between the two to enable progress and growth". The vision of an organisation should thus be the desired future state of the organisation expressed in a current conceptual strategic positioning. It is important for executive leaders to possess a heightened sense of both their external and internal environments as opportunities arise and if they do not adapt their conceptual strategy to the changes transpiring in this complex system, these might be missed.

Artists are forward thinkers and many works of art are misunderstood at the time of creation. It is thus of vital importance that the executive leader has the ability to create an environment within the organisation where people are part

of this process, empowered to assist in the realisation of the vision. Paul Harris, Chairperson of Firstrand Ltd, said that “The role of leadership is not to make good decisions, but rather to facilitate good decision making”. He continued that leaders are not judged by how many people they have control over, but rather how many people they have liberated. In the liberation of people, an organisation becomes a self-organising community living the same vision or dreams. Due to this more complex environment relationships become more important and rather than task complexity become the focal point.

6.5 Do South African Executive Leaders believe that these Roles have Changed over Time and if so why have they Changed?

April *et al* (2000), from an adaptation of Hill’s work in 1998 as set out in Table 1, Chapter 2, states that the role of leadership in the past was more focused on planning, controlling and shaping an organisation. The activities that accompanied this role were that of analysing a problem, solving it, selling the solution to others and managing the implementation of the solution.

This was due to the fact that the primary business drivers at the time were far more operational and focused on risk reward. Thus Louis von Zeuner, Executive Director of Absa Group Ltd, believes, “...efficiency management is what leaders strived for”. Jannie Mouton, Chairperson of PSG Holdings Ltd, adds by saying, “...the focus was definitely on efficient administration and titles where important”. A greater hierarchal command and control philosophy

was followed where organisations were seen as machines that needed to work at most effective and efficient way. “Newtonian science is also materialistic it seeks to comprehend the world by focusing on what can be known through our physical senses. In the history of physics and even to this day, many scientists keep searching for the building blocks of matter” (Wheatley, 1999, p.10). This was also true for organisational life in the past, as can be seen from the quotes in this paragraph. It was important to leaders to understand the building blocks and then make them work like clock work.

There is however unseen connections between the perceived building blocks which fundamentally change the way we look at them. These connections cause unintended consequences which changes our reality. In a South African context, the change of the political environment in the country in the early 1990s allowed South African organisations to become part of the global market, which in turn increased the complexity of competition. Complexity was still further increased by changes in the macro-environment of global business, namely the increased rate of change that was experienced due to technology development and globalisation. The third reason for increased complexity in the business environment was people’s revolt against command and control. People started talking about their emotions in the workplace and their contribution to organisations, which forced leaders to establish a more interactive relationship with their employees.

All of the above incrementally added to the change in focus of leadership roles.

6.6 What do South African Executive Leaders see as the necessary Skills Requirements to enable them to fulfil these Roles?

When leaders reach an executive position within the organisation, they have already acquired business and technical skills. The differentiator lies in the fact that for their roles as visionaries, stewards, teachers, designers, facilitators and catalysts, further unconscious skills are required. Dyer (1995) (in Shelton and Darling (2001)) states that even though a person may be viewed primarily as a material being, there is also an invisible, non-material dimension (referred to as the mind, consciousness or spirit). Quantum skills have been suggested by the literature as competencies required by artist leaders as they address the psychological, spiritual and inner being of leaders.

The skill most interviewees identified with was that of understanding people and the psychology of people and for leaders to have the ability to interact with people at the correct level of maturity to ensure understanding. In the quantum skills model designed by Shelton and Darling (2001) referred to in chapter 2, the skill of quantum being recognises the relational nature of the organisation and its environment and is thus more than just understanding people and their behaviours in certain situations. Quantum being does relate more to the ability of a manager to approach relationships with openness and vulnerability and is not merely an understanding of how people think and behave. This would ensure that the new entity that is formed in formation of

relationships is greater than just the sum of two parts. Frans Stroebel, Chief Executive Officer (resigned) of World Wildlife Fund South Africa, explained it well when he said "...we feed off one another, which means that one plus one will then always give you eleven and not two".

The next skill interviewees believed important was the ability of executive leadership to act as visionaries. This ability relates to the fact that they can think and see into the future or be creative enough to see future trends. Louis von Zeuner, Executive Director of Absa Group Ltd, explained this skill as, "Leaders need to connect the future with the current reality and build a bridge between the two to enable progress and growth". This can only be done if executive leaders have mastered the art of quantum seeing. The constant redefining of boundaries or paradigms is important to ensure that their conscious intentions are aligned with their perceived desires, thus not missing opportunities due to an unconscious lack of awareness.

Thirdly; energy, passion, flair and character of leaders are skills that interviewees found necessary, as this energised the organisation and ensured that leaders 'took people with them' on the journey of achieving the organisation's vision. Michiel le Roux, Chairperson of Capitec Bank Holdings Ltd, tried to explain energy and passion as, "...a persons level of ambition, passion and aggressive want to succeed". Shelton and Darling (2001) call this skill 'quantum feeling'. The skill is enhanced by the leaders' abilities to introspect, reflect and test their own assumptions, which will allow them to remain energised due to their emotional choices. Quantum feeling is thus

more than just having energy and passion but also provides an answer as to how to sustain these traits. Frans Stroebel, Chief Executive Officer (resigned) of World Wildlife Fund South Africa, said, "...all leaders must reflect and think about what they wants to do, when to do it and how to do it, otherwise they just do things without energy".

The skill of gathering information and navigating their way through masses of information was the fourth most common skill mentioned by interviewees. As Prof Gill Marcus, Chairperson of Absa Group Ltd, commented, "...the curiosity of leaders" enables them to find the right answers in the now or present. Quantum knowing is an evolution of this skill mentioned by interviewees, but instead of focusing on gathering information it focuses on the ability to stay aware. It is believed that once information is obtained, leaders stop thinking, which leads to mindlessness. The ability to stay constantly aware allows leaders to intuitively make decisions in the now or present.

Fifthly, the skill of humility or ability of leaders to maintain their integrity when they are in a position of power was stressed. Paul Harris, Chairperson of Firstrand Ltd, states "...the starting point of leaders should be that all people are inherently good and can make a contribution". This skill of keeping perspective once in a position of power correlates with quantum acting. While Wheatley (1999) refers to this aspect as personal integrity, values and ethics of individuals, Shelton and Darling (2001) prefer to describe it as the leader's ability to act with the concern for the whole, thus making responsible decisions.

The final skill highlighted by the interviewees was that of understanding and being comfortable in grey areas because business decisions are not always defined. Quantum thinking explains that organisational issues are paradoxical and cannot be answered by rational, binary thinking. Dr. Christ Wiese, Chairperson of PEPKOR Ltd, relays this paradox, "...we live in a world where things need to be done which is right and which is wrong". According to Shelton and Darling (2001), by using the right hemisphere of the brain we are not limited and bound by verbal language and logic, thus allowing for creative thinking. This will allow executives the comfort of not making black white decisions but finding the best solution to the problem.

The quantum skill that was not mentioned by any of the interviewees is quantum trusting, which is the ability to trust in the natural process without controlling it. The empowerment and liberation of people was however discussed during the interviews and is documented within these findings.

In chapter 5, Frans Stobel, Chief Executive Officer (resigned) of World Wildlife Fund South Africa, stated that, "...it is not just about the skills set but about the leaders ability to know what to use when". This implies that leaders need to fully understand each skill, know whether they have such skills or to what level they have mastered it and then how to improve them. Only then will they be able to make informed decisions about what skill to use in what situation.

6.7 How do South African Executive Leaders suggest they Obtain and Improve these Skills?

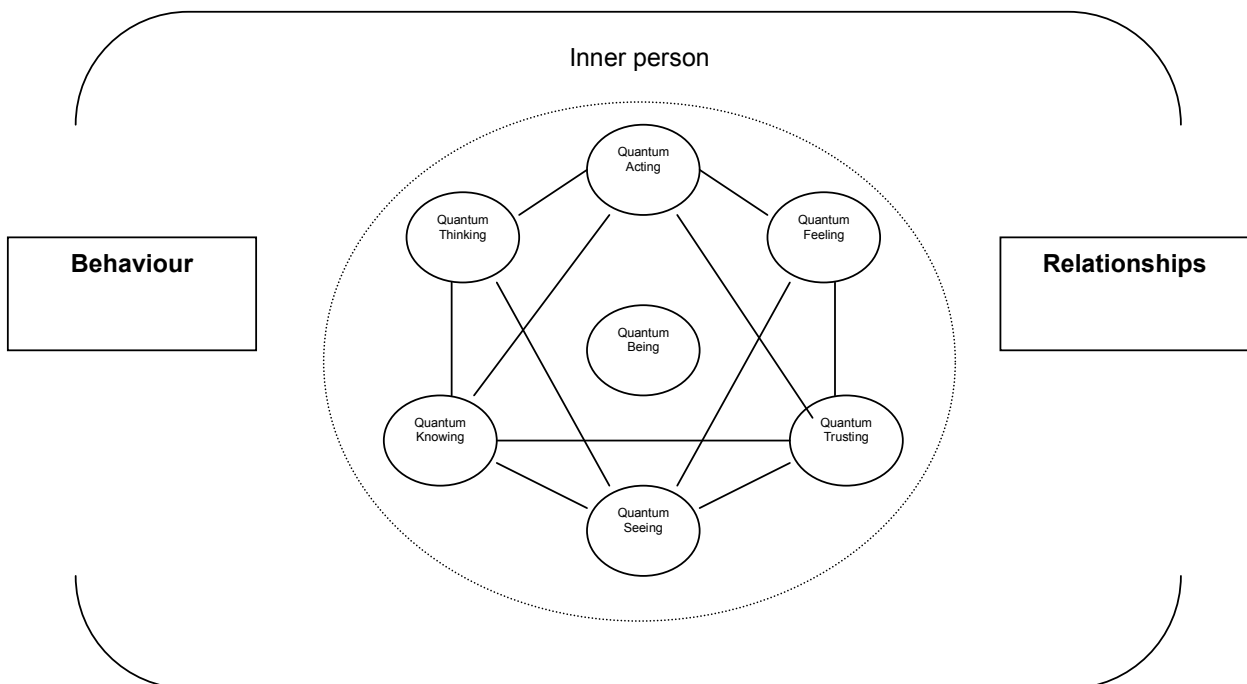
Experience and exposure is a major contributor to each person's individual learning. By being exposed to certain situations, individuals can develop an understanding of their own paradigms. Experience and exposure thus assist one in becoming aware of one's skills.

This alone will not improve leadership quantum skills as these skills are not material by nature, but rather inner-personal. For an individual to understand their inner person or being, a process of introspection and reflection must be embarked upon. The journey of self-awareness and self understanding is vital for a leader's ability to interact and form truly vulnerable relationships with others. Only then will he or she be able to truly digest feedback and communication from internal and external environments. Cashman (1998) rightly points out that leadership is our being in action. The true leader clearly needs to actively engage in introspection and reflection to ensure meaningful relationships.

Campbell's (2007) model An Holistic Intra-individual Model of a Leader, as seen in Figure 7 chapter 2, explains the physical presence of a leader as the outer layer and the non-material attributes of a leader as the inner layer. In examining oneself, these psychological, spiritual and relationship skills (as they are termed by Sheldon and Darling (2001)) can act as a guideline in becoming more self-aware. The self-awareness journey is one that will enable

leaders to act, feel, think, know and trust more freely. This freedom will enable them to create the backdrop for, or foundations of, an organisation where people are liberated and can be thinking creatively in order to stimulate ideas. The adaptation of Campbell (2007) to include Sheldon and Darling's (2001) quantum skills as a guide for self inspection is thus suggested and illustrated in Figure 11.

Figure 11: An Holistic Intra-individual Model of a Leader



Source: Adapted from Campbell (2007)

6.8 Conclusion

In creating sustainable competitive advantage, organisations have to differentiate themselves from their competition to allow for superior performance. Executive leaders in South African organisations believe this to

be true. They see themselves as the caretakers of this responsibility in setting unique conceptual strategic positions with a vision for their organisations to realise. The art is however, for them to create thinking and contributing organisations to allow input on a more operational level from throughout the organisation. This they believed would increase differentiation in purpose, policy and activities, thus creating a culture of uniqueness.

It is clear that not all knowledge lies in the top layer of an organisation and that the people who perform at lower organisational levels could have valuable ideas to contribute. Leadership thus has to create an environment that stimulates employees to participate which they can only do if they understand the vision of the organisation. The flow of information between the organisation and the executive leaders is thus of vital importance. Interviewees were clear about how they want to create an empowered environment in their organisations, by maintaining the paradox of chaos and order, in trusting that people inherently will do the right thing and share this with the organisation.

The role of executive leadership in South African organisations has definitely changed from a very hierarchal command and control management role to a much more consultative enabling role. Interviewee's alluded to them becoming stewards, designers, teachers, facilitators and catalysts during their conversation with the researcher. The change in role requires leadership to inspect its current competencies to ensure that the correct skills are present in order to fulfil these new roles.

The skills highlighted by the interviewees and the quantum skills suggested by the literature do have some correlation, but the gaps that the researcher found in the full understanding of quantum skills showed that there is room for distinct improvement. It seems that most leaders are aware of the skills, but do not understand them in depth or know how to improve them.

Leaders understand what needs to happen in order for South African organisations to become more competitive in the global economy, they need to differentiate their organisations. They also know that they need to create thinking organisations to do so. Their role in creative the above is clear but they have not mastered these roles. This is as a result of the fact that they do not understand their own personal skills or work on improving them in the correct manner. South African executive leaders need a better understanding of their personal self before they can work on improving their organisations ability to compete.

CHAPTER 7

CONCLUSION

7.1 Introduction

It is said that change happens whether we like it or not. The only way we can make sense and create opportunities from change is to understand why it has happened, how it happened and how to align ourselves with it to be able to exploit it.

The business environment has not been exempt from change. Globalisation and increased technological development has even meant a faster rate of change. These changes have resulted in more complex business environments, increased global competition, new formations of organisational structures, new roles for executive leaders and new skills requirements to cope with all of these.

It is imperative that executive leadership understands why these changes happen, how they happen and how to align themselves and their organisations to these changes in order to exploit the opportunities created by change.

7.2 Findings

Globalisation has resulted in increased competition worldwide. South Africa, according to the World Economic Forum's Competitiveness Ranking for 2007, was ranked 45th in the world (World Economic Forum, 2006-07). In order for South Africa to compete more aggressively, focus needs to be placed on what value South Africa and South African organisations can provide to the world markets. Such value needs to be unique in order for South African organisations to have a sustainable competitive advantage.

It is not clear to the researcher that South African executives know exactly what their competitive advantages are over that of their competition. Culture and strategic positioning were most commonly mentioned by interviewees as organisation's competitive advantages. The researcher agrees that both these factors can create competitive advantage, but believes that executive leaders should have a clearer picture as to purpose, policy and organised actions and the bundling of these as suggested by Andrews (1987). The competitive advantages of an organisation must be very clear to executive leaders before they can create a conceptual strategic position to share with their organisations.

Not having a clear understanding of the organisations competitive advantages can create a misfit between the conceptual strategic position created by the executive leadership and the operational strategy developed by the rest of the organisation. This will limit the value that can be created by their competitive

advantages. Only once information flows effectively between executives and the organisation will both parties be empowered to perform their functions to the best of their abilities. This is of vital importance when creating an environment in which people within the organisation can participate and contribute meaningfully.

The new role of executive leaders as steward, teacher, designer, facilitator and catalyst is not mastered as yet. Most leaders have taken up the role of designer and can relate to the role of steward, teacher and catalyst, but are still in the process of understanding the complexities thereof. The role of facilitator is even less understood, with leadership still wanting to provide employees with the right answers rather than pointing them in the right direction. It is in the mastery of these roles that executive leaders truly enable people to contribute to the innovation and creativity of an organisation. Executive leaders who are artists in their organisation have mastered these roles.

The utilisation of quantum skills, were suggested by Shelton and Darling (2001), as a requirement to enable the fulfilment of executive leadership roles. The shortcoming above was concluded and based on the interviewees' responses in terms of skills requirements and the quantum skills logic. Quantum acting (integrity), quantum thinking (paradoxically) and quantum seeing (vision) were all named and described by the interviewees, indicating that they are aware and understand the designer role. Quantum being (relationships), quantum feeling (energy) and quantum knowing (awareness)

were all named, but were not sufficiently understood by the interviewees. All of these skills will enable the role of steward, teacher and catalyst. Quantum trusting (trusting chaos) was not referred to by leaders as a skill that they should have, which is the skill needed by them to become true facilitators.

Due to the non-material nature of these skills, they are very difficult to teach to an individual. Leaders need a certain level of emotional maturity to be able to fully understand these skills and then internalise them to be fully aware of how many of these skills they have mastered. Self-awareness and the ability to introspect and reflect on these skills are of vital importance.

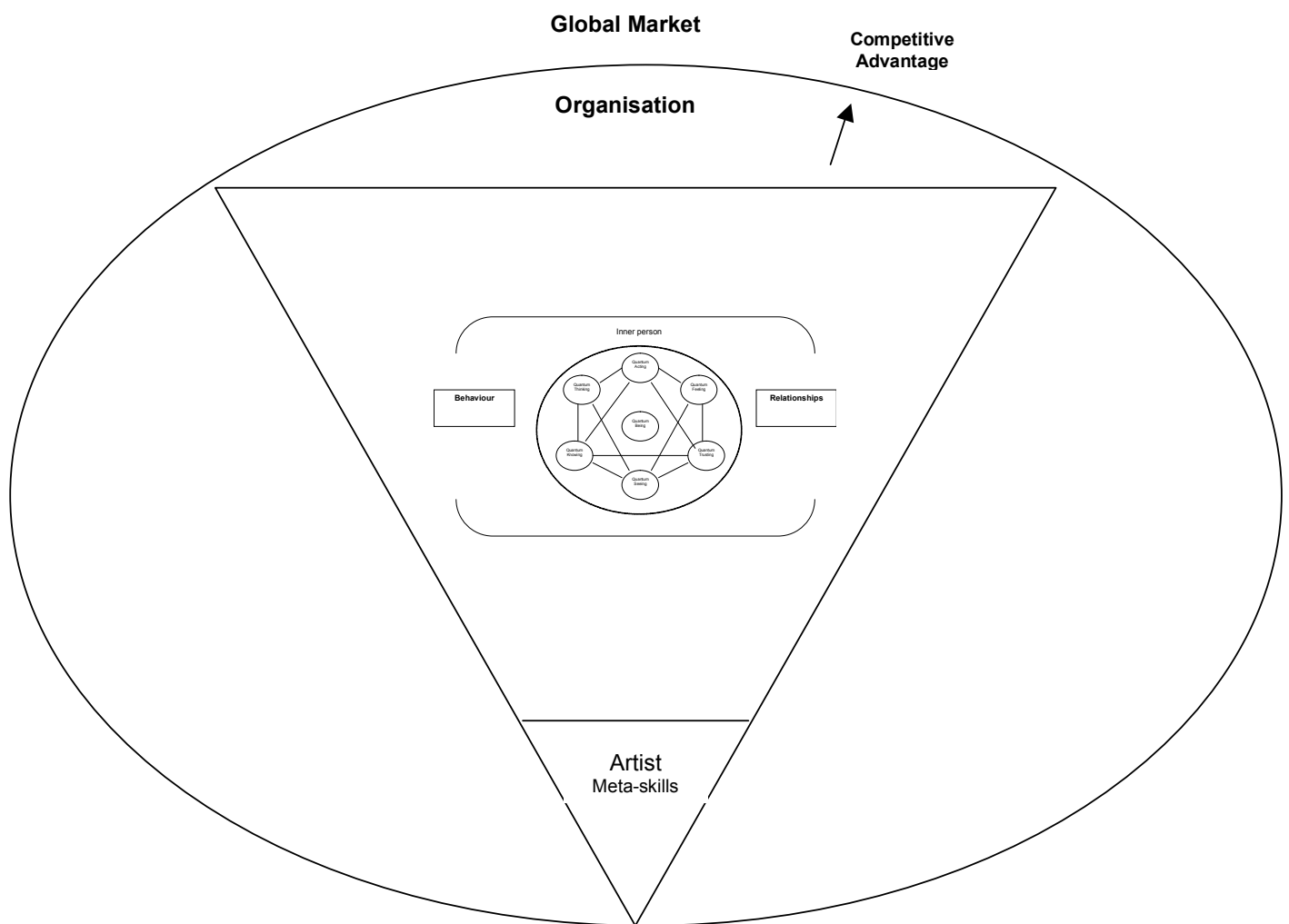
7.3 Model

The model designed by the researcher is directly related to the findings made throughout this thesis. Figure 12 is a representation of these findings.

South African organisations need to be competitive in the global market in order to maintain and/or exceed their current growth rates. For competitive advantage to be established, these organisations have to differentiate themselves from their competitors. In order to promote unique strategy formation, executives have to become artists in creating sound conceptual strategic positioning, after which they can empower the rest of their organisations to generate ideas. For this to take place the organisational environment has to be receptive. Executive leaders need to focus their roles within the organisation to be that of stewards, designers, teachers, facilitators

and catalysts in order to create such an environment, but they will not be able to do so unless they have mastered the above mentioned roles. In facilitating the mastery of these roles self-awareness is key and quantum skills can be used as a guideline in understanding the self. Leaders must focus on how to think, see, trust, act, know, feel and be, will facilitate leadership in action.

Figure 12: Holistic Leadership by Knowing the Self



7.4 Recommendations to Stakeholders

As per the findings in chapter 6 and the researcher's conclusion with regard to the findings earlier in this chapter, specific recommendations can be made.

It is vital for executive leaders to have a clear understanding of what provides their organisation with competitive advantage and to build a conceptual strategic position around these advantages. Secondly, executive leaders must be able to communicate this to the rest of the organisation. This will empower the people within the organisation to creatively contribute to the formation of differentiation, albeit on a more operational basis. Furthermore for executive leaders to fulfil their new roles as stewards, designers, teachers, facilitators and catalysts, they must be aware of their own behaviours and relationships as this will increase their ability to liberate their organisations and improve the contribution received from the rest of the organisation.

These findings are important for the development of executive leadership teams as a group of artists to create globally competitive organisation. It was mentioned by some interviewees that the recruitment of executive teams that can feed off each others strengths and compensate for each other's weaknesses are vital. According to this research such teams can be created and grow together.

The researcher recommends that the executive leadership team of an organisation, as individuals, undertake a self-awareness journey, by reflecting

and introspection on whom and what they are by using quantum skills as a tool or guide. Their findings on the self should be documented. Secondly they should share these findings on the self with the rest of the team to make themselves vulnerable in their relationships with one another. Feedback should then be given by the team to each individual based on their perceptions and learning's of each other which will further enhance each individual understanding of their relationships and behaviours. This will enable each executive to master the new roles within the organisation.

Although nothing is systemically proven by this qualitative research, a deeper understanding of the literature and how to relate it to business was explored. The model suggested above by the researcher adds to the understanding of the new reality that leaders face and the transformation of an executive leaders' role within the new reality.

7.5 Future Research Ideas

Preliminary future research ideas were listed in chapter 3, of which some have become outdated or irrelevant to this research topic. Future research ideas or suggestions that can make a difference to the overall performance of organisations are as follows:

1. Comparing the financial performances of organisations with unique strategic positions to those that do not have unique strategic positions, in order to establish whether differentiation is positively correlated to

performance. The research would aim to prove that differentiation increases financial performance, keeping all other variables constant.

2. The level of understanding and interpretation of an organisation's vision or strategic positioning by the employees of an organisation. This study is to be conducted on all three levels of William's (2007) model, Organisational Leadership Hierarchy. The aim of the research would be to establish what levels of miscommunication exist and how to improve this.
3. The design of a measurement tool for quantum skills. This would enable leaders to measure themselves against a standard set by the tool and thus know which areas to improve on.
4. In-depth study into the development of quantum skills. Self-awareness is a very complicated and philosophical subject. Embarking on this research will simplify the concepts to allow for practical use in a business environment.
5. Additional research can also be done to test the model proposed in this chapter. Such research should test the inductive theory exploration used in this thesis.
6. Further research can also be done on each of the constructs in the model suggested in this chapter. Ensuring clear understanding of

competitive advantage, globalisation, organisational structure, executive leaders as artists, new roles of executive leaders, quantum skills and self-awareness.

7.6 Conclusion

Global markets, competition, complex environments, executive leaders, their roles and skills requirements are all complicated concepts and topics researched in their own right. This study attempted to find the variables and links between all of these concepts to increase South African organisations' abilities to compete in the diverse global economy.

There is no science, correct answer or formulae to follow that will ensure success for organisations. Executive leadership is an art form, as leaders need to understand their own inner-person to become an individual with the skills and techniques to be steward, teacher, designer, facilitator and catalyst. Each artist will have his or her own unique style.



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APPENDICES



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APPENDIX A

Interview Schedule



Interview Schedule

| Name | Company | Position held | Status | Gender | Pop Group |
|-------------------------|--|---------------------------|-------------|--------|-----------|
| 1 Louis von Zeuner | Absa Group Ltd | Executive Director | Accepted | Male | White |
| 2 Wilhem Landman | Vendome Distributors SA (Pty) Ltd | MD | No response | Male | White |
| 3 Paul Harris | Firstrand Ltd | Chairperson | Accepted | Male | White |
| 4 Russel Loubser | JSE Ltd | CEO | No response | Male | White |
| 5 Izak Fourie | Risk Monitor Group (Pty) Ltd | CEO | Accepted | Male | White |
| 6 Dr Andrew Golding | Pam Golding Property Group (Pty) Ltd | CEO | Accepted | Male | White |
| 7 Frans Stroebel | World Wildlife Fund South Africa (WWF) | CEO (resigned) | Accepted | Male | White |
| 8 Namodi Mapella | The Estate Agency Affairs Board | Chairperson | Accepted | Female | Black |
| 9 Peter Mageza | Absa Group Ltd | Executive Director | Declined | Male | Black |
| 10 Whitey Basson | Shoprite Holdings Ltd | CEO | Accepted | Male | White |
| 11 Dr Christo Wiese | PEPKOR Ltd | Chairperson | Accepted | Male | White |
| 12 Prof Gill Marcus | Absa Group Ltd | Chairperson | Accepted | Female | White |
| 13 Jannie Mouton | PSG Group Ltd | Chairperson | Accepted | Male | White |
| 14 GT Ferreira | Firstrand Ltd | Non Executive Chairperson | Accepted | Male | White |
| 15 Makhosini Nkosi | Absa Group Ltd | Head PR | Declined | Male | Black |
| 16 Avinash Singh | Absa Debtor Finance (Pty) Ltd | MD | Accepted | Male | Indian |
| 17 Michiel le Roux | Capitec Bank Holdings Ltd | Non Executive Director | Accepted | Male | White |
| 18 Prof Marcus Ramogale | University of Venda | Deputy Vice-Chancellor | Accepted | Male | Black |
| 19 Nivan Postma | Noah | CEO (resigned) | Accepted | Female | White |
| 20 Cheryl Carolus | Peotona Group Holdings (Pty) Ltd | Chairperson | Accepted | Female | White |

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| Declined | Sample size | 20 | 100% |
| Accepted and appointment made | Respos to request | 18 | 90% |
| Accepted but diary constraint did not allow for appointment | Interview granted | 16 | 80% |
| Invited but no response | Interview done | 11 | 55% |
| No yet invited | | | |



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APPENDIX B

Interview Protocol

South African Executive Leadership an Art form: skill requirements

Interviewer: Louise Snyman

Interviewee:

Gender: Male or Female

Population group: White, Black, Indian or Coloured

Company:

Position held:





| Research Questions | Probing Questions | Capture of info | Transcript Expansion |
|--|---|-----------------|----------------------|
| <p>Research Question 1: How do South African executive leaders view organisational structure?</p> | <ul style="list-style-type: none">• What different working levels do you see within your organisation?• Do you agree with me that there are leaders in each of these levels – what are their responsibilities within their working levels? | | |



| Research Questions | Probing Questions | Capture of info | Transcript Expansion |
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| <p>Research Question 2: What do South African executive leaders see as their primary and secondary roles as a leader of an organisation?</p> | <ul style="list-style-type: none">• What are your primary role and secondary roles within this organisation currently?• What where the primary and secondary roles for an executive leader in the past?• Why do you think they differ? | | |



| Research Questions | Probing Questions | Capture of info | Transcript Expansion |
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| <p>Research Question 3: What do South African executives understand competitive advantage to be an how is it created?</p> | <ul style="list-style-type: none">• What do you believe gives organisations competitive advantage?• Why?• Your theory on uniqueness?• How do you create innovation? | | |



| Research Questions | Probing Questions | Capture of info | Transcript Expansion |
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| <p>Research Question 4: What do South African executive leaders see as the necessary skill requirements to enable them to fulfil these roles?</p> | <ul style="list-style-type: none">• What skills do you think executive leaders need to enable CA in SA organisations?• Named business/technical and leadership skills but what about intangible or unconscious skills? | | |



| Research Questions | Probing Questions | Capture of info | Transcript Expansion |
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| <p>Research Question 5: How do South African executive leaders suggest they obtain and improve these skills?</p> | <ul style="list-style-type: none">• What do you do to improve these skills? | | |



| Research Questions | Probing Questions | Capture of info | Transcript Expansion |
|--------------------|---|-----------------|----------------------|
| | <p>Psychological</p> <ul style="list-style-type: none">• Quantum seeing – what is your paradigm and how do you use it in focusing on business problems?• Quantum thinking – do you analyse a problem, inspect the possible solutions and then make a decision? Are you able to see the picture (with paradox) and create a solution?• Quantum feeling – how do you manage your emotions to try and retain your energy? <p>Spiritual</p> <ul style="list-style-type: none">• Quantum knowing – do you ever just know the answer to a problem without analysing it?• Quantum acting – how important is social responsibility to you? | | |



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| | <ul style="list-style-type: none">• Quantum trusting – do you see yourself as controlling your business or do you believe in chaos theory? <p>Relationships</p> <ul style="list-style-type: none">• Quantum being – how do you approach relationships (do you own your feelings and project them to others...thus can you be vulnerable)? | | |
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APPENDIX C

Detailed Interview Notes



| Probing Questions | Louis von Zeuner | Dr. Christo Wiese | Michiel le Roux |
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| <ul style="list-style-type: none"> • Why Global • What do you believe gives organisations competitive advantage? • Why? • Your theory on uniqueness? • How do you create innovation? | <p>CA</p> <ul style="list-style-type: none"> o Organisation all try and go global but fail due to the fact that they do not understand the markets, nor are we big enough – thus build alliances with overseas companies but stick to what you do well as an organisation o Remember what is your role in your region (stay focused) o SA have good and lots of skill, ability and business ethic that works o SA has no lack of insight or know how but shortage of scale and volume which influences efficiency...thus we just not big enough and we need to partner with overseas companies o SA have an inferiority complex, we do have the intellectual capital and thus overseas organisation will benefit from our knowledge and know how | <ul style="list-style-type: none"> - SA organisation don't have a choice but to start competing globally - International players are already here <p>CA</p> <ul style="list-style-type: none"> o Concept of regional CA have disappeared with globalisation thus the skill set required stay the same o SA advantage is in the fact that SA people are hard working and have a reputation of this – with globalisation this perception is changing o We are less unionised than organisation in the developed world o SA has a diverse society and thus we have a type of vitality o We are not homogenous like most other countries and thus we learn from a young age to deal with different cultures - with globalisation this is also changing o leadership is the major differentiator between success and failure o SA have inferiority complex | <ul style="list-style-type: none"> - Globalisation can not be stopped - Need to be ready to compete <p>CA</p> <ul style="list-style-type: none"> o Creating CA is sometimes easy and other times more difficult. o It is easy is you have a different strategic position o Small difference makes for a very different organisation and competitor o There is advantages for focusing on one niche and other advantages to focus on everything o NB to give clear market definitions and focus on your strengths but you need to keep an eye on the LT trends in the market o NB to know your market and competitor very well; knowledge gives you power to form strategy |



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| | <p>Uniqueness</p> <ul style="list-style-type: none"> o An only cost and price focus will kill you, you need an unique position o You need to create to grow <p>Innovation</p> <ul style="list-style-type: none"> o Growth and creation comes from your people. o Executives only have 7 – 10 year life span because you lose the will to renew and grow yourself. o Executives must focus on enriching their staff and be ruthless in the management of talent within the organisation | <p>although we are busy getting over this</p> <p>Uniqueness</p> <ul style="list-style-type: none"> o Need a balance between cost efficiency and uniqueness o But focusing on uniqueness should be an ideal – although must still sell something that people want at the right price <p>Innovation</p> <ul style="list-style-type: none"> o Companies move through waves of success o Quote: “success is not final, failure is not fatal and the only thing that matters is courage” | <p>Uniqueness</p> <ul style="list-style-type: none"> o Agrees with 2 broad lines of strategy o No one has a sustainable cost advantage, but good strategy does not mean success either, needs to be implemented and driven daily o NB to know your cost of product and running of business as this is knowledge that gives you the ability to make decisions o SA competition levels are low and that influence service levels o SA more complex political and labour markets which influence the way you make decisions <p>Innovation</p> <ul style="list-style-type: none"> o People with management ability in SA deal with a more complex environment and need to solve problems creatively o They have lots more responsibility from a young age o This does teach them a more mechanistic approach to management, as they are required to keep things working |
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| <ul style="list-style-type: none"> • What different working levels do you see within your organisation? • Do you agree with me that there are leaders in each of these levels – what are their responsibilities within their working levels? | <ul style="list-style-type: none"> ○ NB to keep up with trends of change ○ Can not run our organisation with people that has been in the bank for ever, cause you become stuck in your own paradigm – need new thinking | | <p>rather than focusing on a strategic evaluation of the business</p> <ul style="list-style-type: none"> ○ More management than leadership |
| | <ul style="list-style-type: none"> ○ Agree with model ○ Executives enable solutions within the organisation, they do not necessary have the solution ○ They need to create a creative chemistry within organisation ○ Creativity comes from the entire organisation ○ Especially innovation comes from novices, due to the fact that they experiment ○ Executives lose contact with the organisation due to the fact that they are not part on a day-to-day basis ○ Executives need to enable solutions and not old style management by trying to prohibit problems ○ Executives need to open communication channels and create conducive environment for innovation | <ul style="list-style-type: none"> ○ Agree with model ○ All organisations are hierarchical by nature and so is the world | <ul style="list-style-type: none"> ○ Hierarchical structure is unavoidable within organisations ○ There is however a better way to lead or influence people than by the old hierarchical style management ○ There is a lot of psychology in management (rather than art) but there is also a logic in management which can be an art to master ○ The art is in managing diverse people who's reactions are all different ○ Art is also in creating a culture within the organisation ○ The decision about whether you are going to create a culture within each cello of the organisation or whether you want one uniform culture is also very important ○ Structure is necessary to |



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| <ul style="list-style-type: none"> • What are your primary role and secondary roles within this organisation currently? • What where the primary and secondary roles for an executive leader in the past? • Why do you think they differ? | | | <ul style="list-style-type: none"> ○ manage an organisation ○ Information does not flow every where in an organisation and thus structure is formed to ensure information sharing |
| <ul style="list-style-type: none"> • What are your primary role and secondary roles within this organisation currently? • What where the primary and secondary roles for an executive leader in the past? • Why do you think they differ? | <p>Current</p> <ul style="list-style-type: none"> ○ NB that executive have the ability to discount the organisations future position to the present ○ Mt to Lt strategic focus ○ Executives must understand what makes an organisation relevant in 10 years time and then make the decisions to enable this ○ The correct management of investments and utilisation of resources is important to be ready for the future ○ They need to facilitate future change en mobilise staff for change, so they do not feel threatened when it happens ○ Manage talent, people and gather the right profiles around them ○ Need to connect the future with the current reality and build a bridge between the two to | <p>Current</p> <ul style="list-style-type: none"> ○ Motivation ○ Guts ○ Vision (strategic & planning) ○ Must be able to work with people | <p>Current</p> <ul style="list-style-type: none"> ○ Executives are responsible for creating the fundamental strategic reason for the existence of the organisation ○ What makes an organisation different from its competitors ○ They need to know the organisation's strengths and weakness to enable them to plan the road forward – need a future vision ○ The vision needs to come from the top although sometimes there is influence from the rest of the organisation ○ Appointing the right people to make the future happen and who will be able to co-exists with the current organisational culture |



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| | <p>enable progress and growth</p> <p>Past</p> <ul style="list-style-type: none"> ○ Key drivers where risk and reward and thus they focused on efficiency management ○ St to Mt focus not long term strategy ○ Was more operationally and cost management focused than strategy <p>Why change</p> <ul style="list-style-type: none"> ○ Macro environment changed spurred on by technology and the internet, thus companies are forced to focus globally ○ Also SA political environment changed and organisation could now compete internationally ○ Past focus was about management and control rather than growth ○ The old hierarchical way of doing business changed to one of challenge ○ With the older guys it was not acceptable to challenge their paradigms | <p>Past</p> <ul style="list-style-type: none"> ○ Roles has stayed the same ○ Globalisation has not changed the primary function of executives <p>Why change</p> <ul style="list-style-type: none"> ○ Business is still business | <p>Past</p> <ul style="list-style-type: none"> ○ Way back, there was a boss with no executive, he made all the decision <p>Why change</p> <ul style="list-style-type: none"> ○ Lately it has not changed much ○ Board of directors govern the organisation ○ But even this does not always work as people do things according to their strengths or it fits their agenda |
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| <ul style="list-style-type: none"> • What skills do you think executive leaders need to enable CA in SA organisations? • Named business/technical and leadership skills but what about intangible or unconscious skills? | <ul style="list-style-type: none"> ○ Emotional maturity and intelligence ○ Need to start with yourself and then be able to tap into the group that surrounds you ○ Must have ability to get the entire organisation to gel ○ Must know that power and knowledge is not just in you. ○ Need to be a strategic thinker ○ In a changing and competitive environment you can not compete with the guys that surround you – let them get on with what they do well ○ Having all the control is not part of the game anymore ○ Thus play toward your strengths and appoint people that compliment your weaknesses ○ Need to be mature enough and have the willingness to change in diverse environment | <ul style="list-style-type: none"> ○ Need a healthy mix of skills in transformation and thus in the words of Chris Brink: “we live in a world where things needs to be done which is right and wrong (e.g. Affirmative action)” ○ Executive leaders need more internationalisation, thus more international exposure in terms of talent. ○ Also need to understand the environment on a global level ○ Good mix between management and leadership in SA | <ul style="list-style-type: none"> ○ Need strategic vision, creativity and they need to be able to focus on cost ○ There is less outsourcing in SA and thus you need lots of good business skill ○ They don't need specialist skills cause you employ people to do the specialist function ○ NB for them to have a good understanding of people and they must be able to take them with ○ Ambition, passion, aggression to succeed ○ Have to have insight into the business and the ability to appoint the right people ○ No real recipe as all organisations are different |
| <ul style="list-style-type: none"> • What do you do to improve these skills? | <ul style="list-style-type: none"> ○ Now yourself ○ Need to create the culture so that people want to work for you ○ Should be based on a clear organisational value system and a clear value proposition | <ul style="list-style-type: none"> ○ Do courses via university and other tertiary institutions ○ Get international exposure by either studying overseas or working there or by working at a multinational and gain experience | <ul style="list-style-type: none"> ○ Situational learning ○ Some things have a logic and you can learn it from others but other things don't have a logic and you can not learn it from others ○ Again it is always about the |



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| | <ul style="list-style-type: none">○ Need to be able make decision○ If you have the above in place then you can populate it with further things like job environment, learning, investment and exposure○ Create the gel within the organisation with tools and opportunities○ Have to have drive, enthusiasm and passion.○ All starts with yourself and your ability to create an environment where you can be challenged because it grows you as an individual | | <p>people and understanding them</p> <ul style="list-style-type: none">○ Education○ Allow people to do more, thus learning through experience |
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| Probing Questions | Jannie Mouton | Frans Stroebel | Avinash Singh |
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| <ul style="list-style-type: none"> • Why Global | <ul style="list-style-type: none"> - Focus on SA, there if more than enough opportunities here - Culture is different and difficult for us to capitalise on overseas | <ul style="list-style-type: none"> - SA have a shortage of leaders - Have to compete internationally otherwise you exclude yourself from opportunities | <ul style="list-style-type: none"> - Globalisation is inevitable and thus so is international competition |
| <ul style="list-style-type: none"> • What do you believe gives organisations competitive advantage? • Why? • Your theory on uniqueness? • How do you create innovation? | <p>CA</p> <ul style="list-style-type: none"> o Doing things differently from your competitors thus you need to find your strategic position of strength o NB to understand your environment and know your strengths, weaknesses, opportunities and threats o Think about and grow you niche o Be able to adapt to the opportunities you see o Don't wait to long before reacting to the opportunities you see <p>Uniqueness</p> <ul style="list-style-type: none"> o your strategic position creates a certain uniqueness but don't under estimate your organisational culture....they way your company does things | <p>CA</p> <ul style="list-style-type: none"> o SA organisation must be good at something different o Need a unique plus in either brand, product – something that no one else has o If you are unique then people will pay for that something different which increases your margin and barriers to entry | <p>CA</p> <ul style="list-style-type: none"> o Leadership must craft a clear strategy. o Understanding the where to complete, how and how to extract value o Understand what competencies are required to deliver on strategy o Surround yourself with the right people o Understanding your market and your position and the unmet needs of the market is vital |
| | | <p>Uniqueness</p> <ul style="list-style-type: none"> o Because we don't have scale and volume it is difficult to compete with bigger countries o We also don't have the cost advantage of the East | <p>Uniqueness</p> <ul style="list-style-type: none"> o Cost minimisation is incestuous and competition catches up really quickly o Sustainable differentiation is embedded in bundles of |



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| | <p>Innovation</p> <ul style="list-style-type: none"> o Allow each division to write its own strategy as they know their business better than the executive | <p>Innovation</p> <ul style="list-style-type: none"> o Education allows for increased levels of innovation o Intelligent discussion breeds innovation 1+1 is not 2 but 11 the word spreads as well as the culture o To few true leaders due to sanctions and the current level of legislation limits leaders to focus on management | <p>competencies that you put together</p> <ul style="list-style-type: none"> o Thus creating a high performance culture by working on softer skills within the work team creates a uniqueness that is difficult to copy o Need a balance between cost and uniqueness <p>Innovation</p> <ul style="list-style-type: none"> o Need to unlock passion and excitement o People must want to work with you |
| <ul style="list-style-type: none"> • What different working levels do you see within your organisation? • Do you agree with me that there are leaders in each of these levels – what are their responsibilities within their working levels? | <ul style="list-style-type: none"> o I believe in a very flat structure although I do understand that bigger corporate organisation need more structure o Legislation forces organisations to appoint executives, otherwise I would not have o Different organisation form levels differently o Informal communication is very | <ul style="list-style-type: none"> o Agree with the structure and logic thereof o SA leaders are forced to find the solution to all the social and political limitations placed on business - that gives them the ability to think o With the current increase in development of technology and availability of information, | <ul style="list-style-type: none"> o Organisation definitely have different operational levels with different complexities of work o And there is leadership through out an organisation o Agree with the model that different levels have different roles within the organisation |



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| | <p>the work environment will become more chaotic than in the past</p> <ul style="list-style-type: none"> ○ But you still need structure to be able to manage because you have high level of novices with not sufficient emotional intelligence to do what is necessary out of their own free will ○ NB to have an executive that have the ability to take the people with them | <p>important as it allows for a different level of understanding</p> <ul style="list-style-type: none"> ○ Believes in appointing LLB/CA in executive positions | |
| <ul style="list-style-type: none"> • What are your primary role and secondary roles within this organisation currently? • What where the primary and secondary roles for an executive leader in the past? • Why do you think they differ? | <p>Current</p> <ul style="list-style-type: none"> ○ Must have a vision ○ Allan Keller: " what is worse than be blind....to have perfect eye sight and no vision" ○ Must be able to see the changes in the environment and adapt your vision to exploit opportunities ○ NB to have the ability to translate difficult concepts it to the normal people (novices) ○ Don't have to play out the end result of your vision because it could take long or short with twist and turns or notbut you must be able to manage | <p>Current</p> <ul style="list-style-type: none"> ○ Must have and create a clear picture of what the organisation does currently and where it is going in the future ○ They must be able to take people along with them on this journey ○ It is also the executive function to raise capital to achieve the future vision ○ Create the vision and give people a purpose but then give them the freedom to get on with running their own little businesses ○ Create a relaxed environment | <p>Current</p> <ul style="list-style-type: none"> ○ Create a clearly crafted strategy completed with efficiency as to grow market share and sustain earnings growth ○ Create a high performance culture which includes selecting the right people with the right competencies and cultural fit and creating the environment for them to perform ○ Execution, being able to convert the strategy into an executable plan |



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| <ul style="list-style-type: none"> • What skills do you think executive leaders need to enable CA in SA organisations? • Named business/technical and leadership skills but what about intangible or unconscious | <p>as it will allow people to part take</p> <p>Past</p> <ul style="list-style-type: none"> o Much more of an closed door policy with the boss always being right o Executives focused on administration and titles <p>Why change</p> <ul style="list-style-type: none"> o The availability of information is easy now and with technology changes and the speed of development, the way we manage have changed | <p>the change as it happens</p> <ul style="list-style-type: none"> o Always see the opportunities even when other people see it as failure o “Money is what money does” Dr Rupert <p>Past</p> <ul style="list-style-type: none"> o The ability to see the future and vision has not changed although the environment has changed and thus the vision will change <p>Why change</p> <ul style="list-style-type: none"> o World has changed in the way it does things but vision and the ability to see them has not changed | <p>Past</p> <ul style="list-style-type: none"> o The previous executive’s role was to stabilising the organisation from turbulent past o My role is now to reposition the organisation in the market o Dealing with moral <p>Why change</p> <ul style="list-style-type: none"> o Organisations is in different life cycles and the executive must be able to understand the situation it finds itself in o Environment around the organisation changes and executive must also take this into consideration | <ul style="list-style-type: none"> o Leaders need to know who they are, what drives them, what are their prejudices, fears and strengths o Need to be able to take decision in the here and now and not just try and predict the future; go on | <ul style="list-style-type: none"> o It is not just about the skill set but the leaders ability to know what skill to use when o SA leaders is accepted overseas as they are adaptable and understand change | <ul style="list-style-type: none"> o Senior management should have knowledge of the environment o They must have business and technical skills o Certain people are good at certain things and it is NB to |
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| <p>skills?</p> | <p>get the right person in the right job</p> <ul style="list-style-type: none"> o Also it is a skill to surround yourself with people that compliment your weaknesses o NB that executives do not have to do the work but they need a solid team that can perform o Need flare, risk taker, plays hard himself, can plan and think, self assured and be able to inspire others | <ul style="list-style-type: none"> o Leaders must be able to effect change o Leaders must be able to reflect and think about what he wants to do, when and how otherwise they do things without the right energy o Must be able to see LT future and not just ST change o Must be able to see the difference between cyclical change (adapt your game plan) and structural change (need a new game) | <p>what they have and apply their minds on the current info</p> <ul style="list-style-type: none"> o Interpersonal / inter group / inter company awareness and intuition is vital o They need to have the ability to know and understand their environments o Leaders need to understand that their role is a combination of art and science o Need to be comfortable in the grey space; not everything is black or white |
| <ul style="list-style-type: none"> • What do you do to improve these skills? | <ul style="list-style-type: none"> o Read books, newspapers and journals o Listen to what everybody says o Ask interesting questions to inspire others | <ul style="list-style-type: none"> o Communication by executive leaders and sharing of their knowledge with people in their organisation, but also with SA business schools o Experience – being allowed to experience the feeling of leading o Also getting the feeling of working with people and a complex environment o Speak about mistakes because you learn from it o Read and talk very broadly not just within similar thinking groups of people will broaden your paradigms | <ul style="list-style-type: none"> o Must be comfortable about giving, receiving and dealing with feedback o Must be able to speak and listen to people as it give an leader insight as to how to build a relationship with that individual or group o This allows the leader to influence by using the right approach for that group thus improving intended impact o Influence without losing feeling for the other, otherwise you lose your people o Try and stimulate right brain activities by part taking in any |



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| | | | <ul style="list-style-type: none">○ Have to give freedom to your inner artist....if you have a look at artists their protests and creations are ahead of their time○ Listen, because you miss the true value often | form of art. We stop developing this at a young age and it is vital for creative thinking |
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| Probing Questions | Prof Gill Marcus | Izak Fourie | Niven Postma |
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| <ul style="list-style-type: none"> Why Global | <ul style="list-style-type: none"> - Have to grow internationally as SA is only so big | <ul style="list-style-type: none"> - Depends on how big you want to become | <ul style="list-style-type: none"> - Global impact on SA organisations is inevitable |
| <ul style="list-style-type: none"> • What do you believe gives organisations competitive advantage? • Why? • Your theory on uniqueness? • How do you create innovation? | <p>CA</p> <ul style="list-style-type: none"> ○ We are and we are not competitive globally ○ We run the danger of competing to the bottom as we don't understand what our CA are (we rely on commodity boom to compete currently) ○ SA has extraordinary resource and talent but we have not thought how to apply them ○ We have unique buyer diversity, positioning in Africa and natural resources (e.g. long coast line, seaweed) <p>Uniqueness</p> <ul style="list-style-type: none"> ○ How we should be differentiating SA or our organisation is by competing according to our strengths | <p>CA</p> <ul style="list-style-type: none"> ○ SA has unique situation as we have a combination of first world education and skills in a developing country (3de world) ○ From a young age our executives have a relative span of responsibility ○ This creates an opportunities due to their level of exposure and experience ○ SA cost is relatively low, although minimum wage is killing this advantage <p>Uniqueness</p> <ul style="list-style-type: none"> ○ Not so simplistic ○ Boundaries between industries have blurred and thus the focus is more on value add and alignment of strategy between service provider and client ○ Thus creating unique aligned | <p>CA</p> <ul style="list-style-type: none"> ○ Getting the right product to the right place at the right price at the right time, that people want or need ○ Need to be better than expected and pushing yourself to do it ○ Knowing when to fight what battles at what level to ensure performance <p>Uniqueness</p> <ul style="list-style-type: none"> ○ Not an either or anymore, you need a balance |



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| <p>• What different working levels do you see within your</p> | <p>Innovation</p> <ul style="list-style-type: none"> ○ Need to start thinking of our unique resources as businesses ○ Need to start seeing our products differently as this will make our products competitive ○ Thus we need to be open to creative thinking ○ SA needs thinking organisation to create CA thus you have to be a thinking leader ○ Need to feed this into all layers of the organisation as the people need to get exposed to ideas ○ Expose people to diversity to talk and listen to other people and ideas ○ Need to align with national problems and ideas to extract value out of opportunities by changing our social or other environments | <p>strategy but it is still also important to watch your cost as you deal with scares and expensive resources</p> <p>Innovation</p> <ul style="list-style-type: none"> ○ Artist is more a once off inspirational thing so I believe more in being creative on an ongoing basis ○ The art is to bring HR, systems and clients together and getting the interaction between these three things right ○ Thus you need people that can connect the dots between what is available and what needs to be created to make the vision work – systems thinking ○ The art of a leader is understanding and managing the intersections | <p>Innovation</p> <ul style="list-style-type: none"> ○ Giving people the freedom to create and grow through their creation |
| <p>• What different working levels do you see within your</p> | <ul style="list-style-type: none"> ○ Very few organisations operate as a unit mostly at levels | <ul style="list-style-type: none"> ○ Working levels does exists in any organisation | <ul style="list-style-type: none"> ○ Wheatley writing stretches your mind but I struggle to |



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| <p>organisation?</p> <ul style="list-style-type: none"> Do you agree with me that there are leaders in each of these levels – what are their responsibilities within their working levels? | <ul style="list-style-type: none"> Very seldom can people influence up but your role fits into the whole in a cohesive organisation Don't agree with model as leadership will be in all levels and it is a much more complex environment and not so processed Artist should have the technical or professional skill to become a leader not the professional Leadership of the artist should be the person that can pull it all together and connect the dots Leadership is very often about how other people see you and the way you influence people as people want to see the value they perceive you to add Leaders see different and innovate Agree with the fact that artist need to align ideas, purpose and vision Leadership is much more of an organic process because people want to hear what you say as they perceive you to add value and not so structured Your hierarchy at the top (artists) Chair, CEO and head | <ul style="list-style-type: none"> Do not agree with the model as the triangle should be turned upside down, executive leadership is a support function They should create the environment for the professionals to do their job, making the most of the best The fit between the resources and the environment is the art that executives have to make work Executives almost need to live outside of the organisations to have an aerial view Allow people the freedom to do their work but there is a need for them to report back to ensure that things are going well – leader does not have to solve the problem but pick the right guy to do so If there is a problem first find out what your colleagues think of it – often they have the solution | <p>internalise it and know how to implement it</p> <ul style="list-style-type: none"> Holism is more of an idealism than a reality Art is very subjective and the degree of subjectivity in organisation is limited cause people paradigms are different and you speak past one another Constant change within yourself is difficult to translate into a business Comes back to the values and making decisions where you make the right decisions for the right situation Listen to everybody even cleaners can alert you to internal or external environmental issues you need to know |
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| | <p>audit committee must all be strong. One must not overpower the others</p> <ul style="list-style-type: none"> o The danger is if one is too charismatic, has a strong personality and is knowledgeable then he/she can overpower the rest o NB that they have the ability to understand the whole | | |
| <ul style="list-style-type: none"> • What are your primary role and secondary roles within this organisation currently? • What where the primary and secondary roles for an executive leader in the past? • Why do you think they differ? | <p>Current</p> <ul style="list-style-type: none"> o CEO role is the operational strategy development and running the operation and implementing the strategy o Chair is concerned with the big picture, relationships, frame work setter, coherence of strategy o Audit role is the detail of compliance (audit and risk) o Need interaction of all 3 as well as the rest of the board on a constant bases o Focus on strategy ST, MT and LT and it is always a work in progress o Executive can not do other peoples work and thus must give them the freedom to do | <p>Current</p> <ul style="list-style-type: none"> o Internally leaders have to manage the corporate governance and ensure that it is adhered to o Internally leaders have to ensure that individual learning grows into organisational learning and that the organisation knows its own intellectual property and ensure cross pollination thereof o Outbound role is the strategic position of the organisation in a quick changing external environment o Thus reorganising the organisation to fit or exploit the changing environment | <p>Current</p> <ul style="list-style-type: none"> o Absolutely know themselves – if you operating from your own life purpose you see the opportunities o If you operate from your blind spots then they going to take it out on other people. That is not useful o Must know your strengths, limits, need, what they can't do and have to get other people to be o Can't separate the person from the executive and there is power in that o Strategy is as much about what you will do as what you will not do but it is as much about you as the organisation |



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| | <p>their own jobs</p> <ul style="list-style-type: none"> ○ The appointment of competent people is important and then executives must have faith in them to do their work ○ Need to create an environment where people are not bored but challenged and allowed to grow and develop ○ Need to have a willingness for taking risks on people ○ Leadership crises at all levels and thus everybody becomes an authority – therefore they are disempowered <p>Past</p> <ul style="list-style-type: none"> ○ Board was retired and did not have the current legislation demands <p>Why change</p> <ul style="list-style-type: none"> ○ Transformation needs to happen and requires different focus – triple bottom line ○ Demand of compliance ○ Need for growth | <ul style="list-style-type: none"> ○ Executive leaders thus constantly have to monitor the external environment <p>Past</p> <ul style="list-style-type: none"> ○ Executive use to be more operational and more financial ○ The speed of change was slower and thus they had more time to plan and think about change <p>Why change</p> <ul style="list-style-type: none"> ○ The roles are constantly changing ○ Speed of technology development and availability of information | <ul style="list-style-type: none"> ○ What is your personal strategy – what do you stand for ○ Premium use to be on people that can get the information but now the premium is on people that can make sense and navigate their way through the current info overload <p>Past</p> <ul style="list-style-type: none"> ○ Premium on people that can get the information ○ Lot more operational focussed and rigid <p>Why change</p> <ul style="list-style-type: none"> ○ Something has shifted ○ Only thing accepted as the universal truth in business is change ○ People speak about their emotion and what they believe in and what they want to |
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| | | | <p>contribute or achieve</p> <ul style="list-style-type: none"> ○ Sense of values are much more NB |
| <ul style="list-style-type: none"> ● What skills do you think executive leaders need to enable CA in SA organisations? ● Named business/technical and leadership skills but what about intangible or unconscious skills? | <ul style="list-style-type: none"> ○ Need the basic technical skills to do your job ○ Enquiring, interested, open and engaging ○ Need to be able to listen and interoperate information ○ Must be curious enough to want to try and find the answer ○ Be confident enough to change your mind ○ Have the ability to interact with people in such a manner that you give them the confidence to challenge you ○ Ability to interact and get to know one another to build relationships | <ul style="list-style-type: none"> ○ Energy and passion the leader needs; to believe in the organisation, what it does and stands for ○ Needs good technical skills ○ Needs the skill to understand the world and his own world thus internal and external environments ○ Needs to spend time and have the skill to monitor and interact with these environments – can't just read about it, you need to see it, speak and listen to people ○ Passion, vision, risk tolerance ○ Time management and prioritising (not to confuse with life balance not NB in MT) | <ul style="list-style-type: none"> ○ There is an assumption that business and technical skills are there but I think it is more NB to focus on developing potential ○ NB to retain current talent and have the ability to grow that ○ The ability to hold onto your integrity even when you are in a position of power ○ Must understand the diversity of the people you manage. Not all people have the same values, emotional intelligence or ability to take opportunities |
| <ul style="list-style-type: none"> ● What do you do to improve these skills? | <ul style="list-style-type: none"> ○ Exposure, confidence and engagement ○ Need the time for engagement to allow understanding and to make the mistakes ○ Performance review should not only be when you have to decide on bonuses otherwise it | <ul style="list-style-type: none"> ○ Believe fundamentally in owner managed organisations ○ Recruit the best, train intensively and weed early ○ Through people into the deep end and they will grow within the position ○ You have to give people the | <ul style="list-style-type: none"> ○ Listen when people speak as it gives you insight into how they perceive a situation to be ○ Educate and train ○ Give people the opportunity to prove themselves, they might surprise you |



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| | | <p>becomes a negative conversation</p> <ul style="list-style-type: none">o Feedback should be ongoing and as it happens, at the momento Need to understand the context and the situation. The biggest problem is racial and gender divides cause we don't speak to one another comfortably | <p>opportunity to prove themselves if you don't you will not know whether they can make it or not. Have to take risks on talent</p> <ul style="list-style-type: none">o Don't let people get stuck in their comfort zones, there is no growth | |
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| Probing Questions | Dr. Andrew Golding | Paul Harris |
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| <ul style="list-style-type: none"> • Why Global organisations competitive advantage? • Why? • Your theory on uniqueness? • How do you create innovation? | <p>- We all compete with international companies</p> <p>CA</p> <ul style="list-style-type: none"> ○ Jake Whites advantage was being able to identify with the players SA values and culture ○ 3000 people who buy into the values and culture of the organisation ○ Not about the mechanics of the business, it is about what makes people tick and why would they stay with the organisation when the chips are down ○ Element of entrepreneurship in SA. we are adaptable, flexible and we make a plan when needed ○ Plus leaders have an element of battle hardness due to our difficult business environment ○ our environment is difficult and thus you earn your school fees in SA | <p>- South Africa is an international playground</p> <p>- Your competition might be internationally owned companies</p> <p>CA</p> <ul style="list-style-type: none"> ○ Each bus unit needs must understand what the external competitive forces are, it makes it easier to deal with the competition ○ And it is up to them to sort out the competition as they understand them better ○ Because people are empowered they are thinking about beating the competition ○ It is a better solution than the people at the top can come up with because they work with it every day |



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| | <ul style="list-style-type: none">○ Make sure that people are recognised for their contribution as it enables retention of people <p>Uniqueness</p> <ul style="list-style-type: none">○ Differentiation can only be on the basis of services and individuals within the organisation which translates into reputation○ This ties back into the culture and values of an organisation <p>Innovation</p> <ul style="list-style-type: none">○ Certain levels of chaos allows for creativity and it is massively important○ There is a need for innovation and this does not happen when you flick your fingers○ Innovation is about being creative and you need some 'clear air' to be creative○ Challenge is not to work yourself to a stand still on non creative issues you need to allow your people to be creative | <p>Uniqueness</p> <ul style="list-style-type: none">○ You have to differentiate yourself from the competition○ Don't believe in commodities you have to differentiate○ If you are a commodity then you have no option but to compete on price and cost○ Thus it is vital to innovate○ Not just product but also on your corporate culture <p>Innovation</p> <ul style="list-style-type: none">○ Innovation is the way to counter scale, it creates differentiate○ Need to allow levels of chaos to allow innovation○ Small things make a big difference and creates incremental differentiation○ Reward innovation (R1m once a year) thus it is part of everybody's job | |
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| | <ul style="list-style-type: none"> ○ Like Google and Microsoft allow people freedom to create ○ It is also NB to keep innovation in mind when recruiting, retaining and recognising your people | | |
| <ul style="list-style-type: none"> ● What different working levels do you see within your organisation? ● Do you agree with me that there are leaders in each of these levels – what are their responsibilities within their working levels? | <ul style="list-style-type: none"> ○ Agree but broadly speaking ○ There are competencies at all levels and leadership at all levels ○ The bigger an organisation the more it conforms to the model ○ It is about finding the balance between order and chaos within an organisation, at the stage of evolution it is at ○ You get a tipping point where to much chaos can be destructive ○ Chaos should be part of the corporate culture | <ul style="list-style-type: none"> ○ Our leadership style is different ○ People at the bottom are perceived and treated as if they can not make a contribution to the intellectual debate. They are disempowered but they should be empowered ○ Professionals think they are hierarchical but their job is not to give orders but the enable empowered ○ Top guys are removed and remote from the other two this creates problems ○ Likes the comparison to art form; as there are different artistic styles there are also different leadership styles ○ Should try and unlock potential through empowerment and empowerment involves devolving accountability ○ Need a tolerance for chaos because the flip side is | |



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| <ul style="list-style-type: none"> • What are your primary role and secondary roles within this organisation currently? • What where the primary and secondary roles for an executive leader in the past? • Why do you think they differ? | | <p>disempowerment, low moral, bureaucracy</p> <ul style="list-style-type: none"> ○ Decentralised model is better because wisdom does not live at the top | |
| <ul style="list-style-type: none"> • What are your primary role and secondary roles within this organisation currently? • What where the primary and secondary roles for an executive leader in the past? • Why do you think they differ? | <p>Current</p> <ul style="list-style-type: none"> ○ It is about the x factor which is peculiar to each organisation and leader ○ Some say it is about the leadership and motivation of the organisation ○ Executives have to have a strategic vision ○ Art of leadership is about driving the specific silos of strategic leadership and at the same time pulling the organisation willingly in that direction ○ Direct own leadership competencies with leadership partners, to complete the picture. There is never just one good leader – it is about the partnership of executive leaders ○ Thus it is important to recruit the right partnership of executive leaders ○ And for them to provide the | <p>Current</p> <ul style="list-style-type: none"> ○ type of leader they look for: ○ “role of leadership is not to make good decisions, but rather to facilitate good decision-making” ○ You are ensuring that people think about what they do, you trust them you must listen to them and they must take accountability for what they do ○ When they come up with things themselves they take accountability for what they do ○ You must create an environment to allow empowerment as you can not control everything ○ Debate issues and create the environment by giving your organisation a flight plan ○ Use experience and relationships to challenge the flight plan ○ Created the culture to trickle down through the organisation | <ul style="list-style-type: none"> ○ |



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| | <p>glue, as a figurative concept making sure the organisation gets on a cultural, strategic and vision basis</p> <ul style="list-style-type: none"> ○ Keep reinforcing to people why they work for PG which is identifying with PG values <p>Past</p> <ul style="list-style-type: none"> ○ Definitely changed over time <p>Why change</p> <ul style="list-style-type: none"> ○ The organisation has evolved over time and grown | <p>and people will live it</p> <ul style="list-style-type: none"> ○ You are not judged about the nr of people you control but the about of people you liberate ○ Get people to think about their business <p>Past</p> <ul style="list-style-type: none"> ○ The use of command and control was at the order of the day ○ There was however a revolt against it ○ people don't want to be told what to do they want to freedom to decide <p>Why change</p> <ul style="list-style-type: none"> ○ Revolt against command and control | |
| <ul style="list-style-type: none"> • What skills do you think executive leaders need to enable CA in SA organisations? • Named business/technical and leadership skills but what about intangible or unconscious skills? | <p>○ Personality or character of the leader is NB</p> <ul style="list-style-type: none"> ○ Each leader brings elements of their unique character and personality to the organisation ○ NB to get the right leader for the current evolution of the organisation ○ Identify with all of the quantum | <p>○ EQ (emotional intelligence)</p> <ul style="list-style-type: none"> ○ The ability to relate to people ○ Humility, get rid of the big egos and employ low ego people ○ Starting point should be that people are inherently good and that they can make a contribution ○ Need good technical skills and | |



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| | | <ul style="list-style-type: none">skills and makes a lot of senseLeaders need to make sure that they are endorsing the right behaviour within the organisationNeed listen to the people and what they have to say and suggest | <ul style="list-style-type: none">this is an issue in SAReally like the quantum skills model he can relate | |
| <ul style="list-style-type: none">What do you do to improve these skills? | <ul style="list-style-type: none">Good training and exposure in SAKnow your internal environmentSeeking out opportunities and grabbing them, taking them onFinding mentors and learning from people you perceive as more complete leaders | <ul style="list-style-type: none">Experience and intuitionArt form in that you learn from your mistakes thus you growGive people the opportunityListen to feedback | | |