

Leadership Competencies of Successful Business Leaders in South Africa

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DECLARATION

I, Reshma Baicher hereby confirm that this research report is my own original work, that all sources have been reported and acknowledged, and that this report has not been submitted for the attainment of a degree at any university.

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ABSTRACT

With the advent of democracy, South African business leaders are confronted with numerous challenges like globalisation, cultural diversity, Black economic empowerment, transformation etc; that require innovative thinking, re-engineered approaches and improved competencies.

This study focused on the leadership competencies required of South African business leaders within the financial services industry to deal effectively with these challenges and explored how the developmental needs of business leaders should be addressed.

Contrary to initial predictions, transactional leadership was still prevalent within the industry and both White and Black executives continued to advocate and practice these competencies. However, corporate and individual strategies have been re-defined to incorporate transformational leadership competencies. This has required executives to modify their operating styles and leadership behaviours.

With regard to servant leadership, legislation has required business leaders to focus on their interaction with employees, economic welfare and to increase social contribution. However the overall conclusion is that while banks are becoming “caring organisations” the primary focus will still be on shareholders. This business model is unlikely to change under the present capitalist and market driven economic systems.

The application of African leadership competencies was a contradiction in practice. White executives were of the impression that their organisations had adopted African leadership competencies, but Black business leaders were more sceptical about its adoption. The core reason was that White executives did not necessarily fully understand these values, while Black executives were not represented in sufficient numbers to implement these values in practice.

Leaders are further required to concentrate on their EQ maturity, as this will empower them to become more self-conscious, learn from experience and interpret the behaviour of others.

The study concluded that for business leaders to be successful in the longer term they would need to display, advocate and practice the competencies of charisma, intellectual stimulation, inspiration and transformation, in conjunction with an appreciation of cultural diversity and Ubuntu. The most fundamental variable that proved successful for leaders was that they exhibited time for their people.

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CHAPTER 1

CONTEXTUALISATION OF THE STUDY

1.1 Introduction and orientation

After ten years of democracy in South Africa there is a stable political and economic environment. Much of the success to a relatively peaceful transition could be attributable to the government, its leaders and the wisdom of the overall majority of the people. The economy is performing well and the country has managed to cope with its internal transitional and global challenges (The Department of Trade and Industry, 2004).

As South Africa moves into the next ten years there are many challenges facing the country including job creation, wealth creation for the majority of South Africans and social development. This can be achieved by growth, economic sustainability and broader participation in the economy by the majority. South Africa has enjoyed 10 years of consistent growth (The Department of Trade and Industry, 2004) and a lot has been achieved since 1994. Unfortunately, the extent to which this growth has been shared equitably amongst all South Africans is not as yet adequate to the requirements of a stable, integrated and prospering society. Further, growth can only be accelerated and sustained if all South Africans are meaningfully integrated into the economy. All South Africans need to act collectively to attain these objectives so that there is stability, prosperity and long term sustainable growth.

While much of the responsibility rests with government, the most important role for business according to Pretorius (2004:14) is to promote a positive vision for the future of the country. Business people and business leaders in particular, should make investments, create world class businesses that create jobs, generate wealth for all and achieve success on a sustainable basis. This challenge creates the nucleus of the responsibility of business.

Accordingly, if South Africa is to continue to prosper there is a need for business leaders to “stand out” and “make a difference” and lead South Africa into the next ten years.

South African business leaders, however continue to be confronted with numerous challenges both national (e.g. corporate success, cultural diversity, Black Economic Empowerment, transformation, need for social consciousness etc.) and international (e.g. global competitiveness) which require urgent and decisive action.

Given these challenges and in order to achieve personal and corporate success; South African business leaders need to develop new ways of thinking, re-engineered approaches and improved competencies. In addition business leaders (Pretorius, 2005: 7) need to think unconventionally - "out of the box" to change the rules of the game and consider engaging in new alliances and broader partnerships. Successful business leaders should not only be assessed in terms of their contribution to increase shareholders wealth but also in terms of their contribution to the triple bottom line i.e. employee wealth creation and their contribution to the social and economic development of the environment and communities in which they operate.

The purpose of the research, as will be expanded in the next section will be to focus on the competencies required of South African business leaders to deal effectively with the above challenges. The extent to which they develop these leadership competencies, will allow them to deal with the challenges and this should contribute to their success. Based on the literature review of leadership theories, key competencies as advocated by these theories will be identified and a suggested competency model for South African business leaders will be developed. The results of the research will be used to measure compliance with this competency model.

1.2 Purpose of this research

The objective of the research is to analyse the leadership competencies that business leaders should acquire, develop and sustain that would result not only in them or their organisations being successful, but also those competencies that would lead to prosperity for their employees, communities and the country as a whole.

Although there have been numerous articles published regarding the leadership competency requirements for successful business leaders in the current South African climate, there has been limited research on the behaviour patterns of such leaders since 1994.

Accordingly the purpose of the research is to –

- Identify and understand the challenges facing these leaders;
- Conduct a literature review on what competencies successful leaders should acquire, develop and sustain to effectively deal with these complexities;
- Assess through research the attributes current leaders possess;
- Benchmark the attributes of South African business leaders against the findings from the literature review; and
- Propose recommendations on the competencies which contribute towards being a successful business leader in South Africa.

The key problem faced by business leaders is finding the most appropriate leadership competency model. This issue is dealt with in the next paragraph.

1.3 Statement of the problem and sub-problems

The primary problem could be defined as identifying the most appropriate leadership competency model that South African business leaders should adopt that allows them to meet challenges and achieve success.

South African leaders are confronted with many obstacles and the question is whether there are leadership solutions and/ or prescriptions that can be learnt or used under these circumstances of rapid change and transformation, where problems and issues are complex and stakes are high (Schewella, 2004: 3).

Historically business leaders have adopted conventional leadership competency models which have had strong western influences. Khoza (1994) indicates that corporate culture as experienced in South Africa is very Eurocentric. Business practice as currently conceptualized in most South African corporations is generally cast in a Eurocentric mould, in fact, worse, an Anglo-Saxon mould. This has had the effect of benefiting only a small minority.

The changes in South Africa have created a need for review of other leadership competency models; that would allow not only business leaders of organisations, but also their employees and communities to be successful. Vermaak (1996) indicates

that the isolation of the past and the lack of competition have made South African organisations quite “lethargic and myopic”, and he suggests that they must “wake and change”.

In order to create long term sustainable growth for the country, it is critical for South African leaders to undergo a paradigm shift in order to cope with large-scale turnarounds. Owing to the absence of a blueprint for the future, leaders experience a mental block concerning large scale change. The toughest challenge for the leaders of turnaround and renewal is to have courage and step beyond the limits of the comfort zone (Denton, Vloeberghs, 2002: 93).

The secondary problem has been identified as: how the development needs of business leaders adopting a specific leadership competency model for effective implementation should be addressed. If there are gaps in leadership competencies a leadership development model should be implemented that supports the organisational strategy.

1.4 Definitions

The following are the definitions of key terms that will be used in the research:

- ***Leadership competency models***

A competency model is a descriptive tool that identifies the knowledge, skills, abilities and behaviour needed to perform effectively in an organisation (Lucia and Lepsinger: 1999).

- ***Leaders and managers***

Leaders are those who are concerned with what things mean to people, and they try to get people to agree the most important things to be done (Yukl, 2002: 5). Managers on the other hand are concerned with how things get done, and they try to get people to perform better. However, for the purposes of this research they are used interchangeably, as advocated by Yukl (2002: 8) to indicate people who occupy positions in which they are expected to perform a leadership role, but without any assumption about their actual behaviour or success.

- **Leadership**

Leadership is an influence relationship among leaders and followers who intend real changes that reflect the purposes mutually held by both leaders and followers (Rost & Smith, 1992).

- **Transformation**

This is interpreted to meaning participation by Black people in the mainstream economy to sustain South Africa's successful economic and democratic structures. (Standard Bank Group. 2004: Media Release). This definition has a wider meaning when used in the context of transformational leadership theory. This theory will be dealt with more extensively in paragraph 2.2.4.

- **Black Economic Empowerment**

An integrated and coherent socio-economic process that directly contributes to the economic transformation of South Africa (The Department of Trade and Industry South Africa, 2004).

- **Successful business leaders**

These leaders are assumed to be those people who hold key positions in businesses operating in the mainstream economic environment. They are those leaders that not only increase shareholders wealth but also contribute to the triple bottom line i.e. employee wealth creation and contribution to the social and economic development of the environment and communities in which they operate.

- **Ubuntu**

Mbigi (2004: 39) indicates that literally translated this means "I am because we are: I can only be a person through others".

1.5 Limitations of the study

- **Limitation one**

Presently South Africa has a population of approximately 46.6 million and the unemployment levels are estimated at 27.8%. (Republic of South Africa, Statistics South Africa, 2004.) Furthermore, currently South Africa is a 50/50 society, where half of the population lives in wealth and comfort while the other half lives in abject

poverty (Landman, 2003). To progress to the ideal 70/30 ratio we need to lift six million people out of poverty and that means creating 3.5 million jobs over the next ten years.

Consequently, business leaders face an enormous challenge. This is further hampered by the fact that although there are approximately 412 companies registered on the Johannesburg Securities Exchange (“JSE”), which have the economic power to make a huge difference to the economy, there is a very low percentage of board based ownership of these entities.

However, the importance of a growing number of small to medium enterprises (“SMEs”) should not be ignored. A presentation made at the Naledi – Fes Conference by Horton, Honderich and Modise (2000) indicated that in 1997 it was estimated that there were 421 700, micro enterprises with employees, very small and small enterprises in South Africa making up almost 47% of all businesses.

Accordingly, given the fact that there are a significant number of enterprises operating in South Africa, the study would focus on business leaders within the banking sector of the JSE. All major industry groups within the JSE have adopted various Black Economic Empowerment Industry Charters and labour reform legislation like the Employment Equity Act and the Skills Development Act. Certain of the objectives of these charters and legislations are to increase Black ownership and representation, and develop managerial leadership and skills within these corporate entities. Financial institutions have agreed a target of 25% Black ownership by 2010 and they intend to increase general Black representation within their companies Starke, 2003). Hofstede (1980) further indicates that firms in the retail banking sector are considered progressive organisations, in terms of the workforce diversity, in the South African business context.

This population may not be representative of the leadership competencies within South Africa; however the results may provide some understanding of competency requirements within a key sector of the economy.

- ***Limitation two***

A significant portion of behaviour related to each of the leadership competency models will be assessed mainly in terms of subjective criteria i.e. by way of interviews with the relevant business leaders.

Behaviours will also be measured by collaboration from subordinates. Pre-designed questionnaires will be distributed to subordinates to comment on specific profiles of their senior executives.

- ***Limitation three***

Internationally recognised leadership competency models would be used as a reference to measure leadership competencies in South Africa.

There is no doubt that given the significant changes experienced by businesses over the past ten years, both as a result of internal and global complexities, business leaders need a leadership competency framework in which to operate. South Africa has its own unique challenges and while internationally recognised competency frameworks may be relevant they may need adapting to suit local conditions.

Booyesen and Beaty (1997) indicated that there is no escaping or hiding from the frequency and intensity of events that will confront South African leaders. Forces like Black economic empowerment, government regulation, social responsibilities, business restructuring, international competition, cultural diversity, and work force demographics are still prevalent today. In addition Booyesen (2005) indicates that there are still disparities in numbers between males and females and between White and Black managers and there is need to re-examine management behaviours and training in line with Afrocentric and feminine values in management. These dynamics continue to impact the management style and business strategies of South African business leaders. Thus understanding the competency requirements may assist business leaders in directing their organisations.

The importance of the study has significant relevance since even though there has been an explosion of knowledge availability as a result of the internet, this is largely internationally based and there is a lack of sufficient empirical research and field

research as to an appropriate leadership competency model for South African business leaders.

▪ ***Limitation four***

In dealing with the secondary problem relating to the development needs of adopting a specific competency model, the research will focus predominantly on transformational leadership theory. Based on the literature it seems that the competencies under the transformational leadership theory will have a more favourable impact on South African business leaders. However the importance of the competencies recognised by African leadership theory, in the South African context cannot be ignored, accordingly the development needs will also be pursued.

1.6 Importance of study

The study focuses primarily on finding the most appropriate leadership competency model that South African business leaders should adopt that allows them to meet their challenges and achieve success. Munro (1997) maintains that businesses in South Africa have major opportunities, provided that organisations learn to ride the wave of changes. Re-entry into the global marketplace meant, that South African organisations were able to export their products and skills.

However, apart from globalisation, South African organisations are faced with many internal corporate challenges that complicate efficient functioning and make business management increasingly difficult.

According to Munro (1997), Roodt (1997), Pretorius (2004) and Booysen (2005), these corporate challenges include:

- A significant number of new legislations since 1994 affecting employment and business practices. The legislation has become more complex and onerous on employers;
- A diverse workforce accompanied by different needs, ethnicity, cultures, language and educational levels. For business leaders to succeed they should adopt an all encompassing process where everybody stands to gain;

- The introduction of the Employment Equity Act, Black Economic Empowerment legislation and industry sector charters to empower the previously disadvantaged population;
- Resistance to change by employees due to perceived reverse discrimination, fear of the unknown or comfort with old habits;
- Evolution of technology, information and communication changes requiring revision of existing business models;
- Re-engineering and restructuring of business segments and processes due to other factors, increased competition and poor financial performance; and
- The disparity in numbers between male and female and between White and Black managers.

Maira (2001), Chairman of the Boston Consulting Group in India, is of the view that leaders have two challenges today. The first is setting direction and creating a stable plan amidst unpredictable change. The other is the challenge of reconciling the interests of diverse stakeholders and co-ordinating the actions of many people including those over which the leader does not have authority. These difficulties strike at the core of what organisations and societies expect of their leaders.

McCuiston and Wooldridge (2004) indicate that leaders need to achieve a balance between the human needs of diverse groups and the business objective, and accordingly they must focus on the human component, the law, and the bottom line.

It is hence necessary to find an appropriate competency model that will meet not only the external challenges but also those internally.

The need for adoption of other leadership competency models is also emphasised by:

- Madi (1995) who argues that previous thinking, action and behaviour of the South African corporate world and culture reflected somewhere between that of Europe and the USA and not that of Africa. But he points out that with all the changes taking place in the New South Africa, firms will need to adjust to the idea that they are in Africa and that by the end of the century the average South African will be 15 years old and Black, and they, with their sense of values, perceptions and frames of references will be the workforce of tomorrow.

- Luthans, Van Wyk, & Walumbwa (2004) indicate that in these turbulent geopolitical and economic times, all countries around the globe are teetering on the delicate balance between fear and despair on the one hand, and hope and opportunity on the other. They further indicate that South Africa is a good example of where organisational leaders are on the cusp between fear and hope and between threat and opportunity. They had to deal with post-apartheid organizational culture and business dynamics such as ethnicity and language diversity and the continuing widening gap between the “haves” and the “have nots”. They further argue that, as in a paradigm shift South African managers needed not only new approaches and techniques, but even more importantly, new ways of thinking.

On the other hand the leadership of business leaders is also important for the purposes of dealing with the challenges. Tirmizi (2002) indicates that from experienced chief executive officers (“CEOs”) to new managers, leadership is a perpetual concern for anyone who needs to motivate, guide, and inspire. Leadership is often regarded as the single most critical factor in the success or failure of an institution (Bass, 1990).

The primary research process will be initiated by a literature review of leadership theories. Key competencies as advocated by these theories will then be identified and a suggested competency model for South African business leaders will be developed. Thereafter interviews, using self developed questionnaires generated from leadership theories, will be conducted with specific business leaders in South Africa to measure compliance with this competency model. Certain hypotheses will also be developed regarding competencies advocated by the leadership theories and hypotheses testing will be performed to determine the accuracy of the hypotheses.

1.7 Outline of research report

Chapter 1 provided an introduction to and the purpose of the study. It also elaborated on the challenges South African business leaders are confronted with and presented the related problems and sub problems the research aims to address. It further

defined the importance of the study in the context of the challenges and need for the adoption of leadership competency models.

As the study focuses primarily on finding the most appropriate competency model for South African business leaders, in chapter 2 the theoretical foundation of the study will be dealt with. It will focus on the various leadership theories and studies from which different leadership competency models have been developed. It also seeks to apply the internationally recognised and developing local leadership theories to the South African situation and suggests a suitable leadership competency model. The results of the study will be measured against this competency model.

Chapter 3 sets out the research methodology, hypotheses, research design, sample size, unit of study, measuring instruments, primary data collection method and data analysis techniques.

Chapter 4 contains the research findings, quantitative and qualitative data analysis and Chapter 5 discusses the findings, conclusions and recommendations.

CHAPTER 2

IDENTIFICATION OF A COMPETENCY MODEL FOR SOUTH AFRICAN LEADERS USING RECOGNISED LEADERSHIP THEORIES

2.1 Introduction and key focus areas in this chapter

This section focuses on the prevailing leadership studies and theories and their application and relevance to the South African business environment. While the primary focus will be centred on the most appropriate competency model (dealt with in the first section), the secondary problem relating to development needs of leaders adopting a specific leadership competency model will also be dealt with in the second section.

2.2 Leadership theories and studies supporting competency models

2.2.1 Competency models

As previously indicated the primary problem is identifying the most appropriate leadership competency model that South African business leaders should adopt that allows them to meet challenges and achieve success.

Prior to discussing the various leadership theories it is necessary to understand the relationship of competencies and leadership theories and the overall competency requirements for South African business leaders.

Leadership has been the subject of many researchers and over time many theories have developed. Whilst many of the early theories tended to focus upon the characteristics and behaviours of successful leaders, later theories began to consider the role of followers and characteristics of the situation (Bolden, Gosling, Marturano and Dennison: 2003).

The history of leadership theories could be mapped as follows (Booyesen: 2005):

- 1920s: Emergence of Trait Paradigm (Great man theories)
- 1940s: Behavioural Paradigm
- 1950s and 60s: Situational/ Contingency Paradigm

- 1970s: Emergence of Neo-Charismatic Leadership Paradigm (Transactional and Transformational)
- 1990 - 2000s: Emergence of Ethical/ Spiritual Theories (Ethical, Shared, Spiritual Theories) and re-emergence of Traits, Universal and Cultural specific leadership.

Leadership theories for the purposes of this research will focus on theories emerging from the 1970s and in particular transactional, transformational and servant leadership theories. However, given the complexity of transforming South Africa, the social disparities and culturally diverse nature of the population; it is necessary to consider African leadership with particular focus on Ubuntu.

Each of these leadership theories identifies characteristics namely traits, behaviour and power for leaders to be effective. These characteristics could be defined as competencies. A competency in the context of business leaders is a specific skill, knowledge, or characteristic needed to perform a role effectively and to help a business meet its strategic objectives (Lucia and Lepsinger: 1999). Under each of the above-mentioned theories, key competencies as advocated by these theories will be identified and a suggested competency model for South African business leaders will be developed. Leadership competency models are used to establish qualifications and improve leadership effectiveness in relation to future business challenges (Emiliani: 2003). They also provide a common framework for discussing capabilities and performance. The results of the research will be used to measure compliance with this competency model.

The following section will provide an overview of the competency requirements in light of the challenges faced by business leaders in South Africa.

2.2.2 Overview of the competency requirements

As indicated in previous paragraphs South African leaders face complex challenges and need to find and learn new competencies to deal with them. These competency requirements are discussed below.

Pretorius (2005) indicates that values like honesty and integrity, openness, respect for human dignity, equal opportunities, no discrimination, mutual trust and respect, teamwork, participation and empowerment, recognition for performance, customer

first, quality in everything we do; provides the foundation for sustainable success. He further elaborates that success as a leader is not measured by how many people you control, but how many you liberate to achieve their full potential. Pretorius (1997) also indicated that gaps in leadership competence should be closed by developing a leadership model that supports the leadership strategy.

Paul & Horth (2004) indicate that leaders must be able to challenge old ways of thinking and doing, old paradigms and also the strategy in a non-conventional manner. It requires being open to the future, to see the big picture, to have vision and confidence and a high risk of tolerance with the courage to take a leadership stand.

Macozaoma (2004) asks "What could business leaders learn from (Nelson) Mandela's leadership?" The first lesson, according to him, is love and respect for humankind. The second lesson is finding creative solutions to difficult problems that do not create a rupture in the organisation you lead. This approach requires vision and an ability to articulate that vision for all levels of people. These lessons are central to attributes of servant leadership which are expanded on under the discussion of servant leadership in paragraph 2.2.5 (refer page 28).

Makwana (2003) says that leadership in current times in South Africa means that leaders have to be able to navigate through the roughest terrain in terms of being a pathfinder, but have the ability to assure their people who are looking up to them everything will eventually be fine. The essential ingredients for this type of leadership - sustainable transformation leadership - are integrity, reputation and managing risk.

Maira (2001) is of the view that leaders must lead organisations and communities so their members can learn new ways to work together. She continues by saying that a combination of strong universal forces has changed the task of leadership in a fundamental way in the past two decades. Old concepts that were very effective in different circumstances are being strained beyond their limits of usefulness. Therefore, leaders need new concepts of strategy and organisation to fulfil their roles.

De Beer (2002) suggests that in order to grow the bottom line businesses should care and nurture the growth of employees. He indicates that the following principles can assist in achieving success with employees:-

- Leaders must embrace positive caring energy and a sense of identity and display respect, recognition and equity;
- Fear, control, rigid conformity, insecurity, negligence and dishonesty should be substituted by care, trust, wisdom, confidence, diligence, and integrity; and
- The power of leaders will only be regarded as legitimate if used to empower subjects.

Bennis and Nanus (1985) identified four characteristic leadership strategies when he interviewed over 100 successful managerial leaders in the USA. These are:-

- Attention through vision;
- Leaders are able to draw others to them, not because they have a vision but because they communicate an extraordinary focus of commitment;
- Meaning through communication;
- Leaders make their vision and idea tangible, real and meaningful to others through effective communication, so that they can support them;
- Trust through positioning; and
- Inspiring trust in the leader as well as trusting the followers to do what needs to be done.

Charlton (1996) points out that studies conducted in South Africa have supported the findings of Bennis. He adds that that the above strategies are dependent on the leader's ability to manage himself/ herself.

Emiliani (2003) presents a leadership competency model used by a *Fortune 100* company that contains four categories:

- Leadership;
- Business acumen;
- Communication; and
- Personal.

Additional leadership competencies include:

- Strategic leadership - providing a clear vision to others on what the organisation needs to ensure its future success;
- Teamwork - creating an environment in which everyone is involved, included and have a sense of ownership;
- Developing talent - this achieves competitive advantage and fosters a learning environment by taking personal responsibility for identifying and developing people;
- Customer focus - champion actions to exceed current and future customer needs; and
- Focus on results - drive obligations to closure with precision to benefit the organisation and every constituent (Emiliani, 2003).

In evaluating and analysing all of the above the following key leadership competency requirements for South African business leaders could be derived:

- Honesty and integrity, openness, respect for human dignity;
- Equal opportunities, no discrimination, mutual trust and respect;
- Teamwork, participation and empowerment, with particular emphasis on transformation and Black economic empowerment;
- Recognition for performance;
- Challenge old ways of thinking and doing;
- Love and respect for humankind;
- Find creative solutions to difficult problems, be a pathfinder in difficult times;
- Have the ability to assure people that everything will be fine;
- Lead organisations and communities so that members can learn new ways to work collaboratively;
- Embrace positive caring energy and a sense of identity;
- Care, wisdom, confidence, diligence, vision, communication; and
- Strategic leadership, talent development, customer focus and results driven.

In particular the following leadership competencies show common occurrence among writers and some business leaders in South Africa:

- | | | |
|----------------|-------------|------------|
| 1) Integrity | 2) Honesty | 3) Respect |
| 4) Equality | 5) Vision | 6) Trust |
| 7) Empowerment | 8) Teamwork | |

The above competencies would be considered as key criteria for acceptance of leadership competency models. The sections below will discuss the theoretical foundation of the leadership theories (Transactional, Transformational, Servant and African leadership) and analyse and evaluate them in relation to the leadership competency requirements for successful leaders in South Africa.

2.2.3 An understanding and evaluation of transactional leadership theory

2.2.3.1 Understanding transactional leadership theory

This involves an exchange process that may result in follower compliance with leader requests but is not likely to generate enthusiasm and commitment to task objectives (Yukl, 2002). The main concern of this leadership theory is with the accomplishment of organisational goals in the short term. These leaders are good at defining and communicating work that must be done. They make the rewards for expected performance clear. They practice situational leadership. They understand the strengths and the weaknesses of their subordinates and are effective at maintaining the status quo (Swanepoel, Erasmus, Van Wyk & Schenk: 2003).

The leadership style is conventional and has two sub forms; demand, and reward and control (Larsson, Caristedt, Andersson, Danielson, Johnasson & Robertsson: 2002) . The basis of the first of these two kinds of leadership behaviours could be summarised as “I will be good to you, but only if, you are good to me”. It is called “contingent reward” in Bass’ (1998) original model. The second facet has a more negative tone and emphasises the “if, but only if” aspect. Consequently, it has been labelled if, but only if, rewards. It tends to correlate positively with controlling leadership.

2.2.3.2 Evaluation of transactional leadership theory

The leadership prescription is that, depending on situational variables such as nature of task, leader/ member relationships and the amount of position power the leader possesses, the leader may focus on the task relationship rather than on both simultaneously (Schwella, 2004: 3).

Transactional leaders pursue a cost-benefit economic exchange with followers (Sarros & Santora, 2001). In this relationship, followers' material and psychic needs are satisfied in return for expected work performance. Transactional leadership consists of two factors: contingent reward, passive and active management by exception.

- ***Contingent reward***

Contingent reward leadership achieves results as people, based on Maslow's hierarchy of needs, appreciate tangible, material rewards for their efforts. This leadership promotes compliance by appealing to the needs and wants of individuals. Executives who use contingent rewards are expected to show direction to workers so that the job gets done (Sarros & Santora, 2001).

Contingent reward shows a positive reciprocal relationship between leaders and followers who exchange ideas and skills in the pursuit of company goals and individual goals.

The negative associated with contingent rewards however cannot be ignored. At times executives see performance in monetary terms, and forget that organisations exist as living cultures that rely on mutual transactions among leaders and workers to achieve synergistic outcomes. Taking a narrow focus on limited constituencies and performance indicators compromises these transactions. In this latter case, leadership is limited to material instead of meaningful outcomes (Sarros & Santora, 2001).

According to Bass (1985) transactional leadership is a contingent reinforcement in that the leader and follower agree on what the follower needs to do to be rewarded or to avoid punishment. If there is agreement performance is rewarded and penalties are not imposed.

Bolden et al, (2003) suggest that transactional leadership has been the traditional model of leadership with its focus on the "bottom line" from a business perspective.

The next section focuses on another factor of transactional leadership theory; i.e. passive management by exception.

- ***Passive management by exception***

Management by exception is not the abdication of leadership, characterised by *laissez faire* leadership. Leaders who practice management by exception have implicit trust in their workers to finish the job to a satisfactory standard, and avoid rocking the boat. Trust is implied by the leaders assuming that in order to be rewarded the workers will complete the task at hand. These leaders do not inspire workers to achieve beyond expected outcomes. As long as the target is achieved, the system has worked, everyone is happy and the business exists to face a new day. The leader avoids giving directions if the old ways are working and allows followers to continue doing their jobs as always if performance goals are met. They only intervene if standards are not met. There is little sense of adventure, new horizons, or forward thinking strategies with management by exception leaders (Sarros & Santora, 2001).

The next section focuses on the second component of management by exception i.e. active management by exception.

- ***Active management by exception***

This behaviour is defined in terms of looking for mistakes and enforcing rules to avoid mistakes. This inadvertently communicates to subordinates that poor performance is anticipated but they are not expected to take the initiative to correct it. Such transactional behaviours are likely to suppress empowering norms.

2.2.3.3 Preliminary evaluation of transactional leadership based on literature review

Transactional leadership simply put according to Boehnke, Bontis, DiStefano and DiStefano (2002) focuses on the business of getting things done. According to Bass (1985) transactional leadership is postulated to result in followers achieving a negotiated level of performance. In this regard, both the leader and the follower agree on what the follower will receive for achieving the negotiated level of performance. However, organisational leadership consists of more than reacting to crises and fulfilling basic needs. Leadership is perceived as a transformational process focusing on the mutual needs, aspirations and values that produce positive organisational change and results beyond expectations.

Based on all the discussions in the preceding paragraphs it can be derived that the competencies associated with transactional leadership may not be appropriate to South African business leaders in the current circumstances. Transaction leadership is usually contrasted with transformational leadership and this will be expanded upon in the next section.

2.2.3.4 Hypotheses for transactional leadership theory

Hypothesis 1

It is predicted that leadership competencies related to transactional leadership will not contribute to business leaders achieving success. The leadership competencies advocated by transactional leadership will be rejected by both Black and White business leaders.

Sub-hypothesis 1

The leadership competencies advocated by transactional leadership will be rejected by the majority of Black business leaders.

The exploration of this sub-hypothesis is important for two reasons:

- ***Late entry of Black business executives to the mainstream business environment.***

Prior to South Africa achieving democracy in 1994 there were a limited number of creditable Black business leaders in the JSE listed entities. However due to the introduction of the Black Economic Empowerment legislation and charters, and Employment Equity during the ten years, there has been an increase in the number of Black executives and managers within major corporate entities. Booyesen (2005) indicates that Black male groups are presently the most powered and the power bases have turned upside down. The previous subordinate groups [Blacks] are now the dominant group.

▪ ***Cultural differences between White and Black male business leaders.***

Due to the past political dynamics of the country, the social, economic and cultural influences between these two race groups were substantially different. A study concluded by Booyesen (2001) highlighted the following themes and patterns:

- Blacks were collectivistic in decision making whereas their White counterparts were individualistic.
- Blacks emphasised the team above the individual, whereas Whites focused on skills and individuals.
- The Black leader takes responsibility for the whole team, while Whites were autocratic dictators.
- Blacks were communal, democratic and inclusive.

The importance of cultural differences cannot be underestimated as studies carried out by Hofstede in 1983 and Thomas and Bendixen in 2000 indicate that differences in culture can significantly affect leadership practices.

These hypotheses will be expanded in the research methodology section in chapter 3.

2.2.4 An understanding and evaluation of transformational leadership theory

2.2.4.1 Understanding transformational leadership theory

Yukl (2002) indicates that according to Burns (1978) transformational leadership appeals to the moral values of followers in an attempt to raise their consciousness about ethical values and to mobilise their energy and resources to reform institutions.

With transformational leadership the followers feel trust, admiration, loyalty and respect towards the leader and they are motivated to do more than they originally expected. Furthermore the leader transforms and motivates followers by:

- (1) making them more aware of the importance of task outcomes;
- (2) inducing them to transcend their own self-interest for the sake of the organisation or team; and
- (3) activating their higher-order needs.

Bass (1985) asserts that transformational leadership would result in followers performing beyond expected levels of performance as a consequence of the leader's influence. The underlying influence process is described in terms of raising an awareness of the importance and value of designed outcomes and by developing intellectually stimulating and inspiring followers to transcend their own interests for higher collective purpose, mission or vision. Rouche, Baker & Rose (1989) defined transformational leadership in terms of the ability of a leader to influence the values, attitudes, beliefs, and behaviours of others by working with and through them in order to accomplish the organisation's mission and purpose. According to Ozaralli (2002), Bass' (1995) definition of transformational leadership has four dimensions:

(1) Charisma

The leader provides vision and sense of mission, instils pride, faith and respect; excites, arouses and inspires subordinates.

(2) Individual consideration

The leader provides coaching and teaching, delegates projects to stimulate learning experiences, provides for continuous feedback, and treats each follower as an individual.

(3) Intellectual stimulation

The leader provides subordinates with a flow of challenging new ideas, motivates followers to think in new ways, emphasises problem solving and the use of reasoning before taking action.

(4) Inspiration

The leader acts as a model for subordinates, behaves in ways that motivate and inspire followers by providing meaning and challenge, and communicates a vision.

2.2.4.2 Evaluation of transformational leadership theory

Studies have found (Krishnan, 2001) a significant and positive relationship between transformational leadership and the amount of effort followers are willing to exert, satisfaction with the leader, ratings of job performance and perceived effectiveness (Bass, 1998). Transformational leaders have better relations with the higher-ups and make more contribution to the organisation than those who are only transactional.

The transformational leadership models add to the two fundamental leadership behaviours of initiation and consideration in explaining the variance of subordinates' satisfaction and rating of leadership (Seltzer & Bass, 1990). The leader's vision; and vision implementation through task cues affects performance and many attitudes of subordinates (Kirkpatrick and Locke, 1996). Strength of delivery of vision by the leader is an especially important determinant of perceptions of leader charisma and effectiveness (Awamleh and Garner, 1999). Task feedback interacts with charismatic leadership and is mediated by the subordinate's self-efficacy (Shea and Howell, 1999). Shamir and Howell (1999) found that a leader's emphasis on collective identity was related to the subordinate's level of identification with the leader. Transformational leadership could be potentially effective across a variety of situations; through certain contextual factors like structure of the organisation which could facilitate the emergence and impact of transformational leadership. According to Sarros, et al (2001) transformation leadership raises the consciousness of followers by appealing to their higher ideals and values such as liberty, justice, peace and equity.

The effects of the individual dimensions which is the foundation of transformation is as follows:

- ***Charisma***

This is a behaviour that encourages followers to use their leaders as role models. At the core charisma is the creation of values which inspire, provide meaning for, and instils a sense of purpose in people. For example, as a charismatic leader, Dr Martin Luther King, inspired people through superb oratorical skills, dynamic personality, and persistence to personal and social goals in the face of uncompromising resistance. Charisma is inspirational because it hones in on feelings and attitudes about what is important in life.

According to Yukl (2003) followers are more likely to experience psychological growth and the development of their abilities; and the organisation is more likely to adapt to the environment that is dynamic, hostile and competitive. The organisation has a clearly understood mission that embodies social values beyond mere profit or growth. Members at all levels are empowered to make important decisions about how to implement strategies and do their work, communication is open and

information is shared, and organisation structures and systems support the mission. Leaders who have confidence in their workers can achieve great things. They also have a strong sense of emotional stability and control. These leaders rise above inner conflicts and believe strongly in their capabilities to be masters of their own destinies. Although they are role models to others, they learn from other leaders in return.

In summary, key indicators of charisma are role modelling, value creation and articulation, providing meaning, sense of purpose, confidence in followers, self esteem, emotional control, confidence and self determination.

- ***Individualized consideration***

According to Sarros, et al (2001) this deals with the fundamental transformational behaviours of treating individuals as important contributors to the work place. Leaders who use this style of leadership show consideration for their workers' needs and are prepared to encourage and coach the development of appropriate workplace behaviour. The key elements of this dimension include encouragement, caring for and coaching of individuals, and a consultative and open approach.

- ***Inspirational motivation***

Raising the consciousness of workers about the organisation's mission and vision, and encouraging others in understanding and committing to the vision is a key facet of the transformational leadership style of inspirational leadership. Inspirational motivation addresses the principle of organisational existence (the personality of the leader). The key indicators of inspirational motivation are organisational vision, communication, challenging workers, encouragement, and worker autonomy.

- ***Intellectual stimulation***

Leaders who intellectually stimulate workers encourage creativity and accept challenges as part of their job. They keep their cool, working out ways of dealing with problems in a rational manner. These leaders cultivate the same skills in their workers. They work through difficulties with their staff in a calm, calculated fashion, and use problem solving techniques for reaching decisions that reflect a mutual consensus between leaders and employees. The intellectual stimulation leadership approach reflects in large measure the coaching, morale building strengths of

individualized consideration. Both leadership approaches build character as well as organisation skills through caring leadership behaviours that coach and challenge. Key elements of intellectual stimulation are the ability to solve problems, being creative, providing support, involvement and challenging the status quo. Challenging workers intellectually assumes that certain abilities exist in workers. For example, presenting an intellectually demanding task means first understanding it yourself. Second, the task will be meaningless and wasted effort if workers do not have access to the materials and resources needed to complete the challenge, or lack the required skills and training for the task.

- ***Inspiration***

Inspiration builds subordinates self confidence with respect to goal attainment (Bass and Avolio, 1993). This behaviour includes articulation of an appealing vision that relates task objectives to follower values and ideals.

Yukl (2002) provides guidelines for transformational leadership. This includes:

- ***Articulating a clear and appealing vision***

Transformational leaders strengthen the existing vision or build commitment to a new vision. A clear vision of what an organisation could accomplish or become will help people understand the purpose, objectives and priorities of the organisation. The vision helps guide the actions and decisions of each member of the organisation, which is especially important when individuals or groups are allowed considerable autonomy and discretion in their work decisions.

- ***Explain how the vision can be attained***

It is not enough to articulate an appealing vision; the leader must also convince followers that the vision is feasible. The strategy for attaining the vision is most likely to be persuasive when it is unconventional yet straightforward.

- ***Act confidently and optimistically***

Followers are not going to have faith in a vision unless the leader demonstrates self-confidence and conviction. It is important to remain optimistic about the likely success of the group in attaining its vision, especially in the face of temporary roadblocks and setbacks.

- ***Express confidence in followers***

The motivating effect of a vision also depends on the extent to which subordinates are confident about their ability to achieve it. Research on the “Pygmalion effect” found that people perform better when a leader had high expectations of them and shows confidence in them.

- ***Use dramatic, symbolic actions to emphasise key values***

A vision is reinforced by leadership behaviour that is consistent with it. Dynamic, highly visible actions are an effective way to emphasise key values. Symbolic actions to achieve an important objective or defend an important value are likely to be more influential when the manager risks substantial personal loss, makes self-sacrifice, or does things that are unconventional.

- ***Lead by example***

According to an old saying, action speaks louder than words. One way a leader can influence subordinate commitment is by setting an example of exemplary behaviour in day-to-day interactions with subordinates. Leading by example is sometimes called “role modelling”. Leaders are role models who stand up for their beliefs and they practice what they preach. They show others by their own example that they live by the values that they profess (Tirmizi, 2002).

- ***Empower people to achieve the vision***

An essential part of transformational leadership is to empower people to achieve the vision. Empowerment means delegating authority for decisions to individuals and teams about how to do the work. Bennis and Nanus (1985) conclude that great leaders empower others to translate their vision into reality and to sustain it.

2.2.4.3 Preliminary evaluation of transformational leadership based on literature review

Transformational leadership theory is largely based on the theories by Burns (1978) and he indicates that the primary leadership role or function is to increase awareness about ethical issues and help people resolve conflicting values.

Bolden et al: 2003 are of the view that transformational leaders are proactive in many different and unique ways. These leaders attempt to optimise development not just performance. Through the development of their associates, they optimize the development of their organisation as well. High performing associates build high performing organisations.

The innovative and creative leader in South Africa (Sigcau, 2005) is the one who is transformational, not transactional. In other words they are not event oriented but plan for the long term. They embrace diversity and learn how to lead in a great variety of cultural contexts.

As could be seen from the above discussions this theory is one of the most relevant theories in the current business and social environment in South Africa and an appropriate methodology to assist South African business leaders in addressing their challenges.

Hypotheses will be developed in the next paragraph to apply the competencies under this leadership style.

2.2.4.4 Hypotheses for transformational leadership theory

Hypothesis 2

It is predicted that leadership competencies related to transformational leadership are currently being adopted by business leaders to achieve success.

Sub-hypotheses 2

Certain leadership competencies like vision, charisma, lead by example, empowerment related to transformational leadership will endorsed by both Black and White business leaders in South Africa.

These hypotheses will be expanded in the research methodology section in chapter 3.

Having evaluated transactional and transformational leadership theory the next section will deal with an analysis and evaluation of servant leadership.

2.2.5 An understanding and evaluation of servant leadership theory

2.2.5.1 Understanding servant leadership theory

According to Yukl (2002: 404) in 1970 Robert Greenleaf proposed the concept of “servant leadership”. For Greenleaf service to followers is the primary responsibility of leaders and the essence of ethical leadership. Service includes nurturing, defending and empowering followers. A servant leader must attend to the needs of the followers and help them become healthier, wiser, and more willing to accept their responsibilities. It is only by understanding followers that the leader can determine how best to serve their needs.

Servant leaders must listen to followers, learn about their needs and aspirations, and be willing to share in their pain and frustration.

Russell and Stone (2002) indicate that Larry Spears (1998) CEO of the Greenleaf Centre, concluded that Robert Greenleaf’s writing incorporated ten major attributes of servant leadership. This included:

- 1) Listening
- 2) Empathy
- 3) Healing
- 4) Awareness
- 5) Persuasion
- 6) Conceptualization
- 7) Foresight
- 8) Stewardship
- 9) Commitment to the growth of people
- 10) Building community

Servant leadership encourages everyone to balance leading and serving within their own lives. For people in leadership positions, it reminds us that our primary responsibility is serving others. For people who are in followers’ positions, it encourages them to look for situational opportunities to provide leadership. The end result of this moving back and forth between leading and following to enhance our lives as individuals; is to raise the possibilities of many institutions (Spears, 1992).

Spears (1998) further indicates that when organisations are undergoing change, servant leadership associated with transformational leadership, can help institutions as a guiding philosophy or provide trustee (board of directors) education, and assist with employee education programmes.

Servant leadership theory is also closely related to spiritual leadership theory. Fry (2003) indicates that the servant leader brings together service and meaning – the leader is attuned to basic spiritual values and, in embracing these serves others including colleagues, the organisation and society. The framework for servant leadership consists of helping others discover their inner spirit, earning and keeping others trust, service over self-interest, effective listening and setting a culture based on altruistic love, care and concern for employees. These ethical and values-based leadership approaches (i.e. servant and spiritual leadership) requires leaders to get in touch with their core values and communicate them through vision and personal actions. In this way the leader serves his followers and other relevant stakeholders.

2.2.5.2 Evaluation of servant leadership theory

As indicated above the focus of servant leadership (Greenleaf, 1997) is on others rather than upon the self and on understanding the role of a servant. Self interest should not motivate servant leadership; rather it should ascend a higher plane of motivation. According to Russel and Stone (2002) the servant leader's primary objective is to serve and meet the needs of others, which optimally should be the prime motivation for leadership. Servant leaders develop people, helping them to strive and flourish. Servant leaders provide vision, gain credibility and trust from followers and influence others.

Greenleaf (1998) has identified six areas where servant leadership has a role to play. These are:

- Servant leadership as an institutional philosophy and model. Servant leadership crosses all boundaries and is being applied by a wide variety of people working with for-profit businesses, not-for-profit corporations, hospitals, government, churches, universities and foundations;
- Trustees as servants. This applies to board of directors and trustees of institutions. Servant leadership suggests that boards of trustees need to undergo a radical shift in how they approach their roles. Trustees who seek to act as servants can help to create institutions of great depth and quality;
- Community leader organisations;
- Experiential education at universities and colleges;
- Education and training programmes; and
- Personal and spiritual growth.

Greenleaf identified ten major attributes of servant leadership as highlighted previously. However, Spears (1998) stated that these ten characteristics of servant leadership were by no means exhaustive. Subsequent writers on the subject have specifically identified other attributes that are consistent with Greenleaf's writings and appropriately included these in a review of servant leadership (Russell and Stone, 2002). The overall literature reveals at least 20 distinguishable attributes of servant leadership. Nine of the attributes are classified as functional as a result of their repetitive prominence in the literature. These attributes are:

- | | | |
|---------------|---------------------------|-----------------|
| 1) Vision | 2) Honesty | 3) Integrity |
| 4) Trust | 5) Service | 6) Modelling |
| 7) Pioneering | 8) Appreciation of others | 9) Empowerment. |

In addition to these functional attributes the literature identifies other accompanying attributes which include:

- | | | |
|------------------|------------------|----------------|
| 1) Communication | 2) Competence | 3) Stewardship |
| 4) Visibility | 5) Influence | 6) Persuasion |
| 7) Listening | 8) Encouragement | 9) Teaching |
| 10) Delegation | | |

Paragraph 2.2.2 sets out an overview of the competency requirements for South African leaders (refer page 13) based on those leadership competencies showing common occurrence among writers and some business leaders in South Africa. The attributes applicable to servant leadership have many similarities. In particular the leadership competencies of honesty, integrity, trust and empowerment.

However since little empirical research currently supports the servant leadership concept, any model that attempts to portray the theory is clearly subject to legitimate criticism. Therefore, the model that follows is simply a hypothetical construct put forth for the purpose of generating discussion and analysis. In an attempt to give cohesion to the development of a theory, a practical model for servant leadership was developed. The "working model" is valuable because it serves as a foundation for understanding, applying, researching and developing the servant leadership concept (Russell & Stone, 2002).

Russell & Stone (2002) conclude that many theorists and researchers espouse servant leadership as a valid model for modern organisational leadership. However, although servant leadership theory is somewhat undefined, the attributes identified therein provide the basis for a model which provides the structural foundation for research regarding the theory as well as direction for practical implementation.

2.2.5.3 Preliminary evaluation of servant leadership based on the literature review

Many theorists and researchers (Russell. et al, 2002) espouse servant leadership as a valid model for modern organisational leadership. However servant leadership theory is somewhat undefined and not yet supported by sufficient empirical research.

The model for servant leadership, referred to above, provides the structural foundation for research regarding the theory, but the task is still to take the literature and theoretical constructs into field research and real-world application.

Accordingly, it would be difficult to directly apply the concept of servant leadership to the South African situation without empirical research. Russell. et al, 2002 do however indicate that the model for servant leadership could be used for the purposes of discussion and analysis and it is valuable to serve as a foundation for understanding, applying, researching and developing the servant leadership concept.

2.2.5.4 Proposition for servant leadership theory

Proposition 1

It would be difficult to predict the outcomes under servant leadership as there is no supporting empirical research to support this theory. An attempt would be made during the interviews to ascertain the responses of business leaders regarding certain propositions regarding servant leadership. Particular emphasis will be placed on the matter of leader focus.

Proposition outcome

South African business leaders are less supportive of the competencies advocated by servant leadership compared to those under transformational leadership theory.

This proposition will be expanded in the research methodology section in chapter 3 below.

2.2.6 An understanding and evaluation of African leadership theory

2.2.6.1 Understanding African leadership theory

Mbigi (2004) indicates that it is important for us to explore the cultural paradigms in organisational leadership. He indicates that we are all products of our cultures. Hampden-Turner and Trompenaars (1993) argue that we can only see what our cultural paradigms allow us to see, so leaders and employees can only see what their organisation's culture allows them to see. This has serious implications for leadership theories and practices. The essence of leadership excellence (Mbigi, 2004) is the ability to lift the host of African culture and harnesses to it the complementary competencies of the global cultures.

The African world view is characterised by a deliberate emphasis on people and their dignity – an emphasis on the collective brotherhood of mankind called Ubuntu. The key values in African leadership are:

- (1) Respect for the dignity of others;
- (2) Group solidarity: an injury to one is an injury to all;
- (3) Teamwork: none of us is greater than all of us;
- (4) Service to others in the spirit of harmony;
- (5) Interdependence; and
- (6) Persuasion.

Khoza (2000) indicates that a new concept of business in South Africa is required which should take into account the traditions and culture of the African participants in commerce and industry i.e. community concept. He further explains that the community concept of management has a strong philosophical base in the concept of Ubuntu. It brings to fore images of supportiveness, cooperation and solidarity; i.e. communalism. It is the basis of a social contract that stems from and transcends the narrow confines of the nuclear family to the extended kinship network; the community.

Van der Cloff (2003) further indicates that traditionally African leadership is built on participation, responsibility and spiritual authority. According to Lessem and Nussbaum (1996) African leadership requires transparency, accountability and legitimacy. It therefore becomes imperative for the enterprising business community in South Africa to stop imposing a foreign organisational culture on people and to create an inclusive culture, enabling everyone to be nurtured in a cohesive, yet diverse manner. The only way in which leaders can be legitimate is to be role models for their followers through their actions, showing personal commitment to the values and goals established in the organisation. Successful leaders, therefore, have the ability or capacity to relate a compelling image of the organisation's vision through enthusiasm and personal buy-in. Leaders should be trustworthy themselves before expecting the same from employees.

Van der Colff (2003) also emphasises that, leaders can be legitimate by being role models for their followers through their actions, showing personal commitment to the values and goals established in the organisation. Furthermore, leaders should model the way for their employees by their personal value commitment. Not only is it imperative for leaders to be productive in their right, but the leader must create an environment for all employees that is enabling. The role of the leader in modelling the way includes the ability to foster a productive work environment. This can be done through the leader's personal convictions and skills. Therefore, it is important for leaders to be flexible and adaptable to the needs of the employees in such a way that employees become more empowered.

2.2.6.2 Evaluation of African leadership theory

In trying to explain the relevance of the concept of Ubuntu in African management, Mbigi (1995a,b) has developed the concept of an African tree. According to Mbigi the African world view is characterised by a deliberate emphasis on people and their dignity – an emphasis on the collective brotherhood of mankind called Ubuntu. Mbigi (2004) indicates that the genius of South African leadership tradition lies in Ubuntu – the independence of humanity, emphasising human dignity and respect through consensus democracy, people mobilisation, solidarity and care.

The key values advocated by this concept for cultivating African leadership have been indicated under the section understanding African leadership theory. Mbigi (2004) further extrapolates:

- Interdependence as each of us needs all of us. People need to be accepted and recognised for their special and unique spirit. The most successful servant leaders are those who become skilled empathetic leaders; and
- Persuasion as the clearest distinction between the conventional authoritarian leadership style and that of servant leadership.

Mbigi (2004) indicates that the hallmark of African leadership traditions and practices is consensus democracy which accommodates minority positions to ensure the greatest level of justice and avoids sabotage during the implementation process.

Compromise, persuasion, discussion and accommodation, listening and freedom of speech are the key elements of the African leadership paradigm.

Khoza (2000) explains that Ubuntu is an orientation to life as opposed to individualism and insensitive competitiveness. Neither is it comfortable with collectivism where collectivism stresses the importance of the social unit to the point of depersonalising the individual. At the same time it places great importance on working for the common good. The Ubuntu philosophy and the community concept of the corporation have significant practical implications for corporate life. Among these are the fact that they provide a cultural hotbed for such important values as creative co-operation, empathetic communication and team work. They provide a basis for what should be corporate culture on African soil. He further emphasises that corporate South Africa would be well advised to explore them more seriously with a view to developing a composite, more generally accepted art of South African management.

Khoza (1994) also argues that it is a fallacy to believe that business culture can be imposed on people, and that it can work perfectly, without taking into account the cultural archetypes of people in question. Yet he continues, corporate South Africa is guilty of just this. "Corporate culture as experienced in South Africa is very Eurocentric. Business practice as currently conceptualised in most South African corporations is generally cast in a Eurocentric mould, in fact worse an Anglo-Saxon mould". He also stresses that to assume and apply Western management practices

without questioning them is to impose less than optimal solutions on South African management challenges and circumstances because we fail to realise our potential in terms of issues such as values and the structure of society in general. Manning (1996, 1997a, 1997b) claims that this is one of the biggest challenges for business leaders in South Africa: how to simultaneously compete globally and function within a communal (Booyesen: 2001).

The concept of African leadership is further emphasised by Sigcau (2005) who indicates that the innovative and creative leader in South Africa is the one who is transformational, not transactional. It embraces diversity and leaders should lead on a great variety of cultural contexts. When extrapolating African leadership theory she refers to Madi who sees in the life of King Shaka Zulu's lessons in leadership which are relevant in the corporate world as they are in the rest of society. The ten lessons of leadership from King Shaka are the following:

- (1) Build a sense of mission;
- (2) Mission is more important than convention;
- (3) To be a conqueror, be apprenticed to a conqueror ;
- (4) Lead the charge (from the front);
- (5) Build a fanatical team;
- (6) Go where the angels fear to tread (good old courage is still king);
- (7) Be a good strategist (or get one);
- (8) Know the battlefield (better than the enemy);
- (9) Be obsessed with world-class technologies; and
- (10) Don't believe your own public relations officer (mistrust).

Taking into consideration these lessons, she further indicates that the challenge for leaders of the future is that their success should be blended with the philosophy of lifting themselves with that of ploughing back to the communities. Her plea is that leaders walk tirelessly till their people say: they have arrived – politically, socially and economically.

Van der Cloff (2003) explains that the concept of communal enterprise, emphasised by African management, can be achieved within an organisation by working in teams. The organisation must subscribe to a style of leadership that would provide the individual to see the connection between individual and organisational direction. In

order to do this there must be a clearly defined vision. The vision should be identified, communicated and translated in such a way as having grown out of the needs of the entire organisation. The leader must also articulate the vision and communicate his motivation to lead. The vision is articulated in such a way as to create a strong identification with future goals, and a compelling desire to be led in the direction of the goal despite possible hurdles. Van der Colff (2003) also recommends that the leader strives to develop the following five competencies in defining the vision:

- The leader must enlist a common vision appropriate to all employees;
- The leader must incorporate a vision of the future for the organisation, thereby setting organisational goals and objectives;
- The leader must be visionary who is able to see the bigger picture and must personally stand for the values that are created;
- The leader must encourage others to make a commitment to organisational values; and
- Lastly, the leader must develop values that will recognise diversity as a strategic asset.

Van der Cloff (2003) also explains the concept of value sharing, another characteristic emphasised by African management. This concept is interlinked with the values of interconnections, continuous integrated development, respect and dignity, and collectivism and solidarity. According to Mthembu (in Lessem and Nussabaum, 1996) if organisations can be seen as communities and not just as structures of power, it would be possible for organisations to provide the fertile ground necessary for individual empowerment.

Organisations should therefore make use of continuous integrated development. In the end, it is imperative that the organisation ensures a development process implemented for all staff whereby all competencies could be enhanced. Developing employees may lead to them becoming future leaders. The only way leaders will be able to maximise commitment to organisational goals and strategy is through people development and empowerment. In this way empowered employees can be mobilised towards the organisation's vision.

Teams and autonomous workgroups can be used in the organisation to ensure collectivism and solidarity. This form of work method can be utilised on crucial

business issues such as training, decision making, production related issues, as well as reward systems.

Within the organisation, people from very diverse backgrounds are brought together to effectively manage and develop organisational solutions. The leader must be able to synergise individual effort to achieve organisational goals by balancing individual and group needs to foster a positive climate to prevail within the workforce that is motivated and productive.

One of the most dominant characteristics in African culture is the belief that all things and people are interconnected and bound together. In the business environment, it is important to accept the relevance of group solidarity and interconnectedness, which comes from sharing the company's values, vision and overall goals.

Booyesen (2001) concludes that the two different leadership approaches i.e. Afrocentric and Eurocentric represents one of the dilemmas South African managers face. On the one hand the Eurocentric approach has proven valuable in improving organisational and work performance world-wide and in South Africa. Managers in South Africa must accept concepts embodied in the indigenous African philosophy. However, managers do not, and should not, attempt to choose between the two approaches. Instead business needs to marry these two sets of values, even if the marriage is a rather a hasty one. She further indicates that if South African organisations are to survive, the dominant Western management paradigm needs to move in the direction of valuing both management systems alongside each other as equally important. She indicates that "South African leaders need to "South Africanise" in order to mobilise the people of South Africa effectively" (Booyesen, 2001: 37-63).

Booyesen and Beaty (1997) indicate that the implications of an Ubuntu-oriented leadership style includes not only teamwork down to grass-roots level, but also the encouragement of team members or followers to sacrifice their personal gain/ goals for those of the group as a whole. They indicate this style includes creative cooperation, open communication, teamwork, and reciprocal moral obligations.

Beaty (1996) argues that managers should not have to choose between Eurocentric and Afrocentric management approaches in South Africa, but placing these two approaches on two ends of the continuum is not the current reality confronting most managers in South Africa. South African managers do not face a 'melting pot' of people from one or two cultures. In fact, the South African workplace reflects many diverse cultures including European, African, Asian, Indian and Middle Eastern. People from the same culture in South Africa also differ along regional and ethnic lines, reflecting a workplace of a "cultural fruit cocktail."

Van der Cloff (2003) concludes that certain, if not all, of the characteristics of the African management theory, are general leadership values that should be espoused in excellent leaders. All parties should draw on some African values and contextualise them within the corporate world to create not only a value-centred and inclusive culture, but to develop a network of skills and competencies appropriate for leadership in the next millennium.

2.2.6.3 Preliminary evaluation of African leadership theory based on literature review

The same criticism levelled against servant leadership regarding the fact that it is somewhat undefined and not yet supported by sufficient empirical research, would apply to African leadership theory. This is primarily because the concept of Ubuntu has only articulated itself in the mainstream South African business environment in recent years. However the model has much relevance in South Africa and like servant leadership provides the structural foundation for research regarding the theory. The task however, is still to take the literature and theoretical constructs into field research in the mainstream business environment.

Without empirical research it would be difficult to directly apply the concept of African leadership theory to the South African situation. However the similarities identified with transformation leadership will be covered when evaluating transformational leadership.

2.2.6.4 Proposition for African leadership theory

Proposition 2

On the same basis that servant leadership lacks empirical research to support African leadership theory; an attempt would be made during the interviews to ascertain the views of the respondents' regarding African leadership. Particular emphasis will be placed on the concept of Ubuntu. The responses will be evaluated by way of propositions.

Proposition outcome

Business leaders are generally aware of the competencies advocated by African leadership theory; however they have not fully embraced these competencies.

Sub-proposition outcome 2

Due to cultural differences Black business leaders have embraced these competencies and incorporated them in their practice more easily than their White counterparts.

This proposition will be expanded in the research methodology section in chapter 3.

2.2.7 Comparison of competencies advocated by transformational, servant and African leadership

The first discussion will be a comparison between the competencies advocated by transformational leadership compared to servant leadership. Thereafter there will be a comparison between transformational and African leadership.

2.2.7.1 Competencies advocated by transformational and servant leadership theories

From the literature review of these two leadership theories there is an indication that attributes identified under servant leadership do provide a reasonable basis for comparing servant leadership with transformational leadership.

Stone et al (2003) set out the similarities and differences as identified in Table 1.

Table 1: Similarities and differences between transformational leadership competencies and servant leadership competencies

Transformational leadership competencies	Servant leadership competencies
<i>Charisma</i> Vision, trust, respect, risk-sharing, integrity, modelling	Influence, credibility and competence, delegation, vision, trust, honesty and integrity, modelling , visibility, service
<i>Individual consideration</i> Personal attention, mentoring, listening, empowerment	Appreciation for others, encouragement, teaching, listening, empowerment
<i>Intellectual stimulation</i> Rationality, problem solving	Pioneering, persuasion
<i>Inspiration</i> Commitment to goals, communication, enthusiasm	Stewardship, communication

Source: Adapted from "Transformational versus servant leadership: a difference in leader focus" by A. Gregory Stone, Robert F. Russell and Kathleen Patterson, published in The Leadership & Organisation Development Journal, Vol 25. No. 4, Nov 2004.

The side by side comparison reveals that transformational leadership and servant leadership have relatively analogous characteristics. Perhaps this is because both are people-oriented leadership styles and incorporate- influence, vision, trust, respect or credibility, risk-sharing or delegation, integrity and modelling.

Both transformational leadership and servant leadership emphasise the importance of appreciating and valuing people, listening, mentoring or teaching, and empowering followers. In fact, the theories are probably most similar in stressing individualised consideration and appreciation of followers.

Nevertheless, transformational leadership and servant leadership do have points of variation. There is much greater emphasis upon service to followers in the servant leadership paradigm. Furthermore, while both are influential, servant leaders gain influence in a non-traditional manner that derives from servant-hood itself (Russell. et al, 2002). In so doing they allow extraordinary followers to exercise their own abilities.

They also place much higher degree of trust in their followers than would be the case in any leadership style where the leader is directive.

The principle difference between the transformational and servant leadership styles is the focus of the leader. While both show concern for their followers, the overriding focus of the servant leader is upon service to followers. The transformational leader has a greater concern for getting followers to engage in and support organisational objectives. The extent to which the leader is able to shift the primary focus of his or her leadership from the organisation to the follower is the distinguishing factor in determining whether the leader may be a transformational or servant leader.

2.2.7.2 Competencies advocated by transformational and African leadership theories

It is clear that the characteristics of African management have many similarities to servant leadership; although not the same emphasis on the follower as advocated by servant leadership. Mbigi (2004) indicates that the servant leader, effective at building consensus, is the heart and soul of African leadership because it sums up the philosophy of Ubuntu. In servant leadership, the overriding focus of the servant leader is upon service to followers.

If compared to transformational leadership theory there are also many similarities in competencies. Table 2 identifies the similarities and differences between the two theories.

The similarities in competencies between transformational, servant and African leadership theories, as highlighted in figure 1 together with the eight competencies depicted in paragraph 2.2.2 (page 16), will be considered when developing the theoretical leadership competency model.

Table 2: Similarities and differences between transformational leadership and African leadership competencies

Transformational leadership competencies	African leadership competencies
<p>Charisma Vision, trust, respect, risk-sharing, integrity, modelling</p>	<p>Vision, dignity, service to others in the spirit of harmony, interdependence, persuasion, modelling</p>
<p>Individual consideration Personal attention, mentoring, listening, empowerment</p>	<p>Consensus democracy, supportiveness, cooperation and solidarity, empowerment, communal enterprise</p>
<p>Intellectual stimulation Rationality, problem solving</p>	<p>Teamwork</p>
<p>Inspiration Commitment to goals, communication, enthusiasm</p>	<p>Group solidarity, commitment to goals, communication</p>

Source: Adapted from "Transformational-Transactional leadership model" by JC Sarros and JC Sanotora published in The leadership and organisational development journal, vol 22/8 , July 2001 and Leadership lessons from the African tree published in the Management Decision Journal, vol 41/3, 2003.

2.2.7.3 Overlap of competencies advocated by transformational, servant and African leadership theories

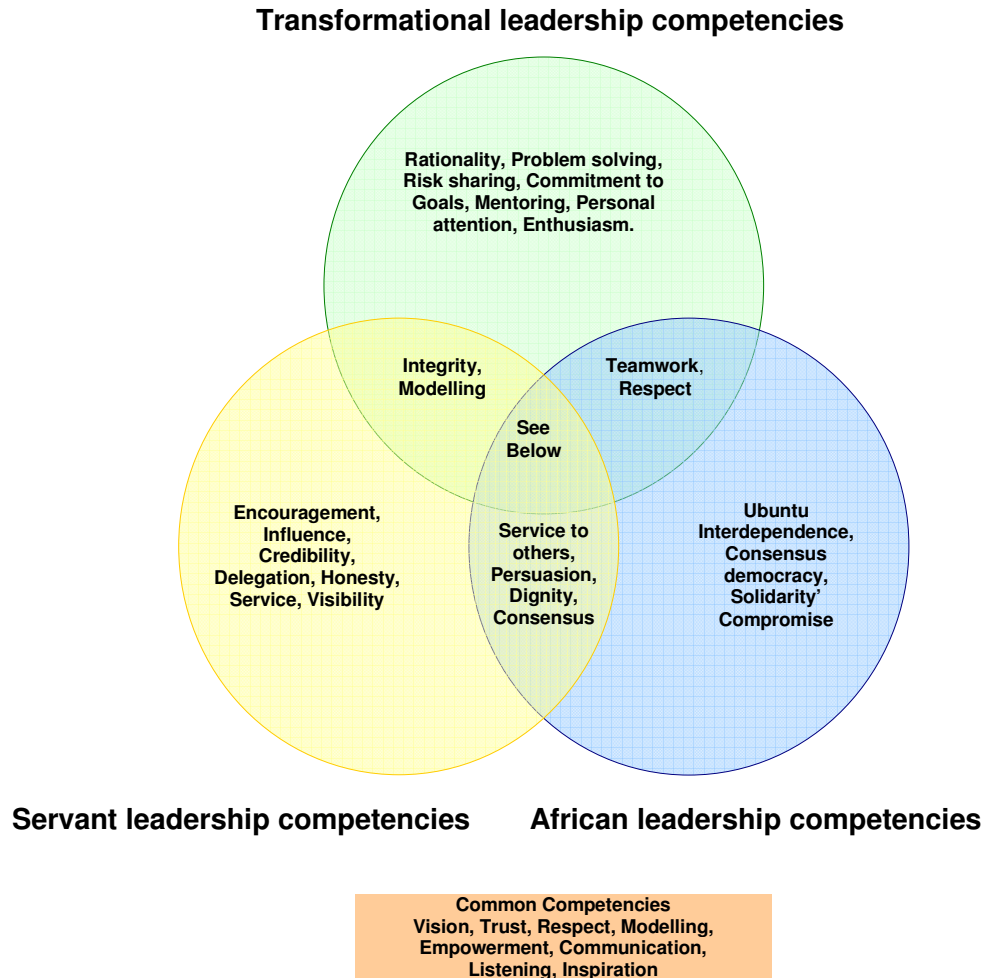


Figure 1: Overlap of competencies advocated by the leadership theories.

The section that follows will propose a leadership competency model for assessing South African business leaders.

2.2.8 Suggested leadership competency model for South African business leaders

In proposing a leadership competency model consideration must be taken of the challenges South African business leaders currently face. The key challenges as discussed in earlier chapters are:

- Job and wealth creation;
- Corporate success;
- Cultural and workforce diversity;
- Black Economic Empowerment;
- Transformation;
- Global competition;
- Implementation of labour legislation;
- Resistance to change by certain employees;
- Evolution of technology information and communication; and
- Changes in business models

From the evaluation and assessment of the various leadership theories the competencies illustrated in table 3 are considered to be the most appropriate for the success of business leaders in South Africa:

The results of the research, which will be evaluated in chapter 4, will be measured against these competencies to establish whether business leaders and their subordinates are in agreement.

Having focused on an appropriate competency model the next section will deal with the secondary problem relating to development needs of South African business leaders adopting a specific competency model.

Table 3: Suggested competency model for South African business leaders

<i>Charisma</i>	Business leaders provide a clear vision and direction to the organisation and instil pride in subordinates and employees. They present their vision with optimism and enthusiasm.
<i>Intellectual stimulation</i>	Business leaders provide subordinates with new ideas and motivate them to think “out of the box” and challenge traditional methods. They turn vision into accomplishments by engaging others in a constructive manner.
<i>Inspiration</i>	Business leaders act in manner that motivates and inspires others as they lead by example. They generate excitement in the organisation by acting in a positive and proactive manner.
<i>Trust, respect and integrity</i>	Subordinates are trusted and treated with respect and business leaders act with integrity.
<i>Teamwork</i>	Leaders create an environment in which everyone is involved, included and have a sense of ownership. They share ideas and give positive feedback. They utilise the skills of the group to achieve objectives and remove obstacles to team performance.
<i>Commitment to the development of people</i>	There is adequate coaching, training of employees, performance appraisal systems and career development plans for all employees within the organisation. They provide hands-on help to improve performance, they listen attentively and they encourage and celebrate individual successes.
<i>Empowerment</i>	Subordinates are delegated responsibility to make their own decisions and are rewarded for success.
<i>Transformation</i>	Through their behaviours and actions business leaders attempt to ensure that everyone in the organisation is treated fairly and given equal opportunities. They are committed to legislative reforms and recognise cultural diversity as a strength of the organisation.

2.3 Identification and evaluation of development needs associated with competency models

2.3.1 Development needs

In this section comments on the secondary problem are made as to how the development needs of business leaders adopting a specific competency model for effective implementation should be addressed.

The ability of competency models to deliver benefits to individual managers and to the business at large is compromised because of conventional management practices (Emiliani, 2003). The benefits associated with conventional management practices are shown to result in leadership behaviours and competencies that do not benefit the business or stakeholders and thus conceal well-intended efforts to improve leaders' skills through leadership competency models.

Every business person knows a story about a highly intelligent, highly skilled executive who was promoted into a leadership position only to fail at the job (Goleman, 1998). He found that most effective leaders are alike in one crucial way: they all have a high degree of emotional intelligence (EQ). It's not Intelligence Quotient (IQ) and technical skills that are irrelevant, but his research along with other recent studies, clearly shows that EQ is the "sin qua non" (Latin legal term for "without which it could not be") of leadership. Without it a person can have the best training in the world, an incisive, analytical mind, and an endless supply of smart ideas, but still would not make a great leader.

In his research comprising of 200 large, global companies Goleman, (1998) found that while the qualities traditionally associated with leadership – such as intelligence, toughness, determination, and vision – are required for success, they are insufficient. Truly effective leaders are also distinguished by a high degree of emotional intelligence, which includes self awareness, self regulation, motivation, empathy and social skill.

Goleman found that when he analysed and calculated the ratio of technical skills, IQ and EQ as ingredients of excellence performance, EQ proved to be twice as

important as the others for jobs at all levels (Schwella: 2004). There is therefore a link to organisational leadership.

Higgs et al (2003) indicate that according to Goleman (1998, 2000) it has been asserted that whichever model of leadership is examined it is underpinned by the need of leaders to possess EQ. They conducted a study which presented data demonstrating the relationship between the development centre potential ratings of individuals and self-assessment ratings of EQ using a validated instrument. Their findings indicate that assessment centres provide a valid and reliable means of identifying leadership potential and there is also some evidence that there are relationships between EQ and leadership ability.

Duckett and Macfarane (2003) indicate that the Institute of Management found that there was a positive association between leadership development and growth of financial turnover. Goleman (1998) highlights the benefits of the five components of emotional intelligence at work as set out in Table 4 below:

Table 4: Components of emotional intelligence (EQ)

Components	Hallmarks
Self awareness (Schwella: 2004) - This calls for cultivating a deep understanding of one's emotions, strengths, weaknesses, needs and drives.	Self confidence and realistic self assessment.
Self regulation – Leaders have to learn to control and manage their normal impulses so as not to become prisoners of these.	Trustworthiness and integrity, comfort and ambiguity, and openness to change.
Motivation – This calls for a desire to achieve for the sake of achievement.	Strong drive to achieve, optimism even in the face of failure and organisational commitment.
Empathy - Where leaders have to thoughtfully consider feelings together with other factors in making intelligent and useful decisions.	Expertise in building and retaining talent, cross-cultural sensitivity and service to clients and customers.
Social skills - This is the ability to build rapport with others and is required for successful networking.	Effective in leading change, persuasiveness and expertise in building and leading teams.

Source: Adapted from "What makes a Leader" by Daniel Goleman published in Harvard Business Review January 2004.

Goleman further explored whether EQ could be learned. He indicates that for years people have debated if leaders are born or made. For example, he asks the question whether people are born with certain levels of empathy or do they acquire empathy as a result of life's experiences. His answer is both. Scientific inquiry strongly suggests that there is a generic component to EQ. Psychological and development research indicates that 'nurture' plays a role as well. How much of each perhaps will never be known, but research and practice clearly demonstrates that EQ can be learned.

2.3.2 Evaluation of development needs associated with competency models

This section will deal with the secondary problem relating to development needs of leaders adopting a specific competency model.

Based on the literature review above it seems that the transformational leadership style is likely to have a more favourable impact on South African business leaders. Research on the various leadership styles has found that the transformational leadership style is typically more effective than transactional leadership (Leban & Zulauf, 2004).

Transformational leaders (Leban et al, 2004) are consistently rated as being more effective leaders and have been consistently linked with greater organisational performance and success. Leaders engaging in transformational behaviours have been shown to produce a variety of positive outcomes in organisational settings. When followers have developed trust and confidence in their leader and are in step with the organisational mission, they are able to achieve exceptional levels of performance (Bass, 1985). Given the wide variety of positive outcomes associated with transformational leadership, the development of transformational leaders in organisations should be a priority.

In order to suggest that emotional intelligence (Higgs, 2003) might be related to transformational leadership Higgs and Rowland (2001) conducted an analysis of the transformational leadership models developed by various theorists. They were then able to link the attributes of transformational leadership to Goleman's five

components of emotional intelligence. This is supported by a study conducted at a small retailing organisation in the United Kingdom by Duckett et al (2003); which concluded that there is a relationship between EQ and transformational leadership and the ideal manager profiles. They indicate a person with high emotional intelligence has the ability to understand themselves and others and to adapt behaviours to a given context. Individuals with a high EQ and demonstrable personal and social competence may be oriented towards transformational leadership style with emphasis on motivating and influencing others. Some research suggests that an organisation that is characterised by EQ has raised employee cooperation, motivation and productivity and increased profits (an association also reflected in transformational leadership literature (Bass, 1990)).

A summary of this, based on the findings of Higgs and Rowland, is set out in Table 5 below.

Table 5: Components of EI compared to transformational leadership competencies

Components of EI (based on the model identified in paragraph 2.3.1)	Transformational leadership competencies
Self awareness - This calls for cultivating a deep understanding of one's emotions, strengths, weaknesses, needs and drives.	Self awareness, develop self knowledge, develop feedback sources, selectively show weaknesses.
Motivation - This calls for a desire to achieve for the sake of achievement.	Charisma, achieving, determined, challenge processes, motivating and inspiring, model the way, setting direction, role model.
Empathy - Where leaders have to thoughtfully consider feelings together with other factors in making intelligent and useful decisions.	Tough empathy, challenge processes, enable others, balance change and transition, learn from diversity.

Source: Adapted from "What makes a Leader" by Daniel Goleman published in Harvard Business Review January 2004 and from "Transformational-Transactional leadership model" by JC Sarros and JC Sanotora published in The Leadership and Organisational Development Journal, vol 22/8 , July 2001.

While there has been limited research on the relationship between African leadership theory and EQ, in the context of the South African environment, the study carried out by Dulewicz and Higgs (2000) could be used to explore this relationship. Due to the

lack of the relationship between transactional, servant leadership and EQ; an evaluation will not be pursued.

In the table below Dulewicz, et al (2000) indicates that there is a distinct association between competency models and elements of EQ.

Table 6: Components of EQ compared to African leadership competencies

Components of EQ	African leadership competencies
Self awareness – Know your feelings Use feelings to make decisions Touch on emotions	Ability to relate to others Sensitivity to others Creating a positive climate
Motivation – Delay gratification Not use impulse in pursuing goals Do not give up in face of setbacks	Service to others Sensitivity to others, Show spirit, lead the change
Empathy – Sense what others are feeling, handling relationships effectively Feel rapport with others Can articulate un-stated feelings Social effectiveness Good handling conflicts Talent for negotiating, settling disputes and deal making	Listening, freedom of speech Listening, group solidarity, interdependence Listening Creative co-operation Consensus democracy Persuasion

Source: Adapted from “Emotional intelligence – A review and evaluation study” in the Journal of Managerial Psychology, MCB University Press, February 2000 and Leadership lessons from the African tree published in the Management Decision Journal, vol 41/3, 2003.

Dulewicz, et al (2000) conclude that a number of specific competency frameworks include high performing competencies directly aligned to elements of EQ. For example Cockerill (1989), in identifying high performance competencies includes a number of which touch on emotions (e.g. creating a positive climate). Dulewicz (1994), in exploring and describing the “supra-competencies”, incorporates a grouping labelled interpersonal competencies, embracing managing staff, persuasiveness, assertiveness and decisiveness, sensitivity and oral communication.

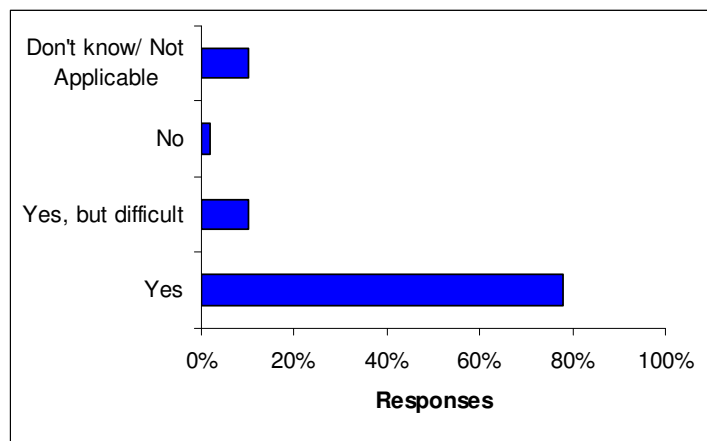
Their final analysis is that the construct of emotional intelligence does appear to be captured, at least in part, within the thinking of managerial competencies.

To explore the relationship between EQ and leadership in general, Higgs & Aitken (2003) conducted exploratory work in the context of a development centre. There were eight development centre competencies identified and these are:

- Strategic leadership;
- Leading capability building;
- Leading political/ stakeholder interface;
- Leading change;
- Intellectual leadership;
- Leading culture building;
- Building relationships and reputation; and
- Building personal learning.

An exploratory study conducted with leaders in the United States on EQ by Richmond, Rollin and Brown (2004) indicated that:

- Vision topped the critical list of leadership competencies across all levels of management levels, experience and personality types. Also ranked in the top five were strategic thinking, relationship building, execution and people development.
- EQ competencies were viewed as essential to successful leadership, especially vision, relationship building and people development.



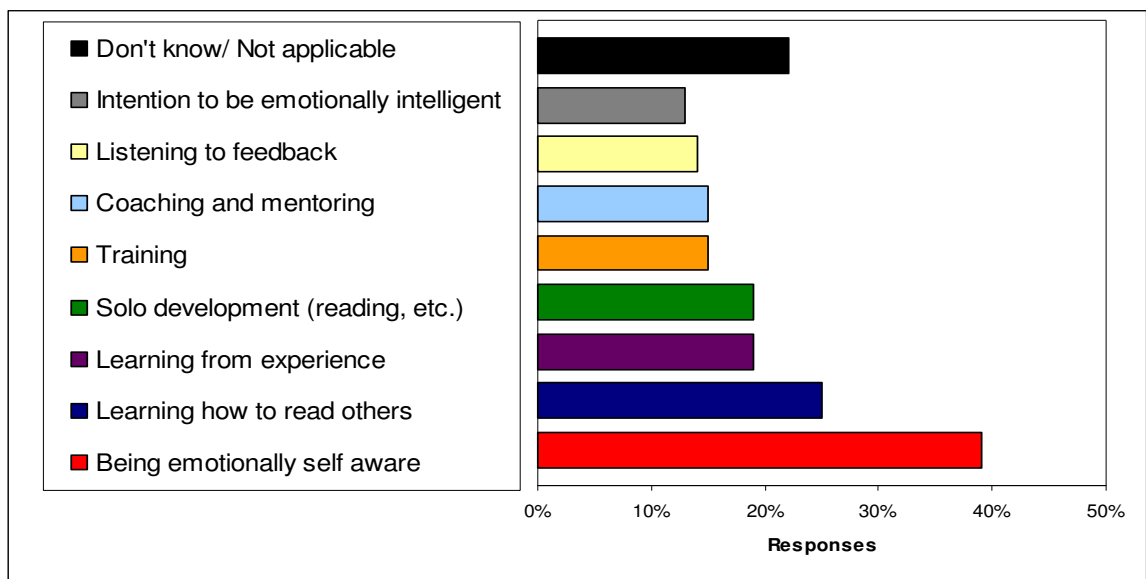
Source: Research information at <http://www.ideashape.com/leadership-research.htm>

Figure 2: Can EQ be developed

The study also focused on whether leaders believed that EQ could be developed and the results set out in Figure 2 above, indicate that nearly all leaders believed that EQ could be developed.

Higgs (2003) indicates that the skills identified above do not lend themselves to “traditional” training interventions. They require a longer-term developmental approach combining workshops, coaching and monitored implementation through work-based projects. Goleman (2004) indicates that learning is best achieved through motivational, extended practice and feedback. He further indicates that the learning should help people break away old behavioural habits and establish new ones. This not only takes much more time than conventional training problems, it also requires an individualized approach. It is also important that there is a sincere desire and concerted effort to undertake the training. Leader behaviour observations of role models are considered appropriate techniques.

The study conducted by Richmond, Rollin and Brown (2004) also requested leaders to indicate how EQ could be developed and the results were as follows:



Source: Research information at <http://www.ideashape.com/leadership-research.htm>

Figure 3: How can EQ be developed.

The study does indicate that self awareness plays an important role in developing EQ. However, soft skills like coaching and mentoring and listening to feedback have some importance. While it is difficult to assess the extent to which leaders further self

awareness; soft skills like coaching, mentoring and listening to feedback could be assessed. These soft skills will therefore be the focus of the study in understanding the development of business leaders.

2.3.3 Proposition for EQ development training needs

Proposition 3

Due to the complex nature of EQ training and limited empirical research it would be difficult to predict the outcomes under development training for EQ. Accordingly, the interviews will focus on identifying specific non-conventional training undertaken by the respondents. The responses will be evaluated by way of propositions.

Proposition outcome

South African business leaders are undergoing an individualized approach (i.e. coaching, mentoring) to develop leadership competencies.

This proposition will be expanded in the research methodology section in chapter 4.

In Chapter 3 the research methodology, including the propositions, hypotheses and assumptions, sample selection and measuring instruments relating to the study will be dealt.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Problem statements

As indicated in paragraph 2.1.3 the primary problem is defined as identifying the most appropriate competency model that South African business leaders should adopt that allows them to meet challenges and achieve success. The secondary problem relates to the development needs of leaders adopting a specific competency model.

3.2 Hypothesis and propositions

Hypotheses 1

It is predicted that leadership competencies related to transactional leadership will not contribute to business leaders achieving success. The leadership competencies advocated by transactional leadership will be rejected by both Black and White business leaders.

Sub-hypotheses 1

The leadership competencies advocated by transactional leadership will be rejected by the majority of Black business leaders.

These hypotheses are supported by Sigcau (2005) who indicates that the innovative and creative leader in South Africa is one who is transformational, not transactional. It is predicted that competencies related to transactional leadership will not contribute to business leaders achieving success. Furthermore as indicated in paragraph 2.2.3.2 (refer page 18) transactional leaders pursue a cost-benefit economic exchange with followers (Sarros and Santora, 2001).

Hypothesis 2

It is predicted that leadership competencies related to transformational leadership are currently being adopted by business leaders to achieve success.

Sub-hypotheses 2

Certain leadership competencies like vision, charisma, lead by example, empowerment related to transformational leadership will be endorsed by both Black and White business leaders in South Africa.

These hypotheses are supported by studies done by Krishnan (2001) who indicates that the multiple changes occurring in society and the business world have created a greater need for transformational leaders. Furthermore Boehnke et al (2002), indicate that their studies clearly imply that all leaders use transformational behaviours to generate exceptional performance. They also state that although leaders applications of these behaviours will need to adapt to national differences, the transformational leadership style will universally help leaders work more effectively with people to reach their needs and create exceptional performance.

Proposition 1

As indicated in paragraph 2.2.5.4 (refer page 31) while it would be difficult to predict the outcomes under servant leadership as there is no supporting empirical research to support this theory, an attempt would be made during the interviews to ascertain the views of the respondents on servant leadership. These results could be used as a foundation for understanding, applying, researching and developing the servant leadership concept.

Proposition outcome

South African business leaders are less supportive of the competencies advocated by servant leadership compared to those under transformational leadership theory.

Proposition 2

On the same basis that servant leadership lacks empirical research to support African leadership theory; an attempt would be made during the interviews to ascertain the views of the respondents' regarding African leadership. Particular emphasis will be placed on the concept of Ubuntu. The responses will be evaluated by way of propositions.

Proposition outcome

Business leaders in South Africa are generally aware of the competencies advocated by African leadership theory; however they have not fully embraced these competencies.

Sub-proposition outcome 2

Due to cultural differences Black business leaders have embraced these competencies and incorporate them in their practice more easily than their White counterparts.

This hypothesis is supported by Booysen (2001) who indicates that South African Black managers are more collectivistic than South African White managers, who are more individualistic. Further Blacks emphasise the team above the individual, while Whites focused on skills and the individual. She also concludes that the research conforms Mbigi's (1995, 1997) argument that Africans (Blacks) share the principle of collective solidarity [being the foundation of African leadership theory] and not the principles of individual self-sufficiency, like Whites. Booysen (1999) further indicates that the White subcultural influences culminate in Eurocentric leadership values whereas the Black subcultural influence culminates on Afrocentric leadership values.

Proposition 3

Due to the complex nature of EQ training and limited empirical research it would be difficult to predict the outcomes under development training for EQ. Accordingly, the interviews will focus on identifying specific non conventional training undertaken by the respondents. The responses will be evaluated by way of propositions.

Proposition outcome

South African business leaders are undergoing an individualized approach (i.e. coaching, mentoring) to develop leadership competencies.

This hypothesis is supported by research done by Higgs (2002) who indicates that the competencies advocated by the EQ as identified in paragraph 2.3.2 (refer page 49) do not lend themselves to "traditional" training interventions. They require a longer-term development approach combining workshops, coaching and monitored implementation through work-based projects.

3.3 Research design and methodology

The major emphasis of the research will be of an exploratory nature therefore it will be conducted by using qualitative techniques, consisting mainly of interviews. The main reasons for this are:

- The research issues involve poorly understood organisation phenomenon;
- The study involves variables that do not lend themselves to experiments for practical reasons (Miles and Huberman, 1994);
- Exploratory studies rely heavily on qualitative techniques (Cooper and Schindler, 2001); and
- Strauss and Corbin (1990) claim that qualitative methods can be used to gain new perspectives on things about which much is already known, or to gain more in depth information that may be difficult to convey quantitatively. They further indicate that although this technique can be emotionally taxing and extraordinarily time consuming, it can yield rich information not obtainable through quantitative techniques.

A self developed goal specific interview schedule (i.e. questionnaires) has been used for conducting interviews. In developing these questionnaires specific reference has been made to the desired competencies referred in the various leadership theories as discussed in section 2.2 (refer page 12) under the topic “Leadership theories and studies supporting competency models”.

The length of the interviews was between forty five minutes to an hour, thus allowing the interviewee sufficient response time.

Furthermore, to enhance the quality of the research and in assessing the leader’s competencies under transactional and transformational leadership theories; a quantitative research design has also been selected. Hoepfl (1997) suggests that qualitative methods are appropriate in situations where one needs to first identify the variables that might be tested quantitatively.

3.4 Population, sampling frame and sample size

3.4.1 Population

As indicated and motivated in paragraph 1.5 (refer page 5) the study will focus primarily on business leaders within the banking sector of the JSE. This is further supported by Booyesen (1999) who indicates that this industry has similar characteristics, including tasks, technology, ethical and organisational culture, and size.

Four of the seven banks (ABSA, Firststrand, Nedcor and Standard Bank) listed on this sector of the JSE were selected. This was primarily due to physical accessibility and consideration to the fact that that these banks account for approximately 80% of market capitalisation of the total banking sector. Booyesen (1999) came to a similar conclusion during her study in 1999. These companies have also been selected since they have been successful for a number of years. "Success" in this context has been determined on the basis of profits made by the company, employee head count, years in existence, Black Economic Empowerment credentials, and low turnaround of senior executives within the last five years and corporate social responsibility programmes (Bosma, van Praag and de Wit, 2000).

3.4.2 Sampling frame and sample size

3.4.2.1 Senior executive sample size and selection criteria

A total of eight (two from each bank) senior executives of these companies were selected, to conduct the interviews with, for the purposes of the research. Senior executives included the chief executive officer (CEO), directors or other senior executives of the company. The motivation for selecting senior executives is supported by Thompson and Strickland. They indicate that an organisation's CEO, as captain of the ship, is the most visible and important strategy manager and the role of the board of directors is to exercise oversight and see that the tasks of strategic management are done in such a manner that benefits shareholders (Thompson & Strickland, 2003: 21-27). Furthermore, the senior corporate level executives are primarily responsible and have personal authority for big strategic decisions affecting the total enterprise.

A computation of the number of executive directors appointed to these banks, according to their web sites, during the month of July 2005 indicates that there were 46 executive directors, with 10 Black executives, at these four banks. Sample size is a critical question for all research studies, however in qualitative research small samples may help to identify theoretically provocative ideas that merit further exploration. Studies with samples that are too large are equally problematic. Whereas quantitative research has specific guidelines that frame researchers' decisions about the sample size, there are only general principles, reflective of judgment and negotiation, for qualitative studies. Furthermore the references about specific selection methods used may offer some guidance (Russell and Gregory, 2000). Accordingly, as the research focuses on leadership competencies, the executives selection was based on the key positions they hold within these entities; requiring them to display competencies to be successful. With this in mind the executives selected had predominantly the following key positions:

Table 7a: Profile of senior executives selected in sample

Bank	Position held by senior executive	Age	Gender	Race
A	Group Executive Director - Retail Banking,	43	Male	Black
	Group Executive Director – Vehicle and asset financing.	50	Male	White
	Executive director*			
B	Deputy Chief Executive - Retail Banking,	37	Male	Black
	Chief Executive - Retail Banking.	39	Male	White
C	CEO - Vehicle Finance Bank,	58	Male	White
	CEO – Public Sector	56	Male	Black
	CEO – Banking Group*			
D	Group Executive - Corporate	50	Male	White
	Group Executive – Africa Operations	48	Male	Black
	Group Executive – Retail*			
	Director – Enterprise Governance and Compliance*			

* Interviewee declined invitation and another executive was selected (Refer to Appendix D for sample of correspondence).

Table 7b : Sample statistics

Population		Population percentages		Total sample		Sample percentages	
46		100		8		17.4%	
<i>Black</i>	<i>White</i>	<i>Black</i>	<i>White</i>	<i>Black</i>	<i>White</i>	<i>Black</i>	<i>White</i>
10	36	22	78	4	4	40%	11%

Source: Extracted from websites of relevant banks.

The sample selection only included White and Black male executives. While Employment Equity legislation and BEE charters have increased the representation of Blacks in executive positions in listed entities the overall composition is still substantially White. A review of the executive committees of these major banks, by access to their web sites, confirmed that the majority of the executives were White with some representation by Black male (indicated in table 7b). This is supported by EmpowerDex (2004) who found that Blacks made up 14.7% of directors of listed companies in 2003. Women of all races were minimally represented. In an effort to explore cultural diversity and its impact on leadership style, an equal number of White and Black male executives have been selected. As indicated in paragraph 2.2.3.4 (page 20) due to cultural differences the leadership behaviours of Whites are different to that of their Black counterparts. Accordingly to explore these differences further an equal selection is considered most appropriate.

3.4.2.2 Subordinates sample size and selection criteria

In addition the responses of two of the immediate subordinates of each senior executive were requested for quantitative analysis. The reason for selecting a total of sixteen subordinates was to maintain consistency when conducting an analysis for comparative purposes and as a result of the realisation that some of these executives have a minimal number of subordinates directly reporting to them. An example, according to Swanepoel, Erasmus, van Wyk and Schenk (2003) was Nedcor who restructured its organisational structure to reduce the number of employee levels and streamline reporting lines. The flat organisation structure develops from the fact that there is a great deal of decentralisation resulting in few layers of management levels.

Information about internal organisational and reporting structure within these organisations are generally unavailable to the public domain, accordingly the selection of subordinates have been at the wisdom of senior executives. Race, gender or other criteria was not imposed on subordinate selection.

3.5 Data collection

3.5.1 Individual interviews with senior executives

One-on-one interviews were conducted with senior executives. The interviews were semi-structured, “the favoured technique to use with business elites”. (Thomas, 1995). To facilitate the interviews self developed open ended and specific questions, relating to each of the leadership theories, were prepared in advance. The questions were structured in a manner that allowed the senior executives to focus on particular competencies associated with each of the leadership theories. This helped to keep the interactions focused. The questions were carefully worded, in a rigid flow not allowing for significant deviation, thus ensuring uniformity of interview administration amongst respondents. Biased wordings, personalisation of questions, and questions which are not supported have been avoided to prevent distortions in research results. The self developed interview schedule (questionnaire) designed for the interviews are set out in Appendix A – Design of Executive Leadership profile questionnaire. (The competencies relating to specific leadership behaviour were excluded from the questionnaire for the purpose of the interview.) Interview guides according to Hoepfl, (1997) ensure good use of interview limited time and they make interviewing multiple subjects more systematic and comprehensive. The greatest value lies in face to face contact and in the depth of information and detail that can be secured. It far exceeds the information obtained from telephones or self-administered studies. The interviewer can also do more things to improve the quality of the information received than with another method (Cooper, et al, 2001).

The disadvantage of this data collection methodology is the lack of availability of senior executives and the cost involved in setting up and conducting the interviews. The other disadvantages are the reluctance of respondents to share information with strangers due to being misquoted or external information leakage, especially in light of the competitive nature of the current business environment. Initial rapport,

personal bias and interaction between respondent and interviewer during the interview could influence responses and outcomes of research questions.

Each of the senior executives has been contacted via e-mail from the last week of July 2005 to the middle of October 2005. Each e-mail explained the purpose of the interview and provided a motivation as to why the executive was selected. Two examples of the e-mails are set out in Appendix C – Entitled: “Sample of e-mails sent to executives”. Once responses to e-mails were received, formal meetings were arranged with each of the executives. The status of interviews is indicated in table 8.

Table 8: Status of interviews completed

Bank	Position held by senior executive	Age	Gender	Race	Interview status
A	Group Executive Director - Retail Banking,	43	Male	Black	Completed
	Group Executive Director - Commercial Banking.	50	Male	White	Completed
B	Deputy Chief Executive - Retail Banking,	37	Male	Black	Completed
	Chief Executive - Retail Banking.	39	Male	White	Completed
C	CEO - Vehicle Finance Bank,	58	Male	White	Completed
	CEO – Public Sector	56	Male	Black	Completed
D	Group Executive - Corporate	50	Male	White	<i>Note 1</i>
	Group Executive - Enterprise Governance	48	Male	Black	<i>Note 2</i>

(Population (n) = 46, Sample size = 8, Sample percentage = 17.4%, Response rate = 87.5%)

Note 1 - This executive indicated that due to internal company policies he was only willing to have a general discussion about leadership competencies. From the discussions and observations of behaviour it was possible to draw conclusions regarding the executives' leadership style.

Note 2 - An interview could not be held with this executive, because of his time constraints. The questions were objectively completed by a subordinate. The results were included to improve the evaluation of the results.

Interviews were conducted at the offices of the senior executive based on face-to-face contact by completing the questionnaires. The interviewees were again briefed regarding the purpose of the interview and informed about the interview process. Copies of the questionnaires before, during or after the interview were not made available to the interviewees. Each of the questions was discussed with the interviewees and their responses to the questions and additional comments were noted.

3.5.2 Subordinate questionnaires

Once subordinates were identified by senior executives they were contacted directly and provided with either a hard or soft copy of the questionnaire for completion in their own time and convenience. Appendix E sets out an example of an e-mail send to subordinates providing information about the research study and their assistance in this regard. The Multi-factor Leadership Questionnaire (“MLQ”) as developed by Bass (1985a) and set out in Appendix B – Entitled: Design of subordinate questionnaire” was used for this purpose. The MLQ, as a valid and reliable measuring tool, is the standard instrument for assessing transformational and transactional leader behaviour. It has been used extensively in research and commercial applications. It measures a broad range of leadership types from passive leaders to leaders who give contingent rewards to followers, to leaders who transform their followers into becoming leaders themselves (Bass & Avolio: 2000). It has been examined in over 75 research studies (Lowe & Kroeck: 1995), in several countries and in a variety of organisational contexts and for leaders with various levels of responsibility. Ozaralli (2002) indicates that despite some concerns about the psychometric validity of this measure the MLQ has been used extensively in the area of leadership research and is considered the best validated measure of transformational and transactional leadership.

The advantage of communicating directly with subordinates is that they may not be influenced by the senior executive. However the disadvantages of this approach are that there may be lack of motivation to complete the questionnaire, or bias either against or for the senior executive. The subordinates may fear reprisal if they are concerned about confidentiality of information provided. (The status of subordinate questionnaires received is in table 9 illustrated).

Table 9: Status of subordinate questionnaires

Bank	Senior executive	Number of subordinates requested to complete questionnaires	Responses received	Status
A	Group Executive Director - Retail Banking,	2	2	Completed
	Group Executive Director - Commercial Banking.	2	2	Completed
	Chief Executive – Corporate*			
B	Deputy Chief Executive - Retail Banking,	2	2	Completed
	Chief Executive - Retail Banking.	2	2	Completed
C	CEO - Vehicle Finance Bank,	2	2	Completed
	CEO – Public Sector	2	2	Completed
D	Group Executive - Corporate	2	None	<i>Note 1</i>
	Group Executive - Enterprise Governance	2	2	Completed
	Group Executive – Retail*			

(Sample size = 16, number of responses received =14, Response rate = 87.5%)

Note 1: Request for questionnaires to be provided to subordinates was declined by the senior executive, citing restriction imposed by internal policies.

3.5.3 Measurement instruments

The measurement instruments included the self developed interview schedule (questionnaire) for the senior executives, as set out in Appendix A and the MLQ questionnaire for subordinates, as set out in Appendix B.

3.5.3.1 Transactional and transformational leadership competencies

- **Testing the hypothesis**

The purpose of hypotheses testing is to determine the accuracy of the hypotheses due to the fact that the data collected is a sample and not a census. The accuracy of the hypotheses was evaluated by determining the statistical likelihood that the data reveals true differences – not random sampling error (Cooper, et al, 2001: 486).

- **Measuring scale**

The responses of senior executives for transactional and transformational leadership competencies were evaluated using the five point Likert scale. This scale is the most frequently used variation for testing attitudes. Responses of senior executives were rated as either (Cooper et al, 2003: 234):

4	-	Frequently, If not always
3	-	Fairly Often
2	-	Sometimes
1	-	Once in a while
0	-	Not at all

The scale reliabilities have been found to be high in several studies for these two leadership theories (Dan Hartog, Van Muijen and Koopman, 1997).

The detailed questionnaire for use in the interviews is set out in Appendix A – Entitled: “Design of Executive Leadership profile questionnaire”.

3.5.3.2 Servant and African leadership competencies and development training for EQ

- **Testing the propositions**

As there is no readily available empirical research or suitable data to conduct a statistical hypothesis test for servant and African leadership theory and EQ development training, these research problems were formulated by way of propositions. The propositions were evaluated using a single category scale by using two mutually exclusive response choices i.e. “yes” or “no”.

3.5.3.3 Secondary support study – MLQ questionnaire distributed to subordinates

The responses of subordinates were evaluated in accordance with the questionnaire designed by Bass (1985). The questionnaire lists descriptive statements about superiors. The subordinates were then required to judge how frequently the superior had displayed the behaviour described. The responses are categorised into five possibilities:

- A - Frequently, If not always
- B - Fairly Often
- C - Sometimes
- D - Once in a while
- E - Not at all

The questionnaire and the behaviours are set out in Appendix B– Entitled: Design of subordinate' questionnaire”.

3.5.4 Validity and reliability of research and data

3.5.4.1 Validity

The validity of the research was assessed in terms of whether the design of the questionnaire would be able to measure the various competencies. The validity of the interview schedule (questionnaire) used for executive interviews was dealt in paragraph 3.5.1 (refer page 61).

The validity of the research for the subordinate' questionnaire was ensured by the use of the MLQ as developed by Bass, which is considered to be a recognised measurement instrument. Refer paragraph 3.5.2 (page 63) for evaluation of the validity of the MLQ.

In assessing what constitutes relevant evidence - content validity, criterion-related validity and construct validity were addressed.

In determining the validity of the content; consideration as to whether the questionnaires would provide adequate coverage of the competency attributes under each of the leadership theories was taken. With regard to the self developed interview schedule (questionnaire) these were derived by undertaking a comprehensive literature review of the relevant theories (refer chapter 2) and ensuring that the key competencies were appropriately identified within the questions.

Criterion-related validity relates to the success of measures used for prediction (Cooper, et al, 2001: 213). The Likert scale for both the executive interview schedule and the MLQ was used to predict adherence to competencies. This is considered to be most frequently used where there are statements to express an attitude or behaviour. Cooper, et al (2001) are of the view that predictive validity is important for a test designed to predict employee success. Accordingly the Likert scale was appropriate in these circumstances.

When evaluating construct validity, it is was necessary to consider the leadership theories and measuring instrument being used. In order to measure competencies the most relevant and current prevailing theories and similar research studies were examined in chapter 2. This approach provided preliminary indications of convergent validity.

3.5.4.2 Reliability

This refers to the accuracy and precision of the measurement procedure and is concerned with the degree to which the measurement would be free of random or unstable error (Cooper, et al, 2001: 215). The reliability of the research was assessed qualitatively by scrutinizing the design and methodology employed in the research. Reliability was supported by conducting interviews with executives and providing questionnaires to subordinates within the same bank.

Due to difficulties experienced with the availability of executives and their subordinates in making time available for the interviews and completion of the questionnaires, it was difficult to carry out pilot testing and re-testing for reliability with the senior executives. This exercise was however conducted with a senior executive

of a professional advisory firm. The results of the interview and questionnaires were carefully collated, re-checked and independently assessed to ensure that they were accurately captured. Furthermore the results have been statistically analysed by a specialist in this area.

3.6 Data analysis techniques

3.6.1 Interviews with executives (qualitative data)

3.6.1.1 Hypotheses analysis

As previously indicated the purpose of hypothesis testing is to determine the accuracy of the hypothesis due to the fact that the data was collected on a sample basis rather than using census. The test of a hypothesis involves: either to accept the hypothesis, reject the hypothesis or reserve judgement. Since the deck is stacked in favour of the hypothesis being tested; it is customary to choose the hypothesis in such a way that it represents the accepted norm or the status quo. This kind of hypothesis is called a null hypothesis. Where the null hypothesis is rejected the alternative hypothesis is accepted. Only the null hypothesis can be tested. If rejected it shows support for the alternative hypothesis. The alternative hypothesis can never be tested or proven (Jedamus, Frame and Taylor,1976).

There are two types of hypothesis tests i.e. One tail – (directional) i.e. the hypothesis (H_0) is \leq or \geq or Two tail – (non directional) i.e. the hypothesis = or \neq . As the hypothesis is of exploratory nature the two tail test was used.

3.6.1.2 Statistical technique

The choice of a statistical technique is dependent on the measurement level i.e. the type of data and its measurement criteria. The data is considered ordinal because there is classification and order but no distance or unique origin. In this instance non parametric tests are used to test the hypothesis. At the suggestion of Dr Liezel Korf, a research psychologist, the Kolmogorov-Smirnov Test was used to test the hypotheses. This test is appropriate when the data are at least ordinal and the research situation calls for a comparison of an observed sample distribution with a theoretical distribution. Under these conditions the Kolmogorov-Smirnov (KS) one sample test is more powerful than the χ^2 test and can be used for small samples

when the χ^2 test cannot. The KS is a test for goodness of fit in which the cumulative frequency distribution that would occur under the theoretical distribution is specified. This is then compared with the observed cumulative frequency distribution. The theoretical distribution represents the expectation under H_0 . The point of the greatest divergence between the observed and theoretical distributions is determined and this is identified as the maximum deviation (D). From a table of critical values for D it is then determined whether such a large deviation is likely on the basis of random sampling variations from the theoretical distribution (Cooper, et al, 2003: 739). It has the advantage of making no assumption about the distribution of the data.

Dr Korf has also assisted with the calculations applicable to the Kolmogorov-Smirnov Test and the analyses and interpretation is set out in chapter 4.

The mathematical equation for each of the hypothesis is expected to be as follows:

Hypothesis 1

The competencies advocated by transactional leadership theory will be rejected by the majority of Black and White business leaders.

$H_0 : O_i \neq E_i$

Critical cut off point = 1

The critical off point was assessed in terms of the Likert rating scale as follows:

Table 10: Evaluation of Likert scale for rejection and acceptance range

Rating	0	1	2	3	4
<i>Behaviour measurement</i>	<i>Not at all</i>	<i>Once in awhile</i>	<i>Sometimes</i>	<i>Fairly often</i>	<i>Frequently not always</i>
	Rejection range (Average rating = 1) <i>On the assumption that the competencies are not frequently applied.</i>		Acceptance range (Average rating = 3) <i>On the assumption that the competencies are more often applied than usually.</i>		

The middle value of 2 has not been considered as a benchmark as it is often labelled as neutral or undecided (Trochim, 2002).

Sub-hypothesis 1

The leadership competencies advocated by transactional leadership will be rejected by the majority of Black business leaders.

$$H_o : O_i \neq E_i$$

Critical cut off point = 1

Hypothesis 2

The leadership competencies related to transformational leadership are currently being adopted by the majority of business leaders to achieve success.

$$H_o : O_i = E_i$$

Critical cut off point = 3

Sub-hypothesis 2

Certain leadership competencies like vision, charisma, lead by example, empowerment (referred to as common competencies) related to transformational leadership will be endorsed by both Black and White business leaders in South Africa.

$$H_o : O_i = E_i$$

Critical cut off point = 3

Proposition 1 - outcome

South African business leaders are less supportive of the competencies advocated by servant leadership theory.

The results will be evaluated by identifying the frequency of Yes and No answers to questions posed. 60% (considered to be a majority) or more, "Yes" answers would indicate support for competencies under servant leadership theory.

Proposition 2 - outcome

Business leaders in South Africa are generally aware of the competencies advocated by African leadership theory; however they have not fully embraced these competencies.

The results will be evaluated by identifying the frequency of Yes and No answers to questions posed. 60% (considered to be a majority) or more, “Yes” answers would indicate general application of competencies under African leadership theory.

Sub-proposition outcome 2

Due to cultural differences Black business leaders have embraced these (African Leadership) competencies and incorporate these in their practice more easily than their White counterparts.

The results will be evaluated by identifying the frequency of Yes and No answers to questions posed. 60% (considered to be a majority) or more, “Yes” answers would indicate general application of competencies under African leadership theory by Black business leaders.

Proposition 3 - outcome

South African business leaders are undergoing an individualized approach (i.e. coaching, mentoring) to develop leadership competencies.

The results will be evaluated by identifying the frequency of Yes and No answers to questions posed. 60% (considered to be a majority) or more, “Yes” answers would indicate general application of competencies under African leadership theory by Black business leaders.

3.6.2 Subordinate questionnaires (quantitative data)

Evaluation of the MLQ questionnaire completed by subordinates

The ranking of the subordinates responses according to the competencies under transactional and transformational leadership theories to the questions set out in Appendix B was based on the ranking performed by Bass (1985). Appendix F sets out this ranking, Entitled: “Analysis of MLQ according to leadership style”.

The results of the responses by reference to the ratings were also statistically analysed by Dr Korf, using the Kolmogorov-Smirnov Test. This information was compared to that obtained for the executive to assess whether there are significant deviations between the two sets of results. The average mean scores for each of the

dimensions (for example contingent reward) under either transactional, or transformational leadership theories was also compared to the corresponding scores based on the results of the interviews with the executives. These results have been depicted and interpreted in chapter 4.

Chapter 4 provides the statistical analyses and interpretation of results of the data gathered from the interview schedule and subordinate questionnaire responses.

CHAPTER 4

RESEARCH RESULTS

The research methodology was discussed in the previous chapter. This chapter deals with analysing and interpreting the data from interviews completed and responses received from subordinates.

4.1 Qualitative analyses

4.1.1 Observation and interpretation of interviews

The interviews were conducted at the premises of the executives and the duration was agreed at the time of setting up the interviews. Prior to the interviews the executives targeted were profiled to ensure that they were of the highest calibre evidenced by the fact that they held key executive positions within their organisations and had the appropriate professional training and experience required for their positions and to operate within the financial services sector. These executives held strategic positions; and had opportunities to become chief executive officers of the bank or within subsidiaries.

During the interviews good rapport was established via open communication, active participation and the executives being forthcoming in their responses. The subject matter was dealt with ease and the executives appeared to have understood the questions. Only one executive provided general feedback, as he indicated that it was the bank's policy not to provide specific comments on his leadership style. The interview schedule was also semi-structured, thus allowing for flexibility in responses and in exploring other avenues for discussion.

On the basis of the above it was concluded that the information was creditable and trustworthy.

4.1.2 Trends relating to leadership competencies

Transactional leadership

Most of the executives interviewed indicated that they provided direction to employees for the completion of specific tasks and that the measurement was outcome based. The balanced scorecard was the common instrument to measure performance. Contingent reward in the form of incentives, to achieve results was the key area of focus. Management by exception, concerned with allowing employees to continue doing their daily tasks if performance goals are met, was also highly prioritised by executives.

Transformational leadership

This leadership style and its competencies showed strong emergence among the executives. One of the main reasons for this was that banks were on an innovative drive to transform their organisations in line with current political trends within the financial services industry. Executives talked about living by the bank's value systems of fairness and that they were the "organs of social change" to meet the needs of the people". Accordingly the charismatic and inspirational behaviours were evident during the interviews. Employee development through on the job training and career development although being identified as being important was not becoming an imperative.

Servant leadership

The common response among executives was that their primary responsibility was towards their shareholders. There was however an indication that the focus was changing to incorporate the welfare of their employees and corporate social responsibilities. These were becoming equally important.

African leadership

There were divergent responses to the application of African leadership competencies among Black and White executives. White executives were satisfied that the concept of Ubuntu was incorporated in their value systems and they were

trying to manage cultural diversity. Conversely, Black executives were concerned that these values were not being practiced.

Emotional intelligence

There was an impression that executives were undergoing training to enhance their EQ. Nevertheless, this needed to be expanded to enhance self awareness.

A discussion of the findings from the qualitative evaluation will follow in Chapter 5.

4.2 Quantitative analysis

The analyses of the results of the hypotheses, propositions, other statistical data and the observations during the executives' interviews formed the basis of the discussion. In performing this analysis it is necessary to reiterate the importance of leadership. Tirmizi (2002) indicates that from experienced chief executive officers to new managers, leadership is a perpetual concern for anyone who needs to motivate, guide, and inspire. Leadership is often regarded as the single most critical factor in the success or failure of an institution (Bass, 1990) and has become a strategic imperative.

The results of the data were statistically analysed with the assistance of Dr Korf, (a research psychologist) and are presented in Appendix G, H, I & J. The evaluation of the hypotheses, based on the statistical data and the application of the Kolmogorov-Smirnov Test statistical technique are set out in Appendix K. This evaluation was based on the automated application of the statistical technique performed by Dr Korf.

The discussions and conclusions of the results and findings will be dealt with in chapter 5, under results assessment.

4.2.1 Analysis of response rates

Table 11: Overall executives and subordinates response rate

	Sample population	Response rate
Banks	4	100%
Executives	8	87.5%
<i>Black executives</i>	4	75%
<i>White executives</i>	4	100%
Subordinates	16	87.5%

- All the banks approached participated in the research study.
- For the sample of eight executives a 100% response was obtained from White executives.
- The reason for the lower percentage for Black executives was as a result of one executive not accepting the request for an interview due to his time constraints. The interview schedule was objectively completed by a subordinate. The results have been incorporated in the research findings.
- The response rate for subordinates is 87.5% because of one executive not permitting his subordinates to respond.

4.2.2 Presentation of statistical data

Table 12: Summary of statistical data

Executive interviews	Leadership competencies		Comment
	Transactional	Transformational	
Mean	2.6146	3.2344	The average mean score represents the average rating for actual behaviours used to compare expected behaviours. Average mean scores have been used to evaluate and interpret all statistical data. In this instance a rating of 3.2344 compared to 2.6146 indicates a greater compliance with the leadership style. The average mean scores were used to assess and interpret the data.
Standard deviation	0.74427	0.27678	Measures on average how the actual ratings deviate from the mean. Except for the contingent reward dimension all the other deviations were below 1. Thus indicating high quality of responses for the other dimensions.
Level of significance	0.05	0.05	Representing the probability of rejecting a true null hypothesis. The lower the level of significance the greater the risk. The most common level is 0.05, therefore the risk in this data is considered moderate.

Table 13: Assessment of executive interviews for transactional and transformational leadership styles and competencies

Competencies	Ave Mean	Std deviation	Leadership Styles	Maximum Deviation (as per KS)	Critical cut-off point	Hypotheses analyses for Executives (refer Appendix K)			
						Hypothesis		Sub-hypotheses	
						1	2	1	2
Contingent reward	2.4167	1.24403	TRANSACTIONAL LEADERSHIP	2.6146	1	Reject		Reject	
Management by exception	2.8125	0.47716							
Charisma	3.5833	0.46291	TRANSFORMATIONAL LEADERSHIP	3.2344	3		Accept		Accept
Intellectual stimulation	3.1250	0.64087							
Individual consideration	2.9375	0.9375							
Inspiration	3.2917	0.51755							

Source: Results of statistical analysis per Appendix I, J & K

The table above depicts the results for transactional and transformational leadership styles and competencies. Charisma has the highest average mean score indicating a high level of compliance with this competency. On the other hand the standard deviation for contingent reward has the highest score indicating a low level of reliability of data. The maximum deviation has been determined from the Kolomogrov-Smirnov Test statistical technique and is the point of greatest divergence between the observed and theoretical distributions. It is used to determine whether to accept or reject the hypotheses by comparing it to the critical point. The critical point represents the point of rejection or acceptance of a hypothesis and was determined in paragraph 3.6.1.2 (page 68). The analyses of the hypotheses and the interpretation of the results have been performed in section 4.3.

Table 14: Assessment of subordinate' responses for transactional and transformational leadership styles and competencies

Leadership Styles	Competencies	Ave Mean	Std deviation	Maximum Deviation (as per KS)
TRANSACTIONAL LEADERSHIP	Contingent rewards	2.4592	0.83709	2.4592
	Management by exception	2.0357	0.45154	2.0357
TRANSFORMATIONAL LEADERSHIP	Charisma	3.0536	0.60654	3.0536
	Intellectual stimulation	2.7667	0.75095	3.0536
	Individual consideration	3.0816	0.76566	3.0816

Source: Results of statistical analysis per Appendix I, J & K

The table above highlights the results of the statistical analysis for the responses received from subordinates. The average mean score for intellectual stimulation was higher than the other competencies indicating that subordinates were of the opinion that executives stimulated them intellectually, encouraged creativity and provided them with challenges. The analyses of the hypotheses and the interpretation of the results have been performed in section 4.3.

Table 15: Assessment of executives results for servant leadership, African leadership and EQ development training

Secondary problem n = 8, n B = 4, n W= 4	% Yes		
	Total	Black	White
Servant leadership	94.4	94.4	94.4
African leadership	77.5	70.0	85.0
EQ development training	91.6	91.6	91.6

Source: Results of statistical analysis per Appendix I, J & K

The results for Servant and African leadership styles and EQ development training was evaluated by identifying the frequency of Yes and No answers to questions posed. The results suggest a high level of compliance with Servant and African leadership styles and EQ training received, among both White and Black executives. These propositions and results are further evaluated in paragraphs 4.3.4 to 4.3.6.

4.3 Evaluating the results

4.3.1 Transactional leadership competencies

4.3.1.1 Hypothesis 1 and sub-hypothesis 1

It was expected that the competencies advocated by transactional leadership theory will be rejected by the majority of Black and White business leaders. It was also expected that in particular the competencies advocated by transactional leadership will be rejected by the majority of Black business leaders.

However, based on the results and statistical analyses the null hypothesis has been rejected and the alternative hypothesis accepted. This would indicate that both White and Black executives continue to advocate and practice competencies under transactional leadership theory.

4.3.1.2 Interpretation of results

The graphical illustration below indicates that the average mean ratings were higher under transformational leadership compared to transactional leadership.

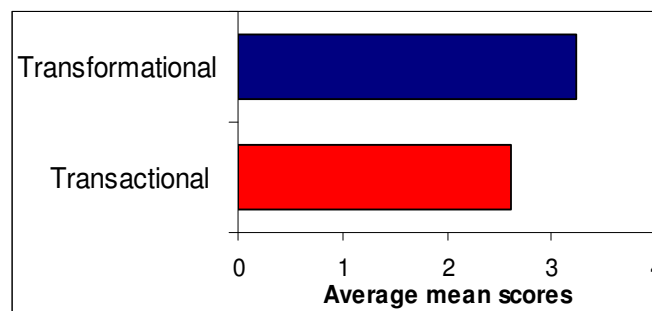


Figure 4: Average mean scores between transactional and transformational leadership styles

Between the competencies i.e. contingent reward and charisma and between Black and White executives there were significant differences. These differences are depicted in figures 4 and 5.

The graphs provide an aggregation of the average mean scores for transactional and transformational leadership styles. The average mean score for transformational leadership style of 3.23 was higher than transactional leadership (2.62) indicating that competencies under transformational leadership were more frequently practiced than those under transactional leadership.

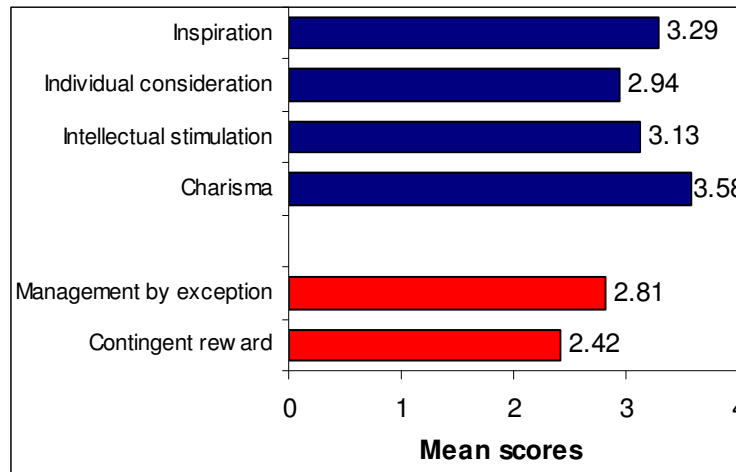


Figure 5: Average mean scores between transactional and transformational leadership styles among the various competencies

The competency charisma shows the highest average score among all competencies within both transactional and transformation leadership styles. In addition the average mean scores for the competencies relating to transformational leadership were above those for transactional leadership. The implications of these findings are discussed in paragraph 4.3.2.

The graph below highlights the scores between Black and White executives under transactional leadership styles. The average mean score for management by exception was greater for White executives compared to Black executives, while the converse was true for contingent reward. This would suggest that White executives focused more on management by exception than their Black counterparts, who focused substantially more on contingent reward competencies. However the quality of the data for contingent reward may be low due to the high standard deviation. The

other dimensions showed standard deviations below a factor of one, while the standard deviation for the contingent reward dimension was a factor greater than one. This would indicate that the data for contingent reward has a relatively low level of acceptance.

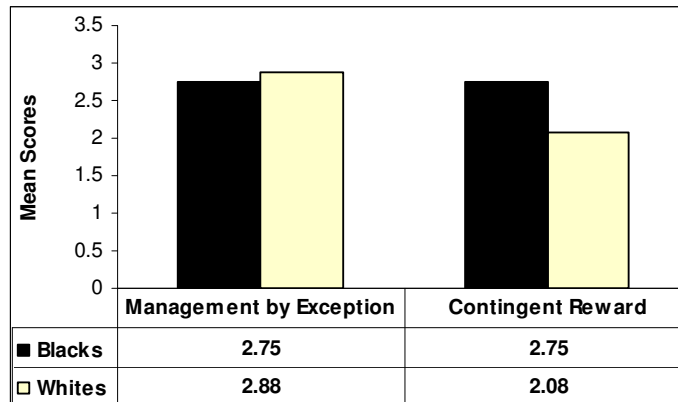


Figure 6: Average mean scores between Black and White executives under transactional leadership styles

4.3.2 Transformational leadership competencies

4.3.2.1 Hypothesis 2 and sub-hypothesis 2

It was predicted that leadership competencies related to transformational leadership are currently being adopted by business leaders to achieve success. Based on the interpretation of the statistical data in Appendix K this hypothesis could be accepted.

An evaluation of sub-hypothesis 2 that certain leadership competencies like vision, charisma, lead by example, and empowerment related to transformational leadership will be endorsed by both Black and White business leaders in South Africa is also accepted. There is however a risk that this hypothesis may not be entirely valid since there is a large deviation (0.4) from the level of significance of 0.05.

The maximum deviation for individual consideration was below the critical cut off point of 3, thus indicating that this dimension was not a strong influence within transformational competencies and accordingly intellectual stimulation and inspiration had significant influences for acceptance of the hypothesis relating to transformational leadership competencies.

4.3.2.2 Interpretation of results

The graphical illustration below suggests that the focus on intellectual stimulation, individual consideration and charisma among Black executives is higher than that of their White counterparts.

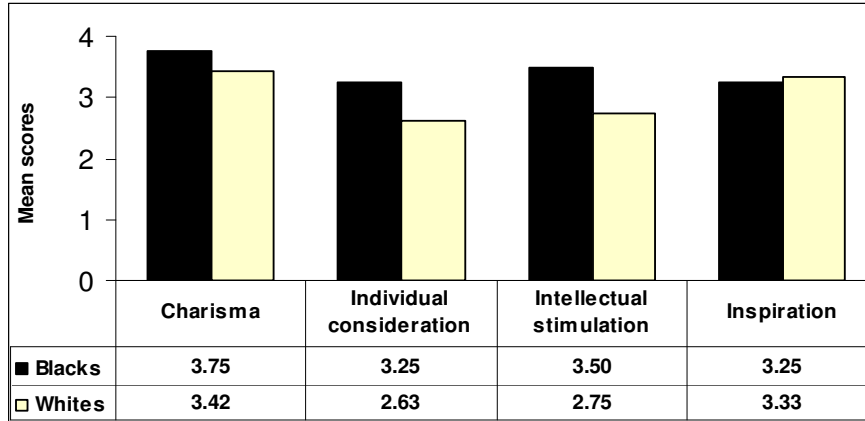


Figure 7: Average mean scores between Black and White executives under transformational leadership- Individual competencies

The results indicate that Black executives showed greater compliance with three of the competencies under transformational leadership style than compared to their White counterparts. White executives fared better than their Black counterparts with regard to inspiration.

Figure 8 further illustrates that the Black executives are more focused on transformational leadership competencies than their White counterparts. These deviations are not significant and the findings will be further explored in chapter 5.

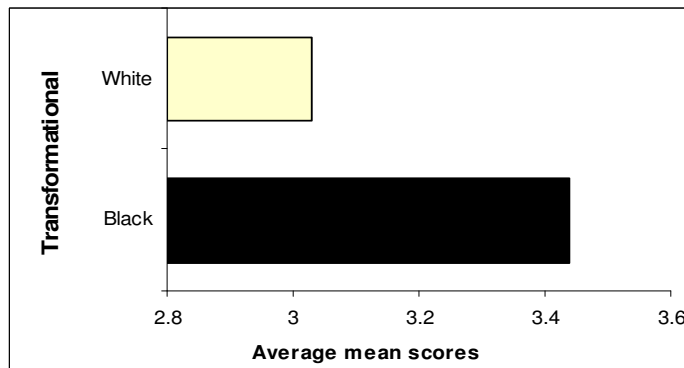


Figure 8: Average mean scores between Black and White executives under transformational leadership – All competencies

4.3.3 Subordinates responses to their executives behaviour

4.3.3.1 Testing of hypotheses by review of responses of subordinates

When comparing the maximum deviation using the Kolomogorov-Smirnov Test for executives and those for subordinate responses as set out in Appendix K, the following deductions could be made:

- The contingent reward, individual consideration and intellectual stimulation dimensions reveal no major significant variations between the two sets of data. This suggests that the subordinates are in agreement with the assessment made by the executives.
- With regard to management by exception and charisma there are deviations between the two sets of data, suggesting that subordinates are of the view that the executives apply these dimensions to a lesser extent than indicated by the executives.

4.3.3.2 Interpretation of results

The following graphical illustration depicts the average mean scores for the various dimensions under transactional and transformational leadership as evaluated by executives compared to the responses of their subordinates. Two subordinates did however not provide responses since one executive declined the request citing restriction imposed by internal policies.

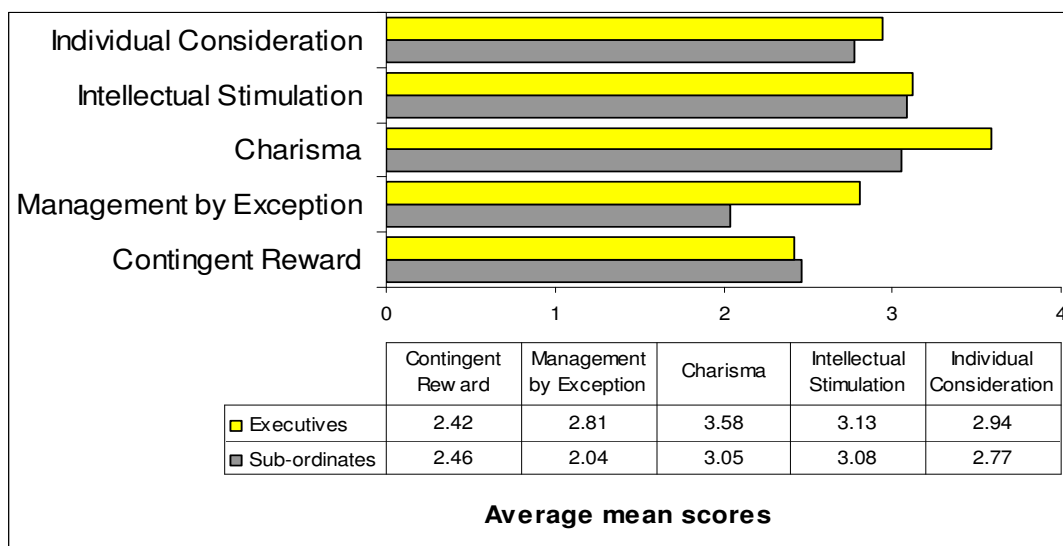


Figure 9: Evaluation of executives' and subordinates responses under transactional and transformational competencies

Except for contingent rewards, the executives' average mean scores are higher than those assessed by their subordinates. Management by exception and charisma show higher deviations, indicating that executives are of the view that they apply these competencies more frequently than their subordinates suggest.

The significant deviation for the management by exception competency indicates that management are more trusting of their subordinates in performance of their responsibilities than the subordinates perceive.

Subordinates are of the opinion that executives are focusing slightly more on contingent rewards than the executives have confirmed. The graphical illustration also highlights the fact that subordinates are of the view that executives are displaying competencies more closely related to transformational leadership. This supports the hypotheses that leadership competencies relating to transformational leadership are currently being adopted by business leaders to achieve success.

4.3.4 Servant leadership competencies

4.3.4.1 Proposition 1

The proposition outcome that was expected was that South African business leaders were less supportive of the competencies advocated by servant leadership theory. However as indicated in the statistical analysis and the graphic illustration below; all executives were applying the competencies under servant leadership.

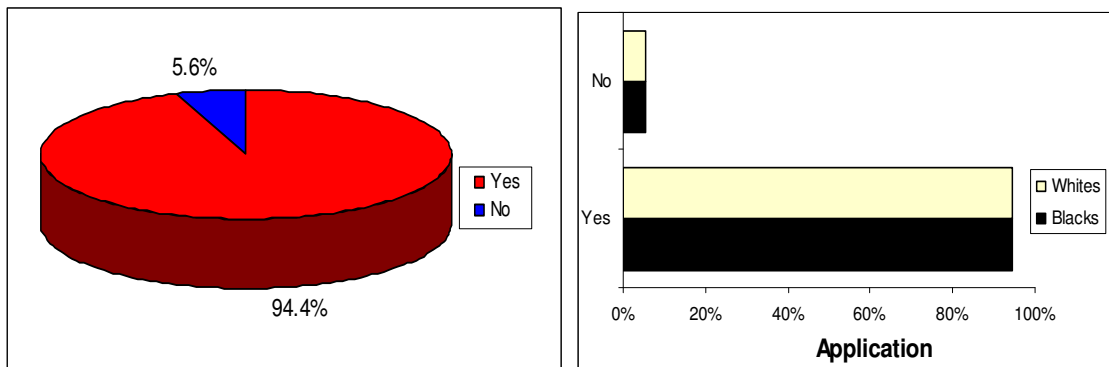


Figure 10: Servant leadership application among Black and White executives

The response to questions posed revealed a 94.4% yes responses. The illustrations also suggest that Black and White executives had similar views on servant leadership.

The results revealed that there was only a 62.5% acknowledgement to the question as to whether the primary responsibility of the organisation was to serve its employees and stakeholders. This is a key principle under servant leadership.

4.3.5 African leadership competencies

4.3.5.1 Proposition 2 and sub-proposition 2

Proposition 2

The proposition outcome expected was that business leaders in South Africa were generally aware of the competencies advocated by African leadership theory; however they had not fully embraced these competencies. The results of the research below indicate more positive responses to the questions posed regarding African Leadership. This suggests that most business leaders were applying the competencies under African leadership. However there was a lower percentage (77.5%) of yes responses compared to the yes responses for servant leadership (94.4%).

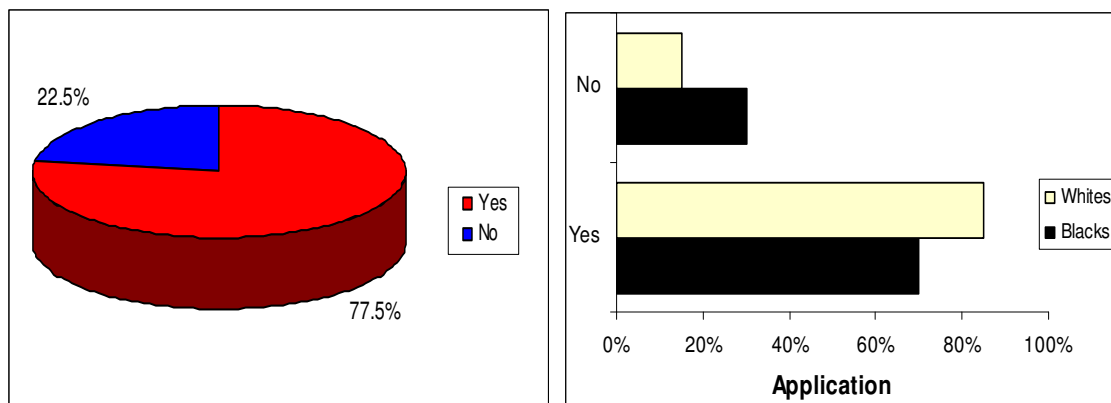


Figure 11: African leadership application among Black and White executives

Sub-proposition outcome 2

Due to cultural differences the proposition outcome expected was that Black executives had embraced the competencies under African leadership and incorporate these in their practice more easily than their White counterparts. However

as illustrated above there were only 70% yes responses from Black executives compared to responses of White executives of 85%. It seems that most White executives were of the view that their organisations had adopted African leadership competencies within their organisations.

However, having reviewed the responses to the specific questions regarding embracing the concept of Ubuntu and the organisation functioning as a community, positive responses of only 62.5% and 50% respectively were evident. These two concepts are fundamental to the foundation of African leadership and the responses of Black executives influenced the lower percentages. This is further explored in chapter 5 in the research discussion section.

4.3.6 EQ development training

4.3.6.1 Proposition 3

It was expected that South African business leaders were undergoing an individualized approach (i.e. coaching, mentoring) to develop leadership competencies. The statistical analysis and graphic illustration confirms this proposition.

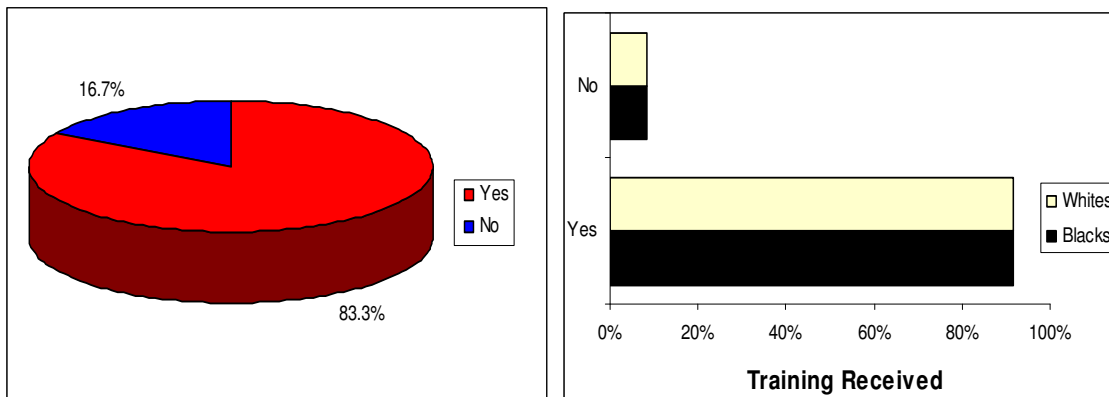


Figure 12: Executives undergoing EQ development training

The majority of executives responded favourably to the questions regarding training received to develop EQ. Furthermore, equal scores were received from both White and Black executives indicating that there were no disparities regarding the level of training received between Black and White executives.

These responses were much higher than the research results based on an exploratory study conducted one with leaders (Richmond, Rollin and Brown in 2004) in the United States (Refer paragraph 2.3.2 page 51). However there could have been disparities between the types of EQ training received. The US study analysed training as being emotionally self aware, learning how to read others and learning from experience. The majority of executives in this study did however not reflect this.

Having analysed and interpreted the data based on the statistical analysis, the next chapter (5) will focus on the narrative discussions of the research findings. It will also draw conclusions and suggest some recommendations for South African business leaders to achieve success.

CHAPTER 5

RESEARCH ASSESSMENT

5.1 Discussion

Having outlined the results in the previous chapter they deserve further analyses to address the primary and secondary problems identified in chapter 2. The first part of the section will deal with addressing the primary problem, with particular focus on the results of the qualitative and statistical data, and measure the competencies with the suggested competency model in paragraph 2.2.8 (refer page 44). The second part of the discussion will deal with addressing the secondary problem regarding the development needs of leaders adopting a particular competency model.

5.1.1 Analyses of qualitative and statistical data to address the primary problem

The primary problem was defined as identifying the most appropriate leadership competency model that South African business leaders should adopt that allows them to meet challenges and achieve business success.

5.1.2 Hypothesis 1 and sub-hypothesis 1 - Transactional leadership competencies

The rejection of the null hypotheses and acceptance of the alternative hypotheses results in a conclusion that both White and Black executives continue to advocate and practice competencies under transactional leadership theory. These findings and the additional results suggest that business leaders, White or Black operate in an environment that promotes transactional leadership style which is conventional and focuses on contingent reward and management by exception.

The behaviours relating to contingent reward and management by exception were evidenced by specific behavioural practices and comments. For example:

- One bank had one of its core values as – “reward our people for their contribution to the bank’s success and business results”.
- One executive indicated that 75% of the outcomes related to internal goals and objectives and only 25% were related to personal goals.

Another executive shared the fact that his leadership style was autocratic and having acknowledged this, his development plan included changing these behaviours.

These attributes are consistent with the transformational leadership style as leaders are good at defining and communicating work that must be done. They make the rewards for expected performance clear. They practice situational leadership. They understand the strengths and the weaknesses of their subordinates and are effective at maintaining the status quo (Swanepoel, Erasmus, Van Wyk & Schenk: 2003).

Management by exception showed greater tendencies than contingent reward and specific interesting comments by executives in this regard were:

- There is only intervention when there is a crisis.
- Corrective action is taken on an ad hoc basis.

Again this is typically another characteristic of transactional leadership style. Leaders who practice management by exception have implicit trust in their workers to finish the job to a satisfactory standard, and avoid rocking the boat. Trust is implied by the leaders assuming that in order to be rewarded the workers will complete the task at hand. These leaders do not inspire workers to achieve beyond expected outcomes. As long as the target is achieved, the system has worked, everyone is happy and the business exists to face a new day. The leader avoids giving directions if the old ways are working and allows followers to continue doing their jobs as always if performance goals are met. They only intervene if standards are not met. There is little sense of adventure, new horizons, or forward thinking strategies with management by exception leaders (Sarros, et al, 2001).

This behaviour was also confirmed by subordinates who indicated that executives were strong on managing by exception. This could indicate that leaders allow subordinates to continue with their tasks and there may be very little sense of adventure or forward thinking strategies during the interaction between the executives and subordinates. Most sub-ordinates indicated that they met with their direct reports on a weekly to bi-weekly basis to discuss progress and obstacles in achieving tasks.

Subordinates were however of the opinion that executives were focusing slightly more on contingent rewards than the executives have confirmed. There may be a perception by subordinates that executives have concentrated efforts on rewarding performance in monetary terms.

The sub-hypothesis provided further insight into the application of the transactional leadership competencies between Black and White executives. The sub-hypothesis suggests that Black executives also adopted transactional leadership competencies. However Black executives focused more on contingent reward than their White counterparts. White executives on the other hand focused slightly more on management by exception. This suggests that Black executives were more concerned with material matters; to improve the economic status of employees, while White executives adopted a “hands off” approach leadership style.

While there may be transactional competency behaviours among business leaders the hypotheses regarding transformational leadership competencies were also positive. Therefore before concluding on transactional leadership behaviours it would be necessary to explore the hypotheses and other statistical data relating to transformational leadership.

5.1.3 Hypothesis 2 and sub-hypothesis 2 - Transformational leadership competencies

Bass (1985) asserts that transformational leadership would result in followers performing beyond expected levels of performance as a consequence of the leader’s influence. In addition Rouche et al, (1989) defined transformational leadership in terms of the ability of a leader to influence the values, attitudes, beliefs, and behaviours of others by working with and through them in order to accomplish the organisation’s mission and purpose. This understanding of transformational leadership provides a meaningful assessment of the results of the hypotheses and other statistical and qualitative data.

Based on the results of the hypothesis it was concluded that leadership competencies related to transformational leadership were currently being adopted by business leaders to achieve success. Furthermore certain leadership competencies like vision, charisma, leading by example, and empowerment which related to

transformational leadership was endorsed by both Black and White business leaders in South Africa.

It was apparent from the interviews that the majority of banks were undergoing transformation to comply with the requirements of the financial services charter and focusing on the spirit of the charter. Banks seem to have restructured their business models to align with national initiatives and are mobilising their strategies towards transformation. This has required executives to change their operating styles and leadership behaviours. This confirms Signau's (2005) view that the innovative and creative leader in South Africa is the one who is transformational, not transactional.

The study has highlighted that transformational leadership competencies are more prevalent than transactional leadership competencies. This is borne by:

- Charisma, intellectual stimulation and inspiration showing higher scores compared to contingent reward and management by exception. Thus indicating that executives were more pro-active in their association with employees and there was greater focus on employees' well being.
- Executives achieved high scores on the charisma which incorporates values, ethics and accomplishments.
- Comments such as –
 - “We live by the value system that is subscribed to”;
 - “We walk the talk on value and fairness”;
 - “The company is the organ of change”;
 - “The company performs best collectively as a team”;
 - “Employees were provided with appropriate learning experiences to improve on performance as part of overall development plans” and;
 - “Self motivation was encouraged and staff were empowered”.were made during the interviews.

This would indicate that the executives were not necessarily event oriented as highlighted in transactional leadership competencies.

While charisma achieved the highest score among business executives, this hypothesis was not fully supported since the deviation from the level of significance was high. The primary reason for this was that two executives could not confirm that

their actions instilled pride, faith and self respect on employees. Furthermore considering the responses of subordinates, the perception among the subordinates was that executives were less charismatic than highlighted by executives. This suggests that subordinates may be less convinced that executives are articulating the organisation's vision, values and strategies in a manner that was influencing their behaviours.

There is also a greater deviation of the average mean scores for White executives compared to Black executives with regard to the charisma dimension. This suggests that Black executives may be more charismatic than their White counterparts. This could partly be attributed to the fact that Black executives may be using persuasion, which is one of the foundations of African leadership, in dealing with employees. Whites on the other hand were employing self motivation and empowerment techniques, focusing on inspiration. It is important to analyse this further as charisma and inspiration impact subordinates differently.

Some executives commented that they communicated their visions at least twice a year via road shows and used presentations and various other internal channels (e.g. television broadcasts). All of them were either involved in or were aware of the company values and ensured that they were entrenched within the company. A common theme when discussing charisma is the importance of articulating a vision and subscribing to a formalised set of values. House (1977) defined vision as a transcendent ideal that represents shared values, and which is ideological in nature. McClelland (1975) suggests that vision results in the internalisation of organisational values and which encourage individuals to adopt behaviours because of the attractiveness of the behaviour itself as opposed to the attractiveness of a given leader. Yukl (1981) on the other hand suggested that inspiration refers to "the extent to which a leader stimulates enthusiasm among subordinates for the work of the group and says things to build subordinate confidence in their ability to perform assignments successfully and attain group objectives" (Rafferty & Groffin, 2004). One executive stated that he encouraged self motivation which resulted in success within the team. Another executive suggested that the leader will be successful "if he is inspirational and this competence cannot be developed since it is an attribute that leaders are born with". Accordingly it could be concluded that although Black and

White executives have different focuses, both vision and inspiration are important when interacting with subordinates and in meeting organisational goals.

Intellectual stimulation received average mean scores from both executives and subordinates. Indicating that executives are stimulating subordinates to encourage creativity and accept challenges as part of their jobs. One executive specifically mentioned that staff are officially recognised for the “best innovative idea”. This would indicate a greater interaction between executives and subordinates with regard to development of skills.

There was less focus on individual consideration since the maximum deviation was below the critical cut-off point. This is justified by executives’ not formally monitoring individual training and relying on employees to take ownership for self development. Career development was only focused on twice a year, as part of the performance management process. One of the executives mentioned that “what he believes is right”; although he would listen to an individual’s viewpoint, he would stand by his “own” decision. Another indicated that only once credibility is established, would he accept the employee’s suggestions. According to Sarros, et al (2001) this deals with the fundamental transformational behaviours of treating individuals as important contributors to the work place. Leaders who use this style of leadership show consideration for their workers’ needs and are prepared to encourage and coach the development of appropriate workplace behaviour. The importance of individual consideration is also advanced by De Beer (2002) who suggests that in order to grow the bottom line, businesses should “care and nurture” the growth of employees.

The results of the subordinate responses highlight the fact that subordinates are of the view that executives are displaying competencies more closely related to transformational leadership than transactional leadership. This finding is also important to consider, as the perception of subordinates are also a critical element in assessing the leadership style of their leaders.

In understanding the development needs of executives under the current scenario of a changing environment, it is suggested that charisma is one of the areas that executives should focus on. A charismatic or inspirational leadership style is particularly important for executives to provide a sense of mission, an inspiring vision

and a value based system to all within the organisation. For example, as a charismatic leader, Dr Martin Luther King, inspired people through superb oratorical skills, dynamic personality, and persistence to personal and social goals in the face of uncompromising resistance. One of the executives interviewed indicated that leaders in the future would be successful if they have the competence of inspiring others. Accordingly it is suggested that executives undergo training that would develop their charismatic behaviour.

In summarising the analyses under transformational and transactional leadership competencies it could be concluded that executives are still adopting certain transactional leadership competencies as a result of the entrenched historical legacies of banks in the South African context. These executives are however “converting” to transformational leadership competencies in a dire attempt to align with political and social challenges facing these banks. This leadership style is particularly effective in these circumstances as it raises the consciousness of followers by appealing to higher ideals and values such as liberty, justice, peace and equality (Sarros et al, 2001) and this then changes the culture of the organisation for the benefit of all.

5.1.4 Servant leadership competencies

The proposition outcome that was expected was that South African business leaders were less supportive of the competencies advocated by servant leadership theory. However as indicated in the statistical analysis in paragraph 4.3.4 (refer page 85) above, all executives were applying the competencies under servant leadership.

More than half of the executives interviewed indicated that responsibility of the organisation was to serve its customers, employees, the government and their communities. However the primary focus was the company’s shareholders and their employees, although corporate responsibility was becoming increasingly important. A review of the latest in-house newsletters of one bank revealed a number of community care projects and an increase in social spending initiatives.

Discussions with the executives also indicated a greater interaction with employees by way of open communication and adopting a “hands-on” approach. The welfare of

the employees was also considered through structured reward and benefit systems. Feedback from employees was received via the counselling processes and annual employee surveys.

The results of the study revealed that although there was increasing emphasis on stakeholders rather than shareholders, the latter is still the key focus of organisations. The feedback from only one organisation indicated that employees are the most vital asset. This could be as a result of this bank's historic past. The evaluation of servant leadership, in paragraph 2.2.5 (refer page 28) which depicts that the primary focus of the leader are the followers (i.e. employees), supports this statement. For Greenleaf (1997) service to followers is the primary responsibility of leaders and the essence of ethical leadership. Service includes nurturing, defending and empowering followers. A servant leader is required to attend to the needs of the followers and help them become healthier, wiser, and more willing to accept their responsibilities. It is only by understanding followers that the leader can determine how best to serve their needs. Servant leaders must listen to followers, learn about their needs and aspirations, and be willing to share in their pain and frustration (Russel and Stone, 2002).

In conclusion, based on the limited research that although certain aspects of servant leadership are being practiced, business leaders are unlikely to focus primarily on employees and their communities. Their organisational business models are predominantly concentrated focused on increasing shareholders wealth. This confirms the proposition that business leaders were less supportive of servant leadership.

However the importance of servant leadership should not be underestimated where organisations are undergoing change. Spears (1992) indicates that when organisations are restructuring, servant leadership associated with transformational leadership, can help institutions as a guiding philosophy or provide trustee (board of directors) education, and assist with employee education programmes.

5.1.5 African leadership competencies

The proposition outcome expected was that business leaders in South Africa were generally aware of the competencies advocated by African leadership theory; however they had not fully embraced these competencies. The results of the research as indicated in paragraph 4.3.5 (refer page 86) suggested that all business leaders were applying the competencies under African leadership.

However interestingly, the sub-proposition expecting that Black executives embraced the competencies under African leadership and incorporate these in their practice more easily than their White counterparts, revealed that more White executives were of the view that they and their organisations had adopted African leadership competencies. Black executives were more sceptical about its application and because of their minority status, made it more difficult for them to exert the influence of the African leadership competencies.

The lower response rate to the questions as to whether the organisation was embracing the concept of Ubuntu and functioning as a community could indicate that these concepts may not have been properly understood by the White executives. This is supported by the fact that two of the four Black executives responded negatively to the question relating to Ubuntu, while three of the four Black executives responded negatively to the question relating to the organisation functioning as a community. As Khoza (2000) justified these responses by stating that the community concept of management takes into account the traditions and culture of the African participants in commerce and industry and it had a strong philosophical base in the concept of Ubuntu. It brings to fore images of supportiveness, cooperation and solidarity; i.e. communalism. Accordingly it could be concluded that while banks have embraced the concept of Ubuntu the application of the concept in practice is not yet effective. This supports Khoza's (1994) view that the corporate culture as experienced in South Africa is still Eurocentric.

Certain executives were of the view that their organisations were supportive of national government's initiatives for all inclusive organisational co-operation, and Ubuntu as a value was communicated as a formal process. However, one Black

executive was concerned that the bank was transforming at a slower pace than expected and would in the longer term become “irrelevant”. He also indicated that there was need for indoctrination and change in management.

The culturally diverse nature of the employees were recognised by all executives and the response to the question as to whether this was being used to the bank’s best advantage revealed that banks were “trying” and “could do better at this”. This illustrates that banks were not using cultural diversity to their best advantage. Within organisations, people come from very diverse backgrounds and are brought together to effectively manage and develop organisational solutions. In these situations the leaders must be able to synergise the individual effect to achieve organisational goals. This can be accomplished by balancing individual and group needs to foster a positive climate to prevail within the workforce that is motivated and productive (Van der Cloff, 2003).

It is clear from the above and discussions during the interviews that African leadership competencies, although considered by White executives as being effectively applied, their Black counterparts disagreed. It could therefore be concluded, based on this limited research, that the key competencies relating to African leadership may not be fully functional among business executives.

However the importance of African Leadership in the South African context cannot be underestimated. As Van der Cloff (2003) concluded that certain, if not all, of the characteristics of the African management theory are general leadership values that should be espoused in excellent leaders. All parties should draw on some African values and contextualise them within the corporate world to create not only a value-centred and inclusive culture, but to develop a network of skills and competencies appropriate for leadership in the next millennium. This suggests that business leaders require development in the area of cultural diversity and in particular the dynamics of Ubuntu.

Having discussed the results findings in detail, the next section will measure the competencies derived from the findings with the competency model suggested in paragraph 2.2.8 (refer page 43).

5.1.6 Comparison of suggested competency model to the competencies derived from the findings in the previous paragraphs

In paragraph 2.2.8 (refer page 44) a suggested competency model for South African business leaders, based on literature, was developed. The key components identified in this model and the compliance by business leaders is identified in table 16.

Table 16: Comparison of competency model to actual research findings

Competencies identified in model		Application in practice based on findings
Charisma	Business leaders provide a clear vision and direction to the organisation and instil pride in subordinates and employees. They present their vision with optimism and enthusiasm.	While charisma achieved the highest score among business executives, this hypothesis was not fully supported. Furthermore subordinates were of the view executives were less charismatic than suggested by the executives. The study also suggested that Black executives may be more charismatic than their White counterparts. The current scenario of a changing environment suggests that charisma is one of the areas that executives should focus on.
Intellectual stimulation Inspiration	Business leaders provide subordinates with new ideas and motivate them to think “out of the box” and challenge traditional methods. They turn vision into accomplishments by engaging others in a constructive manner. Business leaders act in manner that motivates and inspire others as they lead by example. They generate excitement in the organisation by acting in a positive and proactive manner.	The Intellectual stimulation and inspiration dimensions showed high application scores among business executives. However Black executives were applying intellectual stimulation more frequently than their White counterparts. Whites executives on the other hand were employing self motivation and empowerment techniques, focusing on inspiration.

Competencies identified in model		Application in practice based on findings
Trust, respect and integrity Teamwork	<p>Subordinates are trusted and treated with respect and the business leaders act with integrity.</p> <p>Leaders create an environment in which everyone is involved, included and have a sense of ownership. They share ideas and give positive feedback. They utilise the skills of the group to achieve objectives and remove obstacles to team performance.</p>	<p>The findings did not reveal any significant matters in this regard. However teamwork as opposed to individual silo based work was deemed critical by the executives for the organisation to function optimally.</p>
Commitment to the development of people	<p>There is adequate coaching, training of employees, performance appraisal systems and career development plans for all employees within the organisation. They provide hands-on help to improve performance, they listen attentively and they encourage and celebrate individual successes.</p>	<p>Research results depicted that employees were provided with appropriate learning experiences to improve performance as part of their overall development plans.</p>
Empowerment	<p>Subordinates are delegated responsibility to make their own decisions and are rewarded for success.</p>	<p>This specific competency was particularly evident under transactional leadership style. Most of the executives interviewed indicated that they provide direction to employees for the completion of specific tasks and that measurement was outcomes based. Contingent rewards in the form of incentives, to achieve results were the key areas of focus.</p>
Transformation	<p>Through their behaviours and actions business leaders attempt to ensure that everyone in the organisation is treated fairly and given equal opportunities. They are committed to legislative reforms and recognise cultural diversity as a strength of the organisation.</p>	<p>There were no indications of discrepancies regarding the specific treatment between the different race groups. However it was apparent that while cultural diversity was recognised by all executives as important, the findings indicate that the banks were not using cultural diversity to their best advantage.</p>

From the above comparison it is clear that competencies like charisma, intellectual stimulation, inspiration, empowerment and transformation are important to the competency model for business leaders in South Africa to achieve success.

The next section will deal with addressing the secondary problem regarding the development needs of leaders adopting a particular competency model.

5.1.7 EQ development training

In paragraph 2.3.2 (refer page 48) it was concluded that based on studies conducted by Higgs (2000) there was a relationship between transformational leadership and EQ. The research results also confirm that the transformational leadership competencies are more prevalent among business leaders in South Africa. Accordingly, the proposition that South African business leaders were undergoing an individualized approach (i.e. coaching, mentoring) to develop leadership competencies relating specifically to transformational leadership was in hind sight the correct proposition to investigate.

The results of the research and the statistical analysis in paragraph 4.3.6.1 (refer page 87) confirm this proposition.

The interviews conducted with executives revealed that they attended in-house interactive executive development programs. They also received feedback from peers and subordinates via 360° evaluations. Some of the executives received coaching through executive coaching programs. At one bank, executives attended EQ programmes whereby an independent consultant “lived the lives” of each executive by becoming involved in their daily activities. The objective of the programme was for the consultant and the executive’s colleagues to obtain a better understanding of the executive so that in the longer term the executive team could work collaboratively and more effectively with each other.

The above does suggest that executives are not lending themselves to traditional training which is in agreement with the study conducted with leaders in the United States on EQ by Richmond, Rollin and Brown in 2004 (refer paragraph 2.3.2 page 48). Business leaders in South Africa may require additional EQ training to become emotionally self aware, learn how to read others and learn from experience.

In addition due to the research findings in paragraph 5.1.5 (refer page 97) regarding the importance of African leadership competencies in South African organisations, it is recommended that business leaders advance their developmental training in the area of cultural diversity and in particular the dynamics of Ubuntu. Only one organisation is currently deploying training on cultural diversity whereby ethnic differences are explored and challenged. One of the subsidiaries of the banks has expanded this and are sending staff to spend time in the townships. Furthermore, as highlighted in paragraph 5.1.3 (refer page 91) a charismatic or inspirational leadership style was considered particularly important for executives to provide a sense of mission, an inspiring vision and a value based system to all within the organisation. Accordingly it is suggested that executives undergo specific leadership development training that would enhance their charismatic behaviour. Public speaking courses could assist in this regard.

Having interpreted and discussed the results of the research study in this chapter, the final next sections of this report will draw conclusions on the research study and also provide certain recommendations stemming from the observations and conclusions.

5.2 Conclusions

5.2.1 Research objectives and focus

It was recognised in chapter 1 that South African business leaders were confronted with numerous national and international challenges which required urgent and decisive action. Given these challenges and in order to achieve personal and corporate success; South African business leaders need to develop new ways of thinking, re-engineered approaches and improved competencies.

Hence, the primary objective of the research was to analyse the leadership competencies that business leaders should acquire, develop and sustain that would result not only in them or their organisations being successful, but also those competencies that would lead to prosperity for their employees, communities and the country as a whole.

A secondary objective relating to development needs of business leaders adopting specific competencies was also pursued.

The initial focus of the research was to identify appropriate competencies for South African business leaders to achieve success. This was accomplished through understanding the competency requirements for South African business leaders and then performing a literature review of internationally recognised and developing local leadership theories. At the same time the concept of emotional intelligence was pursued since it was identified as being a critical link to organisational leadership.

Having identified an appropriate competency model, the next focus of the research was to conduct an exploratory study to measure the competency model against actual behaviours by South African business leaders. The target population was four of the major banks listed on the JSE. Whilst this population may not have been representative of the leadership competencies of successful business leaders in South Africa it provided some understanding of competency requirements within a key sector of the South African economy. However the limitation of this research should be recognised.

Using self developed goal specific interview schedules, interviews were conducted with eight executives, covering an equal number of Black and White executives. The selection of Black executives was to explore the impact of cultural behaviours on leadership competencies. The exploratory research was also enhanced by providing two of the subordinates of each of these executives with questionnaires to comment on the specific behaviours of their leaders.

The responses of executives and subordinates were considered very satisfactory to draw conclusions on competencies displayed by business leaders. The results were then captured and statistically analysed with the assistance of a research psychologist. This was followed by a critical review and interpretation of research results for the purpose of mitigating the problem statements. Thereafter conclusions were drawn on what competencies business leaders need to possess to be successful in South Africa.

5.2.2 Key findings and conclusions

The key findings and conclusions of the research were as follows:

5.2.2.1 Transactional leadership

Contrary to initial predictions that South African business leaders had moved away from competencies associated with transactional leadership style, the research found that these competencies were still prevalent within the banks and both White and Black executives continue to advocate and practice these competencies. There was greater compliance by executives to management by exception compared to contingent reward. Both competencies were still the focus of executives. While Black executives were concerned with material matters to improve the economic status of employees, White executives adopted a management by exception (“hands off” approach) leadership philosophy.

5.2.2.2 Transformational leadership

Although the executives continued to practice transactional leadership competencies, there was also evidence of application, on a greater scale, of transformational leadership competencies. Furthermore certain leadership competencies like vision, charisma, leading by example, empowerment, intellectual stimulation and inspiration, were endorsed by both Black and White business leaders in South Africa.

While charisma achieved the highest score among business executives, this hypothesis was not fully supported since the deviation from the level of significance was high. Furthermore subordinates felt that executives were less charismatic than highlighted by executives. This suggests that subordinates may be less convinced of the organisation’s vision, values and strategies articulated by business leaders. There is also a greater deviation of the average mean scores for White executives compared to Black executives with regard to the charisma dimension. This indicates that Black executives may be more charismatic than their White counterparts. On the other hand White executives were employing self motivation and empowerment techniques to inspire subordinates. It can be deduced that because of their focus, both were equally important in achieving strategic objectives and interacting with subordinates.

It can also be concluded that due to entrenched historical legacies of banks in the South African context, transactional leadership competencies were still prevalent. Although there has been a shift from transactional to transformational leadership; certain practices were still embedded in the business models of banks. Executives are currently “converting” to transformational leadership competencies in line with their organisations’ alignment of business models to National Government’s transformational leadership style.

5.2.2.3 *Servant leadership*

The responses to questions posed to executives relating to compliance with servant leadership revealed a high percentage of positive responses.

Under servant leadership the primary focus is the follower, and in the context of the banks this would be its employees. However from the interviews conducted it was clear that the primary focus was its shareholders. The next level of importance was its employees and customers, followed by its corporate social responsibility.

The focus on employees and social responsibility should be seen in the context of Employment Equity, Black Economic Empowerment legislation and the Financial Services Charter. Enforced legislation has required banks to expand and increase their focus on employees and their communities.

The interviews revealed that there was greater level of interaction with employees by way of open communication and executives adopting a “hands-on” approach. The welfare of the employees was also considered through structured reward and benefit systems.

The overall conclusion is that while banks are becoming “caring organisations” the primary focus will still be on shareholders, who are the owners of these organisations. This business model is unlikely to change under the present capitalist and market driven economic systems.

5.2.2.4 African leadership

The results for African leadership were the most interesting. Responses received from interviews revealed that all business leaders were applying competencies in some way. However more White executives were of the view that they and their organisations had adopted African leadership competencies. Conversely, Black executives were more sceptical about their organisations adopting African leadership style. They responded negatively to the questions on whether their organisations were embracing the concept of Ubuntu and functioning as a community. These two concepts are the foundations of the African leadership style.

Furthermore the results as to whether businesses were using cultural diversity to their advantage showed low responses. The importance of cultural differences cannot be underestimated as studies carried out by Hofstede in 1983 and Thomas and Bendixen in 2000 indicate that differences in culture can significantly affect leadership practices.

The studies indicate that while organisations had promoted the values associated with Ubuntu, community functioning and cultural diversity within their boardrooms and corridors; in practice, based on the responses of Black executives, organisations were not “living” these values. The main reasons for this conclusion was that White executives did not necessarily fully understand these values, while Black executives were not represented in sufficient numbers to implement these values in practice.

Some of the aspects of a communal enterprise are being achieved by team work. Certain executives highlighted the fact that teamwork as opposed to individual silo based work was deemed critical for the organisations to function optimally. This was summarised eloquently by an executive who stated that “it was best to work collectively as a team” and that “there was very little an individual can contribute to alone”. Another aspect of African leadership was vision and charisma, being a key component within transformational leadership would include leaders articulating a vision.

The key aspects of Ubuntu are the concepts of group solidarity, consensus democracy, persuasion and interdependence; and are not entrenched in

organisations. These are critical to organisations if they want to develop a network of skills and competencies for leadership in the millennium (Van der Cloff, 2003). Madi (1995) further this emphasises by stating that the previous thinking, action and behaviour of the South African corporate world and culture is reflected somewhere between that of Europe and the USA and not that of Africa. He points out that with all the changes taking place in South Africa, firms will need to adjust to the idea that they are in Africa and that by the end of the century the average South African will be 15 years old and Black, and they, with their sense of values, perceptions and frames of references will be the workforce of tomorrow.

5.2.2.5 Key competencies for business leaders

The study concluded that for business leaders to be successful in the longer term they would need to display, advocate and practice the following competencies:

- ***Charisma***

Business leaders should provide a clear vision and direction to the organisation and instil pride in subordinates and employees. They should present their vision with optimism and enthusiasm so that they have subordinates and employee “buy-in”. The current scenario of a changing and transforming business environment suggests that charisma should be one of the key focus areas for business leaders.

- ***Intellectual stimulation***

Business leaders should provide subordinates with new ideas that motivate them to think “out of the box” and challenge traditional methods. They turn vision into accomplishments by engaging others in a constructive manner. They should stimulate subordinates by encouraging creativity and accepting challenges as part of their jobs.

- ***Inspiration***

Business leaders should act in manner that motivates and inspires others as they lead by example. They generate excitement in the organisation by acting in a positive and proactive manner. While certain business executives may focus on charisma, others with the appropriate skills, should inspire subordinates. Both of these are important for business success.

- ***Transformation***

Legislation and changing business practices in South Africa requires that everyone in the organisation is treated fairly and given equal opportunities. For business leaders to achieve success, they should ensure that these practices are entrenched in their business models.

The profile of the South African workforce is changing, incorporating a larger culturally diverse nation. This requires leaders to create an environment for all employees that is enabling. The role of the leader in modelling the way includes the ability to foster a productive work environment. This can be done through the leader's personal convictions and personal skills. Therefore, it is important for leaders to be flexible and adaptable to the needs of the employees in such a way that employees become more empowered (Van der Cloff, 2003).

In particular the concept of Ubuntu while included in corporate values, should find itself in the hearts and minds of business leaders.

5.2.2.6 EQ development training

Conclusions were made that there was a relationship between transformational leadership and EQ. Given that the competencies associated with transformational leadership are central to the competencies identified for successful business leaders, it is necessary that business leaders continue to receive this training.

Executives were currently receiving EQ training associated with in-house interactive learning programs, coaching and 360° evaluations. However based on research findings leaders should pursue additional EQ training to become emotionally self aware, learn how to read others and learn from experience. They will then be able to make better decisions, effectively manage emotions, conflict and change, and inspire and influence positive achievements.

5.3 Recommendations

Considering the literature, the results of the research and the discussions above, this section provides certain recommendations to South African business leaders.

Due to globalisation and the increasing internal political, social and economic pressures the South African business landscape is forever changing. This requires businesses and their leaders to be courageous and forward thinking if they wish to remain relevant in South Africa. Accordingly it is recommended that business leaders incorporate the competencies identified in paragraph 5.2.2.5 (refer page 107) in their business practices. This recommendation should be an immediate priority as change is rapidly taking place.

Leaders should continue to implement effective development programmes, which focus on understanding how their organisations could use the strengths of its culturally diverse workforce to its best advantage. In particular the principles of African leadership, comprising mainly of Ubuntu and the community functioning collaboratively, should be examined more closely to integrate these values into existing systems. This will allow the organisations to build for the future.

In transforming corporate entities there needs to be leaders who could inspire others to share in a brighter future, provide a sense of mission and a value based system to all within the organisation. This can be attained by:

- the leader engaging people on a personal level in developing the values and vision of the organisation;
- providing the platform to gain commitment and buy in at an early stage;
- illustrating trust in his team;
- ensuring that the development of the values and vision is a joint process between staff and management; and
- continuously communicating and reiterating the vision and values.

In motivating and inspiring their people to increased levels of productivity and commitment, leaders should concentrate on the following:

- empowering their staff and refraining from micro-management; and
- building staff confidence and improving morale by:
 - communicating a clear and concise set of goals;
 - creating an environment of trust; and
 - being transparent in their behaviour.

An area of weakness within the current leadership skill set is the leaders' tendency to focus on the collective group as opposed to individuals. This leads to a lack of appropriate development of staff and the inability to recognise individual talents. Furthermore it results in staff not committing to the process and the leader losing credibility. The leader should concentrate on the following:

- understanding the individual development needs and preparing an appropriate development plan for that individual;
- consistently engaging the employee to ensure its relevance;
- providing projects to stimulate learning experiences;
- providing continuous and constructive performance feedback to the employee and not procrastinate until the scheduled appraisal; and
- provide appropriate levels of coaching and on the job training.

The business world can be emotionally charged and draining if an employee is not mentally prepared. It has become imperative for businesses to extend their EQ initiatives to include training to become emotionally self aware, learning how to read others and learning from experience. It has been documented that an individual with a high personal and social competence is more geared towards transformational leadership style with the primary emphasis being on motivating and influencing others.

The most critical characteristic required of a leader in today's demanding business world is time. In assessing my personal experience, leaders with time for staff combined with the aforementioned characteristics has proven highly effective. This has surfaced as being a fundamental building block in enhancing leadership competencies. Leaders should subscribe to this philosophy to be successful.

5.4 Overall conclusion

The challenges faced by South African business leaders are numerous and onerous. To be successful, this requires mobilising forward thinking strategies. Success is measured not only in terms of contributions to increase shareholders wealth, but also in terms of contributing to the triple bottom line. This includes employee wealth creation and contribution to social and economic development of the environment and communities in which they operate. The study has highlighted that competencies associated with transformational leadership are considered the most appropriate to assist business leaders in their efforts to achieve success.

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