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Exploring dominant logic's enablement between contextual leadership intelligence and diversification strategy

Camrin Roberts
12375498

A research proposal submitted to the Gordon Institute of Business Science, University of Pretoria in preliminary fulfilment of the requirement for the degree in of Masters of Business Administration.

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ABSTRACT

Purpose – Diversification is a popular sought-after growth strategy for organisations in response to the dynamic and rapid changes of a VUCA economy. However, there has been limited exploration into the leadership required to ensure its success. This exploratory study looks at how dominant logic, through its mechanism of mental maps known as schemata and information filtering system, enables the dimensions of Contextual Leadership Intelligence, such as contextual awareness, 3D thinking and meta-competencies to enable a diversification strategy.

Design methodology – Following the recommendations of Saunders and Lewis (Saunders & Lewis, 2012), a qualitative study was conducted collecting data through semi-structured interviews from 15 senior executives, with an average experience of 21 years in a senior management role, who had been involved in a diversification strategy.

Findings – It was concluded, through the development of a *de facto* model that there is a relationship between dominant logic and contextual intelligence, in terms of the awareness given to operating within context and the process of filtering information to effectively operate within dynamic contexts. Through the awareness given to the mental maps of dominant logic and 3D thinking, learning and unlearning of bias occurs, providing a leader with the ability to act with contextual intelligence to enable a diversification strategy.

KEY WORDS

Contextual Intelligence
Leadership
Context
Diversification strategy
Dominant logic

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 previously for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to perform this research.

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7th November 2016

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GLOSSARY

3D Thinking: the integration and convergence of hindsight, insight and foresight

Adaptive Capacity: the level of one's ability to adapt to different environments or circumstances

Ambiguity: where the causes and the "who, what, where, when, how and why" behind the things that are happening are unclear and hard to ascertain

Analogical reasoning: using a similar experience instead of a direct experience to draw inferences about your situation

Behavioural Theory: assumes that the success of a leader is based solely on how they behave

Chaos: a system of thinking where you believe things can be non-linear and still patterned

Co-lingual: the ability to understand more than on context or culture

Complex Adaptive Systems: complicated linear and determined systems produce controllable and predictable outcomes, can produce novel, creative, and emergent outcomes

Complexity: an open system where outliers and external variables may have significant influence on outcomes and behaviours. Solutions and answers can be found within or outside of the established system

Contextual Ethos: cognitive conceptual understanding of multiple variables, such as a paradoxical devotion to a global perspective in the midst of local circumstances (politics, geographies), combined with those of individualisation (beliefs, attitudes, personal ethics)

Contingency Theory: a behavioural theory that claims that there is no single best way to design organisational structures

Context: the weaving together of the background events that constitute a situation or attitude

Contextual Intelligence: integrates an intuitive and cognitive approach to decision making, the ability to quickly and intuitively recognise and diagnose the dynamic contextual variables inherent in an event or circumstance and results in intentional adjustment of behaviour

Diversification: strategic decision of an organisation to move into new products or services, or markets for growth and competitive advantage.

Dominant logic: relates to the main means a company uses to make a profit. In essence, it is an interpretation of how a company has succeeded

Foresight: an anticipatory function based on the awareness of the preferred future that informs present day decisions

Hindsight: a function of memory that provides information to present day decision-making based on relevant past events

Insight: the convergence of foresight and hindsight that gives relevant information for decisions that need to be made now

Intelligence: the ability to read between the lines and choose between two viable options that result in the appropriate response in any given situation

Networking: the process of establishing a mutually beneficial relationship with other business people and potential clients and/or customers

Non-Newtonian Thinking: appreciation of the world and how it works from a non-mechanistic or linear vantage point

Patterning of Attention: isolation and communication of pertinent information, deciding what information is most important in the now versus what can be dealt with later

Synchronicity: meaningful coincidence or two or more unrelated experiences converging in a moment in a meaningful way

Tacit Knowledge: things that you know to be true, but are unsure of how or when you came to know them; and are therefore difficult to teach to others

Trait Theory: based on the characteristics of many leaders - both successful and unsuccessful - and is used to predict leadership effectiveness

Transformational Leadership: a style of leadership where a leader works with subordinates to identify needed change, creating a vision to guide the change through mentorship

Transactional Leadership: also known as managerial leadership, focuses on supervision, organisation, and group performance; transactional leadership is a style of leadership in which leaders promote compliance by followers through both rewards and punishments

Uncertainty: where major “disruptive” changes occur frequently

Volatility: where things change fast but not in a predictable trend or repeatable pattern

VUCA: volatile, uncertain, complex, ambiguous

Zeitgeist: the defining spirit or mood of a particular period of history as shown by the ideas and beliefs of the time

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CHAPTER 1: INTRODUCTION TO THE RESEARCH PROBLEM

"In a constantly changing world, the ability to challenge one's mental models and explore new ways to adapt is a competitive advantage"

Philipp Hensler

1.1 INTRODUCTION

The rise of the knowledge era has brought about one of the most important changes to the environment in which firms operate, in terms of the globalisation of markets and industry changes (Bowen, Baker, & Powell, 2015). This has resulted in what was originally coined by the US Army War College and subsequently used by Bennet and Lemoin (2014) in a business context, as a volatile, uncertain, complex and ambiguous economy (VUCA). Gray (2014) suggested, this "globalisation" has reshaped the competitive landscape, forcing business organisations to evolve and leadership practices to become more effective in order to remain competitive. This is especially poignant as Kutz (2008) posited, within an environment where there are now multitudes of multifaceted, fluid contextual variables. Weeks (2007) contended that new solutions are required, which involve the fundamental transformation of strategic leadership and thinking with, as Ireland and Hitt (2005) jectured a networked and globalised thinking being essential to manage the pace of change.

This new competitive landscape was characterised by D'Aveni (1994/1999) as being a dynamic hyper-competition, with the elucidation of competitive strategy, whereby organisations require a quick-strike mentality, aimed at specifically disrupting the competitive advantage of market leaders, operating as if there are no boundaries to entry. Competitive advantage is no longer sustainable over the long haul, but is rather achieved through continually creating, eroding, destroying and recreating it through strategic manoeuvring (D'Aveni, 1994; D'Aveni, Dagnino, & Smith, 2010). This is enhanced through a clear understanding and succinct focus on product markets, general market orientation and the desired growth strategy of the organisation (Pleshko & Heiens, 2008). One of the strategic manoeuvres that an organisation can implore as contended by Stern and Henderson (2004) is diversification, as it enables a firm to adapt faster to environmental changes, increasing the likelihood of survival in fast-paced and highly competitive environments.

Weeks (2007), furthering the argument of Davenport, Leibold and Voelpel (2007) opined that not only has the environment shifted towards a knowledge networked society, but that the increasing evidence of company failures due to traditional business models and strategy approaches indicates that the traditional ways of practising strategy management have to be seriously reconsidered. The traditional strategic management thinking, based on the concept of rationality and order, is no longer applicable within contexts whose lines are blurred and results difficult to predict, as well as demanding more intelligence in terms of response.

In light of this, Bettis, Hall and Prahalad, in their seminal work (1978) found that the quality of management was as critical in explaining performance in diversification as any other factor, yet limited, if any studies (Lau, 1993; Mumford, Zaccaro, Harding, Jacobs, & Fleishman, 2000), directly examined diversification strategies and leadership behaviours within a complex environment. Barney, Wright and Ketchen (2001/2011) called for research to draw on a multitude of areas of study, through qualitative methods in the hope to bring together multiple disciplines, such is the purpose of this research. Furthermore, there had been calls from researchers such Rumelt (1974), Ramanujam and Varadarajan (1989), Martin and Sayrak (2003), Drejer (2004), Nippa, Pidun and Rubner (2012) and Kor and Mesko (2013) to find empirical research on how leaders enable diversified organisations as a basis for understanding the variation in diversification strategy performance. As Nippa, Pidun and Rubner stated (2012), it is clearly necessary to *"conduct empirical studies that analyse how managers of diversified firms manage their portfolios"* (Nippa, Pidun, & Rubner, 2012, p. 63).

1.2 BACKGROUND

In order for organisations to diversify, leaders need to have a contextual awareness, knowing not only *"how"* to do something, but also to know *"what"* to do (Kutz & Bamford-Wade, 2013; Brown, Gould & Foster, 2005), adopting a new competitive mind-set, in which mental agility, firm flexibility, speed, innovation and globalised thinking are valued highly. Leaders need to be able to identify and competitively exploit opportunities that emerge in the new context of a competitive landscape, such as that of a diversification strategy (Ireland & Hitt, 2005).

Mayo and Nohria (2005) argued that there is a connection between business performance and the context understood by the leader, especially when viewed in

terms of strategy, whereby context serves as stated by Weeks (2007) to be the Rosetta Stone for interpreting it. Patterns are constantly emerging within the economic, political, ecological and social environment that are giving rise to contextual conditions that have varying impact on organisations. Their outcomes are difficult to predict, and at best can be described as complex in nature, or web like structures (Weeks, 2007) (Kutz, 2011). These revolutionary changes not only challenge firms, but also their leadership to become more contextually intelligent − more aware. It requires leaders to diagnose their context, increase the speed of their decision-making, adjust, not only their behaviours, but also to foster interactions that promote creativity and the innovation of their organisations (Osborn, Hunt, & Jauch, 2002). Mayo and Nohria (2005) defined this to be Contextual Leadership Intelligence. It is the ability of the leader to understand an evolving environment and capitalise on trends, aligning resources with objectives, moving with the flow of events to implement strategy. Blass and Ferris (2007) supported this reasoning that it requires changing at different levels to remain competitive and meet increasingly ambiguous environments.

Marx (2013) raised further pertinent observations linked to the interconnectedness of strategy and leadership, viewing them to be inextricably intertwined within the leader-follower nexus. Within leadership, the situation and followers inform leaders how to adapt their behaviour to the demands of the situation and how to motivate their followers. However, without incorporating strategy into this equation, for which they are responsible, both for the implementation and formulation, this process becomes vacuous. Without the component of strategy, the leaders have no base for determining their response to the situation, not only in terms of the firm's performance, but also follower performance. Strategy is therefore the needed *"polestar for determining appropriate leadership responses"*; with the critical direct impact of the leader's formulation and implementation of it, needing to be known (Marx, 2013, p. 15)

Through the awareness generated in the diagnosis of context, the opportunities that arise for diversification do so because of the uncertainty that is created by continuous changes, often resulting in opportunities for product-driven growth. If the leadership is effective, they can mobilise the organisation so that it can adapt its behaviours and exploit these different growth opportunities, through integrating contextually intelligent behaviours and skills such as tacit knowledge, synchronicity and time orientation to provide outcomes that immediately impact performance (Kutz & Bamford-Wade, 2013).

Prahalad (2004), Prahalad and Bettis (1986/1995) and Grant (1988) reasoned that the performance of diversified firms can be improved through the application of an individual's intelligence, to which they referred as a dominant logic. This enables an individual to develop appropriate mind-sets, known as information filters or interpretation systems. These enable an individual to focus their attention on essential matters to accomplish goals and make decisions within environmental complexity (Prahalad & Bettis, 1986/1995). This mind-set is based upon past experience (schemas), in the form of recognisable patterns, behavioural logic, data categories and heuristic principles, which enable an individual to deal with unfamiliar situations, guiding their imagination about possible futures (Prahalad & Bettis, 1986/1995). The inherent idea behind dominant logic is that a basic strategy exists, but will change or adapt incrementally, based upon the data received from the context of operation and filtered through the information mechanism of dominant logic.

Continuous organisational advancement is inevitable, with executives being faced with globalised economic conditions that are dynamic and volatile, with contextual complexity becoming pronounced. The business environment needs to be conceptualised as constituting an ecosystem composed of various interacting contextual determinants that collectively impact on business (Weeks, 2007). Within this context, executives need to deal with more complex and pressing contexts that require them to diagnose, adapt and change, replacing current systems with new ones. They are required to be flexible and adaptable to the necessities dictated by the environment, and thereby appreciate the role of not only their leadership, but the role of the individuals that surround them within that context. Furthermore, it is contended that diversification is different from other strategies in that it requires a fit between strategy and organisational characteristics, which include that of a manager's characteristics and mind-set (Lau, 1993; Mumford et al., 2000).

The purpose of this research is then to explore dominant logic's enablement of the relationship between contextual leadership and diversification strategy.

1.2 RESEARCH SCOPE

Due to the limited research done on leadership within diversification and the subsequent effect that this has on its outcome, the scope of this research is to explore the potential enablement of dominant logic between contextual leadership and diversification strategy. The focus will be on how leaders are able, through the diagnosis of their context, to apply and adapt their intelligences and behaviours to enable a diversification strategy.

The study is limited to 15 executives who have undergone a diversification strategy, in order to understand the research objectives set out herein. The study furthermore seeks to develop a *de facto* model, through the convergence of the literature and the experience of the executives.

1.3 RESEARCH MOTIVATION

It is clear that leaders are being driven to take responsibility for strategy (Montgomery, 2012, p. 12), with diversification remaining a viable vehicle for organisational growth; yet, the link between leadership and strategy remains elusive. This is compounded when trying to establish the specific behaviours, skills or intelligences that are needed to apply to these situations through the interpretation of information present within the environmental context. This is especially true when viewed under the contention that within complex contexts, totally different and unexpected contextual conditions can emerge (Kutz, 2008). Unlike the relatively mono-dimensional business environments of the past, today's business leaders must be prepared to play in a multi-dimensional game, one that takes into account a multitude of variables, in order to succeed – to survive and thrive (Kutz, 2013). What is therefore required is an integrated view of leadership and strategy, whereby the analytical, interpersonal, and decision-making skills are acknowledged as core functions (Marx, 2013).

Diversification and the impact it has on firms' success has been extensively researched (Martin & Sayrak, 2003); however, there seems to be lack of agreement on its effectiveness as a strategy with some, such as Kenny (2012), suggesting that focus as a strategy is superior to diversification. Nippa, Pidun and Rubner (2012) went further and suggested that diversified corporations are associated with destruction of shareholder value, finding there to be an astounding *"lack of conceptual approaches,*

theory-based advancements and developments of specific theories" (Nippa et al., 2012, p.62) supporting business' successful implementation of diversification strategies. Despite doubts about the success of diversification as a strategy, organisations such as Bidvest and General Electric seem to have successfully implemented diversification strategies.

Osborn et al. (2002) found that organisations are seeking new ways to compete, such as through diversification, whereby the context of operation is no longer stable, but shrouded in complexity and ambiguity. Within this, the core commodity that is now taking preference is knowledge, with the rapid production of this providing the competitive advantage and route to survival for organisations (Bettis & Hitt, 1995). Osborn et al. (2002), supported by Manville and Ober (2003) therefore contended that due to the varying context that leaders find themselves in, a new leadership perception is required. Contextual intelligence, it is contended, can fulfil this call, whereby dimensions of intelligences such as 3D thinking, behavioural meta-competencies, as well as information dimensions, such as patterning of attention and network development are used in the development, adaptation and interpretation of information within context, to influence and direct future strategy. Kutz and Bamford–Wade (2013) provided a Contextual Intelligence model, which can be utilised to assist a leader with operating in dynamic, uncertain and ambiguous contexts. The model enables individuals to enhance their ability to successfully navigate their surroundings, integrating factors of 3D thinking, tacit-based knowledge and the intentional integration of 12 contextually intelligent behaviours.

Further to this, dominant logic, first presented by Prahalad and Bettis (1986) and in subsequent works (Prahalad & Bettis, 2000; Prahalad, 2004; Bettis & Prahalad, 1995), provides a 'linkage' between diversification and leadership through the application of information filters and mind-sets known as schemata. Grant (1988), however, contended that the construct has remained conceptual, with no distinct skills or behaviours having been identified or assigned to diversification strategy in order to attain success. Furthermore, he reasoned that if one can specify its application, then the concept of dominant logic can be operationalised and turned into a potentially valuable instrument of strategic analysis.

Therefore, it is acknowledged that diversification is used as a vehicle for organisational growth and competitive advantage. However, it remains illusive what type of leadership behaviours and intelligences are required to enable this. The motivation of this

research is therefore to attempt to solve this question, through the convergence of dominant logic's intelligence dimensions to that of contextual leadership intelligence for the enablement of a diversification strategy.

The key components that motivate this study are seen and substantiated below **(Table 1)**

Table 1: Key research motivations

Construct	Dimension	Scholar
Dominant Logic	Information filter Mind sets	Prahalad & Bettis (1986) Grant (1986)
Contextual Intelligence	3D thinking	Kutz, (2008), Kutz & Bamford-Wade (2013), Osborn, Hunt & Jauch (2002)
	Intelligent behaviours - information patterning, tacit knowledge, behaviours	
	Diagnosis of context	
Diversification	Competitive advantage and growth	Stern & Henderson (2004) Weeks (2007)

Source: Researchers own

1.4 RESEARCH PROBLEM AND OBJECTIVES

Diversification is an important strategy that organisations implore in order to remain competitive, especially now within the globalised dynamic contexts that are present. There has, however, been limited research into the leadership behaviours that are required in order to enable an organisation's diversification strategy, with much focus being given instead to the financial parameters that determine its success.

This study therefore attempts to gain a more profound understanding about how leadership, through the link with dominant logic, can enable a diversification strategy.

Essentially, this research aims to:

- Establish how dominant logic enables the relationship between contextual leadership intelligence and diversification strategy;

- What role do contextually intelligent behaviours and skills play within the relationship between contextual leadership and diversification strategy;
- To what extent are leaders aware of operating within a dynamic context and how does this affect them in a diversification strategy;
- Develop a *de facto* model, based on the literature and analysis of results from the interviews to which leaders can practically apply in the enablement of a diversification strategy. The model can then be used as a practical tool for guiding leaders in a diversification strategy.

In order to assist in establishing links between the three constructs of diversification, dominant logic and contextual leadership intelligence, a hypothetical model has been developed after analysing the literature that is presented in Chapter 2. The model was developed prior to the semi-structured in-depth face-to-face interviews that were conducted, with the basis of the questions asked to either confirm the literature or gather new insights to be formed, in order to formulate a more comprehensive model. This process allowed the researcher to determine how comprehensive the existing Kutz and Bamford-Wade (2013) conceptual model for contextual leadership intelligence is for the enablement of a diversification strategy, whilst establishing the prevalence of dominant logic in the adaptability of the leader's approach.

The hypothetical model has been designed to assist executives and leaders in the enablement of a diversification strategy, especially when operating within a dynamic changing environment. By understanding the process of enablement of a diversification strategy through the convergence of dominant logic's intelligence of information filtering and those stated by Kutz and Bamford-Wade (2008) and Osborn et al. (2002), it is hoped that a conceptual blueprint can be developed, that will enable leaders to be more focused in their approach and implementation of a diversification strategy.

Additionally, this research should provide further insight into the relatively recent construct of contextual leadership intelligence, by providing a link to that of dominant logic and the behaviours and skills that encompass it.

The literature review in Chapter 2 focuses on the key themes and issues of diversification, dominant logic and contextual leadership intelligence. The different themes emphasise the interconnectedness of the various theories, particularly in contextual leadership intelligence and dominant logic, and the practical application thereof by means of the development of the hypothetical model.

CHAPTER 2: LITERATURE REVIEW

"A pilot must of necessity pay attention to the seasons, the heavens, the stars, the winds and everything proper to the craft, if he really want to master the ship."

Plato

2.1 INTRODUCTION

This literature review comprises of the three major themes that surround this research paper, namely contextual leadership intelligence, dominant logic and diversification strategy, with an exploration into each being conducted.

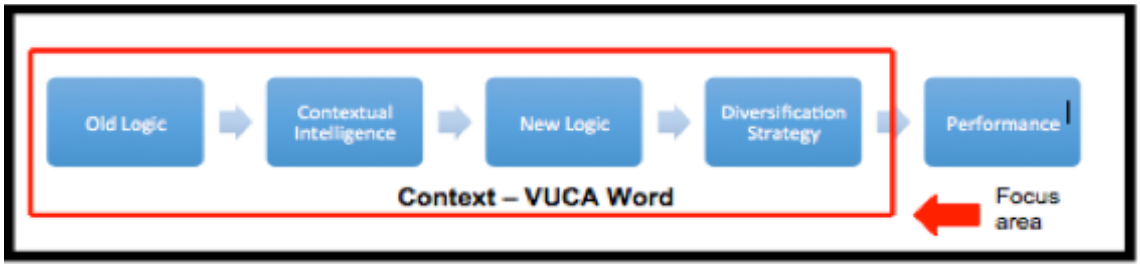
Figure 1 demonstrates the framework, within which the study is conducted, based on the three constructs above.

Firstly, a review is conducted on some of the underlying philosophical assumptions that have helped to shape leadership into the construct that it is today, looking at the traditional theories, upon which Contextual Leadership Intelligence has built, such as trait, behavioural and contingency theory. From there, the neocharismatic theory of Transformational and Transactional leadership is addressed, as the stepping-stone into the new paradigm of leadership theory being Complexity Leadership theory and Contextual Leadership Intelligence. Context and the vital role it plays within the requirements for today's leader, as well as it being a foundation to that of Contextual Leadership Intelligence are then discussed. This is further explored into the behaviours; skills, abilities, behaviours, intelligence and types of leadership are then reviewed in terms of their role in forming what is known as Contextual Intelligence.

From there, a discussion is conducted around diversification, being a strategic tool for leaders to use as a means of obtaining growth and competitive advantage within the dynamic hypercompetitive environments that they operate in. The key focal area within this discussion is on the limited research around the necessary management skills required to enable this, with the reasoning being that Contextual Intelligence best suits the requirements of a diversification strategy.

Finally, dominant logic is then discussed, as the enabling factor for the relationship between Contextual Intelligence and diversification, providing the lens through which it can be viewed.

Figure 1: Framework of study



It is acknowledged at this juncture that the literature review is comprehensive in nature; however, it is justified in that the three constructs are dense in their understanding. In order to therefore do justice to the research study, an in-depth discussion is required, affording the reader with the opportunity to fully integrate into the literature, understanding their relevant dimensions as well as the integration of the relationships seeking to be developed.

2.2 LEADERSHIP – A HISTORY

Leadership − and its significant dimensions − has been one of the most researched management topics, with an academic history spanning more than a 100 years; yet, it still does not have a consistently agreed upon definition due to the fact that it is continually advancing, with a gap existing between a socially constructed concept and an analytically pure one existing (Walumbwa, Avolio, Gardner, Wernsing, & Peterson, 2008). Furthermore, it was argued by Osborn et al. (2002), Kutz and Bamford-Wade (2013), Tetenbaum and Laurence (2011), and Kutz (2008) that the current leadership erudition was incomplete as it failed to take the context, within which the leadership was interacting, into account. Tetenbaum and Laurence (2011) expanded this argument further, stating that many leadership theories are so idiosyncratic that they are inadequate for the volatility and complexity that leaders are expected to navigate. Essentially, one can contend that leadership is a socially constructed theory, existing not in a vacuum (Fiedler, 1962), but rather comprised of contextual factors such as environment, organisation and technology, combined with information patterns that have developed over time, all of which need to be considered within the leadership process.

For the purposes of this research, the following definition by Osborn et al. (2002), which was built on from the formal definition of Katz and Kahn (1978), will be looked at

and expended. Osborn et al. (2002) defined leadership as *"the incremental influence of position holders exercised via a direct and indirect means to maintain and / or alter the existing dynamics in and of a system through patterns of influence attempts"* (Osborn et al., 2002, p. 804). From this, it is understood that leadership surpasses the confines of a formal system, such as that of interpersonal influence, looking more towards the dynamic collective influence of leaders on the system. Through this, it is understood that leaders and the organisations, within which they operate, are not independent bureaucratic entities, but are rather influencers within a wider construct. Similarly, Bolden, Gosling, Marturano and Dennison (2003), Bass (1985) and Yukl (2006) argued that early leadership theories were focused around the behaviours and characteristics of individuals and their function, with the contextual nature of leadership and the role of followers being developed later. More recently, it was evolving, as Kutz (2011) contended, into an applied construct, whose meaning is only understood to the extent that context is.

The overarching criticism leveraged against traditional and neo-charismatic theories is that they lack contextual consideration, therefore imposing limitations to their application. Leadership researchers realised that the lack of contextual diagnosis within leadership, especially within the volatile dynamics of the global economy, was a challenge and therefore introduced leadership concepts based on non-Newtonian frameworks such as Chaos Theory (Burns, 2002; Tetenbaum & Laurence, 2011), Adaptive Capacity (Heifetz, 1998), and Complexity Theory (Uhl-Bien et al., 2007), providing the perspective required for leadership in context-rich environments (Kutz, 2013). However, as Kutz (2011) conferred, these concepts, although providing for context adjustment, did not provide measurable models of competencies that were needed to inform the behaviour that leads to adeptness. This is where Contextual Intelligence fits in, through the integration of tacit knowledge, synchronicity and time orientation.

Other leadership constructs and competencies were not challenged by Contextual Intelligence; rather, they leveraged off the best of leadership behaviours, while being rooted in a framework that embraces the unpredictable, non-mechanistic and non-linear VUCA world, within which it exists (Kutz, 2011). It has been argued that the ability to diagnose a context and identify the contextual variables within is an important competency for leadership to possess in order to operate effectively within a VUCA economy.

2.3 NEW PARADIGMS OF LEADERSHIP THEORY – AN ENHANCEMENT?

Since the 1970's, there had been appeals for leadership researchers to consider context as a factor that may alter leadership effectiveness, especially since the view of open systems arose (Day, 2000; Osborn et al., 2002; Osborn & Marion, 2009; Porter & Mclaughlin, 2006), giving rise to what became known as non-Newtonian based leadership paradigms. The primary tenant of the Newtonian paradigm rests upon the notion that the world is law-abiding, stable and mechanistic, with predictable outcomes. Conversely, the notion of an organisation changed, moving from a top-down, clear boundaried, bureaucratic institution to a new knowledge-orientated economy, which is fluid and flexible, both internal and external of its bounds (Schneider & Somers, 2006). This was supported by Osborn et al. (2002), and Uhl-Bien and Marion (2009), with the hybrid view of leadership, which combines the nested and pervasive views of individuals acting in bureaucratic settings with defined roles, and informally networked influence patterns that emerge from interpersonal dynamics, both internal and external of the organisation. They argued that leadership is embedded in the context, within which it operates, acting as a trigger for specific leadership aspects and effective leadership dimensions. A dominant causal mechanism or contextual condition is emphasised during this trigger process, highlighting the need for a specific aspect of leadership based on the characterisation of the context, such as Chaos Theory (Burns, 2002), Complexity Theory (Uhl-Bien & Marion, 2009) and more recently, Contextual Leadership.

Further to this, there have been leadership scholars such as Bolden and Gosling (2006), and Day (2001), who proposed that leadership is a social process, which transcends the skills or abilities of any one person, focusing on the broader relational and social contexts. This means that it should be viewed within the context and interactions among and between agents, within which it occurs. Contextual Intelligence requires that an awareness of this, especially the interactions that take place, must be present as it ultimately informs the behaviour that is necessitated.

An important key to understanding Contextual Intelligence is the application of two words, *context* and *intelligence.* The researcher will firstly look at the most relevant theory, Complexity Leadership theory as a contributor to contextual leadership and will then explore the concepts of context and intelligence, as constructs to Contextual

Intelligence, which means to accurately read between the lines and then execute the best decision, based on the strategy and context at hand.

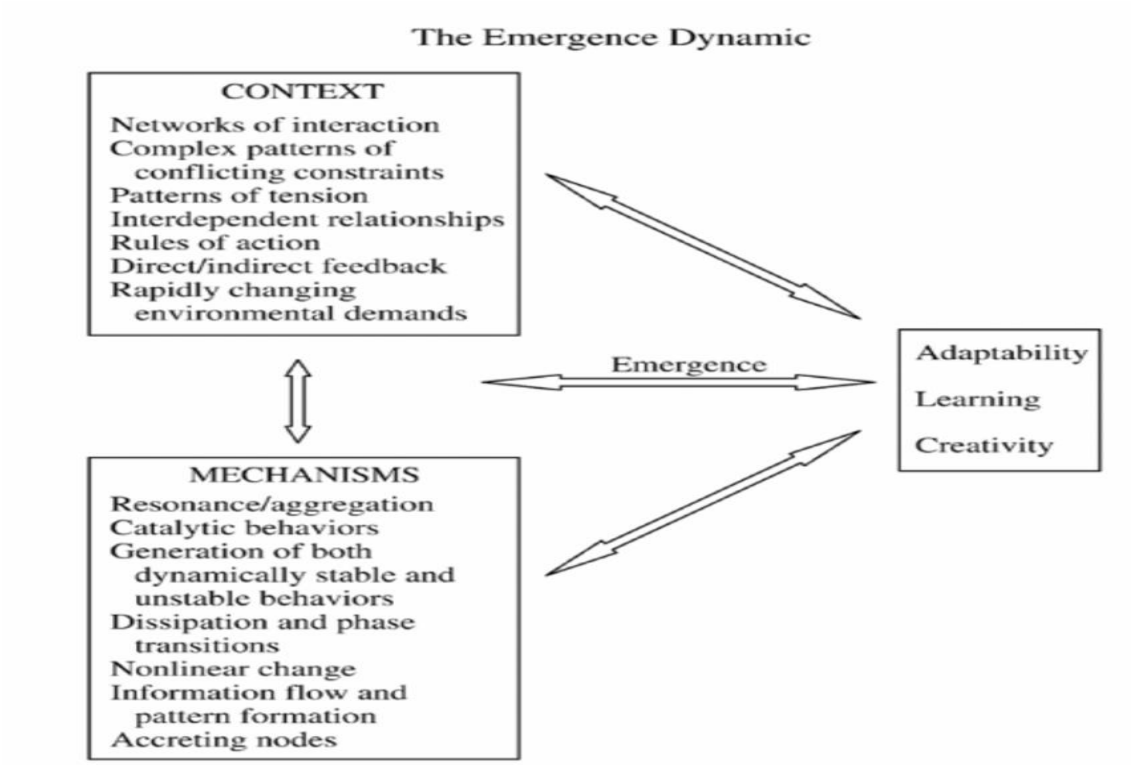
2.3.1 Complexity Leadership Theory

The knowledge era, as mentioned, is characterised by the forces of globalisation, technology advancements, deregulation and democratisation, collectively creating a new competitive landscape, within which leaders and organisations must compete. In such an environment, Uhl-Bien et al. (2007) contended that learning and innovation are vital to attain a competitive advantage, with the conventional framework of control arguably not being possible or sustainable. It is within this context that Marion and Uhl-Bien (2007) found Complexity Leadership to fit and provided a framework (**Figure 2**), within which to work, advancing Heifetz's (1998) notion of adaptive capacity, whereby a distinction was drawn between systems that are complex and those that are complicated (complex adaptive systems) (Uhl-Bien et al., 2007; Lichtenstein et al., 2006; Marion et al., 2007), recognising that leadership was no longer focused around the individual, but was more a systems phenomenon in terms of an emergent event (Marion & Uhl-Bien, 2001).

A fundamental contention of complexity leadership is that informal network dynamics should be enabled under conditions of knowledge production (Uhl-Bien et al, 2007). Marion and Uhl-Bien (2001) asserted that the success of leadership is no longer dependent on the individual or the characteristics thereof, such as charisma or power, but is rather attributable to the capability of the organisation to be productive in mostly unknown, future states. It is therefore required that leaders foster conditions that develop organisational capabilities, such as interactions and information flows, focusing on understanding the patterns of complexity present within the context and manipulating this more than the results (Lichtenstein et al., 2006). This can be done through creating conditions for bottom-up dynamics, whereby innovation and learning can occur; generating positive emergence.Basic control is still required though to keep the system focused and aligned to the goal (Marion & Uhl-Bien, 2001). The contention is that leaders need to start creating healthy conditions for people to start self-organising around relevant issues, through focusing on the interactions at hand, rather than attempting to control the individual outcomes. Relationships within this type of system are not defined via their hierarchy or status, but rather by the interactions among the agents and across their networks, challenging the deep-seated belief that has accompanied leadership for a long time; that of the perceived need to be in control

and direct the nature and course of change (Keene, 2000). This is a similar concept to that of the "Great Group" theory present within strategic leadership, whereby innovation and learning are driven through collective intellectual capacity (Ireland & Hitt, 1999).

Figure 2: Complexity Theory framework



Source: (Uhl-Bien, Marion, & McKelvey, 2007)

2.4 LEADERSHIP IN CONTEXT

Context, as described by Kutz (2013), is *"the interwoven and tied together fabric of a situation, which creates an intricate and unique appearance"* (Kutz, 2013, p. 8). The importance placed on it, as stated by Osborn, Uhl-Bien and Milosevic (2014), shifts as views of leadership change and develop, making it so complex that a single microscopic view, even when detailed, cannot produce a single productive view of leadership. Kellerman (2013) contended that one cannot exclude its understanding, especially at a moment in human history, where Contextual Intelligence in its broadest sense is of paramount importance.

Fielder (1962), the initial researcher to incorporate contextual factors into leadership, provided clarification on context as being the causal mechanism linking leadership, context and performance. Mowday and Sutton (1993) characterised context as *"stimuli*

and phenomena that surround and thus exist in the environment external to the individual, most often at a different level of analysis" (Mowday & Sutton, 1993, p. 198). They further described context as consisting of constraints versus opportunities for behaviour, which Mayo and Nohria (2005) supported, finding there to be six external factors at play, which a leader is affected by. Kutz (2008), supporting this view, developed it further by finding context to be not only external and internal of an organisation, but also to encompass inter- and intra-personal factors that contribute to the individuality of each situation and circumstance, with a unique set of variables defined as 'contextual ethos'. Kutz and Bamford-Wade (2013) reasoned that these intra- and inter-personal factors are in reference to the nature of interactions and interdependencies among and between various dynamics at play such as the social context.

2.4.1 Diagnosing Context

To diagnose context, a leader needs to be cognitively aware of the interactions and interdependencies that exist within the situation prior to engaging as these have significant influence on the outcome. In diagnosing context, a leader needs to have intentional awareness to these factors, but also an enigmatic attentiveness to having a global perspective, whilst considering and operating within a local circumstance(s) (Kutz, 2008). This can be likened to Kofman and Senge's (1993) learning organisation, whereby − in order to diagnose a context accurately − an individual's current ways of thinking, classifying and assimilating data and information may have to shift, depending on the outcome required.

Context, therefore, is in support of the science of hermeneutics about being able to diagnose the specific context of an event in order to correctly interpret it, so that an individual can enact behaviours accordingly. It requires a leader to have a cognitive conceptual understanding of multiple variables, such as geographies, beliefs, attitudes, personal ethics, politics and organisational climate, which, as mentioned, Kutz (2008) termed contextual ethos. It is through a leader's intelligence that this cognitive application can be applied in diagnosing context.

Osborn et al. (2002) proposed a contextual view of leadership, identifying four basic types of organisational contexts, combining estimates of volatility and complexity to differentiate among them: a) relative stability, b) crisis, c) dynamic equilibrium and d) the "edge of chaos". Within each context, there are certain leadership behaviours that

are considered most effective, but as these contexts shift, so too does the leadership effectiveness. Within each of these contexts, there is no doubt that leadership dimensions such as vision and mission creation are important aspects, but for the purposes of this study, the information dimensions of patterning of attention and network development dimensions will be focused on in terms of establishing a framework to enable a diversification strategy within increasingly complex environments.

It is consequently understood that in order to operate within a VUCA environment, the context needs to be observed prior to the action being performed. This does not replace experience, but rather facilitates a new perspective, with experience becoming a secondary influence in the decision making process, while contextual awareness is primary.

2.5 LEADERSHIP DIMENSIONS

Within the leadership literature, there has been much discussion and emphasis on the various dimensions of leadership, emphasising the importance of causal mechanisms such as rewards, values, and other notions that constitute central causal mechanisms such as Transactional or Transformational leadership, ultimately linking leadership and outcomes (Yukl, 2006). Osborn et al. (2002) contended that what had not been addressed extensively enough was what had been identified as patterning of attention and network development. These dimensions stress the importance of information, in terms of development and interpretation and direct / indirect interpersonal communication and information patterns of influence. By focusing on these neglected aspects alongside those of conventional dimensions, one is able to see the contribution that a contextual view brings to the role that human agency plays within a complex system.

2.5.1 Patterning of Attention

Patterning of attention, it can be opined, is not a defined roadmap or plan, but rather the isolating and communication of pertinent information, deciding what information is most important in the now versus what can be dealt with later, from a stream of events, outcomes and actions in order to move towards the desirable end goal. Its primary function is that of dialogue, and discussion of what is important, not dictating what to do

or how to do it. Osborn et al. (2002) argued that as a leadership dimension, it is an embedded, emergent characteristic of the individual, whereby leaders attempt to influence others within their environment by directing what is seen and analysed. Osborn and Marion (2009) furthered this thought process by finding that through the facilitation of dialogue between a leader and their subordinates, they assist in the sharing and transforming of tacit knowledge, through the exchange of personal and sometimes hard to formalise knowledge, resulting in a collective understanding. Lord and Maher (2002) found that during this discussion and dialogue, leaders connect subordinates to a broad variety of potential information sources. This connection of individuals to information was consistent with Nonaka's (1994) view of knowledge creation.

In providing this 'connection', it is expected that the leader will be helping subordinates cope with any uncertainty, without them imposing the top-down hierarchical behaviours and conditions of bureaucratic organisations, consequently enabling innovation and creative adaptation (Osborn & Marion, 2009; Osborn et al., 2002). Key to the success of this dimension is the leader's aptitude to interpret, catalogue and pose relevant questions to the group collectively in order to assist in identifying important issues.

The ability of a leader to process and select what information is important to the system and how it is to be achieved is a critical aspect of strategy, with leaders needing to have a chameleon-like behaviour, changing their approach depending on the stakeholder they are engaged with. Additionally, as Ericsson, Prietula and Cokely (2007) supported by Kutz (2011) found, becoming co-lingual and having a far-reaching interpretative system will assist in such behaviours, as it implies that one is able to respond to the interchanging patterns and influences within any context. The more dynamic a context, the more one should see active dialogue and discussion up and across organisational levels to isolate what should be important (Osborn et al., 2002), in order to keep the system viable.

Within patterning of attention, processes are a key component, enabling a leader to understand the subtle, yet mutual influences at play, whilst being able to determine what must be done, what can be done now and how the tasks at hand should be completed. Osborn et al. (2002) argued that a successful combination of processes and leadership may, over time, induce a virtuous cycle yielding improvements to the business and vice versa. The consistency, in which the context is managed is crucial to this, understanding that they are both part of the implementing processes, and part of

the processes themselves, which assists in the patterning across time rather than being focused at one point in time.

2.5.2 Network Leadership

Built originally on the multiple influence model of leadership by Hunt, Osborn and Martin (1983), network leadership (Brass & Krackhardt, 1999) is the establishment of direct and indirect communication and information patterns of influence by a leader (Osborn et al., 2002, p.804). This was further expanded on by Elkins and Keller (2003), Salk and Brannen (2000), and Osborn et al., (2002), who reaffirmed the importance of network-based influence, supporting Hosking's (1988) original argument that networking involves the cultivation and exercise of wider social influence. Complexity Theory reasons that leadership should encourage the emergence of distributed intelligence, to ensure that the appropriate resources to cope are employed and fitness is obtained (Osborn et al., 2002). By focusing on leadership information dimensions, leaders are able to cope better within increasingly complex organisational contexts. This is enhanced with increased linkages, both internally and externally, with the organisations' immediate environment, known as network diversity.

Hunt and Ropo (1995) asserted that there are dialogues up, down and across the organisation as to what are the really important aspects of a context. Networks operate as a prime source and channel of information, dependent on the context of operation. It is about expanding from knowing *what* and knowing *how* to knowing *who* (Kutz, 2011) in terms of networks that can assist one, by exposing oneself to others' thinking that can challenge one's basic assumptions. Osborn et al. (2002), using General Electric and Jack Welch as the example, found that it is within these contacts that strategically relevant information can be found, providing the causal mechanism linking network leadership to successful corporate outcomes and advantages. Conversely, it can be argued that leaders may develop interpersonal networks that do not provide organisationally relevant information, therefore indicating that it is within the diagnosis of the context that determines the relevance of such ties.

2.6 CONTEXTUAL INTELLIGENCE

Within a VUCA world, leaders are being driven not only to know "*how*" to do something, but also "*what*" to do (Kutz, 2011). It is apparent during research on leadership that a leader's success is not derived from their performance and depth of skill alone, but requires the ability to read and adapt to changing business conditions, opined to be contextual sensitivity. Personality and skill alone are, as Mayo and Nohria (2005) put it, temporal strengths, with the notion of the Zeitgeist being key. The Zeitgeist refers to the ability to exploit opportunities within a certain way, *"separating the truly great leaders from the merely competent ones"* (Mayo & Nohria, 2005, p. 60). In terms of the knowing *how*, it is the scholaristic measure of intelligence, applicable in situations that are predictable or repeatable, whereas the knowing *what* is appropriate to context-based intelligence, in situations that are unpredictable, novel or unexpected. It requires identifying the dynamic variables in a situation, what behaviours are deemed important in that situation and adjusting behaviours to exert the right influence to achieve the desired goal or strategy (Nye, 2011). The capacity to sense or know what is going on is only valuable, if it is leveraged to acquire a tactical advantage, applying the idiom of *"transforming data into useful information, information into knowledge and then knowledge into practice"* (Kutz & Bamford-Wade, 2013, p. 20).

To do this necessitates, as Brown et al. (2005) stated, to have an operational knowledge rather than an application-based knowledge, whereby contextual awareness is a necessity, surpassing the application of technical skills and techniques found within the normal confines of management, and enabling, as Nye (2011) posited, a leader to adjust their style to the situation of the context and the needs of their followers. To have this kind of Contextual Intelligence to adept and change, consists partly of cognitive analytic capabilities and partly of tacit knowledge built up from experience, enabling the creative problem solving required (Cavazotte, Moreno, & Hickmann, 2012). Contextually intelligent people know intuitively how to ask the right question, to the right person, at the right time and within the right context. In summary, Kutz (2008) delineated Contextual Intelligence *as "the ability to quickly and intuitively recognise and diagnose the dynamic contextual variables inherent in an event or circumstance, which results in an intentional adjustment of behaviours in order to exert appropriate influence in that context"* (Kutz, 2008, p. 23).

Sternberg (1988) first coined the term Contextual Intelligence as a subtheme within his Triarchic Intelligence Theory, stating it to be the ability to apply intelligence practically, adapting easily to surroundings (new and existing) as well as fixing them, when it is perceived necessary. Van Der Maas, Grasman, Wicherts, Huizenda and Raijmakers (2006) found that cognitive factors, although playing a role in intelligence, are not the sole cause of general intelligence, indicating that intelligence does not arise solely from formal education, experience or intellect, but can be gained from interpreting different events, using intuition, to take out the most from a single event. Since then, Contextual Intelligence has been used theoretically within diverse disciplines, with each being nuanced to their specific setting (Brown et al., 2005; Mayo & Nohria, 2005; Kutz, 2011).

Intelligence, as it relates to Contextual Intelligence, is the ability to respond to new situations appropriately, along with the capacity to learn from experience and transition between contexts successfully (Kutz, 2011). The significance lies in the ability to extract valuable information out of the experience and apply it to individual values and goals. People are often strongly biased by their existing knowledge, which affects their decision- and thought-making processes. In times of change, this becomes a hindrance, as insight is required from sources other than the learned behaviour. Kutz (2011) contended that the reframing of experiences is one way a leader can counter this, as it is embedded in improvisational wisdom. Nonetheless, it needs to be understood that in order to do this, the existing frame of reference needs to be minimised, in order for exploration outside of it to take place.

Sternberg (1996) reasoned that any true valuation of intelligence must include contextual indicators, meaning behaviours must be considered relative to the specific situation, in which one wants to exert influence, in order to add value, therefore acquiring influence within it. This would make it a fluid and dynamic concept, enabling one to choose the best option, strategy and skill set for the context, after consideration and measurement of the other opportunities at play. This is especially true when viewed in terms of strategy, as different strategies require different enablers.

It is important that a leader with a high contextual intelligence knows that change never ends, with disruption likely to occur at any given time, meaning they are always in action gear, equipped to lead in the midst of a shift in context (Kutz, 2011). In order to do this, they leverage 3D thinking, a convergence of being able to grasp relevant things from the past, being aware of the present contextual variables and knowing what the future should be (hindsight, insight and foresight).

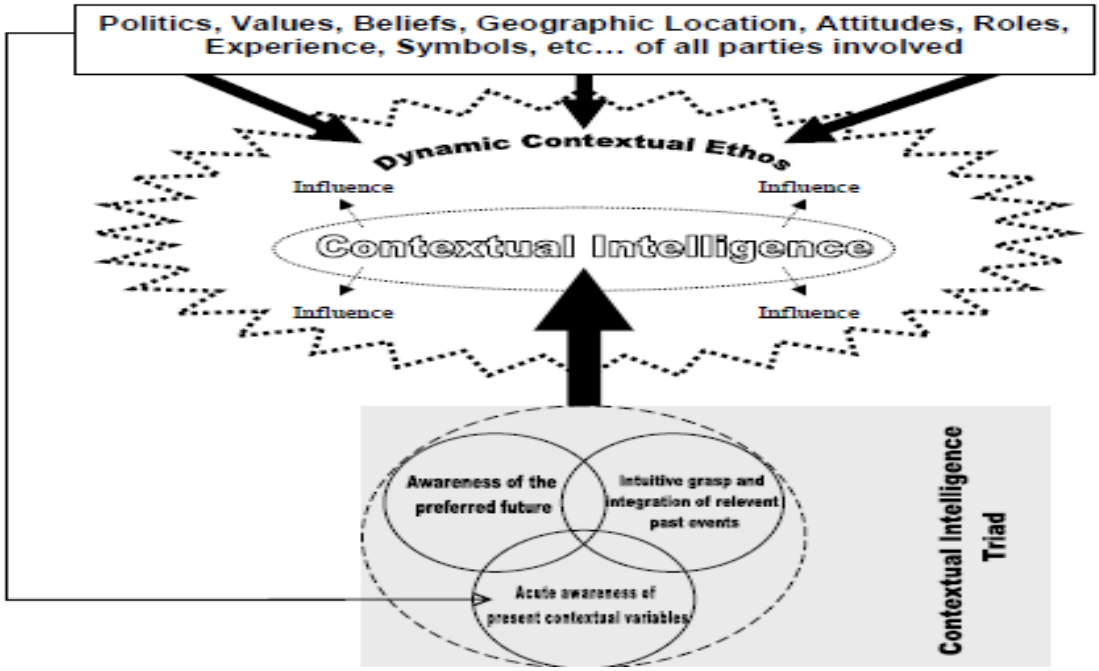
2.6.1 3D Thinking

3D thinking provides the framework for Contextual Intelligence to gain traction within context, precluding it from becoming a catalogue of leadership behaviours.

Thomas and Greenberger (1995) asserted that having an orientation to time, such as Kutz's (2008) hindsight, foresight and insight, known as the triad, is a critical success factor in leadership and a driving force behind firm performance. Kutz (2008) reasoned that the application of intelligence is the leader's ability to diagnose context utilising the contextual ethos variables, whereby the three types of 'awareness' can converge to form Contextual Intelligence. Brouwers and Van de Vijvir (2015) supported this view, finding that context has to be considered when observing intelligence, as with all cognitive processes, it takes place within a cultural context.

Figure 3 illustrates the Contextual Intelligence triad, and its operation within a contextual ethos interaction.

Figure 3: Contextual Intelligence triad



Source: (Kutz, 2008)

- **Hindsight** – Represents the elements of the past, which fit a context in the present, bringing new precision to decisions and ensuing behaviour. It is framed to be as having a cognisance of relevant past events;
- **Foresight** – Frames relevant questions about today's decisions that will move forward to the future desired. It is an intuitive grasp of the preferred future, in which work is constantly driven towards. As Kutz (2011) specified, it requires a mind-set shift, where the leader is proactive towards the unknown;
- **Insight** – The departure from past events that are no longer applicable, so that lucidity within the context can be acquired, in order to make decisions to move forward. Acute awareness of the present contextual ethos (all the variables that converge to create a situation), responding to present day situations in real time, with short-term outcomes.

When hindsight and foresight converge synergistically, insight is the outcome, acknowledging that in 3D thinking, the present situation is also a component of future goals, and is a result of influences from the future state as well as the past (Kutz, 2011). An improper relationship to either of these can prevent advancing forward, such as that of Kodak, that had a fear of foresight, and did not invest further into the digital camera for fear the technology would cut into the sales of the firm; but ultimately, this led to their downfall.

Kutz (2011) and subsequently Kutz and Bamford-Wade (2013) asserted that three key components to understanding Contextual Intelligence exist, namely Complexity Theory, (which the researcher mentioned earlier), synchronicity and tacit knowledge.

2.6.2 Synchronicity

Synchronicity developed by Jung (1973), is whereby two or more events that are not causally related, occur incidentally, resulting in a meaningful connection. He expanded on this further to include connected events that may occur at different times, but triggering the recall of the initial event, and therefore assigning meaning to it. For a leader, this means that in order to be able to adapt to changing context, one needs to be able to connect events from one's personal history of experience. As Kutz and Bamford-Wade (2013) articulated, capitalising on the synergy between apparently unrelated experiences may provide a tacit-based framework; one in which ideas are generated more easily and leadership capacity is elevated.

Due to living and operating with a complex changing world, synchronicity affords one the opportunity to see things as relevant, enabling one to look for experiences outside a given context for its applicability to the present. This requires openness to the notion that knowledge gained in one context can be applied to a completely unrelated context (Kutz, 2013).

2.6.3 Tacit Knowledge

Tacit knowledge has a reciprocal relationship with synchronicity, enabling them to become catalysts for developing a framework of leadership that responds well in a fast-paced, change orientated, and dynamic context (Kutz, 2011).

Hastsopoulos and Hastsopoulos (1999) found that tacit understanding comes from two sources: experience and analogical reasoning. Kutz and Bamford-Wade (2013) contended that the best source of tacit knowledge comes from trial and error experience, which enhances performance through tactile experience. Ericsson et al. (2007) asserted that this is only possible when individuals have the awareness to analyse their actions and decisions, based on the outcomes of real experience. This means individuals need to be consciously aware of the outcomes of their decisions, behaviours and attitudes. This suggests that the actions of a skilful leader are essentially based on tacit knowledge (Kutz, 2011), often being described as intuition or wisdom that is acquired without direct or intentional help from others.

2.6.4 Contextually Intelligent Behaviours

Practicing contextually intelligent behaviour is a way to accelerate experience and ease the burden of change, enabling an individual to perform well during a shift in context (Kutz, 2011). Frisina and Frisina (2011) maintained that leadership behaviour is a central predictor to individual and organisational performance, with these so-called soft skills, really being the hard skills that can enable the influence of leadership success. In positions of leadership, it is imperative to self-evaluate behaviour performance, in order to remain focused and on track to achieving the goals set out, especially as this is central to surviving and thriving in the competitive marketplace. In order to remain an effective and influential leader, one is required to be sensitive to and understand the dynamics of human behaviour, the pre-existing knowledge systems such as schemas, and the blind spots in terms of biases, in order to generate and sustain highly effective relationships, influence and performance (Frisinia & Frisinia, 2011).

Kutz (2008) identified, through his seminal study, 12 meta-competences of contextually intelligent leaders organised *a priori* by the three dimensions of time, which encompass behaviours, types and skills (**Appendix 1**). Kutz (2008) argued that each of the 12 meta-competencies needs to be present for a leader to be considered contextually intelligent. It is through the convergence of these behaviours, acting as a single behaviour cluster that signals the presence of Contextual Intelligence. In order to enable this to happen, 3D thinking becomes key, as it offers a way of seeing the model holistically, with the behaviours ultimately emerging natural (Kutz, 2008). For the purposes of this research, the 12 meta-competencies were combined, based on similarities in construct to 6, as seen in **Table 2**.

Table 2: List of behaviours, skills and brief descriptors associated with Contextual Intelligence.

Meta Competency	Description
Intentional Leadership (Influencer)	Uses interpersonal skills, personal power and influence to affect the behaviour and decisions of others and focuses on own leadership development.
Ensures an awareness of mission (Future Minded)	Communicates how others' performance influences the organisational mission being accomplished.
Socially Responsible	Expresses concern about social trends and issues
Multicultural Leadership (Cultural Sensitivity)	Promotes diversity in multiple contexts
Diagnoses Context (Critical Thinker)	Knows how to appropriately interpret and react to changing and volatile surroundings, with a forward-looking mentality and sense of direction for the organisation.
Change Agent (Consensus Builder)	Proactively raise difficult and challenging questions that others may perceive as a threat to the status quo, whilst encouraging different viewpoints, through listening, managing conflict and creating win-win situations.

Source: adapted from (Kutz, 2008)

2.7 CONTEXTUAL LEADERSHIP INTELLIGENCE – THE APEX OF IT ALL?

As reasoned by Kutz and Bamford-Wade (2013), Contextual Intelligence, leveraging off Complexity Theory, integrates the non-Newtonian perspectives with the traditional leadership competencies, providing a link between the *"leader-follower-context nexus, with principles of tacit knowledge, synchronicity and time orientation"* included to impact performance immediately (Kutz & Bamford-Wade, 2013, p. 56). A primary contention of Contextual Intelligence is that it is framed within complexity and therefore context. It requires the integration of not only non-Newtonian paradigms, but the synchronicity of

learning, acquisition and application of tacit knowledge and 3D thinking, as well as the purposeful integration of the 12 contextually intelligent behaviours.

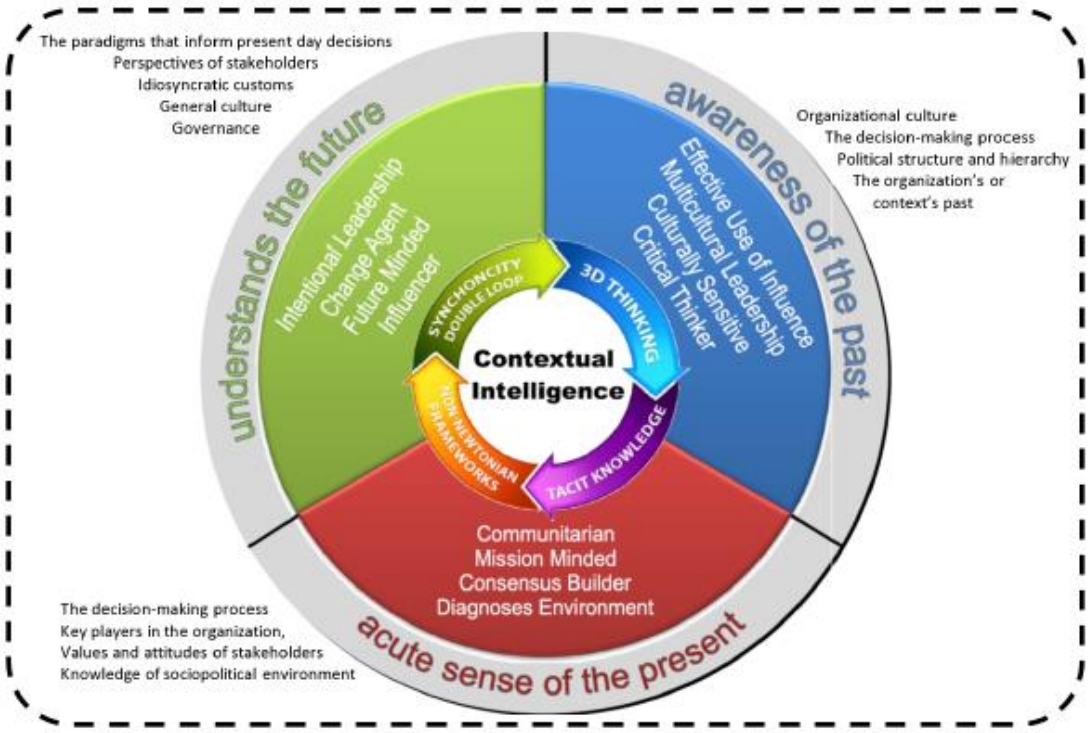
2.7.2 A Contextual Leadership Intelligence Model

Kutz and Bamford-Wade (2013) presented a revised Contextual Intelligence model from the original work by Kutz (2008), providing a multi-layered and multi-faceted conceptual model for Contextual Intelligence (**Figure 4**). The central components of the model are complexity, synchronicity and tacit knowledge, providing the axis, or central component, of rotation around which the Contextual Intelligence model interchanges. Without understanding these, Contextual Intelligence cannot move forward. The next component is 3D thinking (hindsight, insight and foresight), which provides the model with the traction in order to enact the 12 behaviours. The final component is the 12 empirically based Contextual Intelligence competencies, enabling the model to be practically applied to the diagnosed context.

It was contended by Kutz and Bamford-Wade (2013, p. 56) that the model could be used to explain the following:

- Explaining, why there may be success in one environment and failure in another;
- Ability to effectively use influence within the diagnosed context;
- Enabling individuals to respond to unexpected or complicated changes;
- Increasing team buy-in;
- Accelerating the ability of individuals to contribute in a new context;
- Assessing and understanding external and internal influences on the context and its outcome.

Figure 4: Depiction of the Contextual Intelligence model



Source: (Kutz & Bamford-Wade, 2013)

2.8 DIVERSIFICATION STRATEGY

Diversification and specialisation are two popular configurations proposed by organisations and their managers as part of their strategy, in response to environmental changes in order to grow and sustain financial performance by remaining competitive (Pandya & Rao, 1998; Lau, 1993). Boaz and Fox (2014), similarly contended that in order to do this, many companies move quickly from setting their performance objectives to implementing a suite of change initiatives. Additionally, Eisenhardt (1989) stated that in industries characterised by high velocities, short product cycles and rapidly shifting competitive landscapes, they need to be able to engage in rapid and relentless continuous change, in order to remain relevant and competitive. The ability to change rapidly and continuously, especially by developing new products, is not only a core competence, it is also at the heart of company cultures, enabling them to compete and transform (Brown & Eisenhardt, 1997; Chakravarthy, 1997).

The impact that diversification has on a firm and its performance is varied and extremely complex, with it being affected by variables such as related versus unrelated diversification, capability of top managers, industry structure and the mode of diversification undertaken (Pandya & Rao, 1998).

Without detracting from the importance of diversification and its implications for a firm, for the purpose of this empirical research, a more narrowed approach was undertaken. As the title of this research suggested, the focus was on establishing the relationship between Contextual Leadership and diversification strategy, through the enablement of dominant logic. The researcher, therefore, did not look at the reasons for diversification and the reciprocal reasons for failure or success, but rather focused on the conceptual theory and sparsely researched behaviours identified to that of diversification strategy.

2.8.1 Strategy Management

Weeks (2007) pointed out that strategic management had, at its core, been about predicting for the future, implementing strategies that optimally position the organisation within the desired future context. This approach, they contended, works within an environment, where there exists relative stability, cause-effect relationships are able to be determined and trends extrapolate potential future states. However, Drejer (2004) pointed out that as the knowledge-based economy grows, environmental instability increases and unanticipated events occur, which fundamentally changes the context, in which institutions function; new ways of dealing with this complexity and chaotic contextual situations are needed. As Levy (2007) stated, the trick to strategy is knowing when to make the move; a balance between moving quickly and too late needs to be struck.

Strategic planning traditionally has helped organisations to survive and even thrive in dynamic contexts (Kutz & Bamford-Wade, 2013; Kutz, 2008); however, as Dane and Pratt (2007) argued, these types of formalised procedures can hinder quick and effective intuitively-based decisions, which are required during times of dynamic and rapid change.

Chakravarthy and Lorange (1991) found that implementing a strategic planning process is dependent on internal and external contextual factors. It is these factors that leaders are required to address, as part of their intent in the implementation of a strategic plan, ensuring the identifiable prospective strategy is beyond indifference and

self-interest. Additionally, Service (2006) opined that strategic intent, compared to that of strategic planning, is a *"never ending circular process"* that does not follow the *"normal study, plan, execute, evaluate and adjust"* strategy model (Service, 2006, p. 61). It is rather an iterative process, whereby one interprets and reinterprets based on the contextual information present. In this action, leaders use *"instinct, political savvy, curiosity, flexibility and imagination"* (Service, 2006, p. 61), akin to that of Contextual Intelligence. It is therefore an essential element when diagnosing the context of the situation and adapting to it.

Having a strategy is a clear tenet within the strategic management literature; however, the influence attempts embedded in this process from a leadership perspective had not been clearly addressed (Osborn et al., 2002).

2.8.2 Diversification – Conceptually

Diversification strategy, firm structure and economic performance occupied much of the research in strategic management and business policy literature (Chatterjee & Wernerfelt, 1991; Ramanujam & Varadarajan, 1989; Montgomery, 1994), with limited research, if any, having been done on the Contextual Intelligence behaviours required from a leader within a diversification strategy.

Diversification was first introduced in the seminal work by Ansoff (1958) in his growth strategy matrix (**Table 3**), and has since experienced a plethora of research on it, becoming a central theme in strategic management research (Ramanujam & Varadarajan, 1989; Chandler 1990; Rumelt 1974). As a strategy, it is primarily focused on growth (Ansoff, 1958; Nachum, 2004; Kenny, 2012), enabling firms to seek sustainable competitive advantage (Porter, 1987); however, as Ramanujam and Varadarajan (1989) argued, the way in which diversification strategies have been theorised and measured have varied, primarily due to the various schools of thought on the subject matter and their respective interests.

Ansoff (1958) described diversification in terms of not only "product", but also "market" growth, arguing diversification strategy to be aimed at growth, through the development of both new products and new markets, departing from the organisations' existing core "product market strategy". Ramanujam and Varadarajan (1989), supported by Pandya and Rao (1998), further conceptualised diversification as the *"entry of a firm or business unit into new lines of activity, either by process of internal development or*

acquisition, which entails changes in its administrative structure, systems and other management processes" (Ramanujam & Varadarajan, 1989, p. 525).

Table 3: Ansoff growth matrix

Business growth alternatives	Description
Market penetration	Increase market share for a firm's products in the existing market, whilst remaining with the original product-market strategy. Increasing volume to new or existing customers can increase sales.
Market development	Finding and developing new markets for current product lines. This entails adapting the business strategy of the current product lines to these markets.
Product development	Enhancing the current products to the current market, through improved changes to the existing offering.
Diversification	Develop new product markets outside the existing business.

Source: (Ansoff, 1958)

Ansoff (1988) emphasised, though, that in most situations, a business would follow several of these paths at the same time, signalling them to be a progressive and well-run organisation. It can be argued therefore that this approach is indicative to the survival of the firm in the face of economic competition.

In order to diversify, there are specific vectors, in which one needs to work, vertical integration, horizontal integration, concentric integration and conglomerate diversification, as described below **(Table 4).**

Table 4: Vectors of diversification

Diversification growth vector	Description
Vertical integration	The organisation moves into or acquires suppliers / customer's areas of expertise to ensure the supply or use of its own products and services.
Horizontal integration / related diversification	New products (technology unrelated) are introduced to current markets with the realisation of economies of scope and integration.
Concentric integration	Products that are closely related to current products are introduced into the current and / or new markets, leveraging off the companies' technical know-how to gain advantage.
Conglomerate diversification	Completely new products are introduced into new markets (technologically unrelated)

Source: (Ansoff, 1988)

Amongst the four types of product market strategies, Ansoff (1958) found that diversification stands apart, as it invariably leads to physical and organisational changes in the structure of the business, which represents a break with past business experiences. Further, Ansoff (1958) contended that diversification is different from other strategies in that it requires new skill (s) and techniques that will enable an organisation to change its structure and functioning. A sign of a healthy organisation is one that simultaneously pursues market penetration, market development and product development

2.8.3 Management and Diversification: a Distinct Skill?

Lau (1993) furthered Ansoff's (1958) argument above, having found that the implementation of a diversification strategy requires a fit between strategy and organisational characteristics, which includes that of a manager's characteristics and mind-set. By its nature, diversification is complex (Kenny, 2012); therefore this researcher proposed that the distinct skill in question would be best suited to those of Contextual Intelligence built upon through Complexity Theory.

Rumelt (1974), in examining the profit impact of diversification, found that a diversification strategy has two critical dimensions: (1) the commitment of the firm to diversity per se, and (2) the strengths, skills and purposes that span the diversification, demonstrated by the way new activities are related to the old (Rumelt, 1974, p. 11). Hutzschenreuter and Horstkotte (2013) contended that even though diversification itself is complex, the amount of complexity that it brings is likely to differ, dependant on the context. Therefore, the extent to which managerial resources will be taxed will vary, especially as the amount of information processing increases.

Penrose and Pitelis (2002) reasoned that firms that diversify require managers with experience-based knowledge, akin to tacit knowledge and firm-specific capabilities. Vermeulen and Barkema (2002) argued that rapid diversification, does not enable learning due to rapid speed of change, with which it exists, and as Kor and Leblecici (2005) found, eventually overextending managers, creating bottle necks and ultimately leading to poorly adapted structures

2.8.4 Management Capabilities

Kenny (2012) posited that without capable, high performing individuals in place, diversification will struggle, due to the managerial load having to be redirected to the head office. Michael Chaney, the CEO of Westfarmers, stated in the study conducted by Kenny (2012) that there are above-the-waterline characteristics pertaining to managers within diversified organisations as well as below-the-waterline ones. Above-the-waterline characteristics deal with the individual's knowledge about the industry, within which they operate and key financial ratios such as return on capital employed. The below-the-water-line ones look toward emotional intelligence characteristics such as interpersonal sensitivity and broad-scanning interests. In addition, these managers have commercial intellect, integrity, the ability to communicate as well as conceptual thinking or complexity skills, likened to that of Contextual Intelligence. In order to secure its competitive advantage, managers need to see themselves as facilitators, advisors and partners of the operation, aligning the organisation's culture to what Richard Goyder, CEO of Westfarmers called the "setting" (Kenny, 2012). This is acting with what Osborn et al. (2002) referred to as patterning of attention and falling into many of the 12 meta-competencies identified by Kutz (2008), such as consensus builder.

The real alchemy of success, as Graham (2012) stated, lies in striking the balance between entrepreneurial freedom and accountability through measurement rigor, similar to the system found at Bidvest (Graham, 2012, p. 16). As Maijanen-Kylaheiko, Jantunen and Hujala (2012) contended, the implementation of a diversification strategy requires a fit between strategy and organisational characteristics, including those of a manager's characteristics; their mind-set, which represents their worldview on conceptualisations of the business, and which one could argue is akin to Contextual Intelligence.

2.9 DOMINANT LOGIC – THE ELUSIVE LINK?

Lampel and Shamsie (2000) contended that as corporations expand in size and complexity, dominant logic can allow leaders to develop a framework that assists them in providing direction and support to their followers. Prahalad and Bettis (1986) and in their subsequent works (Prahalad & Bettis, 2000; Prahalad, 2004; Bettis & Prahalad, 1995) argued that it is the insight and the vision of top managers in choosing the right

strategy, which is the key to successful diversification, as those required are unique to the context. It is not necessarily the product-market diversity that is evoked, but rather the strategic logic of the managers that links performance of the firm to the type of diversification strategy followed. This implies that diversified firms without such logic may not perform as well.

Bettis and Prahalad (1995) reasoned that dominant logic should be viewed as an antecedent for strategic change for it allows the organisation to strike a balance between the need for direction and control, ensuring the strategy is adhered to. At the same time, Jarzabkwoski (2001) posited that this enables the need for flexibility and speed to adjust to context changes. In the seminal article by Prahalad and Bettis (1986), they presented a framework, which imparts dominant logic as a primary characteristic of management in a diversified firm, defining it as a *"mind-set or a world or conceptualisation of the business and administrative tools to accomplish goals and make decisions in that business"* (Prahalad & Bettis, 1986, p. 41).

2.9.1 Conceptual Framework

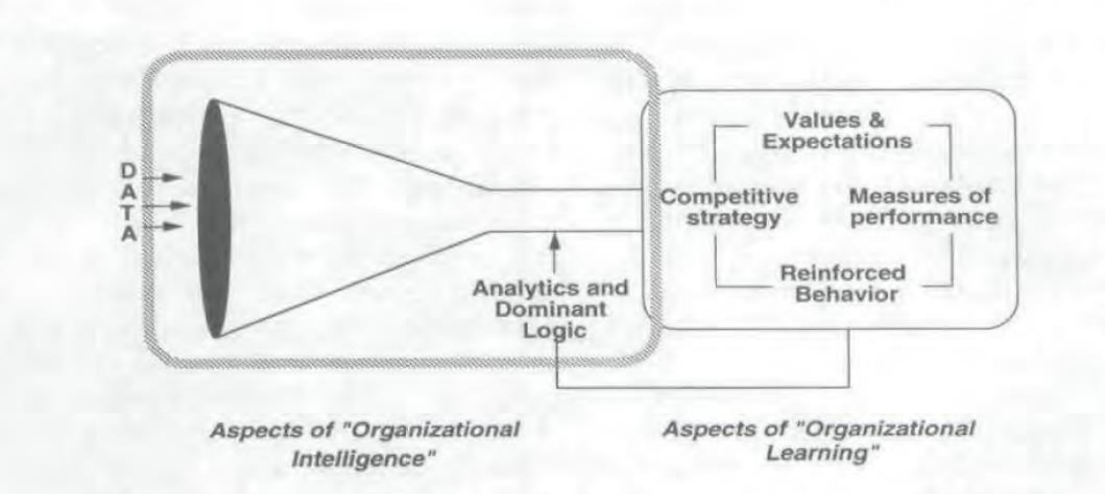
The conceptual foundations of dominant logic, which are adaptive in nature, consist of two main elements: (1) operant conditioning (reinforcement of behaviours from doing things right), which leads to the development of particular mind-sets (pattern-recognition process) and preferred processes within these types of situations; and (2) complex problem-solving behaviour, whereby when making decisions, individuals often rely on a limited number of heuristic principles, where in some instances these are incorrect. These combine to form a behavioural logic, representing the way, in which managers think and act (Bettis & Wong, 2003, p. 351), evolving over time as a result of past experiences and solutions. Operant conditioning works as a reinforcement of the behaviours that led to success, with complex problem solving being a result of cognitive bias (heuristic of decision making) and cognitive simplifications created by conventional wisdom and past experiences (Obloj, Ciszweska, & Wozniakowski, 2003). Lampel and Shamsie (2000) further reasoned that this behavioural logic enables the entrepreneurial energies of diversified firms to remain, servicing the need for flexibility and speed to adjust to context changes.

A key component of the framework is the information processing, acting as a filter system to screen out unneeded and unwanted information, enabling managers to focus only on relevant data and sense making. The filtered data is then able to be

incorporated, via experience-based learning, into the strategy, systems, values, expectations and reinforced behaviour of the organisation (Bettis & Prahalad, 1995), providing for an interactive feedback loop and becoming part of the individual's intelligence.

The dominant logic framework (**Figure 5**) enables managers to make decisions fast and effectively, directing manager's attention to strategically essential matters and the learning and knowledge creation within the organisation. Das (1981), and Miles and Cameron (1982) found, through their in-depth studies, that the quality of a business, be it its diversification pattern or competitive structure, did not determine the early failures or successes later on, but rather it was the evolution of the management team to acquire new skills and adapt its approach to the change in context. It was a process of acquiring distinct skills in order to contribute to the success of the diversification strategy.

Figure 5: Dominant logic framework of information processing



Source: (Bettis & Prahalad, 1995)

2.9.2 The Blind Spot or Contextual Intelligence?

Prahalad (2004) considered the velocity of environmental change as decisive, whether the dominant logic is beneficial or negative for a firm, arguing that should the environment be subject to rapid changes, *"the blinders of dominant logic may make it hard to recognise new threats and opportunities"* (Prahalad, 2004, p. 172). He further reasoned that in order for organisations to succeed with strategic change such as

diversification, managers need to have peripheral vision and flexibility that can keep up with the dynamic changes of the environment and ideally anticipate them. This requires them to be able to discard their current dominant logic and develop new, relevant ones, such as “next practices” in lieu of best practices, focusing on experimentation in order to obtain a distinct competitive advantage. His reasoning behind this was that best practices only show what has been done, a current dominant logic, not a new one. Grant (1988), Jarzabkowski (2001) and Von Krogh & Roos (1996) supported this, arguing that managers need to have self-reference, built upon existing knowledge banks, which they apply within a context. Should these schemas not be relevant, they need to utilise their intelligence to adapt and form new ones. Schemas represent a repertoire of tools, beliefs, theories, values and propositions that have developed over time through the manager’s personal experiences and exposure (Prahalad & Bettis, 1986/2000), enabling a manager to categorise an event, assess its consequences and consider appropriate actions relatively quickly. This enables a manager to scan an environment quickly in order to make timely decisions without paralysing the organisation. It is here that Contextual Intelligence is brought in, with the leader possessing the intelligence to acknowledge their context and whether an unlearning is required in order to adapt to the current context, through the application of 3D thinking, namely hindsight, insight and foresight. Rautenbach, Sutherland and Scheepers (2015) found that unlearning an attachment had become a critical change competence for executives, as doing so enables executives to embrace new concepts, methods and processes and mental maps, aiding not only them, but their organisations to be more competitive. Nonetheless, it is hard for the individual to let go of attachments, with human error and biases likely to occur (Tsang & Zahra, 2008).

It can, therefore, be contended that dominant logic is a distinct skill (management process or knowledge structure) whose performance depends, in part, upon the existence of a ‘mind-set’ based upon a common paradigm, past experience in the form of recognisable patterns and heuristic principles to deal with unfamiliar situations (Prahalad & Bettis, 1986, pp. 491-493). Bettis and Wong (2003) and Prahalad (2004) reasoned though that dominant logic can and does breed success, as long as the environment stays stable, but when faced with radical changes, the path dependencies that the individual has may lead to fatal cognitive entrapment, rendering the ability to adapt and think within a 3D context virtually impossible.

2.10 CONCLUSION

In conclusion, the literature review has delineated the complexities involved within the constructs of Contextual Leadership Intelligence and dominant logic in the enablement of a diversification strategy. Through the unpacking of the literature, it is contended that there exists a relationship between dominant logic and Contextual Leadership, particularly with dominant logic being the antecedent for strategic change. To what extent this relationship exists, is however still to be investigated. A hypothetical model was therefore developed, utilising the literature as the basis for testing, as indicated in **Figure 6**.

Diversification had been contended by authors like Boaz and Fox (2014), Pandya and Roa (1998), Rumelt (1974), Brown and Eisenhardt (1997) and Chakravarthy (1997) as being a popular configuration proposed by organisations in order to attain a competitive advantage and growth (Kenny 2012; Nachum 2004), within an ever-increasing dynamic context. Drejer (2004) contended, as the knowledge-based economy grows and environmental instability increases, the context within which organisations operate is fundamentally changing, requiring new ways of dealing with the contextual complexity. It is therefore reasoned that in order for organisations to remain competitive and ensure their growth, they need to be able to engage rapidly with effective agility and speed to the changing contexts, refuting the formalised procedures of the bureaucratic organisations of the past. Ansoff (1958), in his seminal work on diversification, reasoned that a diversification strategy invariably leads to physical and organisational changes in the structure of the business, requiring new skill(s) and techniques. The implementation of a diversification strategy requires a fit not only with the strategy itself, but also that of the organisational characteristic, namely the manager's characteristics and mind-sets. Without this, Kenny (2012) reasoned that a diversification would struggle. Penrose and Pitelis (2002) supported this, furthering the contention that managers within a diversification need to have specific capabilities and experience-based knowledge.

It is evident from the literature that having a strategy, like diversification, is a clear tenet within strategic management literature for the growth and competitive advantage of an organisation. However, further than these minimal inferences to the leadership required to enable a diversification within dynamic complex contexts, there has been limited progress in the establishment of what type of leadership is required to enable it. As

Graham (2012) reasoned, the real alchemy of success lies in striking the balance between entrepreneurial freedom and accountability that comes with a diversification.

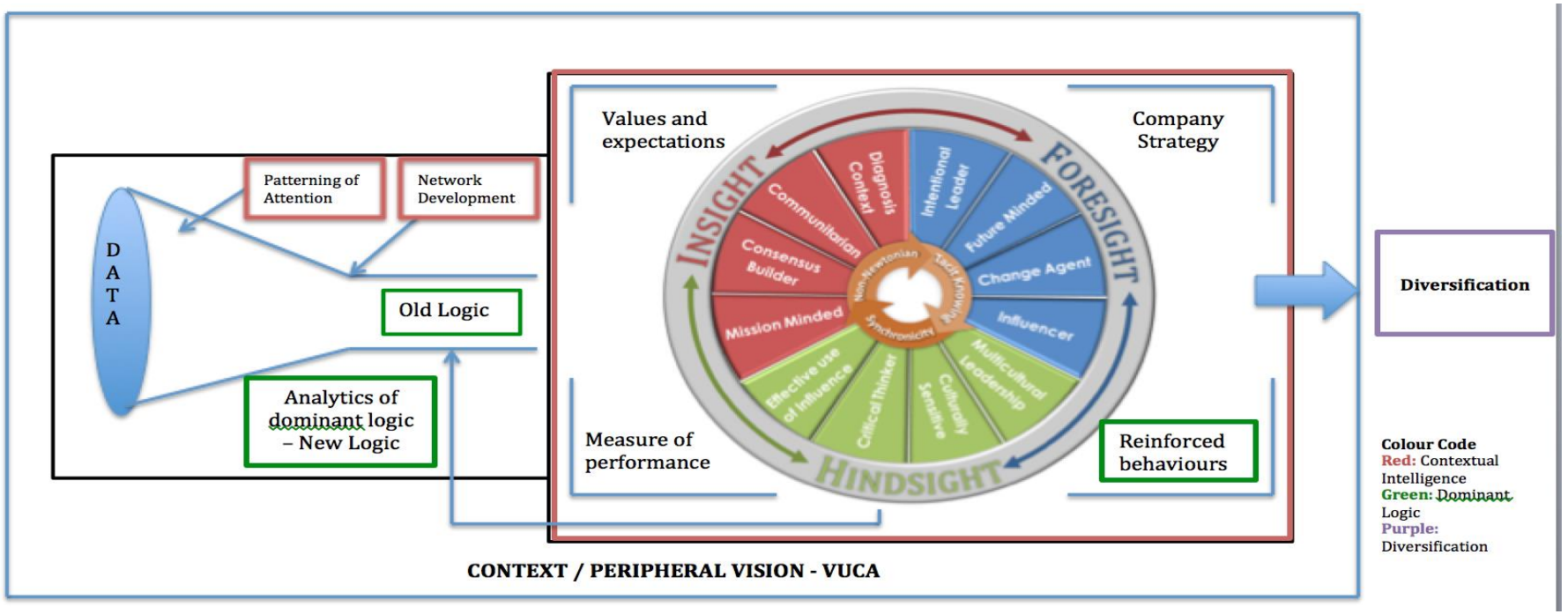
It is contended that Contextual Leadership can provide the link between diversification and its enablement. It is becoming apparent that leadership is a social process, transcending the individuality of one person, with it rather needing to be viewed within the context and interactions among and between agents, within which it occurs (Day, 2001). Context, as opined by Fiedler (1962), is the causal mechanism that links leadership, context and performance; something to which diversification seeks to gain a competitive advantage. It consists of both opportunities and constraints acting as an influence mechanism on the dynamics at play. This was referred to by Mayo and Nohria (2005) as seeking the Zeitgeist, whereby through the application of Contextual Intelligence, an individual is able to exploit the situation for its opportunities. It is clear that in diagnosing context, a leader needs to be cognitively aware of the interactions and interdependencies that exist within the situation, as it is comprised of contextual factors, both internal and external to the context, being known as the contextual ethos of the situation (Chakravarthy & Lorange, 1991; Kutz 2008), which have an effect on the outcome. This can be likened to what what Service (2006) found to be a circular iterative process, whereby a leader needs to be purposeful in their interpretation and reinterpretation of on-going events, in order to enable a diversification strategy. Prahalad and Bettis (1986) argued that it is this insight and vision of managers, to which they referred as the strategic logic, which is key to a diversification. Furthermore, fundamental to this is that leaders operating within dynamic contexts need to understand the patterns of complexity and manipulate these situations, through adapting their behaviours to the situation (Nye, 2011) in order to exert influence on it. This will then encourage environments of learning and innovation, fostering conditions of organisational capacity (Uhl-Bien et al., 2007). The vital consideration here is that leaders need to be able to apply their intelligence within new situations appropriately, having the capacity to learn, developing a tacit knowledge that enables them to transition between contexts successfully (Kutz 2011). In order to do this, it was contended by Kutz and Bamford-Wade (2013) that leaders need to leverage off their ability to diagnose the context, applying their 3D thinking, tacit knowledge and synchronicity and awareness to the present in order to adapt their behaviours, using the meta-competencies identified, to suit the context. This is what Frisinia and Frisinia (2011) contended is central to surviving and thriving in the competitive marketplace.

Two constructs, which have remained uninvestigated, but which Osborn et al. (2002) viewed as being crucial to linking leadership and outcomes, is that of patterning of attention and network development, which provide leaders with the know *how* and know *what* components required to be competitive. Both dimensions stress the importance of information, not only from an influence perspective, but also from the knowledge enablement that it provides the individual with, from which decisions can be made. Patterning of attention is an embedded emergent characteristic, whereby an individual is able to isolate prevalent information, communicating only what is important to others, in an attempt to influence the environment by directing what is seen and analysed.

The vital considerations that emanated from the literature review are the interrelated concepts of dominant logic's information filtering and that of Contextual Intelligence's patterning of attention. Prahalad and Bettis (1986), and in their subsequent works contended that dominant logic enables a diversification due to the schema of mental maps developed through experience, which are formed through the information filtering of the information present within the context. It draws on concepts from psychology such as operant conditioning, patterning recognition and problem solving. The ability of the leader to filter information from the diagnosis of context is key here, incorporating it into experience-based learning and therefore enabling a diversification strategy. This therefore provides the platform, on which the two constructs of dominant logic and Contextual Leadership converge to enhance a diversification strategy, potentially answering the question sought from scholars on the leadership behaviour required for a diversification strategy.

The literature review has therefore highlighted the importance of each of the constructs, providing through their individual dimensions a platform for the integration and development of them together to research their enablement of a diversification strategy.

Figure 6: *De Jure* model integrating the literature for the enablement of a diversification strategy



Source: Researchers own, adapted from Prahalad and Bettis (1986) and Kutz and Bamford-Wade (2013)

CHAPTER 3: RESEARCH QUESTIONS

This chapter presents the research questions that will be used to explore dominant logic's enablement of the relationship between Contextual Leadership Intelligence and a diversification strategy. It will explore executives' experiences within diversification strategy and through dominant logic, the application of Contextual Intelligence, behaviours, skills and knowledge in order to effectively adjust to changes within their operating environment.

Zikmund, Babin, Carr and Griffin (2011) stated that a research question is a statement that looks at the logical relationship that exists between concepts, being explored either in the negative or the affirmative. Therefore, the questions were formulated from the concepts that emerged from the literature reviewed and discussed in Chapter 2, together with the expression of the problem definition in Chapter 1.

The literature review suggested that today's operating environment has become dynamic and challenging, with the knowledge era and globalisation challenging not only organisations, but also their leadership. Key to remaining competitive is the ability of a leader to know not only "*how*" to do something, but also "*what*" to do (Kutz, 2011), requiring leaders to be able to read and adapt to changing business contexts, a skill that has become referred to as Contextual Intelligence. Penrose and Pitelis (2002), Kenny (2012) and Maijanen-Kylaheiko et al. (2012) alluded to the skill sets and behaviours required for a diversification strategy, acknowledging that the mind-set and conceptualisation of the leader needs to align to that of the strategy and organisation. However, while these suggestions had not been tested or explored further, this researcher aims to contend that they are akin to Contextual Intelligence. Further to this, dominant logic has been identified as a tool, which a leader can implore in order to rapidly challenge pre-conceived schemas, through data filtering and unlearning, enabling new logics to be developed in order to attain the desired outcome.

The questions seek to understand the relationship between Contextual Intelligence and diversification strategy, through the enablement of dominant logic, looking to aspects of diagnosis of context, behaviours exhibited, as well as how the filtering of information and new logics enabled them to move forward.

Due to this research being novel in its construct, an exploratory approach was taken to the research questions, with them being developed to explore if and what connections exist between Contextual Intelligence, diversification and dominant logic.

3.1 THE RESEARCH QUESTIONS

3.1.1 Research Question 1

To what extent are leaders aware of operating within a dynamic context in terms of a diversification strategy?

- Are leaders aware of the variables that make up a context?

3.1.2 Research Question 2

Is Contextual Intelligence making a contribution towards a diversification strategy in terms of the following?

- What role does patterning of attention play?
- What role does network development play?
- How important is hindsight, insight and foresight in influencing one's ability to operate during a diversification strategy?

3.1.3 Research Question 3

What meta-competencies of Contextual Intelligence are applicable or evident in building a leader's capability to enable a diversification strategy and which do leaders find to be the most important?

3.1.5 Research Question 4

What is the relationship(s) between dominant logic and Contextual Intelligence to enable a diversification strategy?

3.2 CONCLUSION

The research questions above will aid the exploration of this research, with the intent to indorse, disagree or find new research from the literature stated in Chapter 2.

The next chapter will justify the methodology chosen in order to address the questions above.

CHAPTER 4: RESEARCH METHODOLOGY

4.1 INTRODUCTION

This chapter presents and explains the research methodology selected to investigate the research questions posed in Chapter 3. The chapter sets out the rationale that guided the research design and methodology, the reasons for choosing the design and the limitations of the chosen research.

The outcome of the literature review in Chapter 2 indicated that a deeper exploratory investigation was needed in order to adequately answer the research questions posed. Saunders and Lewis (2012) indicated that an exploratory approach was the most appropriate when seeking clarification of the nature of an identified problem. Additionally, Saunders and Lewis (2012) stated that exploratory work could be conducted within three ways: (1) searching existing literature, (2) conducting interviews or (3) focus groups. This study utilised the first two approaches in conducting a detailed literature review of the subject matter covered in Chapter 2 and then progressed to semi-structured interviews. A *de jure* model was developed, founded on the literature review, providing a theoretical base for the three constructs of diversification strategy, Contextual Intelligence and dominant logic. From here, the model was then tested and validated, using semi-structured in-depth qualitative interviews with an updated, more comprehensive *de facto* model being formulated, based on the output of these, through data aggregation and analysis.

The research methodology utilised various qualitative methods from scholars such as Saunders and Lewis (2012), Blumber, Cooper and Schindler (2008), Creswell (2014), Marshall and Rossman (2014) and Maxwell (2012), which are apparent in the research method, design, sampling and data analysis techniques employed.

It is understood and accepted, as reasoned by Creswell (2014) that reality has multiple views; therefore, a qualitative approach to research is filled with ambiguity and subjectivity. If the researcher was to truly understand dominant logics' enablement of the the relationship between Contextual Leadership and diversification strategy, it was necessary to understand the context, within which the interviewees operate and make decisions, which could only be done through an exploratory approach.

4.2 RESEARCH DESIGN

The primary research objective was to conduct an exploratory investigation into the issues raised within the literature review by seeking answers to the research questions posed.

Criticisms had been levelled against qualitative research in that it lacks the rigour of quantitative research. It relies on issues and concepts that are influenced by prior learning and the scope for misinterpretation is large. However, qualitative research has been defended by acknowledging the central role of the researcher and how this provides high quality data and findings, with deep meaningful insights only possible with this role (Pierce, 2008). Further, it provides a better understanding of people's perspectives, attitudes, experiences and interpretations in context (Zikmund, Babin, Carr, & Griffin, 2012).

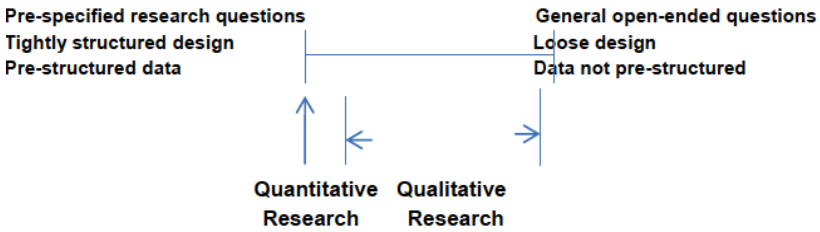
Cognisance was given to a number of issues when formulating the design of the research approach, which informed a clear preference for a qualitative approach to be taken. It has generally been accepted, as noted by Wallis, Yammarinio, and Feyerherm (2011) that the view of leadership as a relational process is a vital perspective in leadership research and theory. Parry, Mumford, Bower and Watts (2014) reasoned that qualitative studies have contributed towards a more profound understanding of the leadership phenomenon, where quantitative studies have failed to explain the social influence and context in leadership literature. It is therefore through qualitative research interviews that one is able to uncover the private and incommunicable social world of the interviewees, enabling one to gain differing assumptions and ways of seeing from that of the theory as well as developing new ideas and theories (Qu & Dumay, 2011). Flick (2007) similarly reasoned that qualitative methods better suit the individualised complexity of our current context, as it enables one to unpack how the individual see's the context around them, how they construct and deconstruct their world, providing rich insight to the researcher. Patton (2002) and Yin (2015) supported this view, contending that it is only possible through language, as it is the data of in-depth interviews. Language permits for the capturing of complexity and perceptions, enabling spontaneity and flexibility to come through in the capturing of complex information, something, which this research was intensely geared towards.

It is therefore argued by the researcher that a qualitative design, in its unstructured and exploratory nature was best suited to meeting the objectives laid out for this study, as it enabled insights, experiences and thoughts to be captured directly from individuals for analysis, without imposing rigid parameters.

4.2.1 Qualitative Research Design

This research was unfolding in nature, in the search for links and confirmation to the research questions poised, making it more suited to a qualitative study (Punch, 2002) as shown in **Figure 7**. To this extent, it was emergent, being guided by the existing theory identified in Chapter 2, with the insights garnered being enhanced as the momentum of the interviews grew. It can be contended that the new revelations added to the existing studies and research, forming links and enhancements to constructs not linked prior. Punch (2002) reasoned that qualitative analysis allows for the focus on interpretations, meaning and the significance of behaviour, with this researcher seeking to answer the "*what*" and the "*how*". Both an inductive and deductive approach of analysis was followed, with the deductive approach enabling the exploration of different theories pertaining to the three constructs through the interview questions posed. The inductive approach enabled the establishment of the relationships through utilising the results obtained from the deductive answers, which were open-ended in approach, providing for knowledge, insights, similarities, categories and emerging connections to be discovered (Saunders & Lewis, 2012; Maxwell, 2012).

Figure 7: Pre-specified versus unfolding: the time of structure



Source: (Punch, 2002, p. 41)

The researcher therefore chose an in-depth explorative study as the appropriate method due to the above, as well as the fact that the enablement of dominant logic to the relationship of Contextual Intelligence and diversification was little understood. It was understood and supported that this approach was an empirical productive social

encounter, in which reportable knowledge was garnered (Qu & Dumay, 2011). Marshall and Rossman (2014) similarly supported this in finding exploratory research to be used to:

- Investigate little understood phenomena;
- Identify or discover important categories of meaning or alignment;
- Generate hypotheses for further research.

A critical incident technique was applied, primarily due to it being a flexible set of procedures used for obtaining facts concerning behaviour in defined situations (Flanagan, 1954). It enabled the researcher to facilitate the investigation of significant occurrences, as identified by the theory and participant, in terms of the management of such incidences, and the outcomes in terms of perceived effects. The information provided enabled the researcher to gain an understanding of the incident, taking into account cognitive, affective and behavioural elements. In using the technique, the researcher was able to apply many of the benefits associated to it such as:

- The interviewees were able to use their own words and perspectives to develop the context, untainted by bias of the researcher, therefore being more accurate and providing a rich set of data;
- Inductive in nature, so that exploratory research could be conducted to increase knowledge about a little-known phenomenon, therefore allowing patterns to emerge from the responses for the generation of concepts and theories.

The technique lent itself to business in that the information found was useful and practical, whilst being culturally neutral (Gremler, 2004). Hughes, Williamson and Lloyd (2007) recommended that the critical incident technique is a good qualitative approach for collecting and analysing information about human interactions or activities and their importance to the people involved. It enables a researcher to identify patterns and gather insights on “how” and “why” people engage or behave in a certain way, something which this research is focused towards.

The study was comprised of four sequential phases.

4.3.1 Phase one: Formulation of the *De Jure* model

The first phase of the research design was to identify the current framework around Contextual Intelligence, dominant logic and diversification, in order to provide the theoretical base for the input “data” of the *de jure* model by extracting the key themes. In doing so, the framework assisted in the second phase of the in-depth interviews, providing a common platform that demonstrated the key concepts of the research topic.

4.3.2 Phase two: In-depth interviews

Semi-structured interviews were conducted in order to gather the information to answer the research questions posed in Chapter 3. By following a localist, interpersonal, interactive approach (Qu & Dumay, 2011; Alvesson, 2003), and utilising semi-structured interviews, the researcher was able to enquire about themes, using predetermined questions, enabling the researcher to probe and ask additional questions as appropriate to garner a more profound understanding of what was being answered by the participant (Saunders & Lewis, 2012). It was also argued that due to this research topic being little known, a pilot study to gather preliminary data was well suited before a quantitative survey was designed for further study.

The questions posed were directed in such a way as to challenge existing data and gather new data, in the attempt to develop a model coalescing all three constructs. It was with this understanding that both a deductive and inductive research method was used.

4.3.3 Sample Population

The relevant respondent population consisted of individuals who were or are in a position of leadership, who have gone through a diversification strategy. Blumberg, Cooper and Schindler (2008) stated that a population is the total group of elements, from which the researcher wishes to make inferences, whereby the population element represents the subject, on which the measurement is being taken. Saunders and Lewis (2012) concurred, finding it to be the complete set of group members that are available to the researcher.

The relevant population for this study consisted of one psychological heterogeneous group, based on the following inclusion criteria boundary (Robinson, 2014):

- Individuals within a leadership role;
    - Male or female;
    - Between the ages of 30 – 60;
    - Employed by an organisation following / or have followed a diversification strategy within the last five years;
    - Senior management role;
    - Minimum of 3 years' experience within the current role / similar role.

The researcher placed emphasis on the fact that the targeted respondents had been involved within a diversification strategy at a senior level, as this exposure was deemed to be pertinent to ensure that any connections found between Contextual Intelligence, dominant logic and diversification were aligned to the overall research objective. A varied selection of medium to large organisations, across sectors was selected, in order to gather a greater sample of data to be representative of the profile.

4.3.4 Sampling Method

A combination of judgment, non-probability, and purposive sample techniques was used. Judgemental sampling was adopted as a screening measure, to ensure that the leaders identified had been through a diversification strategy at a senior level, therefore isolating it as a sample universe. Judgemental or purposive sampling enables the researcher to select target elements from a population universe based on a range of possible reasons and premises of their own (Saunders & Lewis, 2012). The sample selection was organic in nature (Robinson, 2014); selecting leaders of diversified organisations that were able to provide unique, different or important perspectives related to the research questions (Saunders & Lewis, 2012).

Convenience sampling was used to identify target respondents based on their availability and willingness to participate in this research. It is technique of non-probability sampling, whereby its selection is one, where the sample elements is dependent on the personal judgements of the researcher (Creswell, 2014). In order to try and limit the level of bias experienced through using this method, filters were applied, such as level of seniority, being involved in a diversification strategy and years of experience.

4.3.5 Sample Size

All medium to large companies that had gone through a diversification were included in the broad target population database. A total target sample of 15 respondents, from 15 different organisations across 9 different sectors completed the primary data input phase. Guest, Bruce and Johnson (2006) found that for this type of population selection, the first 12 interviews are sufficient to achieve saturation of codes and themes; therefore, the variety and expanse of the proposed sample pool should provide for adequate data analysis to be done.

Table 5 shows the gender, age, years of experience, industry, and organisation size of the individuals interviewed.

Table 5: Sample breakdown

Number	Gender	Age	Years of experience	Industry	Organisation Size
1	Male	31	5	Pharmaceutical	Medium
2	Male	60	40	Pharmaceutical	Medium
3	Male	40	10	Consulting	Medium
4	Male	50	31	Banking	Large
5	Female	39	16	FMCG	Large
6	Male	59	36	IT	Medium
7	Male	43	17	FMCG	Medium
8	Male	53	34	Manufacturing	Medium
9	Male	46	23	Pharmaceutical	Medium
10	Male	35	12	Logistics	Small
11	Male	35	12	Finance	Large
12	Male	37	16	Insurance	Large
13	Male	43	22	Advertising	Medium
14	Male	45	23	Banking	Large
15	Male	46	23	Banking	Large

4.3.6 Unit of Analysis

The unit of analysis, as described by Blumberg, Cooper and Schindler (2008), is the level at which the research is performed and which objects are researched. For the research purpose at hand, the unit analysis was the individual respondent and their perception of the behaviours exhibited during a diversification, as well as the formation of a new dominant logic.

4.4 DATA COLLECTION

4.4.1 Questionnaire Design

Saunders and Lewis (2012) reasoned that an appropriate data collection is one that enables a researcher to answer the research questions. For the purposes of this research, a discussion guide was drafted (Appendix 2) with reference to the research questions in Chapter 3 and the literature review in Chapter 2 to formulate a series of discussion pointers that would help address the data input requirements of this study.

Due to the complexity of the constructs and the language pertained in this research, close attention was paid to expressing the research questions in “ordinary” “everyday” plain language colloquial terms and language that all interviewees could understand and relate to. General questions geared at directing the thinking of the professionals to relate back to personal experiences were as follows:

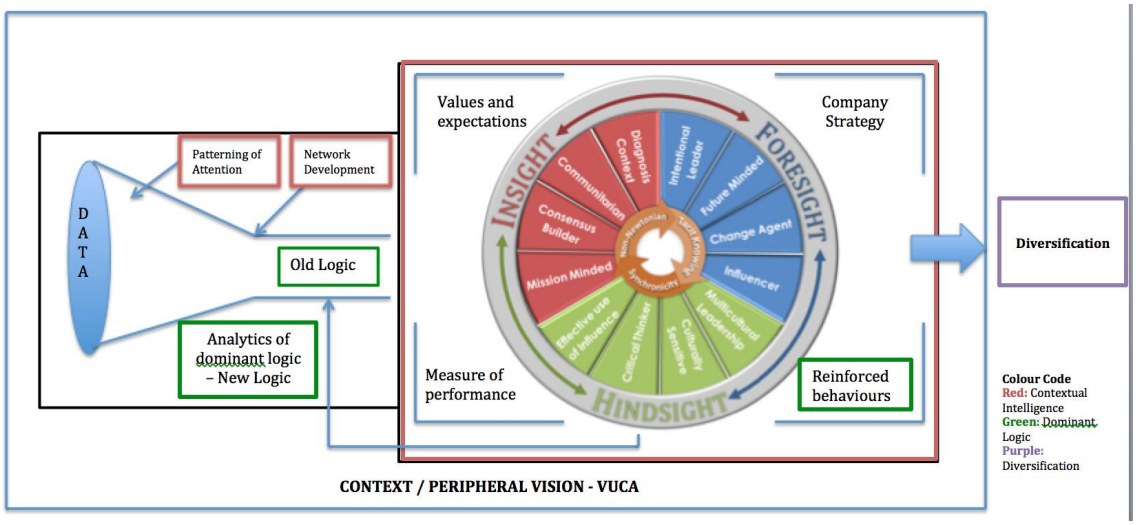
1. Examples of events;
2. Experience relating to themselves;
3. Focus on simple language.

The technique that was applied during the data collection was that of scheduled and unscheduled probes, enabling the researcher to draw out more complete narratives specific to particular topics (Qu & Dumay, 2011). Where there were points of interest noted, the researcher delved deeper, and where it was noted that certain questions did not apply or would not add value, these were removed. The constructs were broken down into their respective parts, with linking questions brought in to enable a funnelling approach to be adopted during the interview. The intention was to guide the respondents through the interview, ensuring respondents felt relaxed and forthcoming in their engagement with the researcher. The interviews were conducted with respect for and curiosity about what the participants were saying, as well as a systematic effort to hear and understand what they were saying (Qu & Dumay, 2011).

A *de jure* model was developed, using the main concepts researched in Chapter 2 and shown in **Figure 6**. The purpose of the model was to conceptualise the Contextual Intelligence framework within that of a dominant logic application during a diversification strategy, thereby creating a common understanding that associated the various aspects that contributed to the progression. The hypothetical model was developed by means of the literature review to assist with the conceptualisation of the different constructs, illustrating the individual components at play and their potential

overlaps or linkages. The model formed the groundwork for the investigation of the study, ensuring that during the interviews, all topics that contributed to answering the research questions were covered.

Figure 6: *De Jure* model integrating the literature for the enablement of a diversification strategy



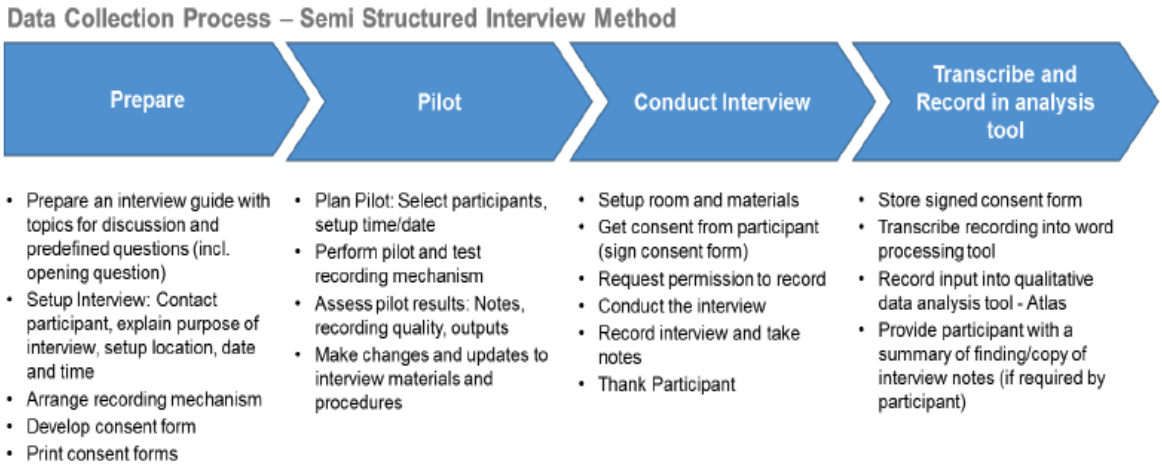
Source: As adapted from Prahalad and Bettis (1986) and Kutz (2008)

The researcher did not disclose the model or the elements of the model, but rather allowed independent thinking about the requirements of each construct and its application and convergence.

To confirm the effectiveness of the interview guidelines, a pilot interview was conducted with an equivalent respondent to test comprehension and relevance of the questions based on the feedback received, as well as to enable the researcher to become familiar with the content and the appropriate style to conduct the interview in. From here, final wording adjustments were made, correcting areas of ambiguity as well as removing questions that were irrelevant.

The high level process used by the researcher for data collection is described in **Figure 8** below:

Figure 8: Data collection process



Source: Saunders, M., & Lewis, P. (2012). *Doing research in business and management: An essential guide to planning your project.* Financial Times Prentice Hall.

4.4.2 **Data Collection**

Marshall and Rossman (2014) contended that a study that focuses on individual past experiences relies on an in-depth interview strategy, consequently data was collected by conducting face-to-face, individual semi-structured in-depth interviews with the targeted respondents. The pre-prepared questions acted as discussion points; however, they were primarily used to give broad structure to the interview conversation. Open-ended questions were used, as they allowed respondents to talk openly about the topic (Saunders & Lewis, 2012) (Punch, 2002). This was combined with what Kvale (2007) had termed depth interviewing, whereby knowledge is produced through a guided conversation. Within this technique, there exist three main types: ladden, hidden issue questioning and symbolic analysis (Malhotra, 2010). The ladden technique was implored, as it enabled an investigation by the researcher into underlying motivators that saw the researcher moving from the physiological characteristics of an issue to the psychological drivers that affect how respondents engage within their context. Hidden issue questioning was performed through probing questions, asking respondents about their work contexts, history as well as personal insights.

For the questions that required specific answers, a ranking and Likert scale was used, to frame the qualitative discussion.

A total of 15 interviews were conducted, each lasting on average 53 minutes. It is worthy to note, that each respondent requested that the researcher come to their office, so that the diversification undertaken by them could be physically shown. To ensure individuals were comfortable with the constructs and the desired outcomes, a pre-interview guideline was sent to each respondent prior to the interview taking place, providing them with some context to the interview and what would be discussed **(**Appendix 3**).** To establish rapport with the respondent, the interview was started with a basic introduction of the purpose of the research, followed by some general questions around the individual's background. This enabled the researcher to set the context and assisted when delving deeper into the more complex constructs of the research.

Respondents were invited to give voluntary consent **(**Appendix 4**)** to participate as well as to allow for recordings to take place, in order to ensure a higher degree of accuracy in the data capture. The recordings were then transcribed after the sessions by a professional transcribing service. The researcher checked all the transcriptions against personal notes taken and crosschecked against the recordings to ensure accuracy.

4.5 PHASE THREE: DATA ANALYSIS AND CODING – *DE FACTO* MODEL

The third phase of formulating the "*de facto*" model required that the information gathered from the interviews be moulded into more manageable pieces to allow for effective and valuable interpretation. This stage was the formulation and development of the integrated *de facto* model of Contextual Intelligence, dominant logic and diversification strategy based on the the interview results from phase 2.

To assist in the coding, categorising and discovery of relationships and networks, the researcher sought out the assistance of an experienced coder, who utilised a qualitative data analysis programme, Atlas.ti to shape the data analysis process. The data was separated into categories as identified in the literature review, with the researcher searching for similarities and differences across the interviews, as well as uncovering and systematically analysing some of the complex relations hidden in the unstructured data. Outputs were analysed to see if there were meaningful patterns emerging, similar to that of a jig saw, particularly in relation to the research questions posed (Saunders & Lewis, 2012). From the initial 81 codes developed, the researcher, through an in-depth analysis, refined the list to 63. Following the guideline of the

research questions, concept families were created to categorise the data by employing a coding system to group related units of data (Spiggle, 1994). From here, tables were developed as explanations of the insights that emerged from the data and were included in Chapter 6 as part of the findings discussion.

4.6 DATA VALIDITY AND RELIABILITY

It was acknowledged and understood at the inception of the methodology selection, that qualitative research does present reliability and validity issues. Data reliability involves the extent to which the data collection methods and analysis procedures provide consistency (Saunders & Lewis, 2012). To ensure that the data obtained remained reliable, the interview scripts were standardised as far as possible. It is acknowledged that wording may be altered to accommodate the relevant interviewee and their frame of reference. Careful screening of the respondents was performed, as this is a vital precursor for data validity within a qualitative design. The target sample of 15 respondents also enhanced the data validity, as aligning the divergent responses enabled the researcher to capture a balanced perspective on the diversity of view in relation to the subject matter.

Validity is the trustworthiness or credibility of the process pertaining to data obtained by qualitative research (Saunders & Lewis, 2012). It is acknowledged that researcher bias may exist, unintentionally. In order to combat this, the researcher, as mentioned prior, paid attention to what the participants were saying, as well as applied systematic effort to hear and understand it (Qu & Dumay, 2011). To ensure credibility was maintained in the interviews, researcher self-monitoring and coming up with questions that are ‘open-ended, neutral, singular and clear” (Patton, 2002) was adhered to. This was further enhanced through obtaining an independent coder, whose opinion and insight were utilised in the analysis.

Riege (2003) established a comprehensive test to assess validity and reliability, which entails a confirmatory audit that examines the data findings, interpretations and recommendations, triangulation, researcher self-monitoring, thick descriptions and specific procedures for coding and analysis. These were applied throughout the research process from design, data collection to data analysis. It is, however, acknowledged, that triangulation of data in this research will not be possible.

Trustworthiness can be threatened during data collection itself, as participants may be unwilling to reveal certain information, which may negatively affect them. Researchers may also interject with their own views to certain responses, therefore negatively affecting the interview process. In order to combat this, specific questions were asked, so that elimination of human error can be obtained. It is, however, acknowledged that being restrictive on set questions could confine participants and thereby negating the opportunity to obtain vital information and compromise the credibility and trustworthiness of the research.

If the above was achieved, then construct validity and reliability were also realised.

4.7 RESEARCH LIMITATIONS

Acknowledgment is given to the below limitations of the research methodology proposed:

- **Inconclusive**: By its nature, qualitative data is inconclusive in its outcomes, with the conclusions drawn in this research representing a portion of the population; it was by no means exhaustive;
- **Selection of non-probability sampling**: The use of non-probability sampling means that the sample was not representative of the entire population; therefore the results cannot be applied to the population at large (Saunders & Lewis, 2012);
- **Critical incident technique:** The critical incident technique may give rise to ambiguity; recall bias, consistency factors, memory bias or reinterpretation of the incident (Gremler, 2004);
- **Time:** The timeframe applied to the interviews may have discouraged participants from divulging too much information, which may have resulted in incomplete data being provided, which is critical for the quality of information provided;
- **Researcher bias:** Exploratory research is subjective and reflects the perspectives of the researcher, allowing for potential bias, especially with the application of judgemental and convenience sampling (Saunders & Lewis, 2012);
- **The time lapse** between the implementation of the diversification and the interviews may have resulted in information being forgotten or misconstrued;
- Given the nature of this research, **researcher bias** is possible; however, attempts were made to avoid personal interpretation of the interviews and

rather fact based analysis to take place, through the use of an independent researcher to validate categories or construct families;

- The participants may **not have understood** the *de jure* model of behaviours or that that they may have applied them during a diversification process; hence the prior information sent and the probing criteria for the interviews. This can be coupled with the skill of the interviewer in conducting the interview, thereby potentially confusing the context.

4.8 CONCLUSION

Spiggle (1994) contended that through qualitative research, one is able to gather rich and thick descriptive data, enabling expansive analysis into exploring patterns that exist within a chosen subject matter. At the outset, the researcher anticipated developing a *de facto* model in answer to the research question posed. This chapter detailed how the design approach and methodology were to be undertaken in order to enable the requirements and objectives of the research report as stipulated in Chapter 1 to be met. It is anticipated that the *de facto* model will be beneficial to organisations and leaders implementing a diversification strategy, especially in this current dynamic and complex market.

CHAPTER 5: RESULTS

5.1 INTRODUCTION

The purpose of this research was to explore dominant logic's enablement of the relationship between Contextual Leadership and diversification strategy. This was explored through the construction of four research questions that were identified from the literature review, utilising the data collection process outlined in Chapter 4, in order to understand and answer the identified research.

This study applied qualitative research, where 15 face-to-face interviews were conducted with executive management across several industries. The sample was chosen to provide for a cross section of input into the areas of investigation. What follows is a discussion of the interviews by answering the research questions listed in Chapter 3, which were developed deductively based on the literature review. Some additional elements were identified inductively during the coding and analysis phase, with these being highlighted, where applicable. The *de jure* model developed was used for the deductive analysis of the data (**Figure 6**), although − where applicable − data driven coding was done (inductive coding) to enhance it.

5.2 CHARACTERISTICS OF THE EMPIRICAL DATA

5.2.1 Duration of the Interviews

A total of 15 interviews were conducted over a total of 795 minutes, with the average interview being 53 minutes long and the longest 91.48 minutes **(Table 6).**

Table 6: Interview duration

Description	Quantity
Number of interviews	15
Total duration of the interview	795 minutes
Average duration	53 minutes
Shortest duration	36.08 minutes
Longest duration	91.48 minutes

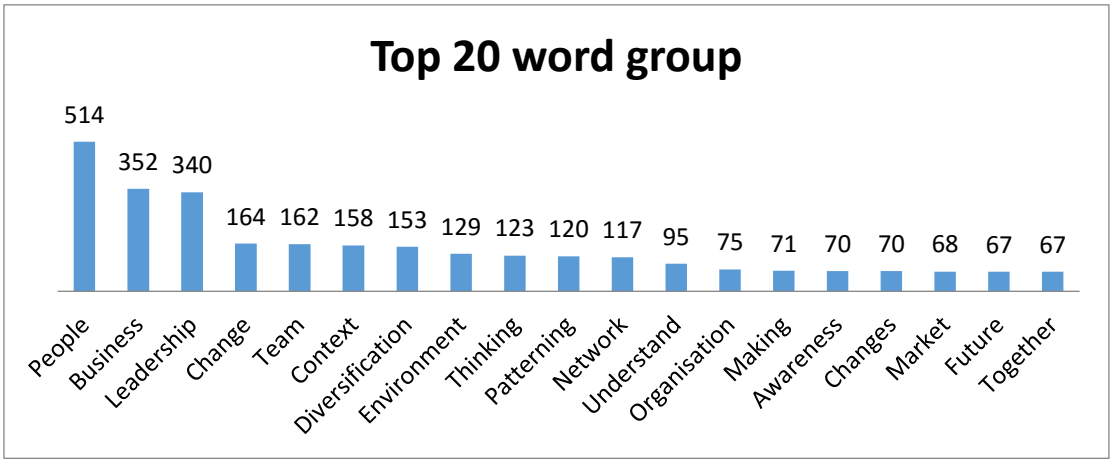
5.2.2 Transcription Analysis through Word Counts

The primary word cruncher document from Atlas.ti comprised of 5 429, which was filtered and edited to exclude words that did not occur more than three times, leaving a total of 2 437 words. From here, a further filtration of the word frequency was

conducted to remove words that were descriptive or contextual in nature, particularly related to the research question being solved, such as ‘the’, ‘what’, ‘when’, and ‘them’, reducing the word count to 2 046. Group wording was then conducted, combining words that represented the same thing, be it from a different tense or as a singular or plural, into a single word such as ‘come’, ‘coming’, ‘came’. From here, a third review of the document was conducted, removing words that were either too ambiguous, such as ‘good’, which appeared 148 times, or idiosyncratic to the researcher’s method of speech, when asking questions such as “ok great” or “could you”, with ‘great’ appearing 39 times. The refined list was 1 254 words, with word groups. This provided the researcher with context, when coding the transcriptions.

Figure 9 lists the most common words that occurred across the transcripts, ordered by frequency count. The word “people” (persons; person; people; personal) was used the most during the interviews, followed by business (work; employment; place), then leadership (transactional, authentic, leader, leaders, charismatic), which is congruent with the research focus on leadership and business.

Figure 9: Top 20 word group



The word **“people”** was identified inductively as a theme during the transcript analysis, as it was not originally considered during the compilation of the interview guides, nor did it feature as a strong component during the literature review. On average, each respondent mentioned it 37 times, indicating it to carry significance in terms of the research question.

5.2.3 Sample

The respondents' average age was 44 years, with a total of 320 years of experience, with the majority of them (8) operating within medium-sized organisations. These organisations were from different sectors, namely pharmaceutical, banking, insurance, finance, manufacturing, FCMG, IT, consulting, logistics and advertising.

Table 8 summarises some of the key aspects that profile the sample. The respondents captured can be said to align with the diversity of South Africa in terms of racial skill sets and executive woman in leadership. There was a mixed cross-section of demographic profiles, which included 14 males, 10 white, 2 coloured, one black and one Indian, with there being only one female (**Table 9**). From an organisational role perspective, all respondents were either the CEO or held senior exco positions and had executive experience of at least 5 years.

Table 7: Respondent profile breakdown

	Race				Total
Gender	**Black**	**Indian**	**White**	**Coloured**	
Female	0	0	1	0	1
Male	1	1	10	2	14
Total	1	1	11	2	15

Table 8: Summary of respondent information

Res	Gender	Age	Years of experience	Industry	Organisation Size	Position	Type of diversification	Length min	Word Count
1	Male	31	5	Pharmaceutical	Medium	Strategy – Director	Concentric	47,36	7537
2	Male	60	40	Pharmaceutical	Medium	CEO	Horizontal	40,55	4692
3	Male	40	10	Consulting	Medium	Senior Consultant	Concentric and horizontal	43,42	6046
4	Male	50	31	Banking	Large	Strategy - Director	Concentric and horizontal	91,48	10633
5	Female	31	8	FMCG	Large	Head of Business	All	41,41	7103
6	Male	59	28	IT	Medium	CEO	Horizontal	50,07	8725
7	Male	43	17	FMCG	Medium	CEO	Horizontal	51,06	7406
8	Male	53	34	Manufacturing	Medium	CEO	Concentric	36,14	7060
9	Male	46	13	Pharmaceutical	Medium	CEO	Concentric	43,58	7526
10	Male	35	12	Logistics	Small	Managing Director	Concentric	36,08	4377
11	Male	35	12	Finance	Large	Strategy - Director	Concentric and horizontal	53,32	8162
12	Male	37	16	Insurance	Large	New Business - Director	Horizontal, concentric and conglomerate	75,15	11202
13	Male	43	22	Advertising	Medium	CEO	Concentric	52,45	8398
14	Male	45	23	Banking	Large	Business Head - Director	Concentric and horizontal	70,13	12158
15	Male	46	16	Banking	Large	Business Head - Director	Concentric and horizontal	63,59	9321
Average		44	287					53	8023
Total								795,79	120346

Type of Diversification	Total
Concentric	6
Horizontal	2
Vertical	0
Conglomerate	0
All	1
Concentric & horizontal	5
Horizontal, concentric and conglomerate	1
	15

Data saturation was reached at 13 interviews, with it being apparent that limited new information would be generated. The researcher completed the remaining 2 interviews, however, concluding that the amount of data captured to date and the range of respondents had provided enough relevant data to analysis, and therefore did not require the organising of further interviews.

5.3 FINDINGS OF THE RESEARCH

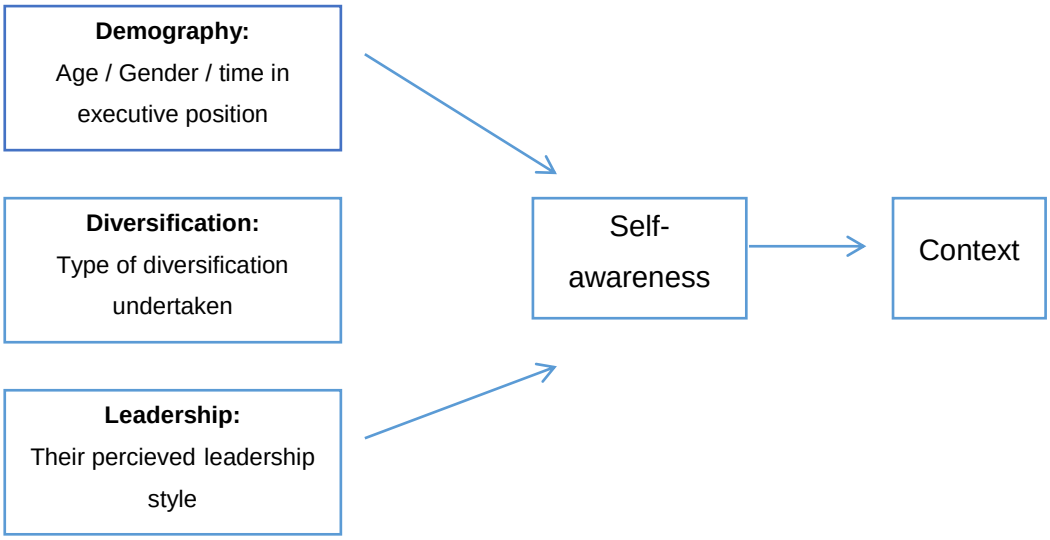
Given that the research method implored was of an exploratory semi-structured nature, which utilised an interview guide, not all respondents were asked the same questions. This was determined, based on the direction and engagement of the respondent as well as their responses to the questions. Questions were also not answered within the same order, as the interviewer followed the direction of an informal conversation with the respondent, affording the opportunity to talk freely, whilst providing some direction to ensure topics were covered. This allowed the researcher in gaining consistency across the respondents for analysis purposes, combined with the use of a Likert scale in set questions to provide for exact information. The researcher to provide for inferred contextual communication noted body language as well as response times, and other non-verbal behaviours.

The reporting of the findings begins with an overview of the general questions that were used in initiating the interviews, in order to frame the individual's leadership and strategy contexts.

5.3.1 Summary of General Information Gathered

The focus of these questions asked in the interview set the tone for the proceeding questions by positioning the context of the respondents in terms of two categories: (1) their general demography and experience information and (2) their specific context information (leadership), in which to set the story for further questions. The questions were intended to put the respondents' thinking into the frame of reference of leadership and diversification (). This was also hoped to elicit them to be comfortable to talk about themselves and their achievements, setting the scene for the four research questions and sub-questions that followed. Additionally, the questions were used to ascertain the respondents' ease in responding, as well as their self-awareness and how they frame their context of self and the environment.

Figure 10: General questions to direct the interview

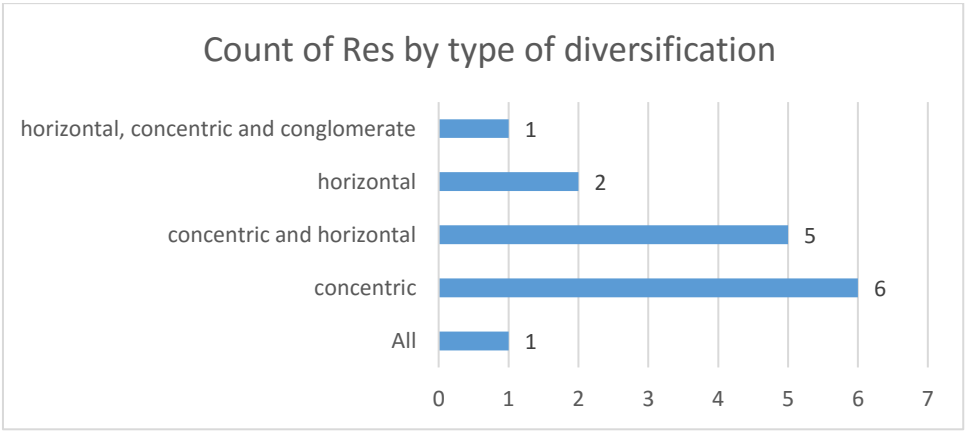


Source: Researcher's own

5.3.2 Diversification Strategies

Diversification is regarded as a business strategy to simultaneously depart from the current product line and the present market structure. The companies interviewed were mainly using all four diversification strategies, which were concentric, horizontal, vertical and conglomerate (**Figure 11**). Companies using concentric and horizontal strategies were the majority of the interviewees, being 6 out 15 respondents; 2 were horizontal; 1 used all four; 5 a combination of concentric and horizontal; and 1 horizontal, concentric and conglomerate.

Figure 11: Type of diversification undertaken



The main source of diversification for these companies was product diversity, as they were looking for growth. Respondent 5 explained:

> *"It's basically all metal in our products...so all these products that we diversify into, all come from metal." (Respondent 5)*

This was supported by Respondents 9 and 7 who diversified their product offering.

> *"So instead of moving the goods for the suppliers, now you collect the goods on behalf of the retailers." (Respondent 9)*

> *"This year, we rebuilt our website, we wanted to diversify more into online…so build less physical stores." (Respondent 7).*

Respondents confirmed that companies use diversification for growth, with Respondent 5 contextualising the main driver for diversification as being the need for change, which is propelled by the dynamic operating environment.

> *"You have to diversify and it's a continuous change, it's that continuous moving, that keeps you alive." (Respondent 5)*

5.3.3 Leadership Styles

When respondents were asked to describe their leadership style, it was surprising to the researcher that out of the 15 respondents interviewed, not one mentioned Contextual Leadership as one of their styles; however, all alluded to the behaviours associated with Contextual Intelligence. **Table 12** illustrates the factors identified by the respondents as to their perceived leadership style. Evident from the table is that just less than half (40%) of the respondents exhibited a well-founded and settled self-awareness of both their strengths and weaknesses (**Table 9**); however, they primarily focused around being an influencer within their environment, with one respondent stating they like to *"…exert influence over the people in the organisation to actually do the task at hand." (Respondent 6)*

Table 9: Selected responses from the theme: Self Awareness

"…Democratic in preparation, autocratic in execution. Discuss, decide, deliver…" (Respondent 15)
"…I've been told that I'm honest to the point of being brutal and abrupt and blunt…but I think I do that so that any kind of fear or apprehension is broken down…" (Respondent 2)
"…I can be difficult, but also participative. I want the results…" (Respondent 12)

Collaboration was ranked 2nd in terms of the respondents' perceived leadership style (**Table 10**), with this being viewed as an enabler in order not only to empower individuals within their teams, but also to deliver the results required. Collaborative factors identified by the interviews included collective decision-making, being participative, trust, and an enabler.

Table 10: Selected responses from the theme: Collaboration

"…How we can collectively own a decision to move forward." (Respondent 12)
"…*Discuss, decide, deliver…"(Respondent 15)*
"…Very hands on. I'm very innovative, you know, I like doing different things…" Respondent 5)
"…I like to encourage people to talk, ask questions, bounce stuff off" (Respondent 11)
"…"I like to create thinkers. I'm here to create change agents…" (Respondent 4)

Further to this, respondents spoke indirectly to the Contextual Intelligent dimensions of 3D thinking (**Table 11**), namely foresight, the importance of relationships and lastly patterning of attention in terms of driving the direction through asking the right questions. From this, it emerges that each of these leaders operates with Contextual Intelligence as part of their leadership, be it inadvertently.

Respondent 14's response can be used to sum up the collective response, with the focus being on the interconnectedness of it all, combined with a strong self-awareness.

"A human being…so this whole inter-connectedness of life and what it means and how you connect deeply with folks, is a part of our exceptionally strong self-awareness and peripheral vision." (Respondent 14)

Table 11: Selected responses from the theme: 3D thinking, relationships, patterning of attention

"…I think getting the why right for me is very important because the what is there, it's factual, you need to get the results, but why…"(Respondent 12)

"…say I'm quite heavily relationship focused. I'm more of a relational leader and I strive to be more of a leader through influence…"(Respondent 15)

"…Open, relaxed. I'd like to encourage people to talk, ask questions, bounce stuff off, not to be solipsistic or egocentric."(Respondent 11)

Table 12 illustrates the five main leadership styles mentioned by the respondents.

Table 12: Perceived leadership styles

Rank	Style	Frequency	% of people
1	Self-Awareness	6	40%
2	Collaboration	5	33%
3	3D thinking	4	27%
4	Relationships	4	27%
5	Patterning of Attention	3	20%

5.3.4 Research Question 1

To what extent are leaders aware of operating within a dynamic context in terms of a diversification strategy?

- **Are leaders aware of the variables that make up a context?**

This question sought to see if there was awareness present within the respondents, towards the context they were operating in and if this had any influence on their diversification strategy. Further to this, the researcher probed deeper to understand how having an awareness of context and a diversification strategy worked together to overcome or complement dynamic contexts. **Table 18** below indicates the factors that were considered in answering this question.

5.3.4.1 Cognitive awareness of context

All respondents viewed the ability to **diagnose context** and the **awareness** of this, to be interlinked (**Table 13**). These combined abilities formed a crucial aspect of a diversification strategy, enabling them to remain competitive within an ever-increasing dynamic globalised economy, especially as one needs to keep *"evolving due to the nature of the business environment"* (Respondent 6). Respondent 15 articulated this position very well by stating having the *"ability to read the field, to know and see the right things when it's coming".* Further, Respondent 14 opined that through the awareness they had of their operating environment, they were able to see opportunities and innovate continuously, becoming a "*whirl-wind of idea generation*". Respondent 4 perceived awareness and context to be something of a paradox. He contended that one needed to be aware of the now, but still be able to look to the long term, having the necessary behaviours of agility and speed, being the first to market. Having this awareness of context sets one apart.

Within the discussion around diagnosing context, Respondent 4 mentioned something interesting, linking that of a **mind-set** to diagnosing context, whereby he alluded to the fact that one needs to have the right mind-set, in which one is very aware of one's surrounds, what one has within that and then having the ability to make the most out of that within that context. The researcher found this optimisation approach rather perplexing in construct, but rather revelatory in terms of its application to the research question posed.

> *"How to make the most from the least you have, from as little as you have. Apply that type of mind-set to everything you do, from budgeting, financing, to communication. (Respondent 4)*

This relationship is what Respondent 14 called the "connectedness of it all" *and deep emotional personal mastery"* that a contextual leader has to their environment, through:

> *"…Knowing what's going on around you, to know when you talk, look at someone, look at their body language, look at how they are communicating with you, the eye contact and everything you do …it's at different levels"*.

Through this diagnosis of the context and the awareness of it, leaders are able to adapt and adjust their behaviour dependent on the requirement identified.

Table 13: Selected responses from the theme: Diagnose Context and Awareness

"*… once upon a time, everybody used to wear a hat, so if you were making hats and people started wearing caps, you'd go out of business. So you had to start making caps…you have to be aware…you have to diversify and it's continuous change, continuous movement…" (Respondent 5)*
"…Diversification doesn't necessarily mean adding continuously, but it's a balance of knowing when to add and sometimes you need to take away…diversification becomes complicated…" (Respondent 15).
"…So absolutely, it plays a major role. I don't think you can live in this environment... you will never be the same again..." (Respondent 8)
"…We're working in fast paced times, that changes everyday. So being able to put context to what's relevant today and what needs to be done today, which will get you to where you're going. You need to be ready for changes and be willing and prepared to adjust, to be able to move forward..." (Respondent 12)
"…Understand the paradox. You need to look for now, and you still look into the long-term distance. You need to be both agile, fast, come to market quickly..." (Respondent 4)

The awareness of diagnosing context, had a close relationship to the **dimensions of 3D thinking** (hindsight, insight and foresight) (**Table 14**), with respondents finding it an enabling factor to see what was working and how it was working, providing them with an understanding of the current context, within in which they could find or create a gap of opportunity, such as that of diversification. It was found that the ability to be able to diagnose the context of not only today, but having an awareness of the future (foresight), enabled an individual to filter what is important in the now, from what is important tomorrow. Through this cognitive awareness of context, respondents felt enabled to have an agility to change rapidly, adjusting to the change in context. It was felt that *"how you get into the room"*, or as the researcher proposes the situation, *"is not how you will get out"*, therefore implying the awareness and understanding to be able to diagnose the context and adapt, based on the variables present.

Table 14: Selected responses to the code: 3D thinking

"…I mean, you have to have constant checkpoints; it is about understanding the contextual environment and understanding the organisational context and the context in which you are working at that time....So the organisational context for me is what we stand for, what we're doing, where we're going, what we want to achieve..." (Respondent 15)
"…Context…evidence-based approach, to find out what's going on, and through which, to find a gap to create the opportunity for you..."(Respondent 4)
"…I could see this energy crisis developing, all over the world…I could see that we've all got, all these old buildings in town, all these old buildings, all these new buildings coming up, they all have to have this technology..." (Respondent 5)
"So you can't diagnose context without understanding, engaging and listening to people in your immediate space..." (Respondent 8)
"We're working in fast paced times, that changes everyday. So being able to put context to what's relevant today and what needs to be done today, which will get you to where you're going. You need to be ready for changes and be willing and prepared to adjust, to be able to move forward..." (Respondent 12)

Through the process of diagnosing the context, respondents felt it provided them with what was termed an "intimate knowledge" of the situation, which in turn affected the respondents' **decision-making** around a diversification strategy (**Table 15**). Through understanding facets such as *"knowing when"* and *"knowing what"*, the interconnections and the resultant effects thereof, leaders are able to adjust their decisions to suit the context and desired goal.

Table 15: Selected responses to the code: Decision-Making

"…Having an intimate knowledge of the context by way of which we operate, within which we operate, so I am very clear about that, and then being able to make decisions in that context, otherwise diversifying could be suicidal." (Respondent 7)
"…a matter of identifying problems, trying to pre-emptively solve them for future cases" and *"understanding who will affect me directly or indirectly; a stakeholder map." (Respondent 10 and 12)*

Each respondent spoke to having a cognitive awareness of the **interactions at play within the environment (Table 16)**, as well as the effects that these have on each other and the outcome, which the researcher argues refers to the contextual ethos that enables diagnosing a context. As Respondent 15 stated succinctly, *"You have to*

remain relevant in what you do." This sentiment was further supported by Respondent 12 who viewed it as *"looking at a company, understanding the fundamentals, the real truth and seeing where and how we can be better".* The interpersonal factors referred to by respondents were aspects that were within their immediate contextual environment such as the political and geographical situation, the influence or affect of external stakeholders on the decision. It is about knowing the risk that these have on one's decisions, so that informed decisions can be made. This was as Respondent 15 stated, "*knowing "who's who in the zoo?"*

Table 16: Selected responses to the code: External Factors

"…about us now and trying to understand that the environment…how somebody behaves in South Africa is very different to how somebody behaves in the Middle East..." (Respondent 6)
"…I'm very aware of operating in the South African context. That context is very prevalent. Operating over that is always foremost on my mind and I've merged stuff that we were just doing anyway into the model because of that..." (Respondent 13)

In terms of the **internal intrapersonal factors** that have an effect on the diversification strategy, aspects such as personalities, values and attitudes were referred to by respondents (**Table 17**). It was reasoned that in understanding this, or what was referred to as *"this knowledge"* provides for a *"ring fence"* or a *"sensitivity analysis*" around the context of diagnosis, providing for informed decision-making, especially as one is able to know, where the individual team members are at, as well as the collective, enabling as Respondent 2 said *"…to make it work in whatever environment."*

Table 17: Selected responses to the code: Internal Factors

"…Operating in context is more what is the situation…we're working internally within a context there. So is it a team that's all focused? Is it more of a context of cultural context? So all those play different factors on how we do it all, as we call it ring fences. So what we can control, what we can't control and based on that what makes us ready to move..." (Respondent 3)
"…What their abilities are and what their appetite for really being stretched or pushed… personal and within a work context. So it's taking individuals as a full package and where are we at as a team…it's just knowing..." (Respondent 8)
"..It's monumental…massive sensitivity...I know exactly…but I've got insight…You have to navigate your way through..." (Respondent 14)

A succinct conclusion to the discussion around context was what Respondent 8 referred to as the *"success of the business"*, as without having the awareness to diagnose the context correctly, the diversification and subsequently the business will not succeed.

> *"So, I think, that the context for me is the success of the business and we've won the Deloitte survey best company to work for 2015 and we got a gold again in 2016." (Respondent 8)*

Table 18: Key components within cognitive awareness of context

Family	Theme	Code	Frequency	
Cognitive awareness of context	**Diagnose context + awareness**	3D thinking	85	Connectedness of the codes to the family
		See Opportunities	83	
		Enables Decision Making	74	
		Awareness to context	59	
		Diagnose context	**41**	
		External Factors	**39**	
		Internal Factors	24	

5.3.4.2 Learning

In exploring the respondents' awareness of operating within a VUCA dynamic context, the ability of leaders to learn and unlearn came through, as exhibited by **Table 22**. Most of the respondents felt that through their unlearning and subsequent learning they were able to successfully innovate and direct a diversification strategy. The learning process was referred to by respondents as more of an evolutionary, proclivity process of learning from mistakes, whereby individuals learn not only from their past, but through being open-minded, they are able to learn from the present, always bearing in mind the future goal. It is a continuous repetitive cycle, embedded in that of having a cognitive awareness of context (**Table 19**)

Table 19: Selected responses to the code: 3D Thinking

"…Clearly you learn from your past, in terms of your life experiences…they shape who you are…open-minded to know that what we are going through now, that's what I call evolution..." (Respondent 14)
"...I think I'm always continuously aware looking back…learning not to make the same mistake again. But I'm also not scared to fix a mistake..." (Respondent 8).

During these discussions, it was interesting to note the humility present from the respondents toward the concept of learning and actually having the awareness of the fact they did not know everything, and were open and willing to learn further. Respondent 15 linked this to what they termed the *"university of life"*, whereby because of the awareness and appreciation of not knowing everything, one is then consciously able to go and seek out new information from people, enabling one to understand their position within the operating context.

> *"So if you know everything there's nothing to learn and know, but if you're constantly going out and learning…of what am I learning, what do I need to know, how do I need to, etc." (Respondent 15)*

There was debate amongst the respondents in terms of how this learning takes place, with some viewing reading to be the enabling tool (**Table 20**), whilst to others the actual experience itself counted most (**Table 21**). Reading was contended as providing respondents with a platform for greater self-awareness and mental capacity. It enabled them to learn and gain knowledge from others' innovation, providing for best practice, and context from which to draw. Experience, on the other hand, was found to form as stated by Respondent 15, *"an affirmation bias that previous experience brings".* Experiencing it was contended enables for practical and holistic learning through having an awareness of context, whereby an individual is able to take into account different perspectives. The respondents who learned through experience appeared to have a greater sense of awareness, of their context both from a hindsight, but also an insight perspective, with many of them learning from each situation in order to enhance their tacit knowledge. This was done through absorbing information quicker, filtering out what was not relevant and applying what they learnt into their context. Through the experience of learning and unlearning, respondents were able to reimage or reinvent themselves to suit the dynamics of the context and the diversification needed.

Table 20: Selected responses to the code: Reading

"…So I'm all about learning. So personally, it comes down to reading…as well as following certain blogs that are within the sector and totally out of the sector that lead with innovation, future trends and providing best practice and context. So that's a key aspect. And then disseminating that to the team." (Respondent 3)
"…I try and personally read one business book a month…to get me more knowledge, because with knowledge comes better decision-making, I learn more about myself and my businesses flourish as a result, so yeah." (Respondent 6)

Table 21: Selected responses to the code: Experience

"…You learn on the fly, I mean whatever you pick up as you go you learn..." (Respondent 7) *"…And I learn a lot. I learn a lot from folks who have different backgrounds, perspectives and so it's been a great journey..." (Respondent 14)* *"…Absorbing information at a much faster pace and to know what's relevant and what's not relevant..." (Respondent 10)* *"…My philosophy is…you extract that, and you then put that into yourself, in terms of what you focus on, how you think, and how your values are enhanced, your principles on what you do, and how you behave in life. So all of that, I think, moulds you…" (Respondent 14).*

It is interesting that this awareness of learning within context can be viewed as one of the multiple lenses, which a leader needs to have and use, when operating within a dynamic context, especially with regard to diversification strategy.

> *"And I think it's how you use these different lenses or experience your wisdom, visibly into the future, because I think you have to reimagine yourself." (Respondent 14)*

Table 22: Key codes for learning

Theme	Code	Frequency
Learning	Willingness to learn	173
	Experience	85
	Tacit Knowledge	71
	3D thinking	61
	Reading	35

5.3.4.4 Team empowerment and the importance of people

Operating within dynamic contexts requires leaders not only to adapt their behaviour to the context externally, but also to the context internally, fostering conditions that develop organisational capacity, through creating healthy conditions for people to self-organise around relevant issues. It was therefore interesting to observe that the respondents referred to this as team empowerment or collaboration, leading to innovation, where by having the *"right people within the team"* (Respondents 8 and 15), trust and mutual respect was obtained, with the understanding that mistakes can and do occur, but need to be learned from quickly, providing for an agile environment, encompassed by knowledge gains. **Table 24** indicates the top constructs towards this.

What is most crucial is to *"create a space for individuals to be able to do or be what they want to be"* (Respondent 2), creating a *"flame in the heart"* (Respondent 14). In order to do this, leaders need to teach people to think in different ways, offer support and influence, through which inspiration and empowerment will follow, enabling self-organisation and innovation. This was passionately referred to by Respondent 14 through the use of the word 'we', bringing together the concept of fostering organisational capacity into the realm of human capital, whereby the reimagination of leadership and human capital can start to open up to see things differently.

Team empowerment can be enabled through various means, such as tying them to KPI's. However, it was most pertinent to note that the majority of respondents felt the empowerment to come through guiding individuals to the answers through asking the right questions, a link back to the awareness of context as well as to the dimension of patterning of attention.

Although respondents agreed to actually empowering their teams in order to operate more effectively within a dynamic context such as diversification, some conceded that limitations to this empowerment needed to be implemented in order to ensure alignment to the goals and their achievement. Dependent on context, Respondents 4 and 2 referred to these as *"boundaries"*, Respondent 15 a *"sandpit"*, which "*makes people think inside the box, so they can be outside the box"*. Although a juxtaposition, they reasoned that by providing these boundaries, or providing the sandpit, innovation and creativity can begin, provided the leader steps back.

Table 23: Selected responses to the code: Team Empowerment

"…You got to have empowerment, you got to have trust, and you got to have agility and got to give them the freedom to fail quickly and to relearn at the fastest rate. And for me, you got to create the environment of context and knowledge..." (Respondent 14)

"…So firstly, you need to teach people how to think, secondly, you need to engender that inspiration, that passion, that fire that keeps on fuelling..." (Respondent 4).

"…When we did this, we achieved this. We fell together, we rose together..." (Respondent 12).

"…Reimagine…to start opening up one's mind to see things differently..."

"...So they have to do three courses a year of some sort of innovation or learning."

"…I do not give them answers anymore…I ask questions, I do not tell them the answers and where they went wrong, I lead them through my questions, I let them work it out..." (Respondent 7)

"…It's just sometimes, they don't know it yet and then it's maybe just a matter of probing..." (Respondent 8)

"…First, you need to define the boundaries, then let them play..." (Respondent 4

"…But again I'm also participative, I want your views I want to see how we can collectively own a decision to move forward..." (Respondent 12)

It was thought provoking that this empowerment was at times linked to the concept of entrepreneurship through the understanding of individual's abilities, values and needs. Respondent 2 opined that the *"freedom to be able to do what you need to do and make the rules that you need and create the environments around you that you need to be able to operate in, is so key…it is entrepreneurship".*

Table 24: Key code for team empowerment

Theme	Code	Frequency
Team Empowerment	Learn from mistakes	150
	Innovation	135
	Team collaboration	85
	Knowledge gains	80
	Empowerment of people	75
	Teach to think differently	49

The importance of people

An additional finding that was not present within the literature review, but which brings in a new factor of importance, related to that of team empowerment, was the concept of people and the driving force this has in terms of the decisions and actions undertaken by leaders within a diversification strategy.

The insight of the importance and evolvement of people in the decision-making of leaders was highlighted during the discussion around the diagnosis of context, with context teaching them the value of people (**Table 25**). Similar responses were grouped together, to form the codes as illustrated in **Table 28**. It was opined that it is people, the engine rooms of the business, who make it run, operating as the fundamental heart of everything and that through the investment in people, one is able to achieve things. This was likened to the concept of a family, stakeholders or crew, whereby each has a role within the business.

Table 25: Selected responses for the code: People and context

"…Taught them to value people..." (Respondents 1)
"…Really tough times, it doesn't matter what strategies you break, without people being in the right mindset, nothing is going to work. People are what make a business run…" (Respondent 12)
"…Glorious layer in business called people..." (Respondent 15)

In order to achieve success, it was reasoned that individuals need to develop links with people, speaking to the concept of network development and relationships. Through the development of people (**Table 26**), it was contended that a link to entrepreneurship and innovation is made, enabling a diversification strategy under the guidance of Contextual Intelligence.

Table 26: Selected responses for the code: People and Development

"…Achieve in anything one needs to not only have the right people, but also developing the links with them..." (Respondent 8)
"…Doers, they are the guys who are actually making things happen." "One needs to invest in them..." (Respondent 10)
"…Let them go and do what it is they want, add their own flavour and spark and create their own vision, mission, kind of create their own business within a business, and that's really what people want, it's rewarding…" (Respondent 6)

In order to bring together people and success, one needs to be a *"true leader, as they (people), will respond to influence" (Respondent 12).* This speaks to the meta competency of influence and awareness of mission, whereby individuals buy into the vision and direction, as Respondent 15 put it, "*people are only willing to die for a cause, if it is their cause, people don't die for your cause*."

It is interesting to note that the word people was often interchangeably used with the word human, implying an almost humanitarian aspect in the decision-making process.

Table 27: Selected responses for the code: People and Human

"…*I make sure that I know them, so it's "I see you, you see me…I see the human..."* (Respondent 7)
"…*As human beings, we function, we navigate and we solve problems…"* (Respondent 4)
"…*After all we are humans…I am a human...*" (Respondent 14)

This relates well to the concept of the "*interconnectedness of it all*" as established through research questions 1 to 4, contending that when a decision is made, a "*true leader*" understands the impact of those decisions on "*somebody's life…the profound change that can take place*" (Respondent 14). It is further contended that part of the "*ownership of leadership is knowing that you can make one degree positive moves in anybody's life that can turn out to be 30% positive in three years' time or it can go the other way*" (Respondent 14). This speaks to the awareness of context that a Contextual Leader needs to have, as well as the meta-competency of being a critical thinker, in looking for connections and relations within context.

It is within this concept of 'humans' that Respondent 8 says that in order to progress within a diversification strategy, one needs to "*understand people and their perspectives, they have personal lives*", which in turn affect the outcome of any leadership decisions taken. This speaks to the meta-competencies of intentional leadership and diagnosing context, where, by understanding the context, a leader is able to then apply intentional leadership to direct the outcome.

Table 28: Additional theme: key code: People

Theme	Code	Frequency
People	People - development	55
	People - achievement	46
	People and context	32
	People - human-ness	25

5.3.5 Research Question 2

Is Contextual Intelligence making a contribution towards a diversification strategy in terms of the following?

- **What role does patterning of attention play?**
- **What role does network development play?**
- **How important is hindsight, insight and foresight in influencing ones ability to operate during a diversification strategy?**

5.3.5.1 What role does patterning of attention play?

In the discussion with the respondents on the role that patterning of attention plays in directing the environment and facilitating exchanges of information, the respondents generally averred that patterning of attention and a diversification strategy are inextricably intertwined (**Figure 12**), referring to it as *"carving the path"* (Respondent 11) or *"the strategic dance"* (Respondent 14). This was the opinion of 12 out of 15 respondents. **Table 31** below indicates the top six roles that patterning of attention fills in a diversification strategy. Respondents acknowledged that patterning of attention was used as an influence technique, based on the contextual issues present, to attain the buy-in of individuals towards the strategic goal, by asking relevant strategic questions, facilitating active dialogue and communicating only key pertinent information to that particular context.

The foundation of patterning of attention was found to lie within context, providing the platform, on which to exhibit certain information or withhold others in order to ensure the effective outcome desired. **Clear questions (Table 29)** need to be asked, empowering individuals to seek out answers for themselves, as well as enabling a leader to provide succinct information dissemination and clear concise direction, in order to avoid unnecessary confusion and delay within the process. To capture this attention and drive the direction forward, Respondent 2 contended that the *"injection of*

ideas and storytelling are tools that can be used in order to capture people's imagination and embrace them in the vision".

Table 29: Selected responses for the code: Asking Key Questions

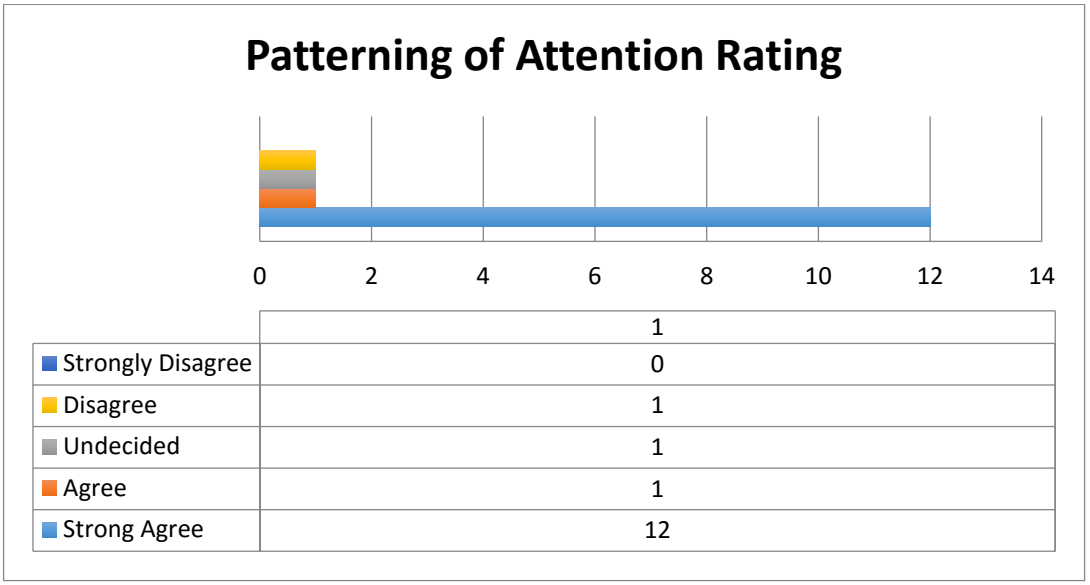
"…I think if you zone in on certain things with different people and you give them the detail that is not too cluttered, it gets them to better understand. Leave them without having too many questions about what you usually plan to do, but don't overload them with information...." (Respondent 12)
"…Brief, don't certify…I do not give them answers anymore… I ask questions, I do not tell them the answers and where they went wrong, through my questions I let them work it out..." (Respondent 7)
"…I think I will probably have to go back to your original statement, context matters the most. I think it's more about the contextual issues of the current situation, which will make data or information important..." (Respondent 12)

In order to enable patterning of attention to be effective, a leader needs to be **open to different perspectives;** however, as with all things, it requires a balance to be struck between their own views and those of others. This speaks to Contextual Intelligence, in terms of being able to apply one's mental mind-sets, as found in research question 1 to a given situation and diagnose it to the context present.

> *"We must be open to different perspectives. You can choose to stay like that, or you can choose to be different. So it's to balance it…on the external. And to have your own views and opinions." (Respondent 14)*

This implies a deliberate behaviour exhibited by the leader in their approach having learnt from prior experience. Further, this enables the innovation and creative adaptation required for the diversification, as found in research question 1.

Figure 12: The patterning of attention rating in relation to diversification strategy



Two respondents (Respondents 4 and 10), although agreeing with the importance of patterning of attention, opined that there needs to be a balance struck between the level and type of communication undertaken by leaders, with the focus needing to be on the *"how"* rather than the *"what"*. They jecture that it is about the connection and engagement of people to information that is key, through the how, which will in turn engender inspiration and buy-in from the team.

> *"Communication is important, but what perhaps is missing a little bit here, is the ability to engender inspiration. It's not really the "what" that distinguishes between good to great. It's "how" you deal with the "what"…the leader requires a multifaceted type of skill-set. You want to communicate, but you need to be able to learn how to inference. So connecting information, employees with information. But connecting employees with information can make them 'wow", you can wow them – take it a step further." (Respondent 4)*

> *"Engage people. That's the most effective. There is over-communication…do you do things in a more intelligent way?" (Respondent 10)*

Furthermore, it was found that leaders understand that the process of patterning of attention is not only about directing the implementation through questioning, but also that they themselves are part of the process, driving the strategy forward and being apart of the team, with one respondent likening it to 'living the brand'.

Table 30: Selected responses for the code: Being Part of the Process

"…So patterning of attention, I would say it's me being the brand with the way I understand it. But with Branson, I mean he's the guy. You know everybody in the company knows who he is, what he is. He just believes in the brand. But if you as a leader don't ooze out that brand, then you should be doing something else. So to me that, the personal communication and the passion and the, yeah that's absolutely critical..." (Repondent 8)

"…Very hands-on, okay…it's not well, I'm not dirtying my hands or whatever..." (Respondent 5)

"…But, at the same time being able to stand and pull through and pull everyone else through the trenches..." (Respondent 3)

"…I'm very much a team player …I enjoy, sort of, functioning with them if that makes sense…" (Respondent 9)

Respondents 10 and 3 disagreed to varying extents with patterning of attention, viewing it to be subjective in terms of the individuals' context and therefore not fulfilling the requirements of enabling a diversification strategy due to the individualised perspective of recipients that may occur for fulfilment of particular communication.

"I disagree because everyone has a different expectation of communication within an organisation. Some people want to know the days, the how, the roll out, the plan and so forth. So everyone will always be dissatisfied on that" (Respondent 3)

"Obviously injecting ideas and brainstorming is incredibly important, especially in a design environment, but in a basic logistics environment, it depends." (Respondent 10)

Table 31: Key code for patterning of attention

Theme	Code	Frequency
Patterning of Attention	Apart of the process of implementation	185
	Open to different perspectives	144
	Communicate key information	97
	Filtering of information	95
	Means of influence	76
	Asking key questions	65
	Facilitate dialogue	54

5.3.5.2 What role does network development play?

The importance given to network development compared to that of patterning of attention in relation to a diversification strategy was less and divided amongst the respondents, with eight viewing it to be a 'strong agree' and four an 'agree' (**Figure 13**). The majority of the respondents viewed networking as being both an **internal and external function** of a leader, providing for network diversity. **Table 36** reflects the key roles that network development fills in enabling a diversification strategy.

By creating these networks, it assisted them in g**aining knowledge or distributed intelligence (Table 32)**, as well as providing for a competitive advantage to the diversification strategy. This was enhanced through asking the right questions within the context, in order to obtain the relevant information to assist them. It can, therefore, be inferred that there exists a link to that of patterning of attention. This further speaks to the respondents being contextually aware of the operating environment as well as having the Contextual Intelligence to work that environment effectively to gain the advantage required.

Table 32: Selected responses from the code: Knowledge Gain

"…But different sectors are innovating and operating and diversifying in their own right. We've obviously communicated with different industries, you know. Also just engaging with different industries, trying to see where there may be opportunity. You learn things of how they're possibly doing things differently or how they're innovating to bring down costs and optimise their operations...." (Respondent 10)
"…But no environment exists as an island and therefore the network development, very often is going to be part of, I think, that focus around where you want to be going. You really need to be staying abreast of where your environment is. You need to be taking a step ahead of what they're doing around you. You need to be, either be the game changer in your greater context or at least just keeping up with the Jones'. I think your network development is what's going to create where you want to be going and what you need to be doing…" (Respondent 2)
"…So if you network right and you ask the right questions you can get the right answers…" (Respondent 7)
"…So, this ability to extract value and context around any organisation… wide..." (Respondent 14)
"…I think that networking plays a part, but it depends again in terms of you know what, I guess what level of networking it is…" (Respondent 6)

The development of networks, it was felt, starts with **relationships (Table 33)**, "the who", that have been developed through exercising a wider social influence of the leader. These relationships challenge the leader's basic assumptions, through the foundation of a common understanding or relation, thereby providing for a more holistic perception of the task at hand. These relationships, it was argued, are dependent on having the right people surrounding the leader and partnering with the right people in order to enable the network to be implored. It is acknowledged that the networks or relationships that are invoked are dependent on the context of the operation, with many of the respondents acknowledging that they would utilise certain people, dependent on the situation they found themselves in.

Table 33: Selected responses for the code: Relationships

"…It's also through very deep relationships, you build over decades in this place, where you can pick up the phone to your counterpart and have a conversation because the personal relationships that you build, the professional-personal relationships that you build and those trusted relationships that you leverage and you work on continuously..." (Respondent 14)
"…So without giving away trade secrets, we share information. I think that made life easier for me, maybe for him as well..." (Respondent 12)
"…I think my leadership is dependent on having the right people working with me and partnering with the right people…" (Respondent 8)
"…For me, networking is first that relationship is first and through that is the communication..." (Respondent 10)
"…Leadership is all about relationships, and it's relationships in terms of finding a purpose/a joint purpose and cultivate it..." (Respondent 10)

It was argued that external networking (**Table 34**) enabled and enhanced the competitive advantage of the respondents, by providing increased knowledge, awareness and understanding in terms of what has worked for others in the past and what has not. This, it was reasoned, affords individuals the opportunity to learn from those mistakes so as not to repeat them. A valuable insight and opportunity, especially when operating within a dynamic context of a diversification strategy.

Table 34: Selected responses from the code: External Networking

"…Internal networking, boundary spanning…it's with everybody in the organisation. And also external networking, that's really important..." (Respondent 4)
"…And networking will show you how. You'll see different people's faults and you can chat internally and communicate stuff and you can do storytelling, it doesn't mean people are going to understand it. While networking, I think is, it shows you what people have done right and what people have done wrong and, I think, that's a key thing with networking, is finding out what people did wrong because you learn more from that than what people did right..." (Respondent 3)
"…I would say that the success that I have in running X, possibly X, you know a lot of it came from learning from how other people did things..." (Respondent 11)
"…And so a lot of conversation with your peers I think is always good, alright. Not so much with the competition, but with your peers in terms of doing similar things in different market places. Yeah, yeah. I went through a period, where I deliberately went to all the software vendors that I could possibly talk to who weren't in competition obviously, so there wouldn't be any threat from either way, which is to understand how they work, managing their products, how they've evolved their products..." (Respondent 6)

In terms of external networking, it was interesting to note the connection to that of understanding the **client's need**, prior to undertaking the diversification. This, it was contended, provided the respondents with the competitive advantage in order to remain ahead of their competitors.

> *"So, your biggest source and your biggest brand ambassadors in understanding are your clients, because they hold more data than anyone else." (Respondent 12).*
>
> *"My view is, your customer's customer is also important to you. How do you keep one step ahead of the curve? If I have an IT company, I don't only talk to the IT Manager. I need to know, what's the job to be done? What keeps you up at night? What is the paying point? My job made you look good. In order to make you look good, I need to know what your trouble is. It's about action networking…two way interaction." (Respondent 4).*

There was a revelation from 10 out of the 15 respondents that although they see and acknowledge the benefit of networking for a diversification strategy, they do not actually enjoy doing it and it is something that does not come naturally to them (**Table 35**). A lot of the time, they are consciously forcing themselves into these situations in order to gain the competitive advantage to direct the diversification, learning from others. There

is a lot of cognitive adaptation within this, which requires an acute sense of self-awareness on behalf of the respondents.

Table 35: Selected responses: Dislike for networking

"…Don't particularly like doing it; don't really have that much time..." (Respondent 13)

"…No, no. That was outside of my comfort zone big time…" (Respondent 6)

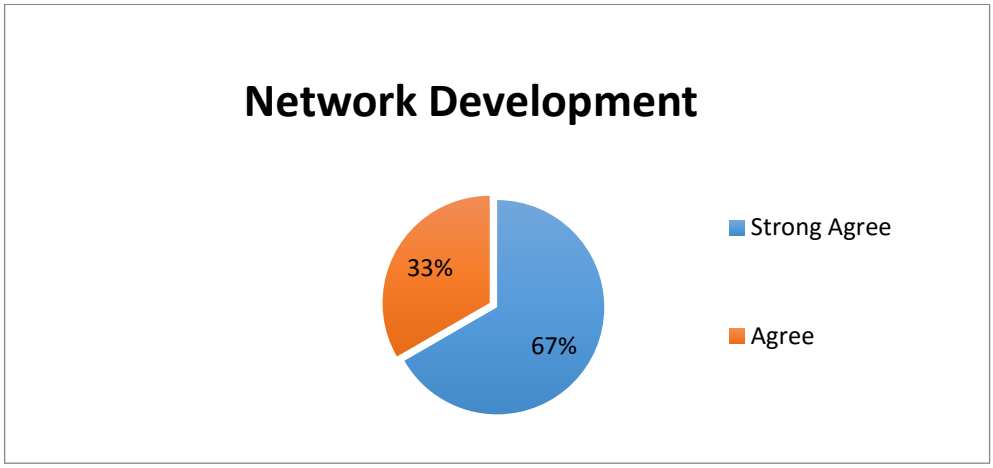
"…Yeah, it didn't, I am not a social person at all. Consciously go to the forums, you know the organisations that I belong to, cost me a lot of money to belong to in the first place, and I have to really force myself to go to these events…" (Respondent 7)

"…Yes, actually it's my weakness, it's actually my weakness. That I have to make a conscious effort to do, it doesn't come naturally to me. I am an introvert…" (Respondent 1)

Table 36: Key code for network development

Theme	Code	Frequency
Network development	Network - Competitive advantage/ knowledge gain	101
	Network - Ask right question	76
	Network - relational	59
	Network - External function	53
	Network - Internal function	48

Figure 13: Network Development in relation to Diversification Strategy



5.3.5.3 How important is hindsight, insight and foresight in influencing one's ability to operate during a diversification strategy?

When confronted by this question, all respondents' answers were an emphatic yes to the importance and relevance that 3D thinking (hindsight, insight and foresight) has in terms of influencing their ability to operate during a diversification strategy. The respondents felt that in order for this to be most effective, one needs to **consider the context of operation**, so as to make the "triad" of thinking, or what Respondent 4 classed as the *"opposite of mind",* relevant to the task at hand, thereby combating the ambiguity. **Table 42** details the role of 3D thinking in diversification and the understanding of individuals regarding the dimensions.

An unexpected, yet revelatory answer came from Respondent 14, who said that in terms of applying and managing the concept of 3D thinking, he referred to it as **cognitive load management**. In order to balance the various components of 3D thinking as well as that of a dynamic context requires a leader to develop this ability and awareness to apply only what is relevant and filter out what is not (**Table 37**). Within this, reflection is brought in, which the researcher will discuss as a separate finding.

Table 37: Selected responses for the code: 3D Thinking in Context

"…I think it's multifaceted. I think it's scenario based. You almost start projecting, predicting what's out there could possibly happen. If this happens, it will happen. What should we do? Opposital mind. How do you have two opposite constructs that are still able to function and you bring the best out of both sides to come through? So that really is very important for a leader now to function in ambiguity..." (Respondent 4) *"…So, foresight is the deliverable, but how you articulate it is, it's like I can go from Sandton to Hyde Park up Rivonia Road through Sandhurst...You will still get there, but each way needs to be tackled in a different manner. So it's considering all the different kind of…elements..." (Respondent 15)* *"…You got to manage your brain and that's why I call it cognitive load management. It's the time to think, the time to connect the dots, but I don't have all the answers yet…" (Respondent 14)*

Hindsight provided the history (past), on which respondents based their future decisions, or rather learnt from to base their future decisions (**Table 38**).

Table 38: Selected responses for the code: Importance of Hindsight

"…Yeah, hindsight…history is important because only by what history has done can you plan forward. I've looked at different lighting companies…I've seen where they've gone wrong and I put measures into my current ones, so that they won't happen. So, you know, they say you can't learn from other people's mistakes, I say life's too short to make them all yourself..." (Respondent 5) *"…I do think a lot about hindsight in a sense that ok how can learn looking back? I've learnt that actually from a priest that your past will determine your future. But the key thing is that you don't want to make the same mistakes looking back..." (Respondent 10)*

It was at this point that a lot of respondents spoke to the importance of **learning and unlearning** (**Table 39**) that they underwent in terms of reviewing their experiences from the past in order to apply them to the present (insight), as well as to the future. The function of learning from mistakes formed a tacit knowledge or as Respondent 15 referred to a *"kind of muscle memory",* within each respondent in terms of moving forward into insight and foresight. Hindsight was viewed as the mechanism, in which respondents arrived at the insights of today, by experiencing the decisions made and lived through, in order to create the ability today to gather the insights from the present context. It is pertinent to note that there was acknowledgment that within any given

context, there is limited information on which to base decisions, speaking to having the acute awareness of what is and is not present.

Table 39: Selected responses for the code: Hindsight - Learning

"…Firstly, hindsight is absolutely critical because it is reflective. To be self-reflective, is absolutely important for leaders out there. If you don't know how to learn from the past mistakes, you'll continue making the same mistakes. Coupled to that, the leader must not think that they know it all. Leaders must be able to catalyse the collective reflection to develop that hindsight..." (Respondent 4)
"…Hindsight is the experience by which I build my future decisions or current decisions, definitely..." (Respondent 7)
"…My ability to make that decision second time around is enhanced by the fact that I've already gone through the process. And the insight I'm then able to gather it is more because part of that insight is the experience of what I've already had to do..." (Respondent 2)
"…You only have a certain amount of information that is revealed to you and you need to be able to make decisions knowing that you will never have before pictured… Hindsight comes as a consequence of decisions…creates your experience. It's where you are today based on the sets of decisions you made to get there… creates your ability today to gather that insight..." (Respondent 2)

Reflection played a big role in the respondent's use of hindsight and learning (**Table 40**), whereby through stepping outside of the context, they opined that they were able to see and evaluate their decisions for the reality of what they were, in turn learning from their mistakes. This provided them with insights that were used to enhance their tacit knowledge, as well as enabled them to challenge their schemata and current ways of thinking. It is a determining factor that acknowledged that individuals needed to be open-minded to the possibility that they were not right, and that this process is iterative in nature.

Table 40: Selected responses for the code: Hindsight and Reflection

"…And you look back and you think I could have been better here. And again that's part of learning and trying to change." (Respondent 3)
"…It is reflection and I think for me it centres around an internal locus of control, so I'm not saying that I have power to control the world, but I'm saying that I have the ability to influence the lens, which I look through." (Respondent 15)
"Like you reflect, you learn, you unlearn, you reflect you learn and you unlearn. It's an iterative process." (Respondent 15)
"…So you do try and like sit back and go, okay well, what did I learn, what did I do right? (Respondent 3)
"…To be self-reflective, is absolutely important for leaders out there. If you don't know how to learn from the past mistakes, you'll continue making the same mistakes." (Respondent 4)
"…so how I get my knowledge is firstly to reflect on my decision-making, I have got a business coach, number one/" (Respondent 7)
"…is to reflect on, when you look at your self-awareness, and deeply introspect as to why you're feeling that way and to look beyond the peripherals and the surface, look far deeper." (Respondent 14)

Within the concept of **insight,** respondents felt that an awareness of the current context both internally and externally, combined with the lessons learnt from hindsight enabled them to project into the future the orientation of the diversification strategy. However, as Respondent 10 contended, you need to know *"where you are going first in order for the insight to be relevant".* Within the conversations around insight, there was a sense of having a self-awareness of one's capabilities, combined with the short-term goal, which enables them to respond in real time to the situations at hand. As Respondent 12 put it, it means *"understanding the why of why things have been going the way they've been going, and being able to interpret and forecast, where you want this business to be."* Respondent 3 viewed this as an *"insight giving you the best option to play on that scenario planning of your foresight."* It is key here to acknowledge that,

> *"…There is always going to be stuff you don't know, but needing to get to a point, where you can make a decision…because you don't have that hundred percent knowledge. The insight, is equipping yourself with as much information as you can to make that decision known." (Respondent 2)*

There was strong referencing to the synchronicity of events, in which meaningful connections from a prior event, enhanced or enabled the adaption to a current event.

Through this, respondents felt that they were able to adapt to changing contexts via the connection formed.

> *"Evolution is what we thought the past was, a proxy for the future, we must be mistaken. You must use your hindsight in terms of your wisdom and discernment. You must use your experience and knowledge with the context of knowing the future is very different from the past." (Respondent 14)*

Foresight emerged fervently from 14 out of 15 respondents, finding it to be the driving force for competitive advantage in terms of being one of the deciding factors to diversify, as well as aligning and driving an organisation forward, through the creation of a *"compelling vision"* (Respondent 13) or as Respondent 15 termed it, "*creating a future state. It is the creating a compelling enough story that people want to follow you"* (**Table 41**). Respondents opined that foresight was linked to the ability to have the awareness of hindsight, diagnosis of context in insight and reading that insight into the future, in order to create the future strategy.

Table 41: Selected responses for the code: Foresight and Preferred Future State

"…It's critically important… the more aware you are in the moment and the more skills you built in the past will help you make the right decision. But you have to have that awareness..." (Respondent 8)
"…Hindsight provides the learnings that allow you to develop informed insight from which you can generate insights…" (Respondent 15)
"…Foresight is…like I said to you, the lighting for example, I know that everybody has to take those horrible tubes out and go to the new technology, okay. So this is the way to go. How many people in this country are geared up to do this job?..." (Respondent 5)
"…I'm a little bit future savvy. You can't develop a strategy for yesterday. You can be the best typewriter maker in the world, you will be obsolete. But, you're scanning yourself. Technology scanning or environmental scanning, foresight, I think, is something that leaders should have and they need to harness that..." (Respondent 4)

Respondent 8 viewed the future as being impossible to predict, preferring to use the past to be aware of the present, providing for insight and making his decisions based on that, rather than a preferred intuitive grasp of the proffered future state.

> *"So, I think, it's impossible to predict the future. Again, for me anyway…you get visionaries like the Branson, and the Steve Jobs. It just comes natural to them.*

But for me, I use the past to try and be aware for now and then take the right decision." (Respondent 8)

What was debated amongst the respondents was the order in which 3D thinking happens, with some following the sequential steps of hindsight, insight, foresight, whilst others were working non-linearly from foresight, to hindsight to insight.

"I find that first they look into their foresight and they link up to what are the past insights they can learn from, and see how they can competitively look at the insight right now and take them to that foresight." (Respondent 4)

What was not disputed was the fact that one required all three aspects in order to effectively address the context and enact behaviours accordingly.

"Hindsight, insight and foresight work together, you can never have foresight without having hindsight or knowing what has happened." (Respondent 11)

Table 42: Key code for 3D thinking

Theme	Code	Frequency
3D thinking	Foresight - preferred future state	196
	3D thinking in context	100
	Hindsight and reflection	93
	Insight - self-awareness to present	70
	Hindsight and learning	54

5.3.6 Research Question 3

What meta-competencies of Contextual Intelligence are applicable or evident in building a leader's capability to enable a diversification strategy?

The aim of this question was to validate and / or substantiate the meta-competencies found by Kutz (2008), which he contended enabled an individual to perform well during a shift in context. The intention was to gain further insight into which one was most prevalent for these leaders with regard to diversification and to ascertain if their existed any further meta-competencies, which should be considered.

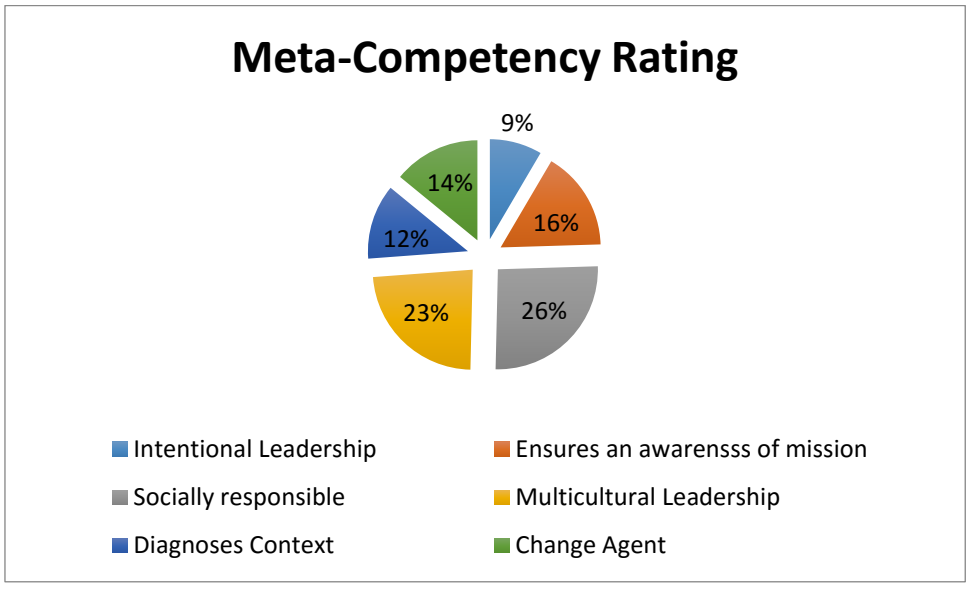
It was noted that when respondents were faced with this question and the breakdown of each meta-competencies, their reactions were all alike in nature. This indicated that despite many of the respondents not being aware of exhibiting contextually intelligent behaviours within a diversification strategy, they were subconsciously aware of their interconnectedness and relation to one another and the context.

> *"I have to admit, some of this is actually very hard to rank because all of them are pretty important." (Respondent 4)*

> *"Yeah, they're all so close, because it is almost like they don't function one or the other, because in my function, what I do as part of a leader is, I incorporate all of this, and if you're weak on one, your chain is broken, so I have to constantly improve myself to make sure I am aware of where I am weak, you know." (Respondent 7)*

Out of 15 respondents, 6 ranked **intentional leadership** as the most important meta-competency for a diversification strategy, closely followed or what the researcher would propose as being contested by diagnosing context and awareness of mission, with just over half the respondents viewing diagnosis of context as being more relevant. Third was being a change agent, followed by the awareness of a mission and finally, multicultural leadership and being socially responsible. **Figure 14** shows the findings of the above.

Figure 14: Ranking of contextually intelligent behaviours



5.3.6.1 Intentional leadership

Overall, respondents felt that intentional leadership enabled the implementation of a diversification strategy, as it encompassed both the ability to use interpersonal skills to influence and affect the behaviour of others towards the desired goal or future state, whilst also encompassing a self-awareness of individual leadership and development. (**Table 43**) Almost all respondents supported the notion of intentional leadership by emphasising the need for the leader to be consciously aware of the future state and believe in it, in order to direct the individuals to that goal. This speaks very much to the foresight of 3D thinking and the ability of the leader to intuitively grasp the preferred future and constantly work towards it. Further to this, the notion of trust and relationships was brought in, exemplifying the notion of intentional leadership to encompass that of patterning of attention in terms of aligning the team and driving the diversification forward. Intentional leadership was argued to be the behavioural action, upon which the diversification strategy can take place and the other meta-competencies to follow from. Ultimately, as Respondent 13 stated, it is about the buy-in of the individuals to drive the diversification forward, which can only come through exhibiting intentional leadership behaviours.

> *"There is only one way to keep it going and that's to get people to buy into the vision and get motivated and take the ball and run with it. That becomes the most important thing." (Respondent 13)*

Table 43: Selected responses for the code: Intentional Leadership

"…So I think the level of awareness you have of self and, kind of understanding where you need to be to take it…show that you're not committed at al… it's going to fall about before it's even started, because people aren't going to get that sense of trust and faith in where you're taking them..." (Respondent 2)
"…Because that is what you can control…you can't control the market, you can't control the external factors, you can't control the people…I can control the way I feel and the way I behave and it's also a responsibility for you as a leader..." (Respondent 8)
"…I think getting the why right for me is very important, because the what it's there, it's factual, you need to get the results, but why? Why then connects with people's hearts and to say this is why I'm doing it…Influence is very important, you can never lead without persuasion and influence…"(Respondent 12)
"…For me, the intentional leadership aspect encapsulates relationships and influence…So it's fundamentally trying to push people in a direction to achieve the goals that one needs to achieve. You've got to be able to create that vision that people are willing to buy into and that's often the influence of using interpersonal skills, etc..." (Respondent 15)
"…I think to me that's the action orientation, that ability to really do it. To translate what you're thinking in your head to what you really want into an action that other people can follow." (Respondent 11)

5.3.6.2 Diagnoses context

Out of 15 respondents, 4 ranked diagnosing context as the second most important meta-competency for a diversification strategy. It is worthy of note that it was contested to that of intentional leadership, with 4 out of 15 respondents ranking it first.

Respondents felt that in terms of operating within the dynamic context, in which one finds oneself, having the ability to diagnose this appropriately and react in an effective manner is one of the key triggers for success (**Table 44**). It was again linked to the 3D thinking component of foresight, whereby respondents found that in order to be effective within diversification, one needs to be able to diagnose the context with foresight in mind. In diagnosing context, it was found that the awareness of context occurs on multiple levels, linking the concept of self-awareness and context together to form a holistic overview of the situation, or as Respondent 14 stated, "connecting the dots…coupled with curiosity."

Table 44: Selected responses for the code: Diagnoses Context

"…Because of the world in which we operate, because there is forever change…I have got to be very cogniscent of what's going on around me, otherwise I start off on the wrong foot…" (Respondent 1)
"…I am very aware of operating in the South African context…the context is very prevalent…" (Respondent 13)
"…Goes back to what is called the Ostrich effect. What's going on around me? Don't have your head in the sand…know what's going on around you on multiple levels, personal, professional and individual self-awareness level. The greatest card you can have is that awareness, strongest self-awareness at multiple levels. You need to connect the dots…coupled with curiosity..." (Respondent 14).
"…Because as much as you need an awareness of self, you need an awareness of what you're doing well. So as much as you want to get people from A to B, if that community is not ready to go in the most direct route possible, but it needs to go on like, a via route, you need to have enough sense of self to know where you're taking them regardless of the route it needs to take. But then you need to have enough of a sense of them in order to ensure the route is the right one for them..." (Respondent 2)
"…Because I think you need to know how to interpret and react to what's going on in the environment before you do anything. You have to be forward looking and you have to give that organisation a sense of direction..." (Respondent 11)

5.3.6.3 Change agent

Being a change agent was the third meta-competency established from the respondents with 5 out of 15 (**Table 45**). The majority of respondents focused on asking difficult questions in order to ensure efficacy within the decision being made, as well as listening to other people's view points to check for validity or difference in thinking. In doing so, it was opined that they were able to obtain the best outcome. It was key amongst the respondents that change is inevitable, and in order to achieve the desired goals, a leader needs to embrace the change and change with it, therefore remaining relevant to the context.

Table 45: Selected responses for the code: Change Agent

"…I think fundamentally at my core, I am an individual who wants to move to a future state that delivers a far better outcome, not far better, the best outcome that is possible within our current contextual environment and not bound by any kind of constraints in terms of resources or whatever it is. And often that means raising difficult questions and saying..." (Respondent 15)
"…You can't be scared of change and you've got to embrace change and you've got to change with it. You also have to have the courage to question and make sure you are doing the right thing. You've got to challenge it, you can't half way down the road, spending money, time and effort, and realise did I challenge this?..." (Respondent 5)
"…I would go for the change agent because I think that's important because if the group is in such a way focused that they can't actually throw these things on the table…" (Respondent 9)

5.3.6.4 Awareness of mission

Awareness of mission was controversial, contending with achieving an equal ranking to that of change agent and diagnosis of context, suggesting this to perhaps require further research. All respondents referred to creating an awareness of the mission among their teams as well as the future state and how they intend to get there (**Table 46**). Within this aspect featured a lot of references to painting the future vision and providing direction. The awareness of mission speaks to the 'why' that most people operating within a dynamic context such as VUCA, seek to know. In answering this, a sense of confidence is created, linking back to intentional leadership, providing trust within the strategy of diversification.

Table 46: Selected responses for the code: Awareness of Mission

"…Just needed a bit of direction, where are we going, how're we doing it?..." (Respondent 15)
"…Well, if you don't know where you're going on the journey and you don't know where you want to go, you're not going to be able to get everyone around it. So I believe people need a vision and they need something to pursue and achieve and then from there everything else is cascaded down..." (Respondent 3)
"…I need to communicate how we are going to do this. Definitely I need to ask the tough questions in the context of my job…" (Respondent 10)
"…People don't buy what you do, people buy why you do it. People are more interested in the why, they want to know, so why, why are we doing this? What are we going to achieve? How are we changing?..." (Respondent 15)
"…I inspired them into why and doing it, and we just, just coming out of it, I mean Friday, the first orders went into the big retailers, there is the range, that range on this table here…" (Respondent 7)

Multicultural leadership and social responsible leadership ranked 5th and 6th, respectively and were not discussed in detail due to their perceived lack of prevalence.

5.3.6.5 Additional meta-competencies

During the discussion with the respondents, various additional meta-competencies were identified that were not present within the ones stipulated by Kutz (2008).

Figure 15 represents the various additional meta-competencies identified by the respondents, which the researcher grouped under relevant constructs in order to provide a clearer picture. The additional meta-competency that stood out clearly, at 48%, was what Respondent 15 referred to as the "iron side", a self-belief or self-awareness in what one is determined to do and who one is (**Table 47**). Within this, there were various sub-constructs mentioned by respondents, which all ultimately speak towards the same thing, such as focus and determination.

Table 47: Responses selected for the theme: Iron Side

"…The iron inside. It's that determination, it's that good to great, level 5 leader who is team based and has got that unwavering determination..." (Respondent 14).
"…Yeah. So for me, it's really a matter of believing what I'm setting out to do and I'm almost not going to accept failure..." (Respondent 8)
"…Don't ever lose focus of what you're actually doing. If you believe in something, don't give up, don't stop until you've accomplished it, because I always believe that the day you give up is the day you would've come right…" (Respondent 5)
"…Needs to know their value very strongly, so when the time gets tough, they don't buckle..." (Respondent 4)
"…In order to be very adaptable and very flexible, they also need to know who they are and what they are not…" (Respondent 4)

The second additional competency identified was that of collaboration, whereby respondents felt that through collaborating with individuals, a more inclusive and in-depth understanding was gained of the context and the challenges at hand (**Table 48**). Through this, there was a relationship established to that of patterning of attention and team empowerment, whereby leaders felt that through the collaboration with individuals, not only was innovation enhanced, but that they were better able to stay competitive and future thinking.

Table 48: Selected responses for the theme: Collaboration

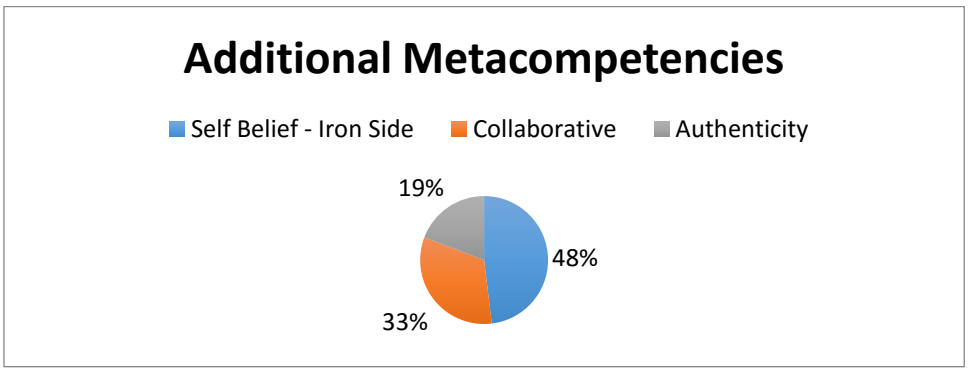
"…The one thing that area collaboration has done for me is that it's made me be less operational focused without losing it, if I can put it that way and to become a lot more strategic and a lot more future thinking..." (Respondent 1)
"…foster the environment of collaboration it becomes part of the creativity process." (Respondent 15)
"…But again, I'm also participative, I want your views, I want to see how we can collectively own a decision to move forward…" (Respondent 12)
"…it would start generally with a white board and brainstorming session, where they are kind of involved with it as well..." (Respondent 6)
"…No, it's not a silo approach, it's team collaboration..." (Respondent 1)

Third to this was authenticity at 19%, with sub-constructs such as humility, trust and honesty (**Table 49**). Within the construct of authenticity, Respondent 11 brought in the notion of humour, contending that despite the dynamic context, within which one operates, everybody needed to take life a little less seriously and look at it in its full context.

Table 49: Selected responses for the theme: Authenticity

"…I think if you look at authenticity... I think that to me, it is very important and honesty. If there's no trust, almost there's nothing..." (Respondent 8)
"…You know, sometimes you take yourself far too seriously and you take what you do far too seriously. I think you have to look in the full context of life, what it is all about…" (Respondent 11)

Figure 15: Additional meta-competencies identified



Storytelling

The somewhat more loosely defined theme of storytelling was identified inductively throughout the interviews by observing the way, in which respondents answered each question. This is evidence in **Table 51** codes. It can be inferred that this behaviour was used as a way of providing context to the questions asked.

Words such as “one story”, “an example”, “I remember” or real life comparisons were all used to commence the story and engage the researcher within their context or to get their point across.

What was also interesting to note was that this storytelling also linked back to the additional aspect of critical reflection noted by the researcher within hindsight, appearing to be an internal mechanism that the respondents implored to question their own reasoning as well as provide context to their insight.

> “*I think about the camber on the road, okay, and how like when it rains, water drifts off to the side, goes into the drain and…that’s how we should do it.”(Respondent 15)*

Table 50: Selected responses for the theme: Storytelling

“…Let’s go back, if I can, in time...” (Respondent 1)
“…I come from a family of businesses and my dad owned tuckshops in the location and began selling bread first...” (Respondent 12)
“…I remember years and years ago watching that Julia Roberts “Run Away Bride” movie...” (Respondent 2)
“…I'll give you another little story...” (Respondent 11)
“…Nokia failed not because they were slow to respond to the market, but that’s one part of it…” (Respondent 4)
“…And one story, which I didn't tell you, one of the employees that I had...” (Respondent 12)

Table 51: Key code for Story Telling

Theme	Code	Frequency
Storytelling	Example: I remember	46
	Examples: Actual story	39
	Example: I'll give you an example	34
	Example: One story	33
	Example: Lets	21

5.3.7 Research Question 4

What is the relationship (s) between dominant logic and Contextual Intelligence to enable a diversification strategy?

A key finding from the interviews conducted was the process that individuals go through in filtering information obtained from the diagnosis of context, to ensure that only relevant information is dealt with and used in the enablement of a diversification strategy. This ability to filter information, as in patterning of attention, provides a link to the key component of dominant logic, being information processing, often referred to as viewing the context through different lenses (**Table 52**). From here, an individual is then able to apply contextually intelligent behaviours and skills, which − through the information processed, either enhance the current logic or result in a new logic being produced, to which the diversification strategy is affected.

Table 52: Selected responses providing the link between Contextual Intelligence and dominant logic

"…I have the ability to influence the lens, which I look through. I have the ability to influence my contextual environment and to create a pocket of excellence, albeit what I define as excellence and hope that it can create a broader ripple of events elsewhere and hope that it becomes the new standard..." (Respondent 15)

"…Basically, you take a telescope as if you're looking into a tunnel at different scenarios and you go back again, back and forth, back and forth…" (Respondent 4)

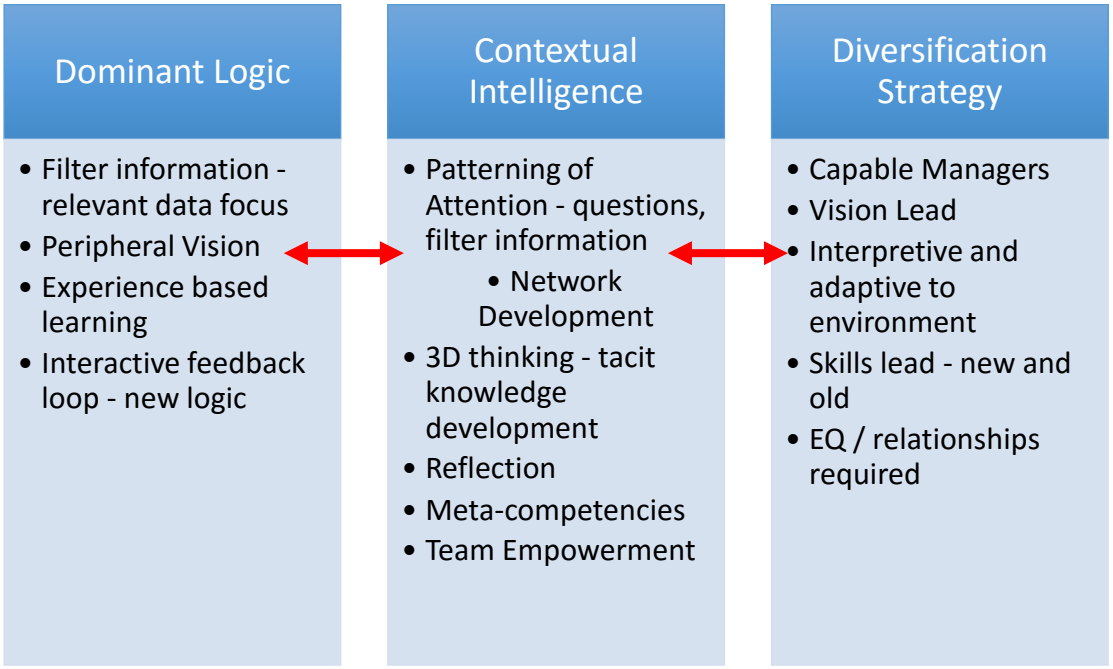
"…It's not just in knowing the environment, etc., etc., there's multiple lenses in terms of how you see things going on around you..." (Respondent 14)

This research question attempted to understand how dominant logic, through primarily the filtering of information, enables Contextual Intelligence to influence diversification

strategy. The process of analysis was done mostly via inductive inferences coupled with key deductive themes, based on what the respondents said in terms of the relevant questions asked. This was done after the interviews were conducted as it brought together the findings discussed in research questions 1, 2 and 3. The key finding is that the linkages established are relationship based and sequential in nature, with feedback loops during certain stages.

Figure 16 depicts the key linkages found within the three constructs, which were used to discover key findings from the respondent's interviews.

Figure 16: Key linkages found within the constructs of dominant logic, Contextual Intelligence and diversification strategy



Source: Researchers own

5.3.7.1 Diagnosing context and information filtering

During the conversations around the relationship between Contextual Intelligence and diversification strategy, it was established that diversification was required in order to retain a competitive advantage in response to environmental changes. The first key linkage found was the ability of the leader to diagnose the context, through the application of different lenses, whereby information was filtered for relevance, focusing only on relevant data and sense-making in order to have the greatest impact on the desirable end goal. The researcher proposes this to be based on the findings

discussed in patterning of attention. It is important, as Respondent 2 said that there are *"different lenses for different decisions one needs to make";* it is the context that will determine this. Respondent 7 contended that this diagnosis is an "*intimate knowledge of the context by way of which we operate, within which we operate…being able to make decisions in that context, otherwise diversifying could be suicidal." (Respondent 7)*

Respondents viewed this to provide the *"ability to influence the environment, through the lens used" (Respondent 15)*, as *"there's multiple lenses in terms of how you see things going on around you." (Respondent 14)*
Respondent 4 referred to this as a *"temporal telescopy, basically taking a telescope, as if your looking into a tunnel at different scenarios…you always have this multiple thinking…looking at scenarios out there."* Respondent 14 enhanced this view by believing it would enable one to see opportunities and create opportunities within that diagnosis by *"managing the information that you are absorbing."*

Key to this is the ability of the leader to interpret, catalogue and pose relevant questions to assist in identifying important issues; patterning of attention. This was likened to what Respondent 10 framed as being a *"chameleon-like behaviour"*, in terms of being able to adapt and change dependent on the context.

Respondent 12 stated that the ability to be able to diagnose the context of not only today, but also of having an awareness of the future (foresight), enabled one to filter what was *"important in the now, from what is important tomorrow".* Through this cognitive awareness of context and having the relevant information to hand, they felt it enabled them to have an agility to change rapidly, adjusting to the change in context.

Therefore, it can be concluded that a link exists between the ability to diagnose context (Contextual Intelligence), utilising information filtering (dominant logic) and patterning of attention (Contextual Intelligence), in order to effectively achieve the goals and objectives set out within a diversification strategy

5.3.7.2 Forging a new logic

3D thinking or the 'triad', in terms of hindsight, insight and foresight, was found by all respondents to be a necessary component of all leaders when operating within dynamic contexts such as diversification strategy. With *"hindsight, insight and foresight*

working together, you can never have foresight without having hindsight or knowing what has happened" (Respondent 11). These, combined with reflection, learning and unlearning in terms of mind-sets and schemata, through experience and self-awareness, form the *'building blocks'* (Respondent 8) towards diversification strategy.

During the conversation around 3D thinking, reflection, which is an additional finding, came through strongly as being an enabler to the learning and unlearning required, in order to develop new logics relevant to the context diagnosed.

> *"To be self-reflective is absolutely important for leaders out there. If you don't know how to learn from the past mistakes, you'll continue making the same mistakes."* (Respondent 4)

Respondent 15 found reflection and learning to be almost cyclical in nature, "*like you reflect, you learn, you unlearn, you reflect, you learn and you unlearn"*. Most respondents felt that through their unlearning and in turn learning, they were able to successfully innovate and direct a diversification strategy. As Respondent 14 stated,

> *"Clearly, you learn from your past, in terms of your life experiences, and they shape who you are, but equally, I think you must be open-minded to know that what we are going through now, that's what I call evolution, is what we thought the past was a proxy for the future, we must be mistaken."*

This, the researcher deduces, is linked back not only to 3D thinking, but also to having the correct information to hand, as enabled by information filtering and patterning of attention, one *"has to make sure that the information I have at the time of making the decision is the best that I can gather. With that in mind, the decision I make is the right decision"* (Respondent 2).

Within this *"experience and reflection, knowledge is gained"* (Respondent 7), which challenges the mind-sets and schemata of leaders or what Respondent 4 referred to as one's *"episodal memory"*. Should these no longer be relevant, Contextual Intelligence (tacit knowledge, 3D thinking and synchronicity) is used to adapt and form new ones. "*It's about going into an environment, assessing the situation, break it up into little pieces, adapting or changing, and responding" (Respondent 15).*

Insight is able to assist with this, as it provides leaders with an awareness of the current context, both internally and externally. Comprised within this, there is a self-awareness present, which enables leaders to understand and acknowledge their

biases, to challenge their present schemata. "*You have to understand what are your biases*" *(Respondent 4),* enabling them to *"decide how to play" (Respondent 4).* This is further assisted through and supported by the development of networks, which was found to enable and challenge leaders' current perspectives and assumptions.

Foresight, or peripheral vision (Respondent 15) is the culmination of this, with it being a driving force for competitive advantage, creating what Respondent 13 termed *"a future state".*

It is therefore found that through the components of 3D thinking (Contextual Intelligence), network development (Contextual Intelligence), mind-set and schemas challenges (dominant logic), reflection (additional finding), learning and unlearning (Contextual Intelligence, self-awareness (Contextual Intelligence and dominant logic) and peripheral vision (dominant logic), new logics are able to be performed in order to make decisions such as for a diversification strategy, within dynamic contexts.

5.3.7.3 Adaptability to dynamic contexts through the application of Contextually Intelligent behaviours

The third linkage between dominant logic and Contextual Intelligence is the requirement for adaptability through the application of certain behaviours (**Figure 17**). By connecting the two, leaders are able to enact faster decision-making, accelerating their ability to contribute to and in a new context. This is particularly enhanced as Respondent 2 said, through the ability of a leader to *"mould, through their behaviours, to the situation".*

> "*You need to be ready for changes and be willing and prepared to adjust, to be able to move forward. And if you can make that job operational model on the basis of it, I think nothing will shock you*." (Respondent 12)

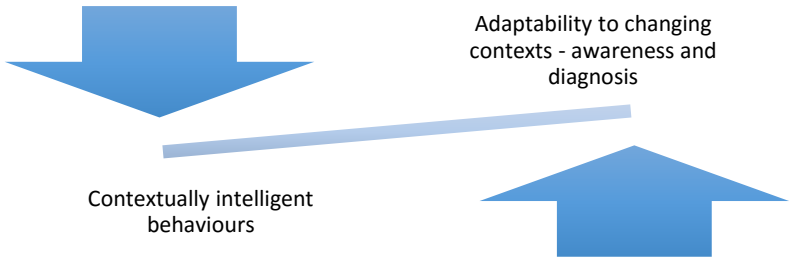
Respondent 7 furthers this, by finding the agility of not only the leader, but also the organisation, enables them to capitalise on the advantages present within the change and through fast decision-making.

> *"The businesses need to be quite agile in order to shift and move on a whim…in order to capitalise on the advantages of the change."* (Respondent 7)

Respondent 7 stated, "*they're all so close, because it is almost like they don't function one or the other*"; however, they enable adaptability to dynamic contexts, providing the

platform for innovations such as diversification and team empowerment, or as Respondent 14 found that it was the "*balance that you have to achieve*".

Figure 17: Balance struck between adaptability and contextually intelligent behaviours



Source: Researchers own interpretation

5.3.7.4 Conclusion

It was established inductively that there exist linkages (relationships) between the components of dominant logic and Contextual Intelligence, as identified in **Figure 16**, which enable a diversification strategy. The key finding is that these are sequential in nature, encompassed by feedback loops. The components of Contextual Intelligence, namely: diagnosing context, and patterning of attention, work synergistically with dominant logics' information filter, enabling a leader to effectively and quickly diagnose a context and the information present.

In terms of forging a new logic, the components of Contextual Intelligence, namely: 3D thinking, learning and unlearning, and self-awareness, combine with dominant logics, peripheral vision, mind-sets and schemas and reinforcing behaviour to enable a leader to make decisions within a dynamically changing context, such as that of diversification.

A key additional finding was that of the link between reflection, learning, hindsight and decision-making. This enabled respondents to have a greater awareness of decisions, their result and ability to unlearn and learn quicker.

The meta-competencies found related to Contextual Intelligence enable a leader to adapt to dynamic contexts and remain competitive, enabling a balance to be struck between the ambiguity and the innovation.

5.4 CONCLUSION

This chapter discussed the the diversity of data that was collated from 15 respondents in relation to the research questions proposed as well as some additional pertinent findings. The most enlightening quotations from respondents were used in the respective sections in a bid to present in the reporting, the context of each respondent's view and the depth that emerged from the findings.

The results demonstrated both support of the existing literature around Contextual Intelligence, dominant logic and diversification strategy, as well as providing unique and insightful connections between dominant logics' enablement of the relationship between Contextual Leadership and diversification strategy.

In Chapter 6, the findings from the research process and *de facto* model are discussed in more detail.

CHAPTER 6: DISCUSSION OF RESULTS

6.1 INTRODUCTION

Chapter 5 presented the results from the qualitative research collated from the semi-structured interviews that were held with 15 respondents. This chapter will discuss and interpret the findings of the interviews conducted, aiming to demonstrate the degree of alignment with the views of scholars as expressed in the literature review in Chapter 2. The discussion will take into account the links between the findings in Chapter 5, the literature review in Chapter 2, the research questions posed in Chapter 3 and the overall objective of this study. The coding and analysis allowed the researcher to establish evidence for or against each of the research questions, whilst also providing for additional findings / contributions to be made.

While each of the constructs pertaining to this research question are researched to varying degrees, the research results discussed in this chapter contribute to an enhanced understanding by bringing them together, through established relationships into a proposed model, which leaders can use in a diversification strategy.

For ease of reference, the overall objective of this study was to explore dominant logic's enablement of the relationship between Contextual Leadership and diversification strategy.

6.2 RESEARCH QUESTION 1

To what extent are leaders aware of operating within a dynamic context in terms of a diversification strategy and what are the impacts thereof?

- **Are leaders aware of the variables that make up a context?**

Research question 1 sought to identify if there was awareness present within the respondents, towards the context that they were operating in and if this had any influence on the diversification strategy taken, as seen in **Table 18**. The conclusive finding was that respondents do have an acute awareness towards their context of operation, with the diagnosis of it, through the application of 3D thinking and learning, having a direct impact on the decisions that are undertaken. In diagnosing their context, it was noted that respondents created and depended on team empowerment

in terms of driving the diversification strategy towards its end goal, suggesting there to be more of an entrepreneurial aspect to the Contextual Leadership style implored.

6.2.1 Cognitive Awareness of Context

Awareness to diagnose context

Diversification was viewed as being a critical component of remaining competitive, especially as business by its nature needs to keep evolving in order to keep up with the consumers operating within the knowledge era (Nachum, 2004; Kenny, 2012). In order for this to occur, it was found that awareness, or what was referred to in the interviews as the right vantage point, and diversification were inextricably linked, especially when viewed in light of contexts such as product and business (**Table 13**). Facets such as "knowing when" and "knowing what", as in the diagnosis of context were linked to that of diversification, enabling a leader to select products or refine products for diversification. This substantiated the causal mechanism of context linking leadership and performance together as reasoned by Fiedler (1962). Kellerman (2013) validated this, contending that context and the understanding of it cannot be excluded from a leader's operating environment, especially within the dynamic contexts that now form the VUCA economy.

The diagnosis of context, it was posited, was done through having an awareness of '*what'* is working and '*how'* it is working, providing an understanding of the current context. This was supported in the literature by Kutz (2013), who opined that context could be compared to a fabric, whereby all the components of a fabric are interwoven and brought together, developing an intricate and unique pattern.

Through the awareness of the operating environment, a leader is able to see opportunities and innovate (Uhl-Bien et al., 2007), continuously becoming − as Respondent 14 put it − *"a whirl-wind of idea generation".* Marion and Uhl-Bien (2001) reasoned that through this, a leader was able to foster conditions that develop organisational capacity, which instead of being control driven, rather became generative of positive emergence, whereby bottom-up dynamics were enabled. The relationship between having an awareness to context and its diagnosis as an enablement towards a diversification, could be described, according to Respondent 7, as having an "*intimate knowledge"* of one's context, as only through this could one diversify with any degree of success. Furthermore, this intimacy spoke to the

'connectedness and deep emotional personal mastery' (Respondent 14) that a Contextual Leader had to their environment, which enabled them to adjust their behaviours to suit the context in order to achieve the desired end goal. Brown et al. (2005) contended this to be an operational knowledge, whereby through having a contextual awareness, leaders were able to adjust their style to the situation and their followers' needs.

Internal and external factors

Mowday and Sutton (1993), as well as Mayo and Nohria (2005) asserted that context consisted of external environmental stimuli, which consisted of opportunities versus constraints for behaviour. Kutz (2008) supported this contention, but further reasoned that a leader's context was not only driven by external stimuli, but also those internal to their operating environment, which he defined as their 'contextual ethos'. Both the inter- and intra-personal factors of context, therefore, contribute to the individuality of each situation and circumstance. Chakravarthy and Lorange (1991) opined that these factors needed to be considered when implementing a strategic plan.

The interviews supported the literature and highlighted the importance and significance of having a cognitive conceptual understanding of multiple variables, both inter- (such as the political environment) and intra- (such as personalities and abilities) personal, at play within the environment, as well as the effects that these have on each other and the outcome (**Table 16**, **Table 17**). Respondent 15 referred to this as knowing *"who's who in the zoo".* In understanding these factors, it was posited that 'knowledge' was formed providing for what some respondents referred to as a 'ring fence' or 'sensitivity analysis' around the context of diagnosis, providing for informed decision-making. This inferred a link to that of a mind-set, whereby one was cognisantly aware of the context of operation and making the most out of it. Through this understanding, leaders were then able to make effective decisions as well as adjust their behaviours accordingly, for as Respondent 12 said: *"how you get into the room is not how you will get out".* This was supported by Kutz and Bamford-Wade (2013), who termed this to be contextual sensitivity.

3D thinking

In terms of diagnosing context, there was a close relationship found to the dimensions of 3D thinking, with the contention being that these existed as enabling mechanisms to

apply learning's from the past through developing tacit knowledge, to better understand the present and then purport a vision into the future (**Table 14**). Through the application of these three dimensions and the cognitive awareness associated with it, respondents reasoned that they were able to 'filter information', through the application of what can be termed lenses or patterning of attention (Osborn et al., 2002), in order to achieve the desired goals and reduce the complexity of the surrounding context, as substantiated by Kutz and Bamford-Wade (2013).

Once again, the dimensions of 3D thinking were referred to when looking at diversification and awareness. However, the term applied here was that of 'opposital mind', whereby the dynamics of diversification, context and leadership, being multifaceted, required not only an awareness of the past, present and future, but also the ability to scenario-plan the options in order to bring out the best of both sides; often requiring a leader to be comfortable operating within ambiguity.

It was contended that although the relationship between context and awareness existed for all intents and purposes as one functional unit, there was some sort of paradox. One needed to be aware of the now, but still be able to look to the long term, the future, having the necessary behaviours of agility and speed, enabling one to be the first to market, in turn setting one apart from the rest. This ability was confirmed by Brown and Eisenhardt (1997) and Chakravarthy (1997), who posited that the ability to engage in rapid and relentless continuous change was a crucial capability for survival, being not only a core competency, but also being at the heart of a company's culture, enabling them to compete and transform. It was reasoned that this awareness provided a sense of goal orientation, whereby a leader, through the 'filtration' of information present within the context, categorised this data and based what was important in the now, versus what can be handled at a future date. This filtration of information was viewed as providing them with an agility to change rapidly, adjusting to any changes in context.

Decision-making and Opportunities

The most significant outcome of diagnosing context, encompassing the understanding of the inter- and intra-personal factors, as well as the components of 3D thinking, was the direct effect that it had on the individual's decision-making in terms of the diversification strategy. The overall process of diagnosing context was opined to provide the respondents with an 'intimate knowledge' of the contextual ethos present

within the context (**Table 15**). Through the understanding that was developed, respondents felt that they were able to find the opportunities within situations, or created these, therefore enhancing their competitive advantage, which was what was ultimately sought through the construction of a diversification strategy. This ability to seek out and seize opportunities was what Mayo and Nohria (2005) referred to as the Zeitgeist, separating the truly great leaders from the merely competent ones. This concept was well supported by Nye (2011), who was of the opinion that by identifying the dynamic variables within a situation and what behaviours were deemed important and adjusting these to exert the right influence, one could achieve the desired goal or strategy. Kutz and Bamford-Wade (2013) furthered this, in having found that the capacity to sense or know what was going on to make decisions was only valuable if it was leveraged to acquire a tactical advantage.

Ultimately, the ability to have the awareness to diagnosed context and its impact, in terms of a diversification strategy, played a key role in driving its success, especially as contended by Drejer (2004), who reasoned that as the knowledge-based economy grew, and instability became the new norm, new ways of dealing with this complexity and chaotic contextual situations were needed, in order for business to succeed.

6.2.2 Learning

The interviews revealed a new and insightful relationship between diagnosing context and a diversification strategy (**Table 22**). This was an aspect, when operating within a VUCA dynamic context, leaders and their organisations were required to learn and innovate in order to remain competitive; often, as Respondent 15 said, "*resetting…hitting the hard reset button in certain areas*." This substantiated Kofman and Senge's (1993) concept of a learning organisation, whereby an individual needed to shift their current ways of thinking, classifying and assimilating data and information dependent on the context of operation.

The proclivity of learning could be likened to that of an evolution taking place through past experiences, which shaped and evolved the individual's mind-sets; something which Service (2006) opined was a *"never ending process, that does not follow a linear process, but is rather based on the purposeful interpretation and reinterpretation of on-going events, to interpret circumstances as they unfold"* (Service, 2006, p. 61). Azmi (2008) referred to this as an intentional active and planned attempt towards strategic rethinking, with a conscious decision being made to clear out knowledge that had been

producing insufficient outcomes. It was key that the individual was and remained open-minded to the changes in context and was willing to learn from the dynamics that shift, working with not only their hindsight, but also insight and foresight, to move towards the desired goal, which Thomas and Greenberger (1995) asserted to be an orientation to time. Consequently, it could therefore be posited that this was a basis from which to build new capacities and capabilities in the changing business environment.

There existed within this process awareness and appreciation of not knowing everything, enabling an individual to then consciously go out and seek new information from people, in order to understand their position better within the operating context. This process of learning spoke to the dimensions of network development of Osborn et al. (2002) and 3D thinking of Kutz (2008), which indicated the application and presence of Contextual Intelligence.

However, there was contention as to the 'how' of how learning took place, with some viewing reading to be the enabling tool (**Table 20**), whilst others the actual experience itself (**Table 21**). The findings indicated that those who learned through experience appeared to have a greater sense of awareness of their context, both from a hindsight and insight perspective, due to the developed ability of "*absorbing information at a much faster pace, and knowing what is relevant and what is not*" (Respondent 14), with many of the experiential learning's enhancing the individual's tacit knowledge. This spoke to the literature of tacit knowledge by Kutz (2008), who contended that the best source of tacit knowledge came from trial and error, which enhanced performance through tactile experience.

This was exemplified in the examples given through the respondents learning from exposure to other leaders, from whom they extracted the best practices or behaviours and applied them to their own context. Through this exposure, it was contended that a process of reinvention or reimagination occurred, in order for the individual to adapt to suit the dynamics of the context and the diversification required. Ericsson et al. (2007) opined that this was only possible, where an individual had the ability to analyse actions and decisions in light of real outcomes.

It thus became clear that having this awareness of learning within context was linked to one of the multiple lenses, which a leader needed to have and use, when operating within a dynamic context, especially with regard to diversification strategy.

6.2.3 Team Empowerment and the Importance of People

During the discussion around the leaders' awareness of operating within dynamic contexts in terms of a diversification strategy, the concept of team empowerment and the importance of people was identified as being a key enabler to this process; something that was not found within the original literature review, but which can contribute to and enhance it further (**Table 24**; **Table 28**).

Through having the *'right people within the team*', an environment of trust and mutual respect was obtained, where an understanding existed that mistakes could and did occur, but one needed to learn from these quickly (**Table 23**). In doing this, an agile environment was generated, encompassing knowledge gains, assisting in organisations remaining competitive. This supported Day (2000), and Bolden and Gosling's (2006) contention that leadership was a social process, that transcended the individuality of the leader, rather focusing on the broader relational and social contexts. Team empowerment as described by one of the respondents, was *"creating a space for individuals to be able to do or be what they want to be*" (**Table 26**). This was the empowerment of individuals; the notion of 'we' that came with being a Contextual Leader, bringing together the concept of fostering organisational capacity into the realm of human capital. It was, as Respondent 14 said, the ability to *"reimagine…to start opening up one's mind to see things differently."* This was evidenced by Uhl-Bien et al. (2007), whereby they reasoned that managers needed to create environments, where learning and innovation became the norm, with leaders challenging the normal conventions of a top-down hierarchical structure, rather providing for enablement and sustainability in order to remain competitive. Hempel, Zhang and Han (2012) furthered this notion of team empowerment, finding in their study that through empowerment leaders enable sustainability of the organisation. This could be likened to the concept of the "Great Group' theory within Strategic Leadership, whereby innovation and learning were driven through collective intellectual capacity (Ireland & Hitt, 1999).

In order to enable team empowerment, respondents opined that a leader needed to teach people to think differently, supporting and influencing them, through which inspiration and empowerment would follow, something which Marion and Uhl-Bien (2001) contended was attributable to the capacity of the organisation to be productive in mostly unknown, future states. This speaks further to what Hempel et al., (2012) found to be the structure needed for the empowerment of individuals. This again spoke

to the ‘connection of the dot’s’ identified earlier, reiterating the interconnectedness of it all.

In order to ensure that the empowerment of teams was successful and aligned to the goals of the diversification strategy, it was identified that limitations were required to be implemented to teams, which were referred to as ‘boundaries’ or ‘ sandpits’, which “*make people think inside the box, so they can be outside the box*” (Respondent 15). Although a juxtaposition, it was reasoned that by providing these bounds, or providing the sandpit, innovation and creativity could begin, provided the leader stepped back and enabled this to occur. Hempel et al., (2012), supported this finding in reasoning that when boundaries are put in place, empowerment is enhanced, as there exists freedom and the ability to behave flexible within this. This supported the existing literature by Marion and Uhl-Bien (2001), whereby it was opined that even though such actions resulted in positive emergence, a leader needed to provide basic control to keep the system focused. Interestingly, this concept of team empowerment and innovation could be found to have a relationship to that of entrepreneurship, whereby through the understanding of an individual’s abilities, values and needs, they were able to contribute to the greater goal. Dane and Pratt (2007) found that these types of structures enabled quick and effective intuitive-based decisions, which were required during times of dynamic and rapid change. Further to this, Arena and Uhl-Bien (2016) most recently reasoned that innovation is imbedded within the social structure of an organisation, whereby through the empowerment of individuals, innovation should abound.

Empowerment could be achieved in a multitude of ways, such as tying training to KPI’s, thereby encouraging learning for the benefit of the individual, but also the organisation. Alternatively, it could be achieved through guiding individuals to the answers through asking the right questions and letting the individuals explore the answers by themselves. This established a relationship to the dimension of patterning of attention, which was an embedded emergent characteristic of a leader, whereby they attempted to influence others within their environment by directing what was seen and analysed, as found by Osborn et al. (2002).

6.2.5 Conclusive Findings for Research Question 1

Evidence that having an awareness of context and the subsequent diagnosis of it was a crucial component to remaining competitive within the VUCA economy of today; this

was provided by both the literature and the results from Chapter 5. The overriding finding to this research question was that leaders were aware of operating within a dynamic context, which assisted them in terms of the diversification strategy undertaken, through the direct impact that it had on their decision-making. The interdependencies of both interpersonal and intrapersonal factors weighted in on the type of diversification strategy decision. It was through the awareness to context and the ability to diagnose it that leaders were able to make more effective decisions towards a diversification strategy, which was enhanced through their learning and unlearning experiences that occurred, especially through the development of tacit knowledge-based learning. In being aware of their dynamic contexts, leaders were able not only to adapt their behaviours to the context externally and internally, but were also able to foster conditions that developed team empowerment and subsequently organisational capacity, enabling innovation and entrepreneurship to exist and enhance the competitive advantage required from the diversification.

Table 53: Key findings to research question 1, substantiated by literature and relevant quotes

	Research finding	Supported by Literature	Relevant Quote (S)
Cognitive awareness of context identified	Awareness to diagnose context – key enabler to a diversification strategy	Fiedler (1962)	*"…Having an intimate knowledge of the context by way of which we operate, within which we operate…"Respondent 7)*
		Kutz (2008)	*"…Goes back to what is called the ostrich effect. What's going on around me? Don't have your head in the sand…know what's going on around you on multiple levels, personal, professional and individual self-awareness level. The greatest card you can have is that awareness, strongest self-awareness at multiple levels. You need to connect the dots…coupled with curiosity..." (Respondent 14)*
	Connectedness to the context	Brown, Gould & Foster (2005)	*"…Diversification doesn't necessarily mean adding continuously but it's a balance of knowing when to add and sometimes you need to take away…diversification becomes complicated…" (Respondent 15)*
	External dimensions	Mowday & Sutton (1993) Kutz (2008) Mayo & Nohria (2005)	*"…I mean you have to have constant checkpoints; it is about understanding the contextual environment and understanding the organisational context and the context in which you are working at that time..." (Respondent 15)*
	Internal dimensions	Kutz (2008)	"…Operating in context is more what is the situation…we working internally within a context there. So is it a team that's all focused? Is it more of a context of cultural context? So all those play different factors on *how we do it all, as we call it ring fences. So what we can control, what we can't control and based on that what makes us ready to move..." (Respondent 3)*
	3D thinking - knowledge enablement to decision making	Kutz (2008)	*"…I mean you have to have constant checkpoints; it is about understanding the contextual environment and understanding the organisational context and the context in which you are working at that time....So the organisational context for me is what we stand for, what we doing, where we going, what we want to achieve…" (Respondent 15)*
	Ability to filter information to make context relevant and provide a competitive advantage	Kutz and Bamford–Wade (2013) Brown & Eisenhardt (1997) Chakavarthy (1997)	*"…We're working in fast paced times, that changes everyday. So being able to put context to what's relevant today and what needs to be done today which will get you to where you're going. You need to be ready for changes and be willing and prepared to adjust, to be able to move forward..." (Respondent 12)*
	Decision making and Opportunities	Mayo & Nohria (2005) Nye (2012) Kutz & Bamfor –Wade (2013)	*"…Having an intimate knowledge of the context by way of which we operate, within which we operate, so I am very clear about that, and then being able to make decisions in that context, otherwise diversifying, yeah could be suicidal…" (Respondent 7)*
Learning	Learning - shift in thinking, relationship to 3D thinking and network development.	Kofman & Senge's (1993) Azmi (2008) Kutz (2008) Osborn, Hunt & Jauch (2002)	*"…Clearly you learn from your past, in terms of your life experiences…they shape who you are…open minded to know that what we are going through now, that's what I call evolution..." (Respondent 14)*
	Experience based learning leading to the formation of tacit knowledge	Kutz (2008). Ericsson, Prietula & Cokely (2007)	*"…My philosophy is…you extract that, and you then put that into yourself, in terms of what you focus on, how you think, and how your values are enhanced, your principles on what you do, and how you behave in life. So all of that, I think, moulds you…" (Respondent 14).*
Team Empowerment	Team Empowerment - people focused	Day's (2000) Bolden & Gosling's (2006)	*"…You got to have empowerment, you got to have trust, and you got to have agility and got to give them the freedom to fail quickly and to relearn at the fastest rate. And for me, you got to create the environment of context and knowledge…" (Respondent 14)*
	Team Empowerment - new way of thinking about leadership in context, enhances competitive advantage through influence	Uhl-Bien, Marion & McKelvey (2007) Marion & Uhl-Bien (2001) Osborn, Hunt & Jauch (2002).	*"…I like to create thinkers. I'm here to create change agents. It's almost some sort of, I encourage this audacious identity. An audacious leader with depth…" (respondent 4)*

6.3 RESEARCH QUESTION 2

Is Contextual Intelligence making a contribution towards a diversification strategy in terms of the following:

- **What role does patterning of attention play?**
- **What role does network development play?**
- **How important is hindsight, insight and foresight in influencing one's ability to operate during a diversification strategy?**

Research question 2 sought to understand, whether the dimensions of patterning of attention, network development and 3D thinking make contributions to a diversification strategy, through each of their own unique dimensions.

Osborn et al. (2002) delineated that patterning of attention and network development contributed towards providing a link between leadership and outcome, through the development and interpretation of information. The data presented in Chapter 5, **Figure 12** and **Figure 13** supported this with participants finding both dimensions to contribute towards a diversification strategy and being inextricably intertwined.

6.3.1 Patterning of Attention

Osborn et al. (2002) contended that patterning of attention was an embedded, emergent characteristic of the individual, whereby they attempted to influence others within their environment by directing what was seen and analysed, referred to from the interviews as the *"strategic dance"* or *"carving the path"* (**Table 31**).

The communication of pertinent information to the relevant context diagnosed was found to be key to assisting in the enablement of a diversification strategy, as evidenced by one of the respondent's comments: *"It's more about the contextual issues of the current situation, which will make data or information important".* This was confirmed and further enhanced by the respondents, who found patterning of attention not only to be context driven, but also "internally focused" as an 'influence technique', to attain the buy-in of individuals towards the strategic goal. This 'buy-in', Osborn and Marion (2009) contended, arose through the leader being able to facilitate discussions and dialogues by asking the right questions, enabling subordinates to communicate openly to form a collective emergent understanding. It was extremely pertinent to note

that the ability to ask the right questions was not limited to the situation between leader and subordinate, but was also applied by a leader to those outside of this immediate relationship, to enable them to better understand the context and to get perspective on the diversification (**Table 29**). This spoke closely to the establishment of relationships and networks, which will be discussed under network development. There was a link between internal questions to subordinates and that of the change agent meta-competency established by Kutz (2008), whereby a leader, through enacting this behaviour, was able to direct the context into a forward momentum, being proactive rather than reactive to the challenges present. This was supported by the findings, whereby it was found that asking the right questions and *"zoning in on certain things"* provided a clearer platform, on which subordinates could move forward, without "*leaving them with too many questions*." It emerged in the findings around asking the right questions that through these propositions, the leaders found that they enabled the individuals to seek out the answers themselves, without being given them. Lord and Maher (2002) found this type of approach by leaders to connect subordinates to a broad variety of potential information sources, therefore speaking to the finding of team empowerment established in research question 1, as well as to that of knowledge creation by Nonaka (1994). Lichtenstein et al. (2006) reasoned that in order to enable complex situations, a leader needed to bring individuals and groups around a problem, facilitating the flow and interaction in order to bring about the change, rather than self-imposing the answers. This was in line with Day's (2001) proposition that leadership was a social process, and therefore needed to be viewed in terms of the broader relational and social contexts, taking into account the interactions among and between individuals, as this ultimately informed the behaviour that was necessitated.

To enable patterning of attention to succeed, it was contended that a leader needed to be open to "different perspectives", with a balance needing to be struck between one's own views and those of others, in order to provide for the best outcome. This supported Brown et al.'s (1997) contention that a leader needed to have an operational knowledge, rather than an application based knowledge, providing the leader with skills that Nye (2011) reasoned would enable them to adjust their style to the situation and to their followers. This further supported what Osborn et al. (2002) spoke to around patterning of attention being about processes enabling consistency, whereby a leader needed to appreciate and understand that they were part of not only the implementation of the process, but also part of the process itself, enabling patterning of attention to be across time rather than at a focused point in time. This is what Respondent 8 referred to as the concept of 'living the brand', whereby the passion and

personal communication became a part of the brand identity itself. (**Table 30**). The ability to be open-minded further spoke to the meta-competency of a critical thinker, identified by Kutz (2008), whereby leaders were able to apply their intelligence appropriately within a context to make practical applications of different actions, opinions and information, consolidating it for the desired outcome.

Although in support of patterning of attention, certain respondents argued that when operating within a VUCA environment, where change and complexity were present, a balance needed to be found between not only the "how", but also the "what" of communication, supporting Kutz's (2011) assertion that leaders' success was not driven from their performance and depth of skill alone, but it required them to have a contextual sensitivity to what was going on around them and how best to handle the situations for the desired outcome of business and individuals. The argument was further enhanced through the establishment of the link between the importance of information and the connection of it to individuals in terms of engendering empowerment and inspiration: *"It's how you deal with the what…so connecting information, employees with information…engender inspiration."* This provided a link back to the team empowerment discovered in research question 1, as well as to knowledge creation, mentioned by Nonaka (1994).

There was contention within the dimension of patterning of attention for two reasons: firstly, that it was context driven on an individual basis, and secondly, context was driven in terms of the business. Although valid in its observation, it was contended through this research that should the diagnosis of context be done correctly, these objections should not be relevant. This could be verified through Mowday and Sutton (1993), who characterised context as existing at different levels of analysis, consisting of both constraints versus opportunities for behaviour. Therefore, should a leader have an awareness of the contextual ethos surrounding their environment, the objections identified by these respondents should not present themselves as challenges to the application of patterning of attention.

Based on the findings in Chapter 5 and the subsequent alignment to the literature, it could be observed that the application of patterning of attention was a deliberate behaviour exhibited by the leaders in their approach, having learnt from prior experience in order to enable a streamlined communication channel and focus to enable or diagnose a diversification strategy. It could also be contended that this enabled the innovation and creative adaptation required for the diversification, as it

allowed for the empowerment of individuals and the fostering of conditions that develop organisational capacity.

6.3.2 Network Development

Network development was felt by most of the respondents to carry less influence than that of patterning of attention in terms of its contribution to a diversification strategy. However, its importance was iterated, to the overall outcome, in terms of its influence capability. The majority of respondents viewed networking to be both an internal and external function of a leader, providing for network diversity (**Table 34**) as exhibited by Respondent 4: *"Internal networking, boundary spanning…it's with everybody in the organisation. And also external networking, that's really important".* This was in line with the original multiple influence model developed by Hunt et al. (1983) and expanded on by Brass and Krackhardt (1999), who contended that within complex contexts network development or network diversity, was the establishment of direct and indirect interpersonal communication and information patterns of influence, enabling a leader to exert influence into the context of operation to further enable the desired outcome. This was supported by Hosking's (1988) contention that network development involved the cultivation and exercise of wider social influence.

In developing these networks, respondents felt that they enabled them to gain knowledge (**Table 32**), or what Respondent 10 referred to as "*learning things, of how they're possibly doing things differently or innovating"*, affording leaders the opportunity to *"learn from mistakes so as not to repeat them"*. This supported Osborn et al.'s (1983) finding that through distributed intelligence, individuals were able to absorb new knowledge, develop new insights and use the knowledge to solve context driven problems. This was reasoned to provide them with opportunities to enhance their competitive advantage applicable to a diversification strategy and in some cases was referred to as collaboration, for the benefit of the individuals within the organisation and those outside, as evidenced by Uhl-Bien et al. (2007). The competitive advantage gained could be aligned to Hunt and Ropo's (1995) assertion that networks operated as a prime source and channel of information, with dialogues occurring across multiple channels and platforms, providing for ample opportunities to occur. It also spoke to the notion of the Zeitgeist of Mayo and Nohria (2005), whereby through the leaders' contextual awareness of context, they were able to exploit opportunities within a certain way, therefore moving from being merely competent to being truly great leaders.

Similarly to that of patterning of attention, awareness of context and the environment was acknowledged to be of importance, with respondents finding it to be *"staying abreast of where your environment is…create where you want to be going and what you want to be doing."* This provided a link to the 3D thinking of Kutz (2008), namely foresight, whereby through the framing of relevant questions about decisions required today, a leader could facilitate the move toward the desired future state.

A key focus point to the development of networks was the concept of relationships (**Table 33**) that had been developed through the exercising of a wider social influence, with respondents such as Respondent 14 having felt this to be the point of departure, with these having been developed through the exercising of a wider social influence that the leader had: *"It's also through very deep relationships… personal relationships that you build, the professional-personal relationships that you build and those trusted relationships that you leverage and you work on continuously."* These relationships challenged the leaders' basic assumptions, through the foundation of a common understanding or relation, thereby providing for a more holistic perception of the task at hand. This was aligned to Kutz's (2013) reasoning that operating in dynamic contexts required leaders to expand their point of reference from knowing what and how to knowing who, exposing themselves to others' thinking. This highlighted a new factor of relationships and networks, speaking very closely to that of the 'relational' (multiple realities) perspective of Uhl-Bien (2006), whereby the focus was on the relationships and not individuals, with the combination of interacting relations and contexts being of importance.

One of the key aspects identified by the respondents was the fact that these relationships were primarily dependent on the leaders having the *"right people surrounding them, partnering with the right people"*, in order to enable networking to be implored. It could be reasoned that this would also push network development into the realm of Contextual Intelligence, as it was contended that it was only through the application of intelligence that leaders were able to know and seek out those that they deemed 'right to have around'. This could be evidenced by the meta-competency diagnosis of context by Kutz (2008), whereby a leader needed to be cognitively aware of the interactions and interdependencies that existed within the situation, prior to engaging, as these had significant influence on the outcome.

One of the key findings and contributions to the this study was the link that was established between network development and patterning of attention, whereby as

stated by a respondent, *"networking correctly enables a leader to ask the right questions"* within the context, therefore becoming a crucial component in order to obtain the relevant information to assist within the specific context. This spoke to the knowing *how* and knowing *what* components identified by Kutz and Bamford-Wade (2013), and elaborated on by Nye (2011), whereby leaders were able to identify the dynamic variables in a situation and adjust their behaviours to exert influence to achieve the desired goal or strategy, providing a leader with a tactical advantage.

6.3.3 3D thinking: Hindsight, Insight, and Foresight

It emerged from the study that 3D thinking was a central multifaceted component in influencing individuals' ability to operate within a diversification strategy, with emphatic 'yes' answers from respondents. This was in line with Thomas and Greenberger's (1995) contention that having an orientation to time such as 3D thinking, provided for a critical success factor in leaderships, being one of the driving forces behind firm performance.

As within prior questions, however, respondents felt that in order for the application of the 'triad' to be most effective, a consideration of the context of operation was needed (**Table 37**) so as to make it relevant to the task at hand, thereby combating the presence of ambiguity. As Respondent 15 said, "*it's considering all the different kind of…elements."* This could be supported and reasoned through Brouwers and Van de Vijvir (2015), who opined that context had to be considered first, and as with all cognitive processes, the assessment of it then took place within a setting.

During the study, a key finding emerged in the concept of 3D thinking and its subsequent management, being captivatingly referred to as 'cognitive load management'. The contention here was that in order to balance the various components of 3D thinking as well as that of a dynamic context, a leader was required to develop the ability and awareness to apply only what was relevant and filter out what was not. Bettis and Prahalad (1978) found this to be what they called 'information processing', whereby information was filtered or screened out so that only relevant information was viewed, enabling a manager to focus on relevant data pertaining to the end goal. Osborn et al. (2002) supported this finding, aligning the 'filtering of information' to that of isolating information, to ensure that only that what was really important could be dealt with first.

Hindsight (Table 38), it was found, provided the history (past), on which respondents based their future decisions, or rather learned from to base their future decisions on. The collective view of hindsight was established as being the mechanism in which one arrived at the insights of today, by experiencing the decisions that one had lived through, learned and unlearned in order to create the ability today to gather the insights present. This was supported by the literature of Kutz (2008) (2013) (2011) around the contention that elements from the past, which were applicable to the present, enabled one to see things clearer to make decisions and alter one's behaviour to the situation. Respondents framed this as having cognisance of relevant past events.

Within hindsight, respondents spoke to the significance of learning and unlearning (**Table 39**) that they underwent in terms of reviewing their experiences from the past in order to apply them to the present (insight), as well as to the future, evident in the following response: "*To be self-reflective...If you don't know how to learn from the past mistakes, you'll continue making the same mistakes".* Within the component of learning, a new key factor was introduced – reflection (**Table 40**). Through the application and practice of reflection, it was contended by respondents that they were able to learn from 'mistakes' or experiences, subsequently challenging and unlearning their dominant logic in the process, should the context and alignment to it require it, and then applying this new learning going forward, as a new logic. Mezirow (1990) contended reflection to be an assessment of how or why one had certain perceived thoughts, felt or acted in a certain way (Mezirow, 1990, p. 6), having focused on the immediate presentation of details of a task or a problem. Reynolds (1998) found critical reflection to look at the questioning of contextual aspects, putting the reflection process within the task or problem situation. Therefore, critical reflection involved the critique of the presuppositions, on which an individual's beliefs had been built. It was therefore posited that reflection was part of the progression and development of reflective skills, within a social context, which assisted a leader with the cognitive process of knowing how to learn, as learning to learn − as had been demonstrated here − was a crucial skill within a contextual environment. Helyer (2015) supported this finding, viewing the ability to reflect on learning achievements an empowerment tool, from which the learner could make intelligent decisions about how to move ahead.

It was established that the function of learning from mistakes formed a tacit knowledge or as referred to by a respondent *"a kind of muscle memory",* within each respondent in terms of moving forward into insight and foresight. This reinforced the work of Hastsopoulos and Hastopoulos (1999) and Kutz (2011), who argued that tacit

knowledge was developed through experience and analogical reasoning, whereby the experience itself enhanced performance. Rautenbach et al. (2015) extended this to say that the unlearning that took place during an experience, and was now a key competency for leaders, as by doing so they were able to embrace new concepts, methods and processes and mental maps, therefore becoming more competitive.

Within **insight,** respondents felt that an awareness of the current context both internally and externally, combined with the lessons learnt from hindsight enabled them to project into the future the orientation of the diversification strategy, provided they knew where they were going. There was strong referencing to the synchronicity of events, in which meaningful connections from a prior event (s) enhanced or enabled the adaption to a current event. This result was succinctly demonstrated by the work of Jung (1973) and Kutz and Bamford-Wade (2013), whereby it was contended that certain events, irrespective of time and context, were in some way related, which − when capitalised on − could lead to enhanced innovation and leadership capacity.

Within the conversations around insight, there was a sense of having a self-awareness of one's capabilities, combined with the short-term goal, as well as the current context, which enabled one to respond in real time to the situations at hand. As Respondent 12 put it, it was *"understanding the why of why things have been going the way they've been going, and being able to interpret and forecast, where you want this business to be",* almost a scenario planning of foresight. It was key here to acknowledge that *"there is always going to be stuff you don't know, but needing to get to a point, where you can make a decision…because you don't have that hundred percent knowledge. The insight is equipping yourself with as much information as you can to make that decision now" (Respondent 2).* Once again, the literature from Kutz (2008/2011) around 3D thinking being the framework for Contextual Intelligence to gain traction within context, reinforced the value that the concept of insight had not only for the present context, but was also providing the link to those of hindsight and insight.

Foresight, as a valid construct, emerged strongly from 14 out of 15 respondents, having found it to be the driving force for competitive advantage in terms of being one of the deciding factors to diversify, as well as aligning and driving an organisation forward, through the creation of a *"compelling vision" (Respondent 13)* or *"future state" (Respondent 15)* (**Table 41**). The finding by Weeks (2007) supported this, whereby it was posited that the process of strategic management was about being able to predict

for the future, and implement strategies that optimally positioned the enterprise within its future context. Additionally, foresight was linked to the ability to have the awareness of hindsight and insight in order to move forward into foresight. This concept was supported by Kutz and Bamford-Wade (2013), who used the idiom of *'transforming data into useful information, information into knowledge and knowledge in practice'*, demonstrating that through the application of various stages of thinking, one was able to progress to a future desired state. This was further expanded, whereby foresight was linked to the ability to diagnose a context and read the insight into foresight, in order to create the future strategy, as exampled by Respondent 5: *"Foresight is…like I said to you, the lighting for example, I know that everybody has to take those horrible tubes out and go to the new technology… So this is the way to go. How many people in this country are geared up to do this job?" (Respondent 5).*

However, respondents contested the order in which 3D thinking happened, with some following the sequential steps of hindsight, insight, foresight, whilst others worked non-linearly from foresight, to hindsight to insight. The fact that one required all 3 in order to effectively address the context and enact behaviours accordingly, to enable a diversification strategy was not disputed, as stated by Respondent 11, *"Hindsight, insight and foresight work together".*

6.3.4 Conclusive Findings for Research Question 2

The findings, in support of the literature, concluded that the dimensions of patterning of attention, network development and 3D thinking all played a strategic role towards contributing to a diversification strategy. It was acknowledged that the three dimensions were multifaceted and worked together within a synergistic manner, enabling and enhancing the inputs and outputs of each towards the desired goal. There existed between each dimension a chronological step process, in which each had its own application; however, these were dependent on the prior and next dimension for their success. These steps incorporated to varying degrees the application of some of the meta-competencies identified by Kutz (2008).

Patterning of attention was established to be interlinked with that of dominant logic's 'filter system', with the two components working synergistically together as one functional unit. Both the framework of information filtering of dominant logic and patterning of attention's questioning enabled a leader to gather the relevant information pertinent to the diversification strategy, from which they could work and disseminate

further to the team. This provided them with a strategic focus from which to work in terms of direction and implementation, as well as empowering their team to innovate.

Subsequent to that of patterning of attention, network development, through the establishment of relationships, provided a leader with new knowledge or a distributive intelligence, whereby leaders were able to assess the operational environment through holistic perceptions, which challenged their conventional assumptions. This enabled leaders to seize opportunities or adjust their behaviour to the context.

The construct of 3D thinking provided the framework, from which leaders could adjust their behaviours to learn and synchronise events from the past to suit the present context and direct the future. Hindsight and insight combined to form the insight a leader needed to make relevant decisions within the present context, based on the diagnosis done. The present insights gained also influenced the future state. When an improper relationship existed between either of these components, the advancement to move forward was hindered.

A key finding within hindsight and the learning process it involved, was the establishment of a relationship to that of reflection. Reflection played a key role in the enablement of the challenges to an individual's dominant logic, through the filtering of information based upon the diagnosis of context. Through reflection, it was contended, leaders were able to learn and develop new logics, which enhanced their Contextual Intelligence and therefore the output of their behaviours and decisions.

The above answers to research question 2 contributed and extended the existing literature and understanding towards the role that these three components of Contextual Intelligence play towards contributing to a diversification strategy, in terms of the value that they create.

Table 54: Key findings to research question 2, substantiated by literature and relevant quotes

Research Question:	Research finding	Supported by Literature	Relevant Quote (S)
Is Contextual Intelligence making a contribution towards a diversification strategy in terms of			
(1) Patterning of Attention	Patterning of Attention - influence	Osborn, Hunt & Jauch (2002) Osborn & Marion (2009) Kutz (2008)	*"Its how you deal with the what…so connecting information, employees with information…engender inspiration."*
	Patterning of Attention - relevant information filtered and communicated	Lichtenstein, Uhl-Bien, Marion, Seers, Orton & Schrieber (2006)	*So this ability to communicate and to understand the long term vision, the strategic dance that we got to play. (Respondent 14)*
	Patterning of Attention - right questions	Osborn, Hunt & Jauch (2002)	*"Brief don't certify…I do not give them answers anymore… I ask questions, I do not tell them the answers and where they went wrong, through my questions I let them work out" (Respondent 7)*
	Patterning of Attention - being part of the process, being open to new perspectives	Brown, Gould & Fosters (1997) Day (2001) Osborn, Hunt & Jauch (2002) Kutz (2008)	*We're on that journey of discovery together(respondent 14) It works on premises if one department or one division falls, we all fall*
	Patterning of Attention - team enablement	Lord & Maher (1991) Nonaka (1994) Kutz's (2013)	*"We must be open to different perspectives. You can choose to stay like that, or you can choose to be different. So it's to balance it…on the external..and to have your own views and opinions" (Respondent 14)*
(2) Network Development	Network Development - internal and external dimensions	Hunt, Osborn & Martin (1983) Brass & Krackhardt (1999)	*So, this ability to extract value and context around any organisational wide, internal and external (respondent 14)*
	Network Development - Knowledge gain	Osborn, Hunt & Jauch (1983)	*You learn things of how they're possibly doing things differently or how they're innovating to bring down costs and optimise their operations.(Respondent 10)*
	Network Development - Relationship based	Hosking's (1988) Hunt & Ropo's (1995) Kutz's (2013) Uhl-Bien (2006)	*So without giving away trade secrets, we shared information. I think that made life easier for me, maybe for him as well*
	Network Development - competitive advantage	Uhl-Bien, Marion & McKelvey (2007) Hunt & Ropo (1995) Mayo & Nohria (2005) Kutz (2008)	*Yes, definitely. We're always looking for different opportunities as well that can exist in the strangest places, you know.(Respondent 10)*

(2) Network Development	Network Devlopement and Patterning of Attention	Kutz & Bamford-Wade (2013) Nye (2012)	*so if you network right and you ask the right questions you can get the right answers. (Respondent 7)*
(3) 3D thinking	Hindsight - learning	Kutz (2008) (2013) (2011) Hastsopoulos& Hastopoulos (1999) Rautenbach, Sutherland & Scheepers (2015)	*I do think that hindsight provides you with that kind of muscle memory, some of it becomes natural and provides you with strong and deep insight into you're existing circumstances, those learnings are critical, what one has to take cognisance of always is kind of affirmation bias that previous experience brings and what you need to unlearn. Most of learning is unlearning (Respondent 15)*
	Hindsight - reflection	Mezirow (1990) Reynolds (1998) Helyer (2015)	*Firstly, hindsight is absolutely critical because it is reflective. To be self-reflective, is absolutely important for leaders out there. If you don't know how to learn from the past mistakes, you'll continue making the same mistakes (Respondent 4)*
	Insight - syncrhonicity	Jung (1973) Kutz & Bamford-Wade (2013)	*So for me it was maybe that I was, whatever happened to me in my life was sort of, prepared me for this*
	Foresight - prefered future state	Kutz & Bamford-Wade (2013)	*tranforming data into useful information, information into knowledge and knowledge in practice',*
	3D thinking - cognitive load management (patterning of attention)	Bettis & Prahalad (1978) Osborn, Hunt & Jauch (2002)	*and it's that ability to absorb information at a much faster pace and to know what's relevant and what's not relevant. You get that right most of the time. It's part of that contextual leadership to know*
	3D thinking - interlinked	Kutz (2008)	*"Hindsight, insight and foresight work together."*

6.4 RESEARCH QUESTION 3

What meta-competencies of Contextual Intelligence are applicable or evident in building a leader's capability to enable a diversification strategy?

Research question 3 sought to validate and / or substantiate the meta-competencies found by Kutz (2008) of Contextual Intelligence, which he contended enabled an individual to perform well during a shift in context. A common theme across respondents in terms of the meta-competencies identified was that they confirmed Kutz's (2008/2011) contention that these competencies could not exist in isolation of each other, but were rather required in totality in order for the leader to practice contextually intelligent behaviours; accelerating experience and easing the burden of change. This was evidenced further by Sternberg (1996), who reasoned that any true valuation of intelligence must include contextual indicators, such as those of behaviours that were relative to the specific situation in which influence needed to be exerted.

The results for this question showed interesting and unique findings, enhancing the current literature on the meta-competencies of Contextual Intelligence.

6.4.1 Intentional Leadership

The primary meta-competency identified by users in building a leaders capability to enable a diversification strategy was identified as intentional leadership, as seen in **Figure 14**.

It was reasoned by respondents that intentional leadership enabled the implementation of a diversification strategy (**Table 43**), as it encompassed both the ability to use interpersonal skills to influence and affect the behaviour of others toward the desired goal or future state, whilst also involving a self-awareness of individual leadership and development, as supported by Kutz's (2008) original contention. This suggested that there existed a notion of trust and relationships, positing a connection to that of patterning of attention as exhibited by Respondent 15: *"For me, the intentional leadership aspect encapsulates relationships and influence".* Further to this, it was found that within intentional leadership there existed a conscious awareness of the future state and belief in it, which supported directing the individual to the desired goal. This suggested a strong link to the foresight of 3D thinking and the ability of the leader

to intuitively grasp the preferred future. It was within this context that intentional leadership could be viewed as the behavioural action, upon which a diversification strategy could be enabled, to which the other meta-competencies followed. This was evidenced by Frisinia and Frisinia (2011), who maintained that leadership behaviour was a central predictor to individual and organisational performance, creating the measure of influence for leadership success.

6.4.2 Diagnose Context

The second most significant meta-competency identified by respondents to enabling a diversification strategy, was the ability to diagnose context. It was observed, however, that it was contested to that of intentional leadership, with 4 out of 15 respondents ranking it first, confirming Kutz's (2008) contention that the meta-competencies occurred together in order to be most effective. The ranking of this meta-competency was contrary to the findings within the literature review, whereby the diagnosis of context was opined to have been the primary function of Contextual Intelligence before any other behaviour or skill, as it facilitated the new perspective, with experience becoming a secondary influence in the decision making process (Kutz & Bamford-Wade, 2013).

It was found that in terms of operating within a dynamic context, having the ability to diagnose this appropriately and reacting in an effective manner was one of the key triggers for success, as evidenced by Kofman and Senge's (1993) learning organisation, whereby an individual's commitment to accurately discerning contexts required a shift in the current way of thinking, classifying and assimilating data and information. Once again, it was linked to 3D thinking, whereby it was opined that in order to be effective in enabling a diversification, an individual needed to be able to diagnose the context, utilising the 'triad' of hindsight, insight and foresight.

Further to this, diagnosing a context required an awareness of the context on multiple levels, combining the concepts of self and context together to form a rounded overview of the situation at hand (**Table 44**). This was referred to by Respondent 14 as "*connecting the dots…coupled with curiosity."* This confirmed Kutz and Bamford-Wade's (2013) assertion that in order to correctly diagnose a context, a leader needed to have a cognitive conceptual understanding of multiple variables, such as a paradoxical devotion to a global perspective in the midst of local circumstances (politics, geographies), combined with those of individualisation (beliefs, attitudes, personal ethics), referred to as the contextual ethos of the situation.

6.4.3 Change Agent

Change agent was the third meta-competency established from the respondents with regard to the enablement of a diversification strategy (**Table 45**). The focus within this revolved around being able to ask the difficult questions in order to ensure efficacy within the decision being made, as well as the capacity to listen to other people's view points to check for validity or difference in thinking. Once again, a link was formed here to that of patterning of attention, as well as network development, supporting the claim by Osborn et al. (2002) That these information dimensions were an important component of leadership and its effectiveness.

6.4.4 Awareness of Mission

The final main competency identified was that of awareness of mission, which presented as being controversial in terms of its positioning within the ranking. It had equal ranking to that of change agent and diagnosis of context, supporting the view again of Kutz (2008) that the meta-competencies did not exist in isolation; however, perhaps also suggesting that further research be conducted into whether awareness of mission could be an overarching meta-competency to those of the 12 identified.

Awareness of mission was reasoned to be the ability of leaders to provide their team (s) with an awareness of the mission in order to attain the future state, as well as the roadmap of how they intended to get there, speaking to the dimensions of patterning of attention and network development, as discussed earlier (**Table 46**). Through this awareness, it addressed the 'why' that most people operating within a dynamic context such as VUCA seeked to know. In answering this, a link back to that of intentional leadership was created, whereby trust and confidence in the leader was created. This also further advanced the notions of the 'how' and 'what' of Kutz (2013), to include that of 'why', providing a more holistic approach to understanding the context of operating within a VUCA world. This spoke to the literature by Uhl-Bien and Marion (2009), who contended that leadership success was not dependent upon the individual leader's characteristics, but rather was attributable to the capacity of the organisation to be productive in mostly unknown future states, which was enabled through the application of the meta-competency of awareness of mission.

6.4.5 Additional Meta-Competencies

During the discussion with the respondents, four additional meta-competencies were identified that were not present within the ones stipulated by Kutz (2008) (**Figure 15**),

providing for a more 'modernised approach', and suggesting perhaps further research to be conducted on the meta-competencies themselves.

The first significant additional meta-competency identified was what was referred to as the 'iron side' (**Table 47**), considered to be a self-belief and / or self-awareness in what one was doing and who one was. The sub-constructs that made this up were behaviours such as 'self-confidence, focus, social skill and self-management', speaking to a greater focus on the individual's self-knowledge. This was evidenced by Jarzabkowski (2001) and Von Krough and Ross (1996), who argued that managers needed to have self-reference, built upon existing knowledge banks, which they then applied within context. This spoke further to the role of critical reflection (Reynolds, 1998), whereby this notion of 'self' was built upon through learning and challenging of the individuals' schemata and in turn their dominant logic.

Collaboration or being collaborative was the second meta-competency identified by the leaders to be of importance within a diversification strategy. (**Table 48**). Through collaboration with others, it was contended that leaders had a better understanding of the contexts of their operation, through the application of patterning of attention, network development and team empowerment, which in turn enabled them to make better decisions with regard to the diversification undertaken. This spoke to the reasoning of Marion and Uhl Bien (2001), who stated that in order for leaders to effectively operate within dynamic contexts such as diversification strategy, they needed to shift their focus to the interactions of individuals, creating healthy conditions for individuals to collaborate and self-organise around relevant issues.

The final additional meta-competency worthy of note was what could be termed 'authenticity', with sub-constructs such as humility, trust and honesty forming part of it (**Table 49**). Refreshingly, what was also considered to be part of this meta-competency was the notion of humour, whereby it was opined that despite the dynamic context within which one operated, everybody needed to take life a little less seriously and look at it in its full context, encompassing both the complex and less so complex.

6.4.6 Conclusive Findings for Research Question 3

It could be concluded from the results of research question 3 that the meta-competencies identified by Kutz (2008) of Contextual Intelligence were evident in building a leader's capability to enable a diversification strategy.

The findings discussed supported the existing literature by Kutz (2008), having found that the meta-competencies were interrelated and co-dependent on each other, providing a leader with the necessary Contextual Intelligence to operate effectively within dynamic complex situations. The practising of these contextually intelligent behaviours was contended to accelerate experience and ease the burden of change (Kutz M. , 2011), being a central component to surviving and thriving in the competitive marketplace in which diversification strategy operates. It could be concluded from the results of research question 3 that,

- A strong association existed with the responses attained in research question 2, in terms of the relationship between patterning of attention, network development and 3D thinking to that of the behaviours required;
- Which, when combined, enabled a leader to understand the dynamics at play;
- Not only within the context of diagnosis, but also the intrapersonal factors, such as human behaviour, pre-existing knowledge systems and the blind spots in terms of bias, in order to generate and sustain highly effective relationships, influence and performance.

The key enhancement from the existing literature was the addition of three prevalent meta-competencies, namely of what can be termed ‘iron side’, ‘collaboration’ and ‘authenticity’, which provided a link to the contention that in order for a contextual leader to be effective in operating within dynamic contexts such as that of diversification, there needed to be a holistic application by the leader to encompass more than just the 12 meta competencies identified Kutz (2008). Furthermore, as Boughzala and De Vreede (2015) contended, team collaboration, and authenticity were crucial in enabling organisations to survive the trend of globalisation and ensure organisational outcomes and performance. These findings indicated that further research was required to substantiate and develop this component of Contextual Intelligence.

Storytelling was found via an inductive analysis of the data and is contended from this research to be an additional meta-competency; however, due to the inductive way this was established, it would require further investigation to establish its validity (**Table 50**). Denning (2004) opined that story telling had become vitally important within organisations, especially during a time when organisational survival, requiring disruptive change, needed a leader to motivate and inspire people to act within unfamiliar contexts, leading them into the future state. It is becoming an increasingly

accepted form of conveying the business goals; however, it does require a balance to be struck to that of the analytical business mind-set. Storytelling is about communication, influencing individuals to understand the context at play, working with the information at hand (Driscoll & Mckee, 2007). This spoke to patterning of attention as discussed within research question 2. It can be inferred that storytelling forms part of the patterning of attention process, whereby leaders communicate the sometimes complex nature of the change required, inspiring and engendering individuals to move into action (Denning, 2004).

It is Interesting to note that the finding of storytelling encompasses the additional meta-competency findings of authenticity and collaboration. Through the process of storytelling, Denning (2004) reasoned one was able to find a common narrative, thereby enabling collaboration, through a shared perspective. Secondly, Shamir and Eilam (2005) opined that authenticity was enabled, when the story being told by the leader, revealed aspects of their originality. Through allowing individuals to know a leader, trust and empathy result.

6.5 RESEARCH QUESTION 4

What is the relationship (s) between dominant logic and Contextual Intelligence to enable a diversification strategy?

Pandya and Rao (1998) opined that in order for organisations to remain competitive, diversification was a popular configuration to be undertaken, especially in response to environmental changes. However, in order to do this, organisations needed to be able to engage in rapid and continuous changes of their organisational offering, into vectors such as those outlined by Ansoff (1958), which invariably required new skill(s) and techniques, that would enable an organisation to change its structure and functioning. In order to do this effectively, Dan and Pratt (2007) opined that there needed to be an environment that could produce quick and effective intuitively based decisions. This was further supported by Lau (1993) and Penrose and Pitelis (2002), who reasoned that a diversification required a fit not only between that of the actual strategy, but also that of the manager's characteristics, capabilities, experience-based knowledge and mind-set(s).

Therefore, this question brought together the findings established in research questions 1, 2 and 3 to suggest a way forward for leaders to enable diversification strategies, through the application of effective Contextual Intelligence's utilising dominant logic's information filter as the starting point. The key findings from the research were that there existed a relationship between that of dominant logic's 'filtering of information' to that of Contextual Intelligence's patterning of attention, network development and diagnosis of context. Through the mutual interconnectedness of these dimensions, the behaviours required from Contextual Intelligence could be applied and subsequently enable a diversification strategy. What emerged was that individuals went through sequential steps in order to provide them with the contextually intelligent behaviours required of a leader to enable a diversification.

The framework (**Figure 1**) mentioned in Chapter 2 is reiterated here, as it forms the overarching foundation for the research, providing the context to which the findings relate. Furthermore, a conceptual map (

Figure 18) of the interconnectedness of the process was developed by the research, in drawing together the findings in research questions 1, 2 and 3, in order to further assist in the inductive process of answering research question 4

Figure 1: Framework of study

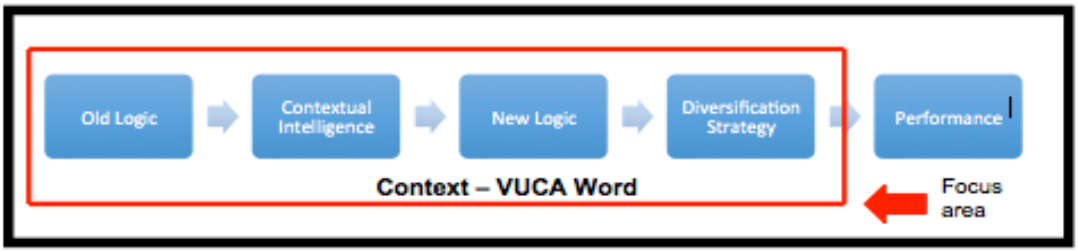
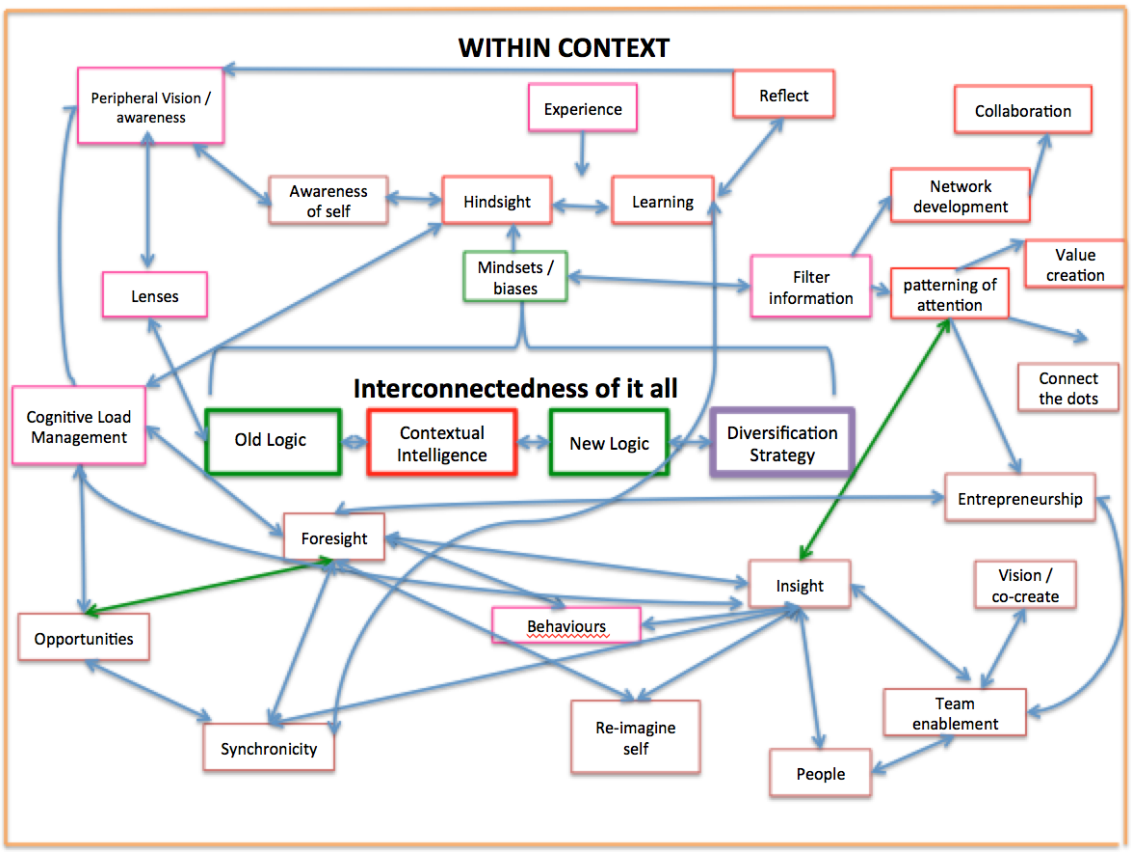


Figure 18: Conceptual map of the interconnectedness of the constructs for the enablement of a diversification strategy



Each process of the established relationships shall be dealt with in turn.

Stage 1: Diagnose context and information filtering

The ability to diagnose context, as established in research question 1, was regarded by individuals as being one of the primary tenets in terms of enabling them to assess the environment of operation and what decisions were required in order to effectively enable a diversification. As Levy (2007) pointed out, the trick to a diversification strategy was knowing when to make the move, with a balance needing to be struck between moving too quickly and too late.

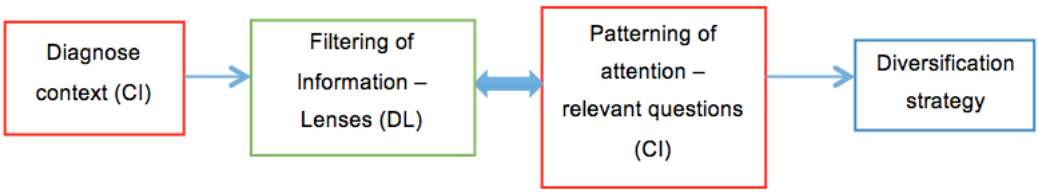
During the diagnosis of context, it was established that an individual needed to have a cognitive conceptual understanding of multiple variables, looking towards internal and external dimensions, such as those of inter- and intra-personal factors (Kutz M. , 2008); referred to as the contextual ethos of the situation, which was of importance in terms of providing the necessary awareness of context in which the individual was operating.

Understanding the facets such as ‘knowing when’ and ‘knowing what’ were important information points of consideration to provide the context of operation. This spoke to what had been termed by Prahalad (2004) as peripheral vision within the framework of dominant logic. This vision, it was reasoned, provided leaders with the ability to see the wider context, anticipate potential changes and ensure they remained flexible and adaptive to these changes within the dynamic environment. Through this diagnosis of context and subsequent creation of a sensitivity analysis, awareness was created whereby the individual was able to see opportunities for growth and innovation, ultimately affecting their decision-making.

In order for this be done, respondents referred to the process of screening the information present within the environment, interpreting and cataloguing it from the diagnosis of context, for its relevance to the desired outcome of diversification. This was where the convergence occurred between the filtering of information from dominant logic and that of patterning of attention (Osborn et al., 2002), namely the application of asking relevant questions, converge, enabling an individual to scan the environments selectively, so that timely decisions could be made (Prahalad & Bettis, 1986).

Figure 19 demonstrates the links between dominant logic and Contextual Intelligence in filtering information.

Figure 19: Diagnosing context and information filtering linkage



Stage 2: Forging a new logic

Once the information from the diagnosis of context had been filtered, the second step established was, whereby the application of 3D thinking, namely that of hindsight, insight and foresight, was applied, acting as mechanisms to interpret the information filtered to see if it applied to any relevant schemata categories or tacit knowledge experiences present within the leaders’ mind-sets. From here, a leader could then consider the appropriate actions rapidly and efficiently. Through the comparison of the

information filtered to that of tacit knowledge experience of Contextual Intelligence and established schemas of dominant logic, this prevented, as Prahalad and Bettis (1986) contended, the individual from needing to analyse 'scientifically' an enormous number of ambiguous and uncertain situations.

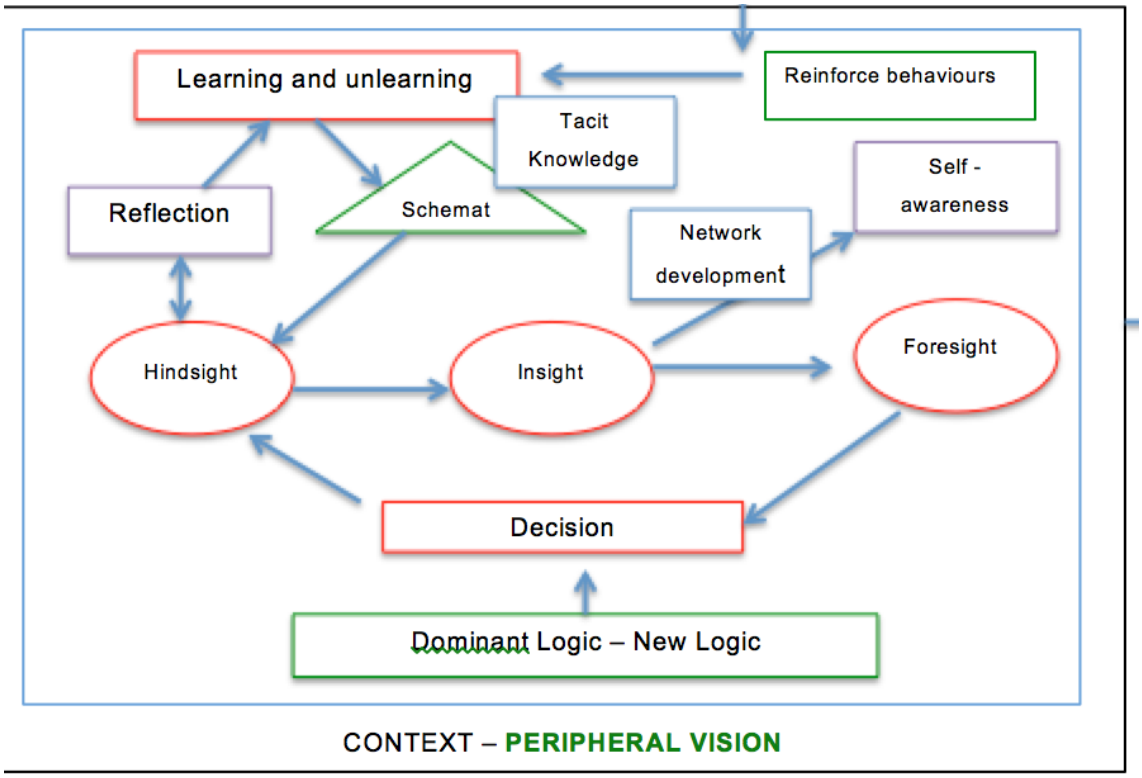
Learning through experience and reflection played a significant role at this stage, whereby through the application of the 3D thinking dimension of hindsight, individuals reasoned that they were able, through their awareness of context and self, to reflect on the decisions required, referring back to existing knowledge banks (tacit knowledge) (Grant, 1988) (Jarzabkowski, 2001) (Von Krogh & Roos, 1996), which they applied within the context. Reflection referred to here was that of critical reflection, which Reynolds (1998) contended, enabled a leader to reflect on the contextual factors present within the task or situation at hand. This was then aligned to the schema, a cognitive map, present within the individual, which Prahalad and Bettis (1986) reasoned were the general mental structures or mind-sets that stored past experiences, values and beliefs, as well as process knowledge. Should the schema not be relevant, the individuals utilised their intelligence and capacity for learning and reflection, to adapt and form new ones, termed a new logic. Das (1981) and Miles (1982) opined that this ability to evolve one's skills and approach dependent on the context enabled a diversification to be successful. Further Rautenbach, Saunders and Scheepers (2015) opined that unlearning an attachment was a critical change competence for a leader, as it enabled them to embrace new concepts, methods and processes, furthering their competitive advantage. Should the logic present be applicable, the reinforcement of behaviours was applied and no subsequent change to the logic was made, and the leader then moved into insight and the application of Contextually Intelligent behaviours to enable decisions to be made for the diversification strategy.

Insight provided individuals with self-awareness in terms of understanding and acknowledging their biases, within the present context, so that through this they could move from the past events, into insight and subsequently foresight, which had relevance to the current context. Within the insight, network development could be employed, whereby through the establishment of relationships, a leader could engage and communicate with those individuals either internal or external to the situation, in which their current thinking, schemata and biases could either be affirmed or challenged, enabling them to have a holistic overview of the context and decision required at hand.

Foresight, within this stage, was the process that provided the overriding direction to the diversification strategy, acting as the vision for the individual, which all subsequent stages needed to work and align towards.

Figure 20 depicts these linkages graphically.

Figure 20: Linkages between dominant logic and Contextual Intelligence in forging new logic

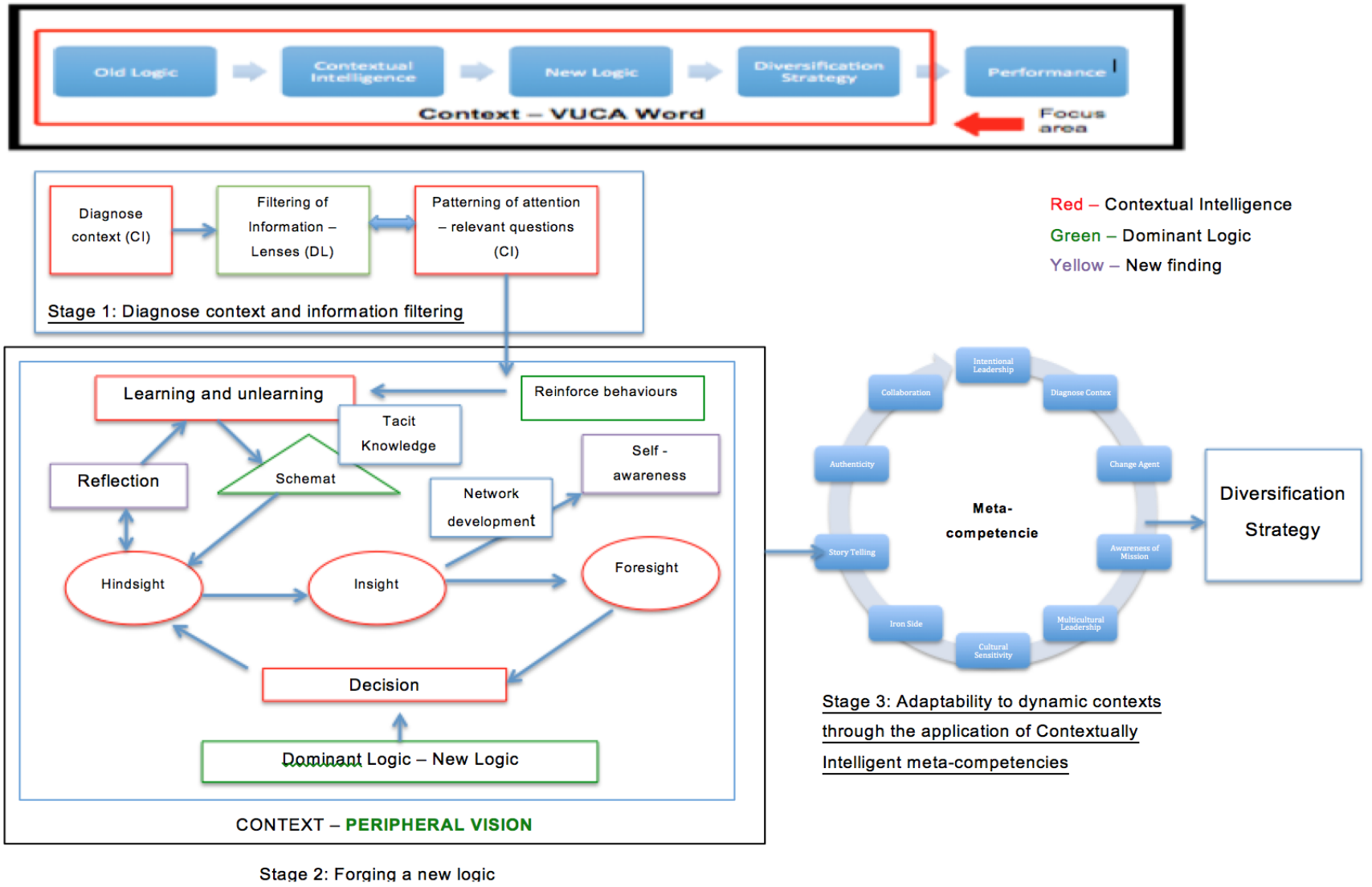


Stage 3: Adaptability to dynamic contexts through the application of Contextually Intelligent meta-competencies

The final stage of the process established to enable a diversification strategy, was the requirement for adaptability through the application of the identified meta-competencies of Kutz (2008) and subsequently enhanced through the findings of this research, which − when combined with the first two stages − enabled a leader to enact faster decision-making, accelerating their ability to contribute to and act in a new context.

It was contended that although the meta-competencies were mutually dependent, there was a preference, in which their applicability was done, particularly within the enablement of a diversification strategy, as discussed in research question 3. **Figure 21** provides the completed *de facto* model, demonstrating the relationship between dominant logic and Contextual Intelligence, as well as Contextual Intelligence and diversification for the enablement of a diversification strategy.

Figure 21: De facto model: dominant logics enablement of the relationship between Contextual Intelligence and diversification



6.6 CONCLUSION TO RESEARCH QUESTION 4

Through an inductive analysis of the results obtained in the interviews, it was established that there existed key relationships between dominant logic's information filter and Contextual Intelligence's patterning of attention and diagnosis of context, which provided an individual with an ability to enhance their behaviours and decision-making, enabling a diversification strategy. Through the application of 3D thinking, reflection and learning, an effective and efficient process was observed, whereby an individual's schema (mind-sets) were challenged to be relevant to the context of operation. This, combined with the Contextually Intelligent meta-competencies, provided an individual with an effective framework for the enablement of a diversification strategy.

6.7 CONCLUSION

The results uncovered some interesting findings around the relationship between dominant logic, Contextual Intelligence and their enablement of a diversification strategy. The revised model reflects an integrated three-phase approach that includes the following phases:

(1) Diagnosing context and information filter;
(2) Forming a new logic;
(3) The application of meta-competencies.

When combined, these phases and their sub constructs enable a diversification strategy to be done in an effective and efficient manner.

The research objectives, as posed by the four research questions in Chapter 3, have therefore been met and contribute and enhance the current literature of diversification, dominant logic and Contextual Leadership, through the establishment of the relationships between the constructs.

CHAPTER 7: CONCLUSION AND RECOMMENDATIONS

7.1 INTRODUCTION

Chapter 1 of this research report presented a business problem in terms of there being a lack of empirical research on how leaders enable a diversification strategy as a basis for understanding the variation in performance, particularly within the VUCA economy at present. This, coupled with the increasing calls for leaders to become more contextually intelligent, diagnosing their context in order to increase their speed of decision-making and adjust to these situations to promote creativity and diversity, provided a relevant business problem to which this research attempted to solve. On the basis of this challenge, this research looked at leadership's role, to explore dominant logic's enablement of the relationship between Contextual Leadership and diversification strategy.

In the conclusion to Chapter 6, a *de facto* model (**Figure 21**) was produced, which consolidated and integrated the findings of the research, in answer to the research question(s) posed. This chapter will discuss the major findings of this study, the implications for management and scholars as well as presenting a conclusion and limitations, with suggestions for future research.

The results from the qualitative study undertaken established that there existed a relationship between dominant logic's lens, known as an information filter, with that of Contextually Intelligent behaviours in the enablement of a diversification strategy, providing leaders with the necessary mechanism to remain competitive within an increasingly globalised economy.

7.2 PRINCIPAL FINDINGS

The key findings from the research are depicted within the *de facto* model (**Figure 21**), whereby through the application of sequential stages and their relevant components a leader is able to move towards the enablement of a diversification strategy.

The following are the key findings from the research, taking into consideration the objectives set from Chapter 1. The research questions posed provided a roadmap from

which to build the *de facto* model and therefore each one sets the scene for the integrated findings in research question 4.

The overall insight gained from the research is that Contextual Leadership goes beyond any formal model developed. It encompasses aspects of many traditional leadership behaviours, such as Transformational, Situational and Transactional, recognising the strengths and weaknesses of each and taking the best into action. Furthermore, contextual leaders are able to recognise their own strengths and weaknesses as well as of those within their team, thereby optimising the combined strengths and weakness of each individual at play within the context. In this way, any limitations that may have been exhibited are nullified due to the collaboration amongst each member. In this way, diversification's traditional view point of being about a product or service is required to change and encompass those of the capabilities of the individuals in the organisation.

7.2.2 To what extent are leaders aware of operating within a dynamic context in terms of a diversification strategy? Are leaders aware of the variables that make up a context?

The overriding finding was that leaders are aware of operating within dynamic contexts, with the awareness and diagnosis of this being key to the decisions that get undertaken in terms of a diversification strategy. One of the key findings is the impact that context and its subsequent variables have on the decision-making of the individual as to diversification.

Both inter- and intra-personal dimensions, related to the external and internal context, are considered have an influence on the decisions taken, combined with the application and enablement of 3D thinking, namely hindsight, insight and foresight. Through 3D thinking, leaders are able to quickly and effectively learn and unlearn, forming tacit-based knowledge, which they are able to apply to insight, to direct into the future strategy.

In being aware of their dynamic contexts, leaders are able, through the application of their Contextual Intelligence, not only to adapt their behaviours to the context externally and internally, but are also able to foster conditions that develop team empowerment and subsequently organisational capacity, enabling innovation and entrepreneurship to

exist and therefore enhance the competitive advantage required from the diversification.

7.2.3 Is Contextual Intelligence making a contribution towards a diversification strategy in terms of the following?

The concluding answer to this question is that Contextual Intelligence is vitally important in the enablement of a diversification strategy. It provides a leader with skills and behaviours, which can be applied and adapted, dependent on the context, to ensure that a flexible and efficient decision and outcome is enabled, and ultimately aligned to the future state. The key dimensions of patterning of attention, network development and 3D thinking are multi-faceted and work together within a synergistic manner, enabling and enhancing the inputs and outputs of each towards the desired goal. There exists between each dimension a chronological step process, in which each has its own application; however, they are dependent on the prior and next dimension for their success, as can be seen within the model.

7.2.3.1 What role does patterning of attention play?

Patterning of attention and diversification are inextricably linked, with patterning of attention being used as an influence technique to get the buy-in of individuals towards the strategic goal, whilst at the same time providing a means of filtering relevant and pertinent information from the context, so that it is aligned to the desired outcome. This is where the crucial link to that of information filtering of dominant logic is found, with the two components working synergistically together as one functional unit. These practices combined, enable a leader to gather the relevant information pertinent to the diversification strategy, from which they can work and disseminate further to the team. This provides them with a strategic focus, from which to work in terms of direction and implementation, as well as empowering their team to innovate.

7.2.3.2 What role does network development play?

Network development, although viewed not as important in the enablement of a diversification strategy as patterning of attention, still plays a key role. Through the creation of networks, individuals are able to gain extra knowledge, or what can be

referred to as distributed intelligence, which challenges their assumptions and thinking, providing for a competitive advantage to diversification. A key component to the success of network development is the fact that it originates with relationships, whereby a common foundation of understanding is achieved, which enables an individual's assumptions and preconceived thinking, known as schemas, to be challenged, to the benefit of the diversification strategy.

7.2.3.3 How important is hindsight, insight and foresight in influencing one's ability to operate during a diversification strategy?

It is evident that 3D thinking provides three key pillars, on which the relationship between diversification and Contextual Leadership are built. They 'triad' enables leaders to adjust their behaviours, dependent on the context, to learn, through reflection and synchronise events from the past, suit the present context and direct the future. Hindsight and insight combine to form the insight a leader needs to make relevant decisions within the present context, based on the diagnosis done. The present insights gained also influence the future state.

7.2.4 What meta-competencies of Contextual Intelligence are applicable or evident in building a leader's capability to enable a diversification strategy and which do leaders find to be the most important?

The meta-competencies identified by Kutz (2008) of Contextual Intelligence are evident in building a leader's capability to enable a diversification strategy. These competencies are co-dependent, working to provide a leader with the necessary Contextual Intelligence to operate effectively within dynamic complex situations. It is contended that practising these together accelerates the experience of the individual, empowering them to be able to adapt to changing contexts. This in turn becomes a central component to surviving and thriving in the competitive marketplace, in which these diversification strategies operate.

Although co-dependent, it was found that there does exist a preference ranking in terms of the meta-competencies applicable to a diversification strategy, with intentional leadership providing the main platform, on which the others build. In ranking order, diagnosis of context, change agent, and awareness of mission came next. The

sequential ranking was contended; however, the overall finding was that through the behavioural grounding of intentional leadership, coupled with the diagnosis of context, the scene is set for the enablement of a diversification strategy, as an individual can implore the remaining competencies dependent on the situation. Change agent, it was contended, provided individuals with the ability to analyse the situation through relevant questioning, ensuring focus and alignment is maintained to the overall objective. This, it is inferred, provides a link to that of patterning of attention; however, it is recommended that further research be conducted. Through being proactive in a change agent capacity, an individual is able to lead the changes necessary within a diversification process. The awareness of mission was an outlier, with many individuals opining it to encompass the whole process, speaking to connecting the dots of this research. However, this element requires further research.

Additional findings of constructs such as iron side, collaboration and storytelling provide enhancements to the list, but also indicate that further research is required in order to expand on the 12 competencies identified by Kutz (2008).

7.2.5 What is the relationship(s) between dominant logic and Contextual Intelligence to enable a diversification strategy?

Through inductive analysis, of the findings from research questions 1, 2 and 3, it was found that there exist key relationships between dominant logic and Contextual Intelligence for the enablement of a diversification strategy. It was also established that this relationship is sequential in nature, forming three key stages.

- **Stage One: Diagnose context and information filtering (Figure 19)**

  This stage sets the scene for a leader to enable a diversification strategy. It is the starting point from which all subsequent cognitive and behavioural changes occur. In order to diagnose context, a leader needs to have an awareness to do so or what was found to be classed as a peripheral vision within dominant logic, looking to both external and internal factors, which can affect their decision on the diversification strategy. Within this stage, key facets of knowing when and what is prevalent, in providing leaders with the ability to select the type of diversification strategy. Once this is done, dominant logic's information filter and Contextual Intelligence, namely patterning of attention, converge to filter the

information obtained from the diagnosis of context, discerning what is important for the now to what can be dealt with later, through the application of experience-based learning as well as asking the right questions. In the backdrop of this, 3D thinking operates, providing the leader with the necessary mechanisms on which to base the information obtained. This stage provides the leaders with the relevant knowledge they require in order to adapt their thinking and behaviours in stages 2 and 3, respectively.

- **Stage 2: Forging a new logic. (Figure 20)**

Once the information has been 'filtered', the next crucial stage established is for the forging of a new logic, dependent on the context diagnosed. This is done through the application of 3D thinking, which acts as a mechanism to interpret the information filtered. Hindsight filters the information to see, if it applies to any of the relevant experiences or schema categories stored, in order to challenge the dominant logic present within the leader or to produce a new one. Reflection and learning play a crucial part in this process, whereby a leader steps out of the situation and reflects through experiences (tacit knowledge), learning and unlearning, dependent on the context of diagnosis. Insight provides the self-awareness to the situation, in terms of enabling individuals to acknowledge their biases, so that they can move from past events to insight and subsequently foresight. During insight, network development can also be employed, whereby individuals are able, through the development of relationships, to challenge their assumptions on the diversification strategy, therefore providing for a more holistic and balanced oversight. Foresight is the final stage, which provides for the vision or future state to which an individual is working, which in this case is diversification.

- **Stage 3: Adaptability to dynamic contexts through the application of Contextually Intelligent meta-competencies. (Figure 21)**

This is the culmination stage, and where the whole process comes together to enable a diversification strategy, through action. It is the application of the Contextually Intelligent meta-competencies identified by Kutz (2008) and enhanced in this research, providing leaders with the adaptability to change to the context, whilst accelerating their ability to contribute to it.

7.3 RECOMMENDATIONS

7.3.1 Recommendations to Leaders

Operating within dynamic contexts requires constant change and adaptation, with leaders needing to be cognisant of not only the context of their operation, but also of their ability to lead and direct a strategy, such as diversification. The findings of this study therefore provide leaders with a framework, which they can apply to the enablement of a diversification, empowering them to take cognisance of their environment of operation through the diagnosis of context.

The recommendations to leaders in the enablement of a diversification strategy are two-fold; firstly, from an organisation's perspective and then secondly, from a leadership perspective.

Organisational perspective

Leaders need to be cognisant of the environment, within which they operate, as it is rapidly changing, challenging the status quo of how business used to operate before. Therefore, if an organisation wants to remain competitive, it needs to have the flexibility to adapt and adjust quickly. This is where the concept of diversification has evolved, whereby organisations seek growth and competitive advantage. In order to achieve this, though, leaders need to be aware of both the internal and external influences at play, which can hinder their intended diversification. Therefore, leaders need to constantly diagnose their environment, being prepared for rapid change. Within this diagnosis, they are also required to enable and empower their teams, challenging the hierarchical bureaucracies of the past, thereby creating organisations that flourish through innovation. In order to enable this, leaders need to focus on their patterning of attention, communicating pertinent information to individuals in order for them to function effectively. What is key here is that the leader does not provide the answer to the challenges being faced, but rather facilitates the dialogue, empowering teams to find solutions. One of the key contextual dimensions that a leader can apply here is the competency of storytelling, whereby through the application of stories, it is contended that they are able to engender inspiration and motivation.

Leadership perspective

Key to a leader being able to enable a diversification strategy is the ability of the leader to apply the Contextually Intelligent Framework developed; however, the starting point for this is their ability to challenge their dominant logic and apply experience-based learning's. In order to be effective in this, leaders need to become consciously cognisant of what information they are receiving from their environment and how this relates to the experience-based tacit knowledge they have stored and the biases that they have present. A key mechanism that they can apply is that of reflection, whereby they step outside of their immediate zone and reflect on what is taking place, before applying any decisions. It is in these moments of reflection and awareness that leaders will see ways of challenging the status quo and using the information they have from their context to enable a diversification, especially through the application of relevant questioning. Further to this, leaders need to seek out network development, empowering themselves with other people's perspectives. This research spoke to relationships being the start of these networks as they are often the most constructive.

The behaviours that a leader needs to consciously work on is applying hindsight, which will come from being aware of the past and the experiences that have formed their tacit knowledge; understanding their present, which will come from diagnosing the context and then having the goal, the foresight to which they are directing their team and the strategy – the diversification. Within the realm of this, the application of the 12 meta-competencies identified, and the new findings need to be applied to varying degrees, but all need to be applied in order to be contextually intelligent. In being aware of these dimensions and where they fit in, a leader should be able to practise their Contextual Leadership Intelligence and in the process, enable not only a diversification strategy, but any business challenge that presents itself within the dynamically changing contexts of a VUCA environment.

7.3.2 Academic contribution

It was highlighted in Chapter 1 that there have been calls from scholars such as Bettis, Hall and Prahalad (1978), Barney, Wright and Ketchen (2001), Ramanujam and Varadarajan (1989), Martin and Sayrak (2003), Drejer (2004), Nippa, Pidun and Rubner (2012) and Kor and Mesko (2013) for there to be empirical research conducted

to understand how leaders manage diversified organisations as a basis for understanding the variation in diversification strategy.

This study has attempted to answer this complex question, finding the answer to be embedded within the context that a leader operates in, whereby through the use of the information filter of dominant logic and the application of Contextually Intelligent behaviours and skills, a diversification strategy can be enabled.

This research has contributed to the recent academic literature in three significant ways:

1. Provided a link between dominant logic and Contextual Leadership Intelligence, providing a platform from which leadership principles can further be explored, in terms of how leaders use data and the filtration of it to their advantage;
2. Suggested that diversification and the connotation that it has as being negative for shareholder value, may in fact not be related to the type of diversification strategy undertaken, but should be explored further into the leadership that enabled it, seeking to understand whether that influenced the outcome.
3. Assisted in challenging the convention that leadership exists within a vacuum as well as being one-dimensional, but rather finding it to be expansive within its context and multidimensional, in order for it to succeed within the VUCA environment of today.

7.4 LIMITATIONS TO THE RESEARCH

All research is prone to errors, with this being confounded in qualitative research, to which this research is no exception. It is therefore imperative that these constraints are mentioned and recognised, for the impact that they pose to the overall outcome of this research.

It is acknowledged from the outset that this research did not try to establish conclusive theories, but was rather exploratory in nature, providing the initial stages of a *de facto* model for the enablement of a diversification strategy, which requires further empirical research.

Despite the limitations, presented below, the researcher undertook all efforts to stay honest and to extract as much relevant data as possible from the interviews.

Throughout the research process, some bias was discovered, but was countered, through the researcher applying intellectual self-awareness and self-examination (Pierce, 2008), something that the finding(s) of this research poignantly speak to.

The following shortcomings were identified and acknowledged within the research:

- A cross-sectional study was undertaken due to time constraints, providing less depth of analysis than can be obtained from a longitudinal study.
- The respondents interviewed were from a localised context, namely South Africa, therefore providing for a narrowed view, not including cross-border respondents internationally. This therefore limits the assumptions that can be made across borders and demographics.
- Being a qualitative study, the interview questions were developed from the literature review, presenting respondents with specifically themed questions. Subsequently, during the course of the interviews, new themes emerged inductively from the open conversations that took place. These introduced not only new areas to research, but also could not be adequately checked and verified, such as in a triangulation approach.
- In order to minimise the chance of personal bias being present within the research, the in-depth code generation exercise was outsourced to an experienced coder, as mentioned in Chapters 5 and 4. The process, however, was not as aligned to the intentions of the research as was originally planned, due to the coder's limited understanding of the research topic. In hindsight, however, it would have been beneficial to have a few more independent coders overlook the data to ensure alignment and an unbiased result. Despite the outsourcing, the research still had to perform the majority of the code generation, and consolidation, which means it is acknowledged that this study could include some of the researcher's specific bias as mentioned in Chapter 4.
- Due to the exploratory nature of the research, the qualitative findings cannot be viewed as representative of any population universe, due to the fact that no statistical sampling disciplines were employed within the research design. Therefore, inferences have been drawn by referencing the findings to that of the body of literature, in a bid to align the findings with recognised expert knowledge.

7.5 PROPOSED FUTURE RESEARCH

During the course of this research, several angles presented themselves for further research. The majority of these stemmed through the inductive analysis done, whereby the relationship (s) between certain dimensions of Contextual Intelligence and dominant logic were established, to that of the difference in vernacular used to convey a diversification strategy.

This research, through a qualitative assessment, established that there exists a relationship between that of dominant logic's information filter dimension and that of Contextually Intelligent behaviours, such as patterning of attention, network development 3D thinking and Kutz's (2008) meta-competencies for the enablement of a diversification strategy. This study therefore allows for a paradigm shift in the academic research regarding the behaviours required of leaders for a diversification strategy, moving away from siloed methodologies into an integrated model encompassing strategy, cognitive thinking and leadership.

1. The findings of this research provide a high level overarching starting point; from which it is suggested future research can build. The recommendation is that each sequential stage of the *de facto* model, namely the relationships established, are empirically tested either through a qualitative (co-occurrence) or quantitative (factor analysis) method, enabling its validity and enhancement to occur.

2. Particular focus should be given to the actual decision-making process within the information filtering stage, to assist in further development of leaders. This reason for this suggestion is that leadership in the past revolved around personal mastery and focused on emotional intelligence, while this research has shown that leaders need to be more aware, not just of their emotions, but also of the cognitive process within context.

3. The model should also be tested across a wider disbursement of industries, demographics and geographies to obtain an in-depth understanding of its applicability across a wider sample group, especially that of gender differences.

4. Leaders were the only ones interviewed during this research; the interviewing of subordinates and perhaps experts within the diversification should be conducted, with the inference that the results obtained, would either enhance, validate or contradict the findings further; enabling for a triangulation method to be implored.

5. The finding of reflection emerged strongly during the second stage of the *de facto* model, in terms of enabling new logics to form. Within cognitive psychology, reflection is perceived as a meta-cognition, which in terms of this research was found crucial within the process, in order for the leader to have a peripheral vision. It is therefore suggested that further research is done into how reflection and its relationship to learning and hindsight, enable this *de facto* to move forward, providing leaders with the ability to see the bigger context.

6. Awareness of Mission – as a meta-competency this was an outlier, whereby through discussions and analysis of the data, it became apparent that it was viewed as being the competency that connected the dots of the whole process. This, however, could only be inferred during this research and is therefore proposed for future research to see whether it should exist outside of the meta-competencies as a key enabler.

7. During the interviews, there was a discovery between the interchanging vernacular and association between respondents to that of innovation and diversification. It is therefore suggested that further research is required to understand whether or not diversification is part of or considered representing innovation within the cognitive process of leaders.

7.6 CONCLUSION TO RESEARCH PROJECT

Within Chapter 1, the researcher laid out five objectives, which the research sought to solve in terms of understanding dominant logic's enablement of the relationship between Contextual Leadership and diversification strategy.

1. Establish how dominant logic enables the relationship between Contextual Leadership Intelligence and diversification strategy

2. What role does contextually intelligent behaviours and skills play within the relationship between Contextual Leadership and diversification strategy
3. To what extent are leaders aware of operating within a dynamic context and how does this affect them in a diversification strategy.
4. Develop a de facto model, based on the literature and analysis of results from the interviews to which leaders can practically apply in the enablement of a diversification strategy, highlighting the key stages that a leader needs to go through. The model can then be used as a practical tool for guiding leaders in a diversification strategy.

These objectives were all met and in certain instances exceeded. The findings of this research project, as discussed in Chapter 6, have resulted from a careful journey being undertaken by the researcher, based on the above, to explore the three constructs of diversification, Contextual Leadership and dominant logic, as well as their relevant dimensions. Throughout the journey, the overriding message prevailing was that of the interconnectedness of the various elements not only with each other, but also to their operating context, with the final conclusion being drawn that diversification is enabled through a sequential process of engagement with dominant logic's information filter and Contextual Intelligence, in terms of 3D thinking, patterning of attention and the meta-competencies of behaviour and skills.

The findings from this exploratory research delivered a comprehensive *de facto* model, serving as a conceptual blueprint that can be applied practically by leaders for the enablement of a diversification strategy. It has highlighted the importance of context within the operation of a VUCA environment and how, through the application of this model, leaders will be able to enhance their competitive advantage and remain relevant.

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CHAPTER 9: APPENDICES

Appendix 1: 12 Meta-competencies of Contextual Intelligence

Meta Competency	Description	3D thinking
Future-minded	Has a forward-looking mentality and sense of direction and concern for where the organisation should be in the future	Foresight
Influencer	Uses interpersonal skills to ethically and non-coercively affect the actions and decisions of others	Foresight
Ensures an awareness of mission	Understands and communicates how the individual performance of others influences subordinate's, peer's and supervisor's perception of how the mission is being accomplished	Insight
Socially responsible	Expresses concern about social trends and issues (encourages legislation and policy when appropriate) and volunteers in social and community activities	Insight
Cultural sensitivity	Promotes diversity in multiple contexts and aligns diverse individuals by creating and facilitating diversity and provides opportunities for diverse members to interact in non-discriminatory manner	Hindsight
Multicultural Leadership	Can influence and affect the behaviours and attitudes of peers and subordinates in an ethically diverse context	Hindsight
Diagnoses Context	Knows how to appropriately interpret and react to changing and volatile surroundings	Insight
Change agent	Has the courage to raise difficult and challenging questions that others may perceive as a threat to the status quo. Proactive rather than reactive in rising to challenges, leading, participating in, or making change (i.e., assessing, initiating, researching, planning, constructing and advocating)	Foresight
Effective and constructive use	Uses interpersonal skills, personal power, and influence to constructively and effectively, affect the	Hindsight

of influence	behaviour and decisions of others. Demonstrates the effective use of different types of power in developing a powerful image.	
Intentional leadership	Assesses and evaluates own leadership performance and is aware of strengths and weaknesses. Takes intentional action toward continuous improvement of leadership ability. Has an action guide and delineated goals for achieving personal best	Foresight
Critical thinker	Cognitive ability to make connections, integrate and make practical application of different actions, opinions and information	Hindsight
Consensuses builder	Exhibits interpersonal skill and convinces other people to see the common good or a different point of view for the sake of the organisational mission or values by using listening skills, managing conflict and creating win-win situations.	Insight

Appendix 2: Interview Guideline

Semi Structured Interview Questions

1. **Demographic Information (5 minutes)**

Purpose: to set the context of the respondent in terms of two categories: (1) general demography and experience and (2) their specific context information such as leadership. These questions are intended to put the respondent at ease and frame their thinking to that of diversification and leadership

I would like to get some 'context' as to who you are. Please tell me a little bit about yourself, such as where you work, your education, what you do and what you value most in being a leader?
(Probing: company's leadership role, little about each role, anything poignant from these experiences)
Confirm:

- Gender
- Age
- Time in an executive management position
- Current position

2. **Research Question 2 (20 minutes) – diversification operating in context**

Purpose: to establish the leader's context in terms of their awareness to diversification, leadership and the diagnosis of context.

2.1 Can you give me some details as to which project of diversification you were involved in, as well as the type of diversification?

2.2 What would you describe your leadership style as? *(Probing question: how do you get things done? What makes you a leader?)*

2.3 Having operated within a dynamic changing environment, as a leader, what influence would you say this has had on you in terms of what you know and what you do? *(Probing questions: what they know – skills, abilities and competences, what they*

do – behaviour. Perceptions of operating in a VUCA environment. Organisation entrepreneurial or bureaucratic)

2.4 What is your understanding of operating within context and its application to leadership? *(Probing question: feelings towards change within the context)*

3. Research Question 3 (20 minutes) – Contextual Intelligence

3.1 In your opinion, out of these 6 behaviours, which behaviour would you say was the most important for you during the diversification implementation and why?

Meta Competency	Description
Intentional leadership	Uses interpersonal skills, personal power and influence to affect the behaviour and decisions of others and focuses on own leadership development.
Ensures an awareness of mission	Communicates how others performance influences the organisational mission being accomplished.
Socially responsible	Expresses concern about social trends and issues
Multicultural Leadership	Promotes diversity in multiple contexts
Diagnoses Context	Knows how to appropriately interpret and react to changing and volatile surroundings, with a forward looking mentality and sense of direction for the organisation.
Change agent	Has the courage to proactively raise difficult and challenging questions that others may perceive as a threat to the status quo, whilst encouraging different viewpoints, through listening, managing conflict and creating win-win situations.

3.2 Are there any other important attributes that you feel influenced your ability to implement the diversification strategy?

3.3 How important is hindsight, insight and foresight, been in influencing your ability to operate during a diversification strategy? *(Probing questions: Where there any specific aspects in terms of your experiences or knowledge that came into play here? Schemas at play. Which of these was most important in terms of you achieving the diversification strategy?)*

3.4 Network development and patterning of attention have been considered important attributes of CI. *(Interviewer to explain these concepts to the interviewee as per below).*

Patterning of attention:

- *Dialogue facilitation to share knowledge*
- *Discussion on what's important*
- *Connects employees with information*
- *Injects ideas*
- *Story telling*
- *Encourages raising difficult questions that challenge status quo*

Network development

- *Creates linkages inside and outside organisation*
- *Political savvy in getting benefit for business*
- *Builds networks*
- *Embraces diversity and views*
- *Gathers feedback externally to improve internally*

Please rate each in terms of their importance to you for a diversification strategy: *(Probing question: which do you feel assisted you more in accomplishing the diversification goals)*

3.4.1 Patterning of attention assisted me greatly in implementing the diversification strategy?

Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
(1)	(2)	(3)	(4)	(5)

3.4.2 During patterning of attention, what about it do you feel assisted you? *(Probing questions: filter information, key questions, enable teams, criteria of marking importance now versus later)*

3.4.2 Network development assisted me greatly in implementing the diversification strategy?

Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
(1)	(2)	(3)	(4)	(5)

3.4.2.1 During the networking who did you network with? *(Probing questions: Where there any groups or individuals? Within these networks were they limited to internal or external people, local or geographical? What was the benefit of this choice? Did you encourage this type of behaviour within the organisation?)*

3.5 During the diversification implementation where you aware of the context within which you were operating? *(Probing questions: Please explain your understanding of the context. What factors did you look at in terms of diagnosing your context for diversification?)*

3.6 In terms of remaining competitive and innovative within the current dynamic environment, what type of information or behaviours do you exhibit in order to encourage innovation and idea generation from a dialogue perspective?

4. Research Question 4 (15 minutes) – Diversification

4.1 In your opinion, what role does diversification have to play within the strategy of an organisation and remaining competitive?

4.2 What leadership approach did you adopt for the diversification strategy and why?

4.3 In getting your team aligned to the diversification and achieving the tasks at hand, where there any behaviours, sensitivities (interpersonal) you applied that you found successful? Where there any found unsuccessful?

4.4 Diversification comes with a lot of ambiguity and complexity – how did you cope? What behaviours, or processes did you implement to cope?

4.5 Dealing within a complex environment that is changing, how did you effectively paint the future? (Communication

Appendix 3: Pre interview guideline

Dear

Thank you so much for allowing me to interview you for my research project on diversification strategy and leadership behaviours.

In order to ensure that we get the most out of the session, I have put together some information on the topic of conversation in order to provide you with some context to the subject matter, as well as to perhaps bring about some questions during the exploratory interview.

The context

The ongoing globalisation of markets and industries constitutes one of the most important changes in the business environment of firms. The term “globalisation” has become commoditised in today’s competitive economic setting with constant change and evolvement in business and the working environment becoming rapid, dynamic and uncertain, few would dispute that the primary task of management today is the leadership of organisational growth.

This evolvement requires management to adjust, not only their behaviours but also the direction and functionality of business to remain competitively active. While organisations operate within a constant state of flux, moving into new directions, they need to be able to constantly develop new products, processes or services to enhance their service, performance and functionality offered to the client, ultimately changing at different levels to meet increasingly ambiguous environments. It is within this context that organisations are seeking out diversification strategies as a means to adapt to environmental uncertainty, as strategy is a fundamental decision that an organisation can adopt to diversify for business success and competitive advantage.

As with the business landscape, the leadership landscape has also changed to being enigmatic and dynamic, confronted with a growing chasm among stakeholder’s needs and values. Within a VUCA (volatile, uncertain, complex and ambiguous) world, a leader needs to not only know ***how*** *to* but also know ***what*** *to* do to be successful; providing clear direction and focus. They are expected to understand the environmental turbulence within which the business operates, as well as directing their current and ideal positioning, whilst simultaneously balancing the intra-, inter-, extra-personal / institutional interests to adapt, shape or select environments, all the while being flexible and possessing an adaptive capacity.

Two seemingly irreconcilable facts therefore motivate this study: diversification continues to be an important strategy for organisational growth, yet the link between leadership and strategy remains elusive and leadership behaviours, although identified, have not been linked to effective strategy implementation

Leadership

Leadership is a skill and a behaviour, with the behaviour being the platform to exhibit the skill. I do not want to prescribe any specific research theory in this section in order to ensure untainted data collection. However some points of reference to think about perhaps:

- Role or influence of hindsight, foresight and insight in the decision making
- Role of context in leadership style applied
- Communication used
- Behaviours utilised
- Processes utilised
- The role of information and how you interpret it

Diversification

There exists four types of diversification strategy as per the below table. You may have done one or a few of these.

Diversification growth vector	Description
Vertical integration	The organisation moves into or acquires suppliers / customer's areas of expertise to ensure the supply or use of its own products and services.
Horizontal integration / related diversification	New products (technology unrelated) are introduced to current markets with the realisation of economies of scope and integration.
Concentric integration	Products that are closely related to current products are introduced into the current and / or new markets
Conglomerate diversification	Completely new products are introduced into new markets (technologically unrelated

Once again, the information provided is just to give you some context to the study and its components in order to ensure an effective interview.

I look forward to an engaging exploratory interview with you.

Kind Regards

Camrin Roberts

Appendix 4: Consent letter

Date:

Attention:

RE: Camrin Roberts Thesis General Consent to Participate

Contextual Leadership as an imperative to a Diversification Strategy

Dear X

I am conducting research on the relationship between Contextual Leadership Intelligence in a diversification strategy. I am particularly interested in seeing what behaviours are relevant during a time of diversification in the search for organisational growth and whether there lies an alignment here in terms of Contextual Leadership behaviours identified by research theorists. In doing so I hope to be able to assist and potentially equip leaders with the most appropriate leadership style / behaviour within this specific form of strategic direction.

Our interview is expected to last about an hour, and will be semi structured in terms of the questions asked. The approach will be more of a conversation exploring the various key areas within the field of study identified.

The interview will be recorded for transcribing purposes. Personal details will be removed from the transcription in order to ensure confidentiality.

All the findings brought out in these interviews and conversations will be treated, as confidential and individual transcripts will not be included in the final report that is submitted. Should you wish for your name, company and position to remain confidential please inform the researcher. We will however seek to ask your permission to keep the above on record should the University require this. Should you be interested in a copy of the interview and final submission, this will be made available to you.

Your participation is voluntary and you can withdraw at any time without penalty.
Thank you for taking the time to be a part of this research, your inputs and knowledge are greatly appreciated.
If you have any concerns, please contact my supervisor or me. Our details are provided below.

Researcher
Camrin Roberts
camrinmaher@gmail.com

Sign_____

Research Supervisor:
Dr Caren Scheepers
scheepersc@gibs.co.za

Sign_____

Appendix 5: Ethical Clearance Approval Letter

Dear Miss Camrin Maher,

Protocol Number: Temp2016-01309

Title: Contextual leadership intelligence: providing the link between dominant logic and diversification strategy

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

You are therefore allowed to continue collecting your data.

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

Kind Regards,
Adele Bekker