

An Investigation into the Leadership Development Strategy  
Implemented by a Manufacturing Organization in South Africa

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By

Sandra Munsamy

Student number: 7025-872-4

[sandra.munsamy@graftech.co.za](mailto:sandra.munsamy@graftech.co.za)

016 360 3112/082 784 4038

## **ABSTRACT**

The challenging nature of business today requires exceptional leadership skills. However these leadership skills are a scarce commodity and companies need to develop leadership to ensure a pipeline of leadership talent that can cope with the challenges facing business. This task however is quite daunting as there are many methods but few certainties about what works and what does not. Thus many organizations struggle to find the right strategy to bridge the leadership gap. This research report examines the best practices that exist in developing a leadership development strategy, recommends a model for leadership development and investigates the leadership development strategy of a manufacturing organization in South Africa. The findings indicate that the strategy implemented by the case organization is effective and thus can be used as an example to other organizations also trying to implement a leadership development strategy. Challenges include fostering a learning organization climate and implementing metrics to measure the success of the strategy.

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# **CHAPTER 1: AN ORIENTATION TO THE RESEARCH REPORT**

## **1.1 INTRODUCTION**

The new millennium is a turbulent one, full of challenges such as globalisation, intense competition, fast paced technological change, ethics and governance issues, and health and environmental issues just to mention a few. Change is a constant way of life and creative ways are needed to stay abreast. Literature suggests that effective leadership is necessary to enable businesses to survive these challenges (Yukl, 2006).

Critical business developments continue to underscore the importance of leader behaviour as a core determinant of overall effectiveness. These developments include intensified business competition, electronic advances, rapid technological change, globalisation, outsourcing/off shoring, higher energy needs, workplace diversity, environmental turbulence, and eroding psychological/physical safety (Wasylyshyn, 2004).

The demands being put on an organization's ability to change in order to stay competitive are claimed to be increasing. These demands are leading to a merger between the traditional management role and the leadership role; this means that management and leadership skills should be added to a professional's expert knowledge (Mulec, 2006).

A majority of global business executives believe that leadership shortages are threatening corporate performance, according to the results of the first annual Global Leadership imperative. This shortage specifically affects their ability to adapt and respond to business risks such as increased competitive pressures, rapidly changing market conditions, innovation and customer expectations (CMA Management, 2006).

Research shows that the management and leadership of people have a greater effect on productivity and profitability than the combined effects of strategy, quality, manufacturing technology, research and development. Emerging research links an organizations ability to develop its leadership capacity to its competitive advantage.

Leadership development is necessary to cope with the challenges of a complex business environment, the need to deliver results on many levels and the high expectations of leaders (Weiss & Molinaro, 2006).

Successful firms maximize investment in human capital (Pittaway, Rivera & Murphy, 2005). The most admired companies in Fortune 500 companies have strong leadership development practices (Lockwood, 2006). Leadership development is a key success factor in the long-term sustainability of organizational change (Locke & Tarantino, 2006).

South Africa has further challenges to cope with. The years of isolation have resulted in numerous difficulties for South African organizations in the global market such as fierce competition from experienced international competitors, increased labour demands, implementation of affirmative action, high labour costs, low levels of productivity, a lack of international business experience and a high incidence of crime (Denton, 2002). The legacies of South Africa's past, the brain drain and issues such as diversity and leading a truly rainbow nation still in its early stages of democracy makes the South African situation more unique.

Leadership development is easier said than done due to leadership being a scarce commodity. There is constant debate on whether leadership can be taught, the difference between a leader and manager and whether leaders are born or made (Lockwood, 2006). There is a lack of a common framework or model for understanding leadership. We do not even possess a common definition of what leadership is (Kent, 2005).

Therefore, consensus exists amongst all these scholars that the pressures and challenges facing business are increasing and getting more complicated. They also all concur that leadership is the key to successfully overcoming these pressures and challenges. They all agree however, that leadership is scarce and needs to be developed, but doing so is just as challenging. Thus this research report will undertake to examine what best practices in leadership development exist in overcoming this challenge.

## **1.2 PURPOSE OF RESEARCH**

Leadership seems to be the answer for all of organizations problems, but leadership is a scarce commodity and thus needs to be developed. However developing leadership is just as challenging as the problems it is supposed to handle.

The primary objective of this research would thus be to determine what examples of good practice in leadership development are there to be found and what programs should be offered in the development of future leaders. A manufacturing organization will be studied to determine what they do to people seen as having leadership potential and what lessons can be drawn from this manufacturing organization.

## **1.3 STATEMENT OF PROBLEM AND SUB-PROBLEMS**

For companies to be successful, they need to maximize their investment in human capital by developing the leadership potential throughout the organizations (Lockwood, 2006). However leading and the development of leaders is a systematic challenge made worse by the shortage of leadership talent in contrast to the anticipated need and severe competition for talent (Allio, 2005). Best practice in leader development is hard to discern. There are many methods but few certainties about what works and what does not. Thus many organizations struggle to find the right strategy to bridge the leadership gap.

### **Primary and Secondary Research Questions**

#### **Primary:**

- What are the elements of an effective leadership development strategy that results in the development of leaders able to cope with the challenges facing business today?

#### **Secondary:**

- What best practices exist in leadership development?
- What lessons can be drawn from the leadership development strategy of a manufacturing organisation?

## **1.4 DEFINITIONS**

### **LEADERSHIP**

Most definitions of leadership reflect the assumption that it involves a process whereby intentional influence is exerted by one person over other people to guide, structure, and facilitate activities and relationships in a group or organization (Yukl, 2006). For example, Yousef (1998) states that Kotter (1988) defines leadership as a process of moving a group of people in some direction through non coercive means, that Luissier (1990) defines leadership as the process of influencing employees to work toward the achievement of objectives, and that Robbins (1993) believes it's the ability to influence a group toward the achievement of goals.

The work of leaders is thus all about influence, which encompasses pointing people in a certain direction and pushing them for specific results, about inspiring them to think, to imagine new possibilities, and create novel solutions to problems. With one person, instructions may be necessary, you need to guide them carefully and be specific about priorities, methods, tools, etc. With another, a leader will do best by defining the goal, then standing back and letting them get on with it. Adaptability and flexibility are better than a rigid approach (Manning & Robertson, 2002).

### **LEADERSHIP DEVELOPMENT**

Leadership development is defined as formal and informal training and professional development programs designed for all management and executive-level employees to assist in developing the required leadership skills and styles to deal with a variety of situations (Lockwood, 2006). It means activating or actualising some pre-existing potential ability in the person, the building out of latent strength or correcting a weakness that is blocking full effectiveness (Davies, 1994).

It is a process whereby facilitators lead participants through a series of activities or mental exercises, encouraging them to reflect on learning experiences in order to promote the transfer of knowledge and skills to work contexts. Leadership development practices are designed to encourage individuals to develop their leadership capabilities and improve their leadership behaviours (Burke & Collins, 2005).

Leadership development is an expansion of a persons' capacity to be effective in leadership roles and processes (Melum, 2002).

### **1.5 LIMITATION OF THE STUDY**

It is important to note the small sample size as only one organization is being studied. The generalizability of the findings must therefore be considered with caution. They may, however be of benefit in suggesting directions for future research.

### **1.6 DELIMITATION OF THE STUDY**

This study focused on the different elements that constitute an effective leadership development strategy. Best practice from past research and the literature was reviewed and assessed and a model was established of an optimum leadership development strategy. The leadership development strategy of a manufacturing organisation was then evaluated to determine what lessons could be learnt.

### **1.7 ASSUMPTIONS OF THE STUDY**

This study assumes that South African companies have recognized that leadership is the key to becoming a world class organization and have a strategy to develop leaders. For operational reasons, a further assumption is that the terms management and leadership is used interchangeably to mean the same thing. It is also assumed that leadership can be taught.

### **1.8 IMPORTANCE OF THE STUDY**

The research has the potential of determining what best practice exists in leadership development and what lessons can be drawn from the case organization that will be of value to other organizations trying to implement a leadership development strategy.

### **1.9 OUTLINE OF THE RESEARCH REPORT**

The format of the rest of the report will be as follows: Chapter 2 will be used to review the literature on leadership development and a model will be recommended. Chapter 3 will provide information on the research methodology for the report. Chapter 4 will

outline the research results and Chapter 5 will conclude with a discussion, conclusion and recommendation.

In the following section we examine the various literature on leadership development, namely the dilemmas of leadership and leadership development and the best practices that exist in leadership development. A model for leadership development is then developed in line with the best practices outlined in the chapter.

## **CHAPTER 2: A REVIEW OF THE LITERATURE ON LEADERSHIP DEVELOPMENT**

This chapter will begin with an outline of all the various dilemmas of leadership and leadership development, namely, a lack of a common definition of leadership, a lack of consensus of what constitutes an effective leader, the debate on whether leadership can be taught, the debate on the difference between a leader and a manager and the evolving nature of leadership development over the years. Best practices outlined in the past research and literature will then be reviewed and finally a model for leadership development will be developed.

### **2.1 THE DILEMMAS OF LEADERSHIP AND LEADERSHIP DEVELOPMENT**

This section will provide a review of all the dilemmas that make leadership development a challenge. We see that there is a lack of a common definition of leadership as well as what constitutes an effective leader. Leadership development has also been changing continuously over the years and there is constant debate on whether leadership can be taught and the difference between a manager and a leader. All these factors contribute to the complication of leadership development.

#### **2.1.1 THE LACK OF A COMMON DEFINITION OF LEADERSHIP**

Leadership like most other concepts in social sciences has no single or unique definition. It has been defined differently by different authors (Yousef, 1998). Leadership has been defined in terms of traits, behaviours, influence, interaction patterns, role relationships, and occupation of an administrative position (Yukl, 2006).

At a study on leadership development in the NHS (National Health Service in the UK), answers to the question “how do you define leadership” revealed little consensus about the meaning. Some organizations have attempted to define leadership, some have listed the competencies they expect of leaders (based either on those identified by an internal investigation or by combining those locally developed with those available in the literature), and others leave the definition up to the individual members of the organization. Some see leadership as arising from

personality traits intrinsic to certain individuals, some define it as a range of skills to be acquired and practiced and thus extrinsic to the individual, and some definitions suggest that leadership is something that develops in certain people once they are appointed to specific posts (Alimo-Metcalfe & Lawler, 2001).

The theoretical approaches that dominate the leadership literature are transformational leadership, charismatic leadership, the leadership-member exchange theory, the behavioural approach and contingency theories. The ambiguity of this topic could result from the fact that the leadership literature treats leadership as a phenomenon characterised by great complexity and diversity. There is no single model efficiently explaining leader behaviours. The literature focuses primarily on leader emergence, but not on leader effectiveness (Liu & McMurray, 2003).

Two stances can be taken regarding the implications of the controversy regarding the definition of a leader. The adoption of a single definition will only restrict the potential for development (Boaden, 2006). The other view is that to effectively develop leaders, one needs to know what it is (Alimo-Metcalfe & Lawler, 2001).

### **2.1.2 LEADER EFFECTIVENESS**

Like definitions of leadership, conceptions of leader effectiveness are just as controversial. There is lack of agreement about what makes for effective leadership, particularly about the qualities or capabilities required by leaders (Bennet, 2004). Leadership effectiveness can be evaluated in terms of consequences or outcomes of the leader's actions for followers and other organization stakeholders. The attitude of followers toward the leader is another common indicator of leader's effectiveness. Leader's effectiveness is occasionally measured in terms of the leader's contribution to the quality of group processes. It is difficult to evaluate the effectiveness of a leader when there are so many alternative measures of effectiveness, and it is not clear which measure is most relevant (Yukl, 2006).

### **2.1.3 THE EVOLVING NATURE OF LEADERSHIP DEVELOPMENT**

Leadership development has changed perspective over the last years as is evident by the following two tables.

**Table 1: Evolving paradigm of leadership development (Boaden, 2006)**

	<b>PAST</b>	<b>TRANSITION</b>	<b>FUTURE</b>
<b>Participants</b>	Listener	Student	Learner
<b>Program design</b>	Event	Curriculum	Ongoing process
<b>Purpose</b>	Knowledge	Wisdom	Action
<b>Players</b>	Specialists	Generalists	Partners
<b>Presentations</b>	Style	Content	Process/outcome
<b>Place</b>	University campus	Corporate facility	Anywhere

The above table illustrates that leadership development initiatives have evolved by taking the learning out of the classroom and into the real world. Approaches to leadership development have been based around skill building, concepts, outdoor adventures, and feedback. What is now needed is an approach that focuses on strategic and global issues in a decentralized environment, within the context of sensitivity to diversity, interpersonal skills and communities, and with a focus on anticipating the future and mobilizing the organization to shape it. Modes of learning include emulation of a mentor, role learning, learning through doing, validation, learning of concepts and personal growth. Some of these are more suited to formal learning than others. Action learning is regularly cited as a key tool in leadership development. Learning at an individual and organizational level and the relationship to training has also evolved. Leadership requires commitment on the part of the learner, thus challenging the role of the educators. The focus of learning is an action oriented, lifelong process where global partners work together to produce a positive, profitable future for all. Programs are no longer products, but should rather be designed around the issues within the organization that need to be addressed (Boaden, 2006).

Buus and Saslow (2005) use table 2 to also illustrate the evolution of leadership development. They state that it is critical that organisations understand their own leadership development needs and must realise that this is a moving target because new individuals and new strategies are introduced all the time. Companies should

proactively customise a solution based on these needs. Gone are the days of having a fixed competency wheel for an organisation’s leaders and simply trying reactively to build skills that match against this talent model over the course of several years. Top performing organisations take a proactive approach to building leadership talent, as it is increasingly recognised that leadership development is not just a tool to help the organisation achieve its strategy, but rather a process by which it can develop a strategy in the first place. It is important that leadership development professionals understand the global business drivers in their organisation, as these are the basis from which all solutions should be designed. Development professionals no longer train leaders to have a well-rounded set of skills; they develop leaders to achieve business results. The global aspects are highly relevant, as leaders need to know how to manage across boundaries, penetrate foreign markets, and to do so with a diverse employee base.

**Table 2: Changing nature of leadership development (Buus & Saslow, 2005)**

	<b>PRESENT</b>	<b>FUTURE</b>
<b>Goal</b>	Develop skills and competencies for general management	Increase ability to execute current organizational strategies
<b>Design style</b>	Bottom up and top down	Integrated with business unit leads
<b>Human capital management process integration</b>	Limited	Integrated
<b>Business unit perspective</b>	Service provider	Partner
<b>Corporate view on program costs</b>	Overhead, try to minimize	Part of doing business, investment
<b>Use of technology</b>	Minimal, mostly administrative costs	Standard across program management-assessment, design, delivery, measurement, follow on development
<b>Measurement</b>	Level 1- reaction typical	Level 4 – business impact measurement using

	Level 3 – behaviour change (via 360 degree) infrequent	development analytics
<b>Primary supplier roles</b>	Design and delivery	Design, co-delivery, auditing, reporting

New ways of thinking about the nature of leadership and leadership development are evident (Lockwood, 2006). Where leadership development was seen as a once off event, occurring in a classroom and focusing on improving knowledge, it is now viewed as a continuous process that can occur anywhere and that emphasises action learning.

### **2.1.4 THE DEBATE ON WHETHER LEADERSHIP CAN BE TAUGHT**

The trait approach was one of the earliest approaches for studying leadership. This approach emphasises leaders’ attributes such as personality, motives, and skills. Underlying this approach was the assumption that some people are natural leaders, endowed with certain traits not possessed by other people (Yukl, 2006). Others viewed leadership as linked naturally and necessarily to cognitive ability or general educational accomplishment (Connaughton, Lawrence & Ruben 2003). Thus leaders were born and as such, leadership could not be developed.

However there is an immense body of scholars who believe that leadership can be taught and developed. According to Brown (2003), research suggests that leadership is a skill that can be developed. This is done by participating in educational opportunities and develops through small and steady changes in behaviour.

Nau (2003) states that there is consistent evidence that leadership can be taught. He believes that developing as a leader is a constant learning process. This is done through training and counselling by developing specific action plans based on the theory.

Allio (2005) adds that leadership consists of behaviours, which are tangible, observable, and to some extent measurable things, which one does and/or which one can learn to do, given reasonable motivation and average intelligence. He believes

that leadership is not genetically endowed, because if it was would imply that it would not be learnable.

Boaden (2006) observes that popular theory and training efforts in many organizations appears based on the belief that there are appropriate ways to lead others, and that these ways can be taught to managers. There are concepts and practices that can be learned and taught that will enhance the leadership effectiveness of people. Work experiences, bosses, special projects, role models, education all play a role in leadership development. But the methods of teaching need to focus on creating meaningful experiences from which the student can learn. Book knowledge is only a small part of effective leadership. The explicit components such as steps necessary to develop a strategy and vision are easier to teach. Subtle and tacit actions and processes required to gain commitment to a strategy or vision such as empowering employees, building relationships, demonstrating confidence but with humility can be conveyed through experiential learning, case studies and by learning by doing.

Allio (2005) believes that men and women become leaders by practice, by performing deliberate acts of leadership. He believes that leadership is simply not a craft that schools can teach; men and women become leaders only after tempering in the harsh crucible of organizational experience.

Connaughton, Lawrence and Ruben (2003) state further that leadership competencies do not develop automatically as a consequence of having particular cognitive abilities or discipline expertise. As with musical, athletic, and other performance competencies, the requisite knowledge and skills for leadership can be taught and learned.

This study thus takes the stance that leaders are a combination of both natural born abilities and development activities, that people can learn and grow, and that organisations can as a result of this facilitate leadership effectiveness.

## **2.1.5 THE DIFFERENCE BETWEEN LEADERSHIP AND MANAGEMENT**

There is continuing controversy about the difference between leadership and management. There are three perspectives:

1. There is no difference between a manager and a leader.
2. Managers are different to leaders.
3. Leaders and managers have different qualities but both qualities are needed to be successful.

According to Prewit (2003), in numerous books and articles leadership is discussed synonymously with management, thus reflecting the view that there is no difference between a manager and a leader.

The following authors are of the second viewpoint, namely that managers are different to leaders. Yukl (2006) comments that the definitions of leaders and managers assume they have incompatible values and different personalities. Managers value stability, order, and efficiency whereas leaders value flexibility, innovation, and adaptation. Managers are concerned about how things get done, and they try to get people to perform better. Leaders are concerned with what things mean to people, and they try to get people to agree about the most important things to be done.

Kent (2005) states that since the 1980s most scholars attempted to differentiate between leading and managing and to understand leading as something distinct and separate from managing. He identifies some characteristics of these differences as follows:

1. Managers do things right, leaders do the right things.
2. Managing is an authority relationship, leading is an influence relationship.
3. Managing creates stability, leading creates change.

Beagrie (2004) identifies the following difference between management and leadership; management is predominantly tangible and concerned with organizational

issues like control, implementation and problem solving while leadership is less tangible, more emotive and strategic.

(Prewitt, 2003) distinguishes between a manager and a leader as follows, leaders focus on envisioning the organizations future while the manager executes for today's objectives. Leaders strategise a course for achieving goals while managers align the resources needed to run the race. Leaders inspire followers and motivate them to excel while managers give orders, enforce them and monitor progress. Leaders think holistically, systematically, and strategically while managers attend to the details and tactics.

Marshall (2003) believes that managers do things that can be measured, leaders change the agenda. Managers seem safe and do what they are told to make money fast and not to rock the boat politically.

The following table highlights further differences.

**TABLE 3: Differentiating and defining the purpose, products, and processes of leading and managing (Kent, 2005).**

	<b>LEADING</b>	<b>MANAGING</b>
<b>Purpose</b>	To create direction, and the unified will to pursue it through the development of peoples thinking and valuing	To determine and compare alternative uses and allocation of resources and to select that alternative which is most energy effective toward accomplishing or producing a product, end or goal.
<b>Products</b>	<p>The establishment of thrust toward a purpose or end</p> <p>The creation of social orderliness to carry out that thrust</p> <p>Higher states of behaviour and thinking in terms of principles, values, morality and ethics.</p>	<p>Resources, organized effort, and awareness of performance and progress towards goals</p> <p>The creation of a desired mode of working among people and other resources</p> <p>The creation of the most energy effective way of</p>

		dealing with the causes of events and situations in accomplishing a purpose tied to a particular situation
<b>Processes</b>	Create vision, align people within a team, managing their 'Self', recognizing and rewarding, communicating meaning and importance of the vision.	Planning, organizing, controlling and coordinating

Kent (2005) uses the above table to define the leading function and managing function in three terms. The first term provides perspective of the purpose of each function. This answers the question 'why does each function exist'. The second term describes the products or outcomes or results of each function. This answers the question 'what does each function result in or create?' The third term has to do with the processes involved in each respective function and it answers the question 'how does each function come about, or how is each manifested?'

However, Yukl (2006) adds that associating leading and managing with different types of people is not supported by empirical research; people do not sort neatly into these two extreme stereotypes. There is the view that leading and managing are distinct processes but they do not assume that leaders and managers are different types of people.

Fayol divided a management's duties into five primary functions (Rausch, 2005) namely,

- Planning which involves setting goals, establishing coordination procedures, and deciding who should participate in a specific decision or plan development.
- Organizing which incorporates setting goals, establishing coordination procedures, defining organization units, delegating authority, selecting staff members for projects and assignments, and competence development.

- Commanding now called directing, leading and motivating by paying attention to staff needs, supporting staff members when they need support, and applying psychological and tangible rewards as is warranted and possible.
- Control which means providing performance feedback and creating a positive learning climate.

Thus according to this framework leadership is part of management.

Kent (2005) also argues that the two processes while distinct cannot effectively work without each other working in tandem. Organisations need both functions in order to thrive.

Leadership is not the same as management although being a good manager is part of being a good leader (Wood, 2006).

Based on all the above viewpoints, this study will assume that leadership and management are used synonymously with each other. Both functions have distinct differences but both are relevant and visible at specific points in time and in specific functions.

## **2.2 BEST PRACTICES IN LEADERSHIP DEVELOPMENT**

The next section highlights the best practices and models evident in literature and past research.

### **2.2.1 THE AIM OF LEADERSHIP DEVELOPMENT**

The first step in devising a leadership development strategy is to determine why the organisation believes that this is a strategy that should be pursued, in other words, what it hopes to achieve with the strategy.

Moore (2004) states that a leadership development initiative cannot be successful unless it clearly targets a specific business goal. When all is said and done, if the initiative does not positively impact the business, there is really no reason to do it. For this reason, he strongly encourages clients to be very clear about what they are trying to accomplish before implementing any single leadership development program. The starting point should be a business analysis, as all leadership development efforts should be grounded in business needs. Typical questions

include: what are the needs of the business that are driving this need for change? What is the business need that is driving the need for performance improvement? What are the long-term issues the business faces and how can leadership development help accomplish these business objectives? From this business analysis an organisation can begin to identify its leadership development goals.

Martineau (2004) adds that it is fundamental to identify all key stakeholders in the leadership development initiative and to involve each of them in the needs assessment. Key stakeholders are individuals or groups who have involvement in, responsibility for, or significant interest in the leadership development initiative and its evaluation. After identifying key stakeholders, it is then necessary to determine the best way to involve each of them in the needs assessment. This activity serves three functions: it provides the information necessary for the assessment, it promotes relationships among the stakeholders, and it gets them all on the same page in terms of information about the initiative. The important point of this is to gain buy in from all key stakeholders for both the leadership development initiative and the evaluation, thus greatly improving the chances of success.

According to Moore (2006) most leadership development activities can be placed in one of four broad categories of goals. Each requires a different approach in the design of leadership development programs.

The first category is about building a bench strength of leadership talent. A bench strength of talent means that a company is trying to grow leaders from within to insure orderly continuation of the business. As leaders move out, an organisation will need a bench strength of ready now candidates who are able to continue and improve upon the performance of the business. When this is the goal, the development initiative should be built around creating a strong succession planning system and an effective career management system. Succession planning systems must be designed that provide clear criteria for identifying the high potential talent who will most benefit from an extra investment in leadership development, specific identification of development needs and track able development plans and judgements about readiness for higher level positions. Development actions can include job assignments, coaching, mentoring, and targeted education programs.

The second broad category of leadership development goals is about using leadership development to transform the business. Leadership development can be a very effective tool for helping to move the business in a new direction by getting the leaders to think differently, while giving them new skills, mindsets and attitudes about change, and help them to identify the specific actions that will be required to accomplish the change. It is necessary to first be clear about the goal of the transformation and then design a high impact, strategic leadership development initiative focused on understanding the transformation and identifying the actions required. Action learning programs are effective in achieving this goal.

A third area of leadership development is just helping leaders become more effective at what they are already doing, for example by helping leaders become better people managers or improving business acumen. An organisation will need to conduct a comprehensive business and skills analysis to identify the gaps in skills that will have the most impact on business results.

A fourth area of leadership development goals centres on helping leaders through critical career transitions. Using a leadership development initiative to support them in that transition can be very effective in ensuring that they succeed, while avoiding the derailment that often happens during major career transitions. An organisation must determine which transitions are the most important and then look for the best way to help in that transition, for example, with a formal education program or providing a coach.

Alimo-Metcalfe and Lawler (2001) add to this by specifying three general types of aims namely individual skills development, socialisation of corporate values and vision, and promotion of dialogue and implementation of a collective vision.

Thus done correctly leadership development sets the stage for organisational success by empowering employees to develop their skills and competencies, improve retention, provide a foundation for succession planning and for training the next generation of leaders and to focus on how managers lead, develop and partner with their employees (HR Focus, 2002).

## 2.2.2 ASSESSMENT OF LEADERSHIP DEVELOPMENT NEEDS

The next phase of the leadership development strategy should involve determining what aspects of leadership needs to be developed, in other words, what are the dimensions of effective leadership that the strategy will aim to address.

Martineau (2004) states that identifying leadership development needs involves discussing with stakeholders where change is needed to solve a business problem or meet an organisational challenge. What do individuals or groups need to do differently? In what ways do they need to think or interact differently? Leadership development needs can be assessed using questions such as these: what three changes in individual or group leadership would address the organisational challenges and why? What are individuals or groups doing or not doing, that prevents the organisation from overcoming these challenges? What are the consequences of not addressing these leadership needs?

An assessment centre is one method to determine the leadership development needs. The assessment centre is a method of evaluating individual's knowledge and skills using a series of exercises or activities designed to elicit a range of responses. Starting with a thorough job analysis, key competencies are identified. Then activities are developed that are intended to elicit the behaviours deemed most crucial for job success. Evaluators referred to as assessors, are trained to observe, appraise, and record participants performance during these exercises using structured feedback forms. After a day or more of activities, assessors meet to develop a consensus evaluation of each participant on the specific dimensions of concern before sharing their evaluations with the assessee. Frequently a specific plan for development is also suggested. Through this process an individual's current competencies and future potential can be assessed in a reliable and controlled manner as assessors observe participants leading discussions, solving problems and performing other typical managerial tasks (Brownell 2005).

Researchers have concluded that the assessment centre method has sufficiently high criterion related validity to be considered a reliable indicator of an individual's future performance. When systematically developed with clear outcomes in mind, collective judgements about a much broader and more complex level of assessee

performance can be attained. Problems however can arise if the centre is poorly designed, if the link between the organisational values assessment activities is weak, or if the assessors are not trained (Brownell 2005).

An alternative to assessing leadership development needs is the Myers-Briggs Type Indicator Test (MBTI). The use of MBTI as a leadership development tool has increased even more. The MBTI has extensive use because it is based on Jungian theory personality; it is used for non-clinical, normal populations, and is easily administered and interpreted by individuals trained outside the field of psychology. Because the results of the MBTI are subject to a variety of environmental influences, such as work tasks and organisational climate and values, interpretations have to be treated with caution and individually verified (Micheal, 2003).

The MBTI consists of four attitudes or orientations: extraversion- introversion and judging- perceiving and four functions: sensing-intuition and thinking-feeling. The E-I dichotomy deals with where people focus their attention, the S-N dichotomy deals with how people prefer to take in information, the T-F dichotomy deals with how people make decisions, and the J-P dichotomy deals with how people deal with the outer world. Using the MBTI, sixteen distinct personality types exist (Micheal, 2003). The use of the MBTI in leadership development will have participants gaining an increase in self -awareness. This is arguably best accomplished on an individual basis rather than in a group setting. Executive coaches commonly use the MBTI as a feedback tool to gather critical information about their clients. It is often one of the initial steps that coaches used in enhancing their clients leadership development. Clients gain an understanding of their behaviour and motives towards others (Micheal, 2003).

When the MBTI is used in leadership training programs, participants should realise that understanding their type provides a limited view of what their behaviour might be. Trainers and coaches must insure that participants individually consider how their positions and other organisational forces influence their behaviour. Strong situations can overcome the predicted behaviour of type and make managers behave in ways that are inconsistent with their type. A more thorough understanding of managers' behaviours must incorporate needs. This is by far the most difficult challenge in using

the MBTI because there is little data available to guide trainers and coaches in understanding the interactions between needs and types (Micheal, 2003).

To attain the most out of the MBTI, users will have to assess their client's needs, and through deductive reasoning and hypothesis testing understand how the interaction of needs and type may affect behaviour. Users should not use MBTI in a rigid fashion, but should take into account the weaknesses and consider what adjustments might be necessary in order to make accurate assessments, thus making it a useful assessment instrument in initiating changes in people's behaviour (Micheal, 2003).

360 degree feedback or full circle feedback process provides another means of obtaining the leadership development needs assessment. Some organisations use feedback from a narrower range of groups and these are referred to as 90 degree, 180 degree or 270 degree feedback processes. Feedback is systematically collected with pencil and paper or e-mail questionnaires and compiled into a summary report for each individual with graphical profiles and written comments. The feedback enables participants to compare their own perceptions of their leadership skills and personal style with the perceptions of important observers in their work environment. These observers can include co-workers, subordinates, managers and even customers, suppliers and alliance partners (Cacioppe & Albrecht, 2000).

The 360 degree assessment can be used in a variety of contexts. They can be used for training needs analysis, team building, management development, coaching programs, succession planning, and for monitoring the effects of change programs. The most prevalent and probably the most successful application is for individual leadership and management development (Cacioppe & Albrecht, 2000).

The primary purpose is to identify developmental opportunities. By reviewing different perceptions of their leadership and management style, participants can confirm their strengths, identify leadership blind spots, identify habits/behaviours/style that may be having an adverse impact on others, and confirm their developmental priorities. The process helps people focus on and develop the competencies associated with managerial and leadership effectiveness (Cacioppe & Albrecht, 2000).

There is substantial research indicating that managers self perception is biased and that they tend to overrate their own skills compared to objective measures of

performance and to ratings of peers and subordinates. It is important that participants are clear about what the process is intended to achieve and for them to understand whether the process has a developmental focus or evaluative focus. With an evaluative focus, the feedback has immediate and tangible consequences for the participant. With a developmental focus, the feedback has no organisational consequences beyond focusing the participant on improving the quality of their contribution (Cacioppe & Albrecht, 2000).

Research indicates that participants feel that the results are useful and motivating. The following steps are necessary for an effective 360 degree feedback:

- Design criteria that are specific and related to the jobs of the target groups.
- Ensure the skills being rated are relevant to the managers' jobs and also contribute to the strategic objectives of the firm.
- Avoid information overload in the reports by providing a general summary of ratings followed by a detailed description of individual behaviour ratings so that the gaps in skills can be traced down to specific behaviours.
- Use goal planning, goal setting, follow up meetings and learning contracts.
- Put processes in place (for example meetings with the person's super-ordinate) for the development and achievement of plans and goals for task level behavioural change.
- If summaries of results are given back to raters, coach managers in how to deal with the negative self-concept effects and to focus the information session with raters on the tangible actions and goals they will be taking (Cacioppe & Albrecht, 2000).

Line management appraisals, training needs analysis and personal development plans can also be used to identify critical leadership skills gaps (Dunn & Pope, 2001).

### **2.2.3 THE MEASUREMENT AND EVALUATION OF LEADERSHIP DEVELOPMENT INITIATIVES**

As with any strategy, it is very important to determine how the leadership development initiatives will be measured to compare planned outcomes with actual outcomes and to identify any discrepancies that require action. This step involves the overall assessment of the value of the program, its broad objectives and program philosophy. This involves a look at the broader and deeper questions of the leadership development program. It involves looking at the entire process, whether it is delivering value to the business, whether the objectives have changed, and examination of the philosophy on how, when and where the program is run. This activity needs to be given proper time and thought by the senior executive team and often needs to be facilitated by an outside consultant in order to ensure objectivity, and a reasonable structure to the process (Martineau, 2004).

Wilson (2004) states that evaluation is important to measure targeted outcomes of the program, capture information of unintended outcomes and to gather information of how to improve the initiative. Two types of evaluation exist namely, summative evaluation which focuses on whether the leadership development initiative should be continued or not, and formative evaluation which focuses on how the initiative is working and how it can better meet its goals.

Once accountabilities for leadership development are clarified and investments are made in process excellence, the appropriate metrics must be put in place to help managers judge whether investments in leadership development are paying off. Rather than dwelling on activity analysis, companies should link leadership development investments to building the capabilities that will produce superior business results, for example, are we better able to satisfy our customers needs than our competitors? Do we have the right leaders to take on key jobs when they arise? Can we take advantage of new opportunities when they arise faster than our competitors? Do our people understand – and are they capable of executing – our vision and strategy? Having effective metrics is crucial to ensuring that no one is lead astray from the real aim of leadership development initiatives (Ready & Conger, 2003).

Martineau (2004) advises identifying specific outcomes that should be evaluated. For the evaluation of a leadership development initiative to be effective and to contribute value to the organisation, it should be guided by three principles. The evaluation should be integrated with the design of the initiative, be collaborative, and aim to increase organisational learning.

Integrating the design of an evaluation with the design of the initiative it evaluates promotes a focused discussion of the initiatives impact, a process that is crucial to the effectiveness of both initiative and evaluation and to the likelihood of organisational learning. When evaluation is collaborative, involving stakeholders inside and outside the organisation who are, or will be affected by the initiative or by the outcomes of the evaluation and who are involved in the interpretation of results and the creation of action plans based on the results, then the likelihood of action being taken on what is learned is increased. When the evaluation increases the organisations knowledge about barriers to and facilitators of organisational change, then the learning that takes place can contribute to organisational resiliency and flexibility (Martineau, 2004).

Once an organisation understands how development will be targeted and have established the leadership needs of the group or organisation, it must understand the specific outcomes that should be evaluated. For any specific leadership need, there may be multiple outcomes. At the individual level, participants may learn new leadership models & practices, gain new knowledge about their own strengths and weaknesses, or increase their ability to understand an issue from multiple perspectives. It is also possible that an initiative may have group level outcomes as well if the individual leader returns to the work setting and implements changes that affects his / her work team. Relevant group outcomes might come in the form of changes in working relationships within the group, changes in the operation of the group, changes in the vision, mission or strategy of the group, changes in the effectiveness of with which the group interacts with other groups, changes in the way the group interacts with clients, and changes in the productivity of the group. When a team is the target for development, development work can focus both on the team as a functional entity and on the outcomes for which the team is responsible. Possible

team level outcomes include team cohesiveness, team effectiveness, and the accomplishment of the teams' targeted goals. Organisational level outcomes are also often desired from individual or team development initiatives. These outcomes may include culture change, enhanced organisational climate, improvements in the business challenges represented during the needs assessment, and improvements in the group or company bottom line (Martineau, 2004).

Melum (2002) states that best practice organisations assess the outcome of their leader. Leadership development results in excess expenditures, but it is very difficult to assess the investments impact on organisational performance. Many organisations evaluate leadership development primarily through participants' reactions to specific programs. Others use a comprehensive system including Kirkpatrick's (four) levels of evaluation as follows:

- Level 1: reaction/ satisfaction, for example, Participant satisfaction – how happy or dissatisfied were the participants with the experience? What is their personal evaluation as to whether the objectives were met, whether the presenters were effective, etcetera?
- Level 2: learning / knowledge, for example, skills; information; attitude change. What was learned, what specific knowledge or skills were gained?
- Level 3: behaviour, for example, job behaviours regarding organisational expectations of leadership. At this level the person is able to demonstrate they have acquired skills and use them in their workplace.
- Level 4: results, for example, profits, ROI, costs, quality, retention rates, sales, morale. This means that the new knowledge, skills and behaviours that person acquires leads to actual results that improves the operation of the person, team or organisation.

Hannum (2004) also concurs that the groundwork for evaluating a leadership development initiative is laid by identifying key stakeholders and doing a needs assessment. This enables an organisation to design an evaluation that can effectively gauge the impact of the initiative. A crucial step in design is choosing the methods

that will be used to implement the evaluation. There are a wide variety of evaluation methods available namely:

- Daily evaluations where participants complete evaluation forms at the end of each day.
- End of initiative evaluations which entail participants completing evaluation forms at the conclusion of each component of the leadership development initiative.
- Interviews that are used to gather information about knowledge, skills or behaviours, and attitudes gained from an individuals experience with a development initiative.
- Learning surveys that assess the extent to which participants have absorbed new content during the initiative.
- Behavioural observation that involves observing a set of activities, the people who are participating in those activities, and the environment in which the activities take place.
- Change surveys that are useful in assessing whether change has occurred as a result of a development initiative. They are typically used to measure changes in attitudes or behaviours specific to the initiative in question.
- Focus groups that can be used to gather information from six to twelve people at one time. The primary purpose is to obtain qualitative information from a group of individuals or teams that has had a similar experience.
- Dialogue that involves conversations in which people listen intently for underlying meanings and assumptions.
- Measuring return on investment (ROI) to describe the broader impact of individual and team development initiatives on an organisation.
- Workplace statistics that include information that organisations often gather on absenteeism, communication breakdown, and grievances.

- Document analysis where evaluators who use documents typically wish to make inferences about the values, sentiments, intentions or beliefs of the sources or authors.
- Analysis of organisational systems and processes, for example, analysing the extent to which organisational systems and processes – aspects of the organisation that directly affect employees – have been affected.
- Appraisal of customer satisfaction, namely, obtaining the perspective of the customer in determining the value of the development initiative.
- Climate survey retests which is applicable when the leadership development program is a component in an organisation's efforts to make significant improvements or changes to its work climate. The aim is to examine the extent to which the organisations work climate has changed over the course of the development initiative.
- Culture survey retests that aim to examine the extent to which the organisations culture has changed over the course of the development initiative.

Hannum (2004) recommends using a combination of methods so that outcomes can be assessed at different levels. Individual outcomes are most appropriately assessed by daily evaluations, end of initiative evaluations, interviews, learning surveys, change surveys, and behavioural observation, group or team outcomes by focus groups and dialogues, and organisational outcomes by ROI, workplace statistics, document analysis, analysis of organisational systems and processes, appraisal of customer satisfaction, climate survey retests, and culture survey retests. In choosing techniques, attention must be paid to the leadership needs addressed by the initiative, the type of data preferred by stakeholders, and the levels of mastery targeted.

Other tools to help assess success at the various levels include employee surveys, whose results can be linked to performance reviews to measure if managers are seeing changes after training, performing 360 degree assessments before and after the training, tracking the number of employee relations issues that arise before and after training, and comparing the organisations benchmarks with those of the leaders

in the industry or others with acknowledged best practices. Key in measurement success is to make sure that the organisation does not wait until the end of the program to measure. It is important to be able to diagnose problems along the way so that the organisation can readjust (HR Focus, 2006).

Further evaluation methods include Bar-on-EQ-I which is a self assessment instrument used over time to measure progress in leadership skills acquisition or the Lockwood leadership assessment which can be used to obtain a fuller picture of the progress in leadership development (Wilson, 2004).

## **2.2.4 METHODS TO DEVELOP LEADERSHIP**

Another important aspect of the leadership development strategy is the leadership development method, that is, what means will be used to develop the leaders.

Three approaches exist for leadership development. The most common and extensively used approach to build leadership capacity has been the single solution approach where organisations rely primarily on one method to build leaders. Many organisations implement the single solution approach because they assume there is one answer that will solve their leadership gap problems. Advantages of this approach are that it can be easy to implement. It also ensures a certain level of consistency, since all leaders receive the same content and it provides leaders the opportunity to come and learn together. However the single solution approach also has weaknesses and limitations that essentially make it ineffective as a sole strategy for building leadership capacity. These weaknesses include the over-reliance on the classroom as the primary method of developing leaders. The approach uses the classroom as the primary vehicle to develop leaders, however leaders are not developed solely in the classroom. Another limitation is that it is seen as being too time consuming, leaders are too busy and will not attend leadership programs that ask them to sit in a classroom for long periods of time. The approach has a tendency to adopt generic leadership models that overemphasises personal traits and characteristics of individual leaders. Many of these models provide valuable insights, but leaders typically find them to be too theoretical and often disconnected from day to day realities of the jobs and the problems that leaders face. These models also focus too heavily on the individual leader or personal leadership and do not

adequately address other important elements of leadership. This has led many organisations to think of leadership as a product or event (Weiss & Molinaro, 2006).

The second approach is the multiple solution approach that entails organisations using an array of leadership development options. This approach recognises that simple single solutions are insufficient and multiple solutions are necessary to overcome the leadership gap. This is a more evolved approach to leadership development. Since leaders are exposed to a greater number of development options, organisations are more effective at building their leadership capacity. Unfortunately these options are often implemented in a fragmented manner, thereby limiting their potential value. Potential limitations of this approach are a lack of an overall strategy because the approach is not guided by an overall strategy. This leads to a lack of coordination and a disjointed approach to leadership development. It also becomes difficult to see how the array of development options add value to each other or are connected to the overall business strategy. There is confusion among leaders when organisations implement a multiple solution approach in a fragmented manner. Leaders experience the development options as a hodgepodge of discrete courses, seminars, or programs. The approach can fail to generate value for the organisation. When development options are implemented in a disjointed manner, the investment is not leveraged to its fullest extent (Weiss & Molinaro, 2006).

The third approach is the integrated solution approach to leadership development. This approach brings together and unites an array of development options so that they can add value to one another (Weiss and Molinaro, 2006).

Organisations use four broad types of leadership development options when developing their leaders: assessment options, coaching options, learning options, experience options. Table 4 summarises these four options (Lockwood, 2006).

**Table 4: Four broad types of leadership development options (Lockwood, 2006)**

ASSESSMENT	COACHING	LEARNING	EXPERIENCE
Psychometric assessment	Internal coaching	Individualised development planning	Stretch assignments
Multi-rater feedback	External coaching	High profile learning	Outside

		events	positions/projects
Competency assessment	Mentoring	Technology based learning options	Action learning
Assessment centres		Leaders developing leaders	
		Partnering with thought leaders	
		Business school affiliations	
		Development for intact teams	

Lockwood (2006) recommends using the integrated solution approach as it is more comprehensive, rigorous and long term in focus. It is also more complex and requires greater commitment on the part of organisations. It is the most effective approach to building leadership capacity and overcoming the leadership gap because the approach ensures that all developmental options are focused on helping the organisation gain competitive advantage. The approach involves creating a comprehensive strategy for leadership development and implementing the strategy effectively. Instead of implementing a hodgepodge of discrete development options, the integrated solution approach is more synergistic. It strives to select and implement development options in a seamless manner so that they add value to one another. The approach is sustainable in that it takes a long-term perspective to leadership development. It recognises that leadership development today is an emergent and iterative process that needs constant attention, focus and resources. It is not work to be delegated to a human resources department, but rather it needs to become an organisational priority.

Melum (2002) outlines the following classification of methods to develop leadership. Content specific programs expose leaders to new trends in leadership and provide opportunities to exchange ideas with peers. Competency building programs develop or refine an individual’s skills and help leaders deal with the demands of the job.

Experiential learning programs facilitate overall personal and professional growth through structured learning simulations. Interventional programs focus on issues related to performance and career progress. High performance coaching invests in top performers to ensure ongoing high performance and to promote successful successions.

Cacioppe (1998) expands on Melum's classification. He outlines the more widely used methods and processes. The first category of development activities is those that contribute to the leadership strategic business direction. The following activities make up this category of development:

- **Competencies.** The focus of the program is to develop competencies. There is a considerable amount of information about which competencies are most required of leaders and managers. The competency approach has several useful benefits. It requires presenters and program designers to be very clear on what outcomes and skills are needed to be developed.
- **Strategic team projects.** This usually involves four to eight participants working on a real organisational project defined by senior management. Projects usually involve gathering of data, interviewing staff or customers, understanding a part of the business that is important strategically and implementing or making recommendations.
- **Job rotation.** A number of organisations give managers assignments as head of departments different from their previous experience.
- **Leaders developing leaders.** This involves getting senior managers directly involved in teaching and facilitating leadership development. This can occur through live in programs, forums and case studies.
- **Business game simulations.** Computer based business games are used to teach strategic planning, marketing, human resource strategy and organisation behaviour.
- **Learning organisation simulations.** This involves the use of dialogues where employees and management discuss the assumptions, beliefs and actions that occurred during key incidents.

- Case studies. These are actual situations of the real organisation, or case studies that cover a different company. Participants are asked to analyse the situation, consider the alternatives available and make recommendations as what should be done to improve the situation described in the case study.
- Strategic planning sessions and future searches. The aim is to bring strategic planning and leadership development processes closer together. This often includes a talk by the CEO on future directions, use of SWOT and force field analysis and projects around the objectives set.

The second classification according to Cacioppe (1998) involves the building of leadership, team and interpersonal skills. These are done through:

- Project work. Teams or individuals can set their own or be given work projects to implement. Projects can be difficult to manage and some may have a moderate chance of failure. They can however lead to substantial learning and benefit to the organisation.
- Problem solving team exercises. This involves team problem solving situations sometimes in an outdoor environment.
- Leadership models. The use of situational and transformational models exposes participants to the current theories, research and ideas about effective leadership which helps sharpen and deepen manager's understanding of leadership.
- Role-plays. Typical situations such as dealing with a difficult member or customer, conducting performance reviews or managing conflict can be used for live role plays in which specific skills can be demonstrated or taught.
- Interpersonal skills. This can include listening skills, conflict resolution, motivation, communication facilitation, negotiation skills and many others and are conducted by trainers.
- Development centre. This is a process where individuals participate in various activities over one to three days while trained observers rate them on various leadership and team skills. Each individual then gets an individual report and a development plan with specific recommendations for their development.

The third category of development activity is self development (Cacioppe, 1998). This involves the following:

- 360 degree feedback process. This involves participants completing a self-assessment. Other people also complete an evaluation of the persons' skills. These are combined into a summary report where comparisons are made between the self-ratings and the ratings of others. The report is used to focus on specific skills that need to be developed. An HR professional or consultant helps the person interpret the report.
- Coaching. This can be one on one through the use of external coaches who work with either a focus on interpersonal, goal setting or more managerial skills such as budget setting, use of computer technology or marketing.
- Group feedback. Over a four hour period, team members give each person feedback on what they are doing well and what each team member can improve on. An outside consultant skilled in this process facilitates this. This process can be an excellent way for team members to develop each other because it is very personal, constructive and deals with the key issues each person feels.
- Health appraisal. This includes fitness testing, blood chemistry measures, and weight measures. This can provide individuals with an important wake up call about their health and work-home life balance.
- Personality questionnaires such as the Myers Briggs type indicator help participants gain a deeper self understanding.
- Learning journals. Participants write down observations and evaluation of the learning process. Learning journals are a structured way to help managers reflect on the main things they have learned and to translate these into actions in their own workplace.
- On the job and follow up. In order to gain full value from a leadership program there has to be transference and follow up to ensure the leadership skills are being utilised in the job. The 360 degree instrument is used to see if skills have improved.

Other methods include external leadership training programs provided by universities and executive education or professional organisations, internal leadership training programs, stretch assignments to help individuals develop new skills and competencies, international assignments to offer diverse experiences (HR Focus, 2002), action learning programs that provide developmental experiences for employees who are forced to look beyond functional silos to solve major strategic problems and thus learn something of what it takes to be a general manager as well as resulting in a useful work product for the company (Fulmer & Conger, 2004), facilitated on line learning (Wilson, 2004), experiential learning approach where the emphasis is on putting knowledge and experience into practice in a variety of diverse and challenging practical exercises, and to review the outcomes (Training Journal, 2004), examining emotional as well as intellectual responses learning centres (Bamberg & Layman, 2004), and work based projects (Martineau, 2004).

Kane (2004) comments that leaders develop when they are challenged, can assess multiple sources of feedback and receive support, and Zenger and Folkman (2003) recommend using learning methods based on practicality, immediate application and concrete results, with built in accountability for implementation. They also advise to try using different methods.

## **2.2.5 THE ENVIRONMENT NECESSARY TO FACILITATE LEADERSHIP DEVELOPMENT**

Vardiman, Houghton and Jinkerson (2005) state that environmental factors are necessary for leadership development. Understanding the conditions that support the emergence of leadership is critical to creating an environment that not only promotes and encourages leadership development but also removes the roadblocks that prevent people from stepping out and taking leadership roles. By simultaneously focusing on the importance of both individual leadership characteristics and organisational contextual factors, organisations may find it possible to increase the development and growth of leaders at all levels. The ideal leadership development culture is an organisational learning orientation that seeks and shares new knowledge, the effective use of measurement, assessment, and feedback in developing leaders, growing and retaining leadership talent and sense making or

reflective learning. The importance of leader developers is emphasised that is, those who incorporate the development of others as a central work activity. The concept of a leadership development culture closely parallels the idea of a learning organisation. A learning organisation facilitates change, empowers organisational members, encourages collaboration and sharing of information, creates opportunities for learning, and promotes leadership development. Such a learning culture will reward leadership development and holds its members accountable for the effective development of others. A leadership development culture will further allow for failures by developing leaders, as failure experiences often provide more effective and long lasting learning opportunities than successes.

The learning environment must be one where mistakes are not fatal and experimentation encouraged (Peters & Smith, 1998).

## **2.2.6 WHO SHOULD BE TARGETED FOR LEADERSHIP DEVELOPMENT**

An important part of the leadership development strategy is to identify the participants that will be developed.

The leadership development strategy should outline what levels are targets for leadership development (Alimo-Metcalfe & Lawler, 2001). Leadership development can be targeted at individuals, work groups or teams or even the organisation as a whole (Martineau, 2004).

Zenger and Folkman (2003) state that candidates for development must be selected and a plan to do so must be developed. They state that many organisations focus all their leadership development efforts on either a few people in senior positions, or on those perceived as 'high potentials'. In contrast, high performance organisations believe that everyone is a candidate for development. However, the leadership skills of the most senior people become the leadership ceiling. This argues for continued development of the senior people to make room for others to grow.

Melum (2002) advises that it is important that the target of leadership development is both the individual and the organisation. Organisations learn only through individuals

who learn. Individual learning does not guarantee organisational learning, but without it no organisational learning occurs.

Alimo-Metcalfe and Lawler (2001) recommend that development of leaders at all levels is best practice as organisations are now so complex that the role of the leader is beyond the abilities of just one person or a small group of leaders. Work in the 'learning organisation' suggests leaders are needed at all levels. Leadership skills can and must be cascaded throughout the organisation.

A leadership development strategy could focus on opportunities to develop women as women bring new perspectives and values to organisations but need development in terms of self confidence (Training Journal, 2004).

Lockwood (2006) also adds that a leadership development strategy should ensure a diverse mix of people in the leadership pipeline thus adding to the available skills in an organisation.

The leadership development strategy could incorporate a formal selection process for choosing the right candidates for leadership development. Allio (2005) states that finding the right candidates is not easy but could be identified by the following traits:

1. Strong motivation. Potential leaders must exhibit a strong need to achieve (and a history of taking initiative) as well as a drive for power.
2. Positive attitude. Potential leaders must demonstrate optimism in the face of adversity. Resilience and adaptability are key virtues for apprentice leaders.
3. Morality. Potential leaders must have positive values and benevolent motives.
4. Potential for growth. Great leaders demonstrate the capacity to develop. They are eager to learn and refine their craft.

## **2.2.7 WHAT SHOULD BE DEVELOPED**

This part of the leadership development strategy is linked to determining the characteristics of an effective leader and, as stated earlier in the report, is complicated because firstly, there is no consensus to what makes an effective leader and secondly, effectiveness can be defined in different ways. This section will provide an outline of what characteristics should be developed to make a leader effective.

In order to design an effective leadership development program, a variety of leadership skills need to be considered first. Morrison, Rha and Helfman (2003) identify the following as some pertinent skills that chief executive officers' and human resource development professionals need to be mindful of in order to maximise the potential of their leaders. Identifying the strengths and weaknesses of their leaders in terms of these skills will help them shape an effective leadership development program:

- Power and influence. Leaders need to understand that power and influence can be dysfunctional and destructive if they take the wrong turns in their management styles. Power and influence need to be exercised in consideration of the organisational structure and people dynamics. Mindsets should be reshaped through the introduction and evaluation of emotional intelligence in the program to allow leaders to understand their perspectives on the wider issues of people management. Fundamental understanding of emotional intelligence is essential in developing a leader's power and influence.
- Assertiveness. Assertiveness in this context is ensuring that the leader's voice is heard. Self worth is improved by enhancing self knowledge through competency development. It is only when participants feel competent that their self worth is improved.
- Instrumental skills. This is done by emphasising action learning and involves hands on, practical activities.
- Interpersonal skills. Being able to relate to people is key to any successful leader. The training goal should be to enhance relationships by training on skills such as active listening, conflict resolution and counselling.
- System skills. These skills refer to the creation of units of responsibilities such as rules and regulations. As part of the training, leaders should be given opportunities to experience strategic planning sessions involving a variety of other leaders thus participating in new business directions.

- Creative imagination. This involves training leaders to think out of the box. The leadership development initiative should create partnership opportunities for participants to interact and network

Cacioppe (1998) concurs with Morrison, Rha and Helfman (2003) and states that elements of an effective leadership development experience should improve self knowledge and self worth, reshape mindsets, improve abilities; skills and relationships and should have a global focus. Cacioppe states that research has shown that organisations rate highly those activities that contribute to improved self understanding. This improved self knowledge is enhanced in a program by giving participants time to reflect and to assimilate their learning to their own world at work and home. A leadership program needs to expand and build a managers self esteem and self worth. Another powerful component of leadership development is experiential or action learning. This involves hands on, practical exercises or activities where participants have to solve problems, perform tasks or achieve results, often within a certain time frame. The participant has to transfer their experience through their own intellectual processes. Lessons frequently stay with participants for years because of the vivid actual reality and emotions that they experience during this type of learning. Cacioppe adds that it is important for participants to experience some improvement in their skills and abilities as a leader over the course of the program. They should be able to do something that they could not do before they spent their time in a leadership program. Development can occur by observing models of leadership because a great deal of learning occurs through transference, from one human being watching another. The leader of the program, the presenters, the senior executives who participates in sessions, all represent models of behaviour, intelligence and interpersonal skill for the participants. The human resource staff, internal managers and outside faculty need to represent models of leadership for managers to emulate. Finally Cacioppe adds that leadership development should include substantial components involving international markets, world economic trends and a focus on particular regions such as the Asia Pacific Rim. The targets of leadership development should participate in the changing direction and new culture of the business because it is important for an individual to know the strategic issues and direction of the firm and how they can contribute to this.

Allio (2005) also supports the above views by stating that the leadership development recipe comprises the following:

- Knowledge. Successful leaders fully understand their industry, business operations, and profession or field.
- Strategic thinking. This involves balancing long and short term thinking, understanding intended and unintended results, and creating vision and strategy based on innovative thinking.
- Communication skills. Effective communication enhances cooperation and team productivity.
- Self awareness. Leaders who know themselves well have a baseline for skill development and the opportunity to identify their shortcomings, seek feedback and continue to learn.
- Developing others. The focal point of an organisation's development efforts should include creating personal and professional development plans and improving skill sets, personal success, organisational success and retention.

Yeo (2006) adds to this by stating that leadership competence results from the development of:

- Self management. This comprises self awareness, the ability to balance conflicting demands, the ability to learn and leadership values.
- Social capabilities. This is the ability to build and maintain relationships, the ability to build effective work groups, communications skills and the ability to develop others.
- Work facilitation capabilities. These include management skills, the ability to think and act strategically, the ability to think creatively and the ability to initiate and implement change.

The first element of significance to leadership effectiveness is the ability to respond to change. A stream of evidence has documented the importance of a leaders' role in the change process. Recent studies have also established the importance of trust to leadership success. Trust has been identified as central to building essential

relationships and gaining employee commitment. Finally there is no question that organisations are becoming more multinational and workforces more diverse. Consequently those in leadership positions have in common the need to manage across cultures. Increasingly leadership success will depend on the ability to maintain agile cultures and to build trust in diverse hospitality environments (HR Focus, 2002).

There is also now increasing interest in the integrity and character of leaders, which should also form part of a leadership development strategy. Lockwood (2006) states that authentic leaders are highly aware of how they behave and think, positively affect sustained performance and are optimistic, confident and resilient with high principles, values and ethics. Talent management skills, including diversity management across cultures, genders and age groups, in conjunction with strategic thinking for global competition and technology application are also essential. Since today's leadership roles are increasingly complex and diverse, the role itself determines certain key skills. Operational roles such as the more traditional management positions require self confidence and flexibility. Advisory roles that provide support in a specific area, for example, human resources, require excellent people skills, influence and organisational knowledge. Collaborative roles that accomplish work through others are highly proactive, requiring tenacity at gathering information. Overall, the more strategic and sophisticated the role, the wider the essential repertoire of leadership skills.

### **2.2.8 THE STRATEGY**

Thus far, the report has outlined the components of an effective strategy. This section now deals with the actual devising of the strategy, the key success factors that will ensure maximum results.

Hurt and Homan (2005) state that a leadership development strategy should connect leadership to business goals. Leadership development needs to be connected to the goals and strategies of the organisation. Leadership development needs to focus on identifying and connecting an organisation's values, strategies and goals to the training and development of leaders. By connecting the organisational strategy to the training, the trainee will gain more from the process because they will be able to see its immediate application to the organisation.

Lockwood (2006) advises that each leadership development program should be tailored uniquely to that organisation based on its assessments and resources. Linking leadership development to the organisations mission and strategic goals is a smart business strategy. Leadership development must first be aligned with the business of the organisation before its value can be determined. The integrated strategic approach with its holistic and strategic focus, works best to transfer vital skills and ideas to leaders, enhance performance, reinforce corporate culture and values, drive business results, and adapt to changing business realities. Alignment to organisational strategy with long term planning for the best use of resources requires serious commitment on the part of the organisation, senior leaders and the human resources department. With its comprehensive strategy, the value of the integrated solution approach is that it focuses on the selection of appropriate development options, and most importantly aligns them with business goals and objectives, ensuring that organisations can be proactive and responsive because they are aware of what is happening in the business. Lockwood recommends rather than focusing on what's lacking, it is important to leverage and develop strengths, minimise weaknesses and look at the whole person. The emphasis should be on ongoing development efforts that are supported by formal reward programs and the frequent use of competency models.

According to Weiss and Molinaro (2006), the seven steps to implementing the integrated solution approach are as follows:

1. Develop a comprehensive strategy for integrated leadership development. Organisations resources are limited; they need to therefore develop a strategy that optimises the available resources and investment in a way that delivers sustainable competitive advantage for the business. Organisations need to ensure that leadership development is not just done for the sake of doing it; instead it must support the organisation's overall business strategy. The comprehensive strategy must also ensure that development options are relevant, align to business needs and add value to leaders. Another critical element is a comprehensive communications plan that regularly sends messages to leaders about the organisations efforts in building leadership capacity.

2. Connect leadership development to the organisations environmental challenges. The integrated solution approach focuses its efforts on helping leaders develop the capacity needed to lead effectively in future environments. Connecting leadership development to an organisation's environmental challenges creates focus and ensures that leadership development is being used to prepare leaders to succeed in the future.
3. Use the leadership story to set the context for development. The approach uses the leadership story to set the context for development. The story tells the organisation why leadership is important and how leaders will be developed. The story also creates a well-delineated leadership model that clearly articulates what leadership means to the organisation. The model then serves as a focal point for defining development options.
4. Balance global enterprise wide needs with local individual needs Organisations must strive to balance the global or enterprise wide developmental needs of an organisation with local responsiveness of a leader's individual development needs. Organisations must identify development options that are needed by all leaders of the organisation such as creating a common leadership culture, enhancing core leadership competencies and responding to changes in the business environment. The organisation must also identify development options that target individual needs on the part of the key talent and future incumbents for critical positions, and on the part of leadership needs in specific departments and business units.
5. Employ emergent design and implementation. This approach is far more complex and challenging to implement. This approach suggests that effective leadership development is emergent in that organisations must continually be in touch with what is happening in the business and be ready to respond to it. The organisation must constantly be looking for opportunities to improve the development options because leaders learn through a constant process of learning, relearning and unlearning. Therefore the design and implementation needs to be emergent rather than static, it needs to be flexible and fast because the business world moves fast and leadership solutions must keep up.

6. Ensure that development options fit the culture. The approach strives to ensure that the development options fit both the culture and the organisations “readiness”.
7. Focus on critical moments of the leadership lifecycle. Critical moments along a leadership leader’s lifecycle are times when leaders transition to new roles. Each transition in role presents new challenges and pressures. To succeed new leaders need to develop new ways of thinking about their roles. These are also moments when leaders are at the greatest risk of failing or derailing. The integrated solution approach concentrates activities to support leaders through the transition points in their leadership lifecycle.
8. Apply a blended methodology. Development options for assessment, coaching, learning and experience are selected and organised in a way so that they are aligned, seamlessly adding value to one another. These development options are not seen as being separate and distinct from one another, but rather as parts of an overall integrated approach to leadership development.

Cacioppe (1998) also recommends an integrated model for leadership development, which consists of the following steps:

1. Articulate strategic imperatives, which are the key strategic objectives vital for survival. This involves determining and defining the key strategic objectives that are vital to the survival, success and growth of the organisation. These are key issues or problems that the organisation must deal with in the next two to three years if it is to survive and prosper. They include the vision and strategy of the organisation and the external and internal factors that drive the decisions of the organisation. It is important for strategic issues to be clarified and agreed on prior to the design of the leadership development program since they should determine the objectives of the program as well as the key competencies that need to be developed in the participants.
2. Set objectives for development. Set the main purpose and objectives of the leadership development program, as well as the specific knowledge and skills that should be developed by the completion of the program. The experience, level, function, previous management education, current challenges faced and

demographic background of the potential participants needs to be considered when setting the objectives so that the program is made relevant to the participant as well as the organisation.

3. Identify appropriate methods. Determine the content, method and timing of the program. Various methods include case studies, team building sessions, project work and on the job assignments.
4. Select providers and design a specific learning program. A specific relationship is developed with a university, a management institute or some type of consulting organisation to complete the design and deliver the program. Specific content, timing, faculty and other details of the program design are worked out.
5. Evaluate program delivery and its effectiveness. Each of the above stages needs to be evaluated and assessed to ensure that it is delivering the promised outcomes. The first step of evaluation examines the program content and activities to ensure they lead to the competencies they have been designed for.
6. Integrate with management and human resource systems. The participants' manager must be aware of the major outcomes and competencies taught during the program and actively push the participants to utilise and implement the things covered. The human resource systems that operate within the organisation such as selection, performance management, rewards and responsibilities also need to be aligned with the strategic directions, issues and skills that are covered in the program.

Leadership development must start at the top and should involve all managers (Venn & Simerson, 2003). Hurt and Homan (2005) add to this by stating that leadership needs to come from the top down. If an organisation is going to implement a leadership development program, then upper management needs to be heavily involved with the creation and instruction of the program. Senior management needs to participate in the program. Without the cooperation of senior management, organisations run the risk of employees not believing in such a program and therefore choosing not to participate in it. He recommends that leaders should be responsible for developing other leaders.

Zenger and Folkman (2003) concur with this view by stating that leadership development should involve senior executives and should build on strengths. Senior executive involvement gives traction to any development efforts. Senior leaders need to act as mentors to younger, promising staff. They can provide useful insight into culture, explain unwritten rules of conduct, ensure that people navigate around pitfalls and traps, give encouragement during difficult assignments, and provide access to the thinking of the people at the top.

Pomeroy (2005) states that the best companies for leaders are the ones with a strong focus on leadership development and chief executive officers who are actively involved in the process. They understand that the only way leadership development initiatives work is if senior leadership is involved in and accountable for the success of these initiatives.

Foster (2006) states that if leadership development is to be truly aligned to the needs of the business, it should be owned by the board, that is, the most senior management leading a business. For starters, this means the board should review leadership development programs. They would expect to review a business plan for other significant investments, and there is nothing more significant than the leadership of a business. The board should own leadership development and the board should review metrics indicating success. Metrics must be meaningful, not what is done but the value that is added. Active board involvement is needed in defining leadership competencies/profiles to drive business success. The board should review the leadership strategy when business strategy changes. Developing leadership skills should become a core competency of the business.

Cook (2006) states that a company should have a written policy on leadership development and a dedicated budget for development. Priority of leadership development is reflected by the average spend on development per capita. Only by aligning management and leadership development with the overall business goal can companies ensure that both individual and organisational performance increases. Management and leadership development works best when it is a clear organisational priority with employers taking responsibility, linked to business strategy with established processes and frameworks, designed to build relevant competencies

and behaviours, and focused on long term tenure of employees. Cook adds to this by stating that a company should identify ways in which leaders can be formally recognised for the leadership activities they undertake. A successful leadership strategy holds leaders accountable for developing direct reports and provides incentive pay for leadership development.

Melum (2002) also echoes these views by identifying critical success factors for leadership development. Leadership development should be embedded deeply into the organisation. This includes integrating the approach to and the practice of leadership development with the organisations mission, vision and business strategy, the culture of the organisation, the organisations other management processes and systems, such as performance management, reward and recognition, management information and succession planning and daily work. Top management must be champions. Leadership development simply cannot be delegated to others. When the chief executive officer and other top executives visibly champion leadership development, they send a strong message to all employees that it should be their priority too. To be a champion includes serving as a role model, devoting resources commensurate with the priority and holding people accountable. In the case of leadership development, there needs to be ongoing accountability both for a continuously improving leadership development system and for personal development and development of others. Linking rewards and recognition to progress on personal development goals can do this. Performance evaluation questions can be used. Developmental experiences that challenge and stretch people are necessary and a variety of experiences is critical because people learn differently and because different experiences can teach different lessons. Leadership development is a shared responsibility between the organisation and individuals. The organisation's role is to foster the climate. Finally leadership development programs and experiences should be connected with one another.

Boaden (2006) states that a leadership development strategy should use direct, personal and business issues as the focus of activity and should encourage and expect participants to implement changes in their work environments.

Leadership development initiatives should model well with the culture of the organisation. Leadership development is not an event or sequence of events, but should be an integrated process that supports and is supported by the business. The role of the line manager is crucial as 'on the job' support is a key stage in the application of development experience to the organisation. Support networks are needed to reinforce development, including support from superiors. There is a need to ensure there is a clear vision of what leadership means, in all sections of the organisation (Alimo-Metcalfe & Lawler, 2001).

Leadership development should be mandatory – not ad hoc or optional, locally focused, based around action learning approaches, concentrated on inter-organisational and shared leadership between organisations rather than leader/follower relationships within organisations (Edmonstone & Western, 2002).

The above literature review confirms what was said at the beginning of the report. There are so many methods but few certainties about what works and what does not. Best practice in the development of the strategy, goals for the strategy, targets for leadership development, development methods, aspects of effective leadership to be developed, the leadership development environment and the measurement and evaluation of leadership development have all been reviewed and the themes are overwhelming, confirming again why many organizations struggle to find the right strategy to bridge the leadership gap. Common themes have emerged however, and based on these a model was developed and will be outlined in the next section.

## **2.3 A MODEL FOR LEADERSHIP DEVELOPMENT**

What follows now is a model that the researcher recommends to be followed in developing a strategy and program for leadership development. The model building process could be summarised as an integration of parts from the best practices outlined by past researchers (Lockwood, 2006), (Locke & Tarantino, 2006), (Moore, 2004), (Alimo-Metcalfe & Lawler, 2001), (Ready & Conger, 2003), (Wilson, 2004), (Weis & Molinaro, 2006), (Vardiman, Houghton & Jinkerson, 2005), (Martineau, 2004), in the literature review and those that the researcher believes are most

pertinent. The leadership model has six dimensions (Figure 2) and provides the framework for the discussion that follows.

The first dimension of the leadership development model involves answering the question why, in other words an organisation must determine the aim of leadership development. Organisations must understand their leadership development needs. They need to know what they want to achieve. Leadership development to be successful must target a specific business goal. Managers' aim in business is to increase wealth for the owners of the business. Investing in value enhancing activities does this. As with all strategies, the leadership development strategy should translate into goals to ensure that all are focused on what needs to be achieved. Goals can fall into a number of categories namely: build a bench strength of leadership talent, transform the business, help leaders become more effective and help leaders through career transitions. The leadership strategy should be linked to the company's strategy, goals, mission and objectives. All stakeholders should be included in the needs analysis when determining the aims of leadership development and top management should be involved by providing support and ensuring accountability for the process by all stakeholders. Measures should then be introduced to track progress against these goals. Following this recipe is the first step to success.

The next dimension answers the question who. This step involves determining the targets for leadership development. Leadership development should not be limited to a select group of people but should be targeted at all levels in the organisation. This will ensure a diverse mix of people of different genders, education level, ethnicity, personalities with different styles and abilities that can only strengthen the talent in an organisation.

Dimension three answers the question what, what aspects of the current pool of candidates are going to be developed. This step involves defining what the effective leader looks like in the particular organisation. The definition of an effective leader is subjective and there is no hard and fast rule, therefore an organisation needs to develop its own model. This will encompass determining the competencies, skills and behaviours of the effective leader. This must be communicated to the participants so

that there is no ambiguity as to the goal to work towards. Once the effective leader is defined, an assessment needs to be done of the participants compared to the organisations model of the effective leader and any gaps should be identified. These gaps will then incorporate the dimensions of leadership that will be developed. Processes and procedures should also be set up to ensure accountability and commitment from the participants because leadership development is a team effort and both the organisation and the individual have a role in ensuring the development strategy works.

The next dimension answers the question when. This dimension serves to remind all that development should be continuous and not a once of event. Leadership development is ongoing and constantly evolving. Leadership effectiveness does not happen overnight. Add to this the ever changing circumstances in which business operates and these equate to an evolving paradigm for leadership development. The strategy must continuously be evaluated and revised to fit the circumstances as they change.

The second to last dimension answers the question how. This step involves determining the methods that will be used to develop methods. The methods are numerous, and depend on the aims of the leadership development and the aspects of leadership to be developed. The key is to use a combination of methods and to ensure the various methods are integrated.

Finally, the last dimension answers the question where. Although organisations say they want to develop leadership, they fail to understand the implications and do not create an environment in which such leadership can thrive. Organisations should ensure that the strategy fits well with the culture of the organisation and that the environment encompasses the attributes of a learning organisation. In this environment, leaders thrive without the fear of making mistakes.

There should be integration of the elements within each dimension as well as integration between each dimension. Having correct metrics to measure and evaluate the strategy is important. Adhering to these principles will definitely alleviate the burden of developing, implementing and evaluating an effective leadership development strategy that will ensure value is added to the organisation.

**Figure 1: Conceptual leadership development model**



Source: (Lockwood, 2006), (Locke & Tarantino, 2006), (Moore, 2004), (Alimo-Metcalfe & Lawler, 2001), (Ready & Conger, 2003), (Wilson, 2004), (Weis & Molinaro, 2006), (Vardiman, Houghton & Jinkerson, 2005), (Martineau, 2004).

In sum, leadership and leadership development is a controversial topic. The beginning of this chapter outlines the various dilemmas facing leadership development. Firstly there is a lack of a common definition of leadership. Some believe that the adoption of a single definition will only restrict the potential for development while others believe that one needs to know what leadership is to be able to develop effectively. There is also a lack of consensus of what constitutes an effective leader. There are many alternative measures of effectiveness thus making it difficult to evaluate the effectiveness of a leader. Leadership development has also been changing, where development once was focused on classroom training seeking to expand knowledge and occurring as a once of event, it is now seen as continuous,

happening anywhere and focusing on increasing the ability to execute current organisational strategies. The debate on whether leadership can be taught is a further dilemma facing leadership development, some believe it is an inherent trait in individuals and thus cannot be taught, while others believe this is not true and that leadership can be taught. The difference between leadership and management is also discussed. Three views can be taken, namely leadership and management are different, leadership and management have different qualities but are both necessary for success, and leadership and management are synonymous.

The chapter then discusses the various best practices that exist for leadership development. The first best practice is to determine why there is a need for a leadership development strategy and to establish the aims of leadership development. Examples of aims include succession planning, to transform the business, to help leaders improve their effectiveness and to help leaders through career transitions. The next step is to identify what constitutes an effective leader and then to utilise a method to determine the current effectiveness of the existing leaders. 360 degree feedback and the assessment centre are two methods to do this. A leadership development strategy as with any other strategy should be evaluated to determine if it is working. The chapter outlines the various evaluation methods such as Kirkpatrick's model. The various methods to develop leadership are also reviewed and include coaching, mentoring, stretch assignments just to mention a few. The environment in which development occurs is also important and is discussed next. The environment should be a learning one, where people are encouraged to learn and grow even if it involves making mistakes. The targets for leadership development are also reviewed. Best practice recommends targeting all levels of the business ensuring diversity of candidates. The chapter then outlines what should be developed such as competencies, skills, behaviours, and etcetera. The chapter finally covers general aspects of the strategy such as top management support and alignment with business strategy and then outlines a model that has been developed encompassing the pertinent issues in leadership development.

The next chapter will discuss the research design and methodology used in this study to examine the leadership development strategy of the case organisation.

## **CHAPTER 3: RESEARCH METHODOLOGY**

The purpose of this chapter is to provide a detailed review of the research design and methodology used in this study. Instrumentation is discussed as well as a review of the sampling protocol. Finally data collection procedures and the approach to data analysis are described.

### **3.1 RESEARCH DESIGN**

A research design provides the overall structure for the procedures the researcher follows, the data the researcher collects, and the data analyses the researcher conducts (Leedy & Ormrod, 2005). A qualitative research design was used. Qualitative research is used to answer questions about the complex nature of phenomena, often with the purpose of describing and understanding the phenomena from the participant's point of view (Leedy & Ormrod, 2005). The research method has taken the form of a case study which is a type of qualitative research in which in depth data are gathered relative to a single individual, program, or event, for the purpose of learning more about an unknown or poorly understood situation (Leedy & Ormrod, 2005). In-depth data will be gathered about the leadership development strategy and program of Ucar South Africa (the case organization). The research consisted of two parts where part one involved obtaining information about the leadership development strategy of the case organisation and part two involved obtaining feedback from the participants about the effectiveness of this strategy.

### **3.2 SAMPLING STRATEGY**

A sample is a part of something larger, called a population; the latter is the totality of entities in which we have an interest, that is, the collection of individuals, objects or events about which we want to make inferences (Diamantopoulos & Schelgelmilch, 2005:10). The rationale for sampling is that by checking out part of a whole we can say something about the whole.

Part one of the study involved obtaining information about the leadership development strategy of the case study organisation, namely, its design, implementation and objectives. A purposeful sampling method was used which

consisted of the human resources manager and the trainer involved in the implementation of the strategy. A purposeful sample is one where sample members are chosen with a specific purpose or objective in mind; the sample is thus intentionally selected to be non-representative (Diamantopoulos & Schelgelmilch, 2004:14). The reason for choosing this method is because the human resource manager would be able to provide the most information about the leadership development strategy and program and the trainer would be able to provide the best information on the execution of this strategy. The sample size for this part of the study is two.

Part two of the study involved obtaining feedback about the leadership development strategy and program from its participants. The population consisted of 68 participants. A sample was not drawn from this population; instead the entire population was studied, thus the sample size for this part of the study was 68.

### **3.3 DATA COLLECTION METHODS**

Data can be classified according to their source into primary data and secondary data. Primary data is data collected with a specific purpose in mind while secondary data are data that have not been gathered expressly for the immediate study at hand but for some other purpose (Leedy & Ormrod, 2005).

Primary data was obtained by interviewing the human resources manager and the trainer responsible for the leadership development strategy. The aim was to obtain information about the leadership development strategy of the case organisation. Primary data was also obtained through an anonymous questionnaire that was forwarded by e-mail to the participants of the leadership development program. The data collected were the attitudes and opinions, which indicate the views, preferences, inclinations or feelings of, people towards some object or phenomenon, in this case the leadership development program.

Secondary data obtained was the leadership development strategy, the company's strategy, and details of the leadership development program, policies, details about the participants and leadership development procedures and practices.

This study utilised a survey research design. Survey research involves acquiring information about one or more groups of people, about their characteristics, opinions, attitudes or previous experiences, by asking them questions and tabulating their answers (Leedy & Ormrod, 2005). The techniques used were a face to face interview with the human resource manager, a telephone interview with the trainer, and a questionnaire which was administered to the participants of the leadership development programme.

### **The personal interview**

Personal interviews was used as a data collection technique because it can yield a great deal of useful information about facts, peoples' beliefs and perspectives about the facts, feelings, motives, present and past behaviours, standards for behaviours and conscious reasons for actions or feelings. Interviews allow a researcher to clarify ambiguous answers and seek follow up information. They can however take time but due to the small sample size was not a drawback in this research project. The interview was semi structured and revolved around a few central questions (refer to Annexure A). Choosing this form allows a researcher to get clarification or probe a persons reasoning. The interview with the human resource manager who is accountable for the leadership development strategy was conducted face to face. This form of interview enables the researcher to establish rapport with the participants and gain their cooperation thus yielding the highest response rate.

The trainer accountable for the execution of the strategy was interviewed by telephone. Telephone interviews are less time consuming and less expensive, and are thus more convenient to gather information

### **The interview schedule**

The interview schedule was designed so as to obtain the answers to the dimensions that make up the conceptual leadership development model outlined in Figure 1, namely, the aims of leadership, the targets for leadership development, the characteristics of the effective leader at Ucar South Africa, how leadership development was viewed (as a once of event or continuous), the leadership development methods, and the nature of the organizations climate and environment. The seven sub-questions of Question 2 in the interview schedule were designed with

this specific purpose in mind, that is, to obtain the answers for each of these dimensions of the model.

The model also stipulates that a successful leadership development strategy is a top organization priority, has top management approval, and is linked with the business strategy of the organization. Question 1 a to d was designed to obtain information regarding these aspects of the strategy.

The aim of Question 1a was to obtain general information regarding the strategy. Question 2b was designed to obtain information regarding the organization priority of leadership development in the organization. Sub-questions included to measure this was determining if there was a written policy on leadership development, whether there was a dedicated budget, and the average spend on development per employee. These questions were included with the belief that the answers would best reflect the priority of leadership development in the organization. The aim of question 2c was to determine whether there was top management support for the strategy. Sub-questions include the board's role in leadership development, how management is held accountable for leadership development and what was top management's role in the development of the strategy. Question 1d's aim was to determine if there was a link between the leadership development strategy and the business strategy. A question was also included to determine how UCAR South Africa defined an effective leader.

Question 2 was designed to determine the targets for leadership development, why they were targeted, how was the developmental needs established, what methods are being used to develop leadership, how is the effectiveness of the program and strategy being measured, is the program working and how does the organization know this, and finally a question on the environment and climate and whether it is one that facilitates leadership development.

The interview schedule thus comprised of 17 questions that the researcher believed would be able to yield the maximum amount of information on the strategy.

### **The questionnaire**

Questionnaires were administered to the participants of the leadership development program via e-mail with the purpose of measuring the effectiveness of the leadership development strategy. Questionnaires are advantageous in that participants can respond to questions with assurance that their responses will be anonymous, and thus will be more truthful. However, a drawback exists that there will be a low return rate where not all the participants will return the questionnaires and those that do return the questionnaires will not be representative of the originally selected sample. There is also the danger that the questions can be misinterpreted and that specifying in advance all the questions that will be asked eliminates other questions that could be asked about the issue or phenomenon in question (Leedy & Ormrod, 2005). The questionnaire was designed after interviewing the human resource manager and trainer. The reason for this was that the aim of this part of the research was to test the participants' perceptions of the strategy, and thus information about the strategy had to be obtained first.

The questionnaire consisted of fifty closed ended questions with an open-ended section at the end of the questionnaire for participants to add any further comments about the leadership development program. The response scales took the form of the Likert scale. The Likert scale is one of the most widely used response scales in research and is used to evaluate behaviour, attitude or other phenomenon on a continuum. Rating scales simplify and more easily quantify peoples' behaviours or attitudes (Leedy & Ormrod, 2005). A neutral response option has been given which might prove a bit disastrous if the majority of the respondents decide to choose this, thus posing a danger of not being able to conduct an optimal evaluation.

The first aim of the questionnaire was to measure the attitudes of the participants to the leadership development program. Question 1 to 5 was designed with this purpose in mind. The second set of questions, namely questions 6 to 8 was designed to determine if the participants understand the aim of the leadership development strategy. The aim of Question 9 was to measure the participants' attitude to people development in general and question 10's aim was to measure the participants feeling about the accuracy of the assessment centre method in identifying their development gaps.

Questions 11 to 15 were included to measure the environment and the leadership climate of Ucar South Africa. Questions 16 to 33 measure the aspects that have been developed, and were designed in line with the human resource manager's and trainer's comments on what aspects of the individuals were being developed. Questions 16 to 33 were included to measure whether the competencies outlined in the performance reviews were developed as a result of the leadership development program. The final set of 13 questions was aimed to determine what if any barriers were hindering leadership development in the organization.

The 50-item survey questionnaire was sent to the research population of the 68 participants of the leadership development program. The questionnaire documents were emailed to the 68 participants, from whom 30 returns were received, representing a response rate of 44 percent.

### **3.4 DATA ANALYSIS**

Data analysis was threefold. The first part of the analysis involved interpreting the interview with the human resource manager. The information was analysed in line with the model developed and answers to the six dimensions of the model were ascertained, namely, the aims of leadership, the targets for leadership development, the characteristics of the effective leader at Ucar South Africa, how leadership development was viewed (as a once of event or continuous), the leadership development methods, and the nature of the organizations climate and environment. The interview with the trainer was analysed next. Any aspects that he added regarding the leadership development strategy was determined, for example, details about the execution of the strategy, any challenges that have been encountered, the assessment centre and the trainer's perceptions of the effectiveness of the strategy.

The final part of the data analysis involved the analysis of the responses of the questionnaires completed by the participants of the leadership development program. Descriptive statistics were used and the responses were analysed in terms of relative frequencies, absolute frequencies and mode. Conclusions were then drawn regarding the participants attitudes to the leadership development program and leadership development, their understanding of the aim of the leadership

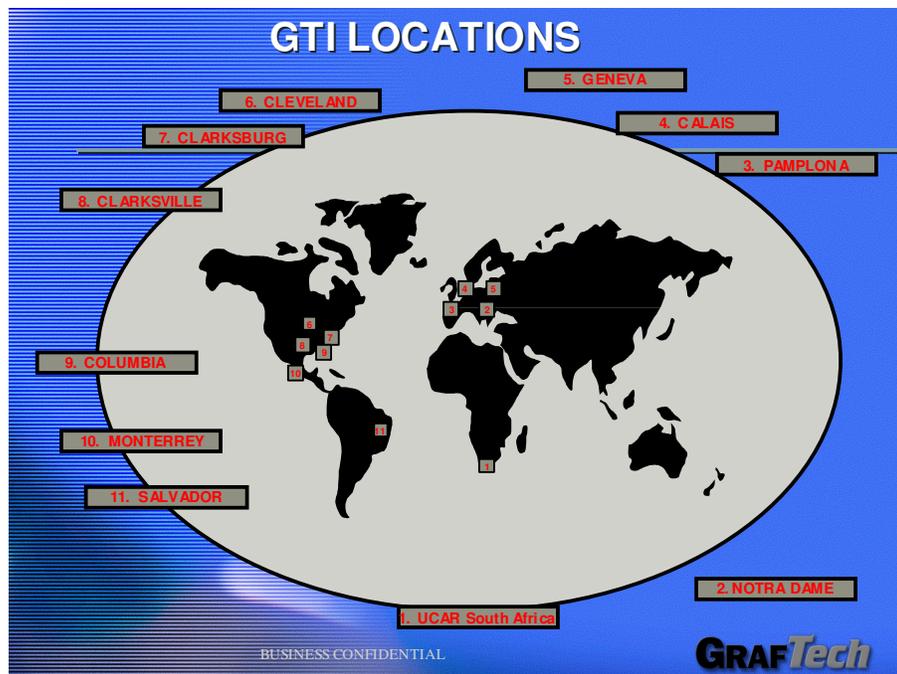
development strategy, the participants feeling about the accuracy of the assessment centre method in identify their development gaps, the environment and the leadership climate of Ucar South Africa, aspects that have been developed and the barriers that were hindering leadership development in the organization. The mode reflects the most frequently occurring value while a frequency distribution shows how often the different values of the variable are actually encountered in the sample (Diamantopoulos & Schelgelmilch, 2004).

All of the above information was then collated and compared to the model developed by the researcher to identify any gaps or similarities and good practice that can be used as an example to other organizations in the same dilemma.

### 3.4.1 THE CASE ORGANISATION

The case study organization, Ucar South Africa is situated in Meyerton, Vereeniging and has an employee base of 385 people. It is in the business of manufacturing graphite electrodes and pins for application in melting and smelting operations. Ucar is part of the American firm Graftech, which is a global competitor in the carbon and graphite markets. Figure 1 shows the various operations worldwide:

**Figure 2: Ucar worldwide operations (Ucar Internal Document)**



Graphite electrodes are manufactured from the following raw materials, which are mostly imported from overseas:

- ⇒ Petroleum coke
- ⇒ Binder pitch
- ⇒ Fe<sub>2</sub>O<sub>3</sub>
- ⇒ Impregnation pitch

Four different size electrodes are manufactured namely:

- ⇒ 550-600mm
- ⇒ 500mm
- ⇒ 400-500mm
- ⇒ <350mm

Connecting pins size varies from 177-317mm

The process steps during manufacturing are as follows:

- ⇒ Mill, Mix and Forming (MMF)
- ⇒ Baking
- ⇒ Pitch Impregnation (PIRY)
- ⇒ Graphitising
- ⇒ Machining

Manufacturing duration for electrodes is 30-60 days and 90 days for connecting pins. Each grade electrode is adapted to a particular area of service, with quality and price limitations that are dictated by the requirements of the particular application. From lowest cost, coarse grained, to relatively weak materials to the fine-grained, strongest and purest materials. Ucar South Africa has stringent quality controls in place to ensure a value added product to the customer.

Ucar South Africa's vision is "We enable customer leadership better and faster than our competition, through the creation, innovation and manufacture of carbon and

graphite material science based solutions” (Ucar internal document: SHEQ manual page 4).

The goal is to “Increase our throughput by maximizing the amount and speed of free cash flow generated at the defined constraint every day” (Ucar internal document: SHEQ manual page 4).

Ucar South Africa’s strategy to achieve the goal is to “expand and exploit our unique, industry leading positions in new and existing markets; accelerate commercialisation of advantaged technologies; acquire complimentary assets to accelerate throughput and strengthen our organizations capabilities” (Ucar internal document: SHEQ manual page 4).

Ucar South Africa’s target markets are crude steel, electric arc steel, electric arc smelters and basic oxygen smelters. The market faced by Ucar South Africa is a mature one, in which it has been able to achieve a niche market share of over 90 percent. However, competition for the market share is vicious and Ucar has to constantly keep a close eye on competitor activity to remain competitive. Its two largest competitors are the German firm SGL and the Japanese firm Tokai. To be the supplier of choice resulted in a commitment from Graftech and its subsidiaries including Ucar South Africa to be the best global manufacturing company in the world. This entails focusing on continuous product improvement, maintenance of its excellent quality standards, technical expertise, continuous improvements in manufacturing, improved customer focus and being a low cost manufacturer.

Ucar South Africa does not only have to contend with its external global competitors, but is also competing against its fellow affiliates in the rest of the world. Being a low cost manufacturer means moving production to the lowest cost manufacturing sites and closing down high cost plants. Thus Ucar South Africa has to ensure that it remains a low cost manufacturer to prevent the operations in South Africa being moved elsewhere in the world. This is a difficult challenge in light of the environment in South Africa where inflation is high and interest rates are high. South Africa’s location away from the rest of the world makes logistics costs of imports and exports high. Other challenges include organized labour that results in high labour costs, non-

competitive local suppliers and governmental requirements such as BEE that makes procurement costs high (Denton, 2002).

A further challenge posed itself at the end of 2006 with the resignation of the General Manager. The CEO of Graftech took the risk of not appointing a General Manager but formed a leadership team consisting of eight top managers responsible for local operations but accountable to each of their functional global manager situated in the USA.

### **3.4.2 UCAR SOUTH AFRICA'S LEADERSHIP DEVELOPMENT STRATEGY.**

Ucar South Africa realised that its people resources were key to coping with the challenges outlined above and thus implemented a leadership development strategy to get the best out of its people. The human resource manager together with the then general manager worked together to develop the strategy and a leadership development program was implemented at the end of 2005. The objectives were threefold, firstly to ensure that all the jobs within Ucar were filled with fully performing individuals now and in the future, that all leadership/specialist jobs added appropriate value, and to facilitate the retention of critical skills. The leadership development strategy thus had two components, namely leadership development and succession planning.

The first step taken for the leadership development prong of the strategy was to identify the positions targeted for the leadership development program. A profile for each position was developed and the critical competencies needed were identified. The result was the development of a performance matrix (Annexure E). The matrix comprised of competencies at seven levels, namely,

1. Individual contributor – level 1
2. Individual contributor – level 2
3. Individual contributor – level 3
4. First line management
5. Operations management

6. Executive Management – level 1

7. Executive Management – level 2

The competencies at each of these levels were further classified according to competencies required for full performance and exceptional performance. Competency assessments for the employees in the targeted leadership development program positions were then conducted utilizing the assessment center method. The assessment of the individuals was done in stages. The executive management and operations management were assessed in 2005, the first line managers were assessed in 2006 and the individual contributors were assessed in 2007, all in all comprising seventy two Ucar employees. Of these leadership development targets, four have subsequently left the company. The next step involved a review of performance against standards and the identification of the gaps. A development plan was then designed for each of the participants by the participant themselves taking into account the feedback from the assessment as well as their line managers input. An outside consultant who was one of the assessors at the assessment center acts as a coach/trainer/ facilitator to the participants during this entire process. Annexure D shows the format of the development plan. The final part of the strategy involves continual follow up and tracking of the progress of the development plan. This is done by the participants' line manager and the coach/trainer/facilitator.

The additional steps taken for the succession management prong of the strategy, was to identify critical positions in the company and potential succession pool candidates. Their development plans then also included aspects that aimed to alleviate the gaps in critical skills needed for the positions they were identified for.

The human resource manager is held accountable for the leadership development strategy and is required to report progress monthly to the members of the top management team. The line managers of the participants formally reviews their development plans annually to determine progress.

Participants are held accountable for their leadership development through the performance management system (Annexure C provides details of a performance review form). The performance management system ensures that there is focus on results rather than activities (that is, clarified and agreed upon performance

standards), what has been achieved in relation to any of the agreed objectives, performance discussions based on evidence of performance and the identification of performance shortfalls as well as development of plans to address them. The performance review is linked to the bonuses and the salary increases received annually.

This chapter described the details of the research design and methodology used for the study, the instrumentation, sampling protocol, data collection procedures and the approach to data analysis. The case organisation and its leadership development strategy were described based on the secondary data collected. The aim of the following chapter is to discuss the research results of the study, namely, the interview with the human resource manager and trainer/coach/facilitator and the questionnaires completed by the participants of the leadership development program.

## **CHAPTER 4: RESEARCH RESULTS**

The purpose of this chapter is to set forth the results of the study. Firstly the outcomes of the face to face interview with the human resource manager are presented, then the results of the telephone interview with the trainer. Finally the responses of the questionnaires completed by the participants of the leadership program are analysed and the results are given.

### **4.1 INTERVIEW WITH THE HUMAN RESOURCE MANAGER**

The interview with the Human Resource Manager is presented in terms of the model developed in Chapter 2 of this report.

#### **DIMENSION 1: WHY? The aims of Leadership development.**

The company realised the value of its people and that based on all the challenges facing the company, people were the single resource that could move the company toward a new level of performance. The company also realised that it had failed to invest in the development of management / leadership skills in the past and as such did not have enough supply in terms of its leadership pipeline. Thus in 2005, the human resource manager started devising the leadership development strategy. The human resource manager stated that the aim of the strategy was to “facilitate retention of critical skills, implement a systematic and proactive process of identifying and developing internal leadership talent and enhance overall organisational performance”.

Top management involvement was key at the outset of the strategy development. The then general manager was briefed on every aspect of the strategy, and his buy in was obtained. The performance management system was designed in alignment with the holding company’s strategy, and was the tool that would be used to track progress against the strategy and hold all parties accountable for the strategy. Each participant in the leadership development program is required to complete a learning and development plan (refer to Annexure D) annually and to report on progress to their immediate manager annually. Copies of the plan are also submitted to the human resource manager for review and kept on file for the holding company, Graftech management to review. Other than this and the approval of the budget for

leadership development, Graftech management have no further role in the leadership development strategy.

The budget for the leadership development program equates to approximately R400 000 per annum. With a total of 68 participants in the program, this equates to an average spend of approximately R6000 on development per employee per annum. This budget is spent on two consultants who are responsible for the actual implementation of the strategy. The one consultant visits the company twice per week and schedules sessions with the participants. His role is to be a coach and mentor to the participants. The second consultant is kept on a retainer for whenever his services are needed to provide psychological assessment of participants in the program.

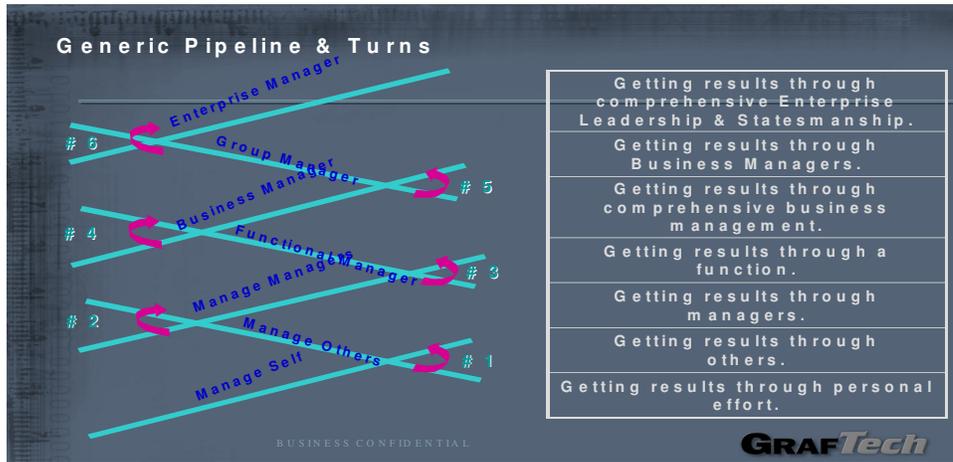
The leadership development program is not discussed at board level but top management is involved. The executive team, which has now replaced the general manager in the organisation, discuss the strategy continuously on a monthly basis comparing actual outcomes to the plan.

The human resource manager however has not linked the leadership development to the business strategy, goals, objectives or mission of the organisation yet.

### **DIMENSION 2: WHO? The targets for leadership development.**

The targets for leadership development were not limited to a single level of management. The human resource manager states that the organisation took the stance that “leadership does not only reside with management positions but should permeate throughout the organisation”. He adds that the aim of the strategy is “to get people to be leaders at what they are doing, make people more competent at their jobs, elevate performance from the one level to the next level and elevate skills irrespective of whether the person is in a management position or not”. Figure 3 provides a framework of the different levels in the organisation and how each level contributes to organisational effectiveness. The leadership development strategy thus targets each of these levels.

**Figure 3: Levels of leadership (Ucar internal document)**



**DIMENSION 3: WHAT? What aspects of effective leadership will be developed?**

The effective leader was defined at four levels namely the individual, first line management, operations management and executive management. Annexure E provides detail of the competencies identified for each of these levels. Plans were also identified on how to develop competencies from not yet full performance to full performance and then to exceptional performance. Figures 4 to 7 provide the framework explaining this strategy.

**Figure 4: Levels of performance (Ucar internal document)**

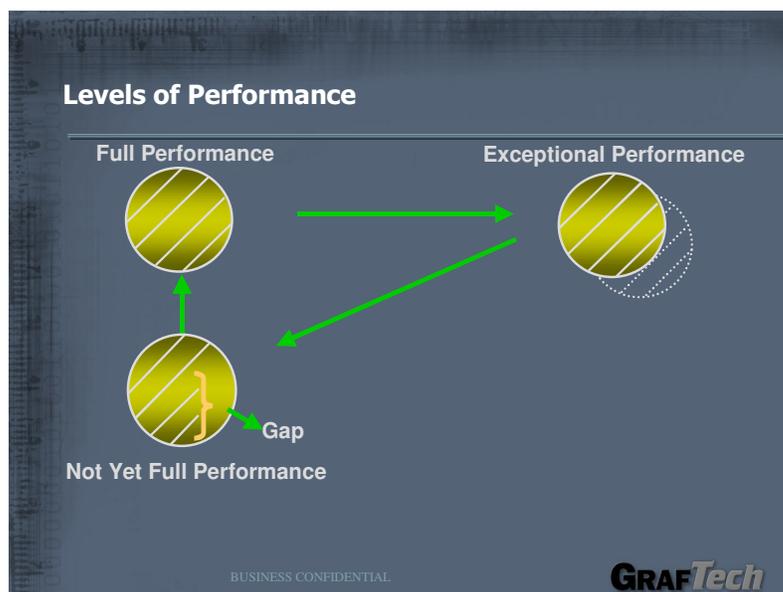


Figure 5: Developing the Not Yet Full Performer (Ucar internal document)

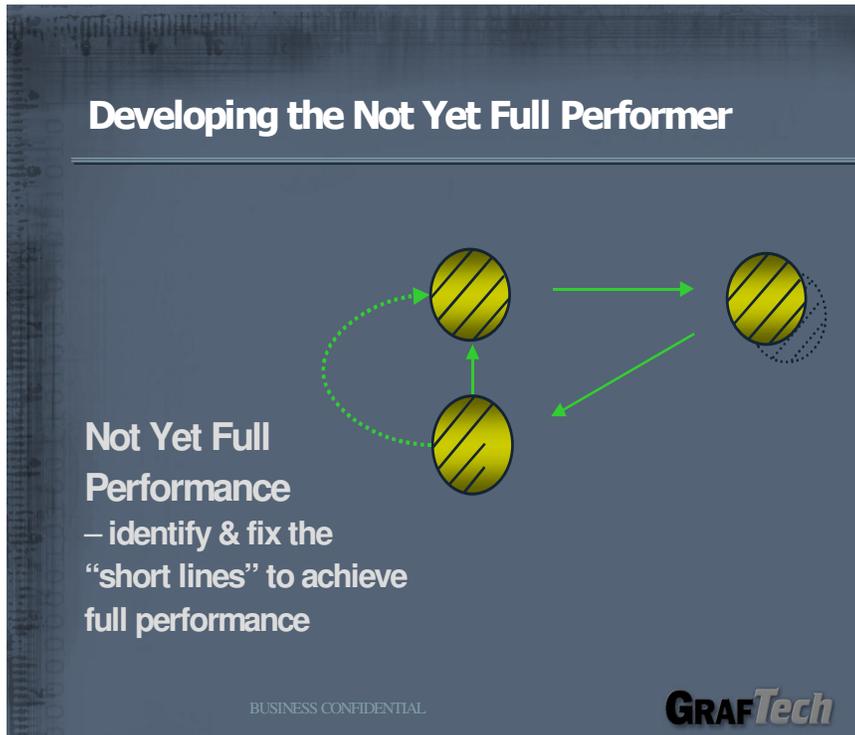
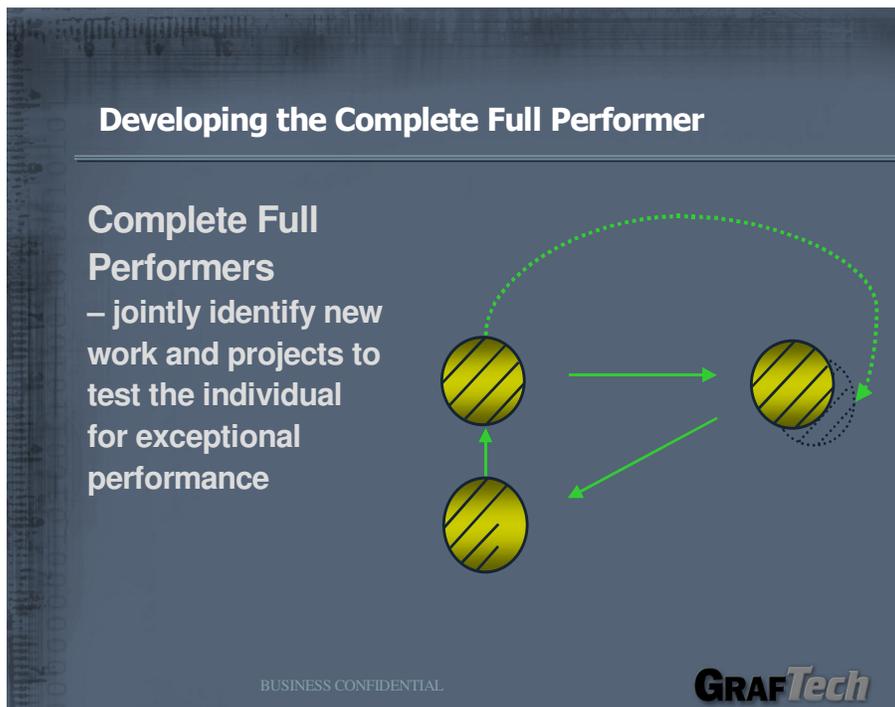
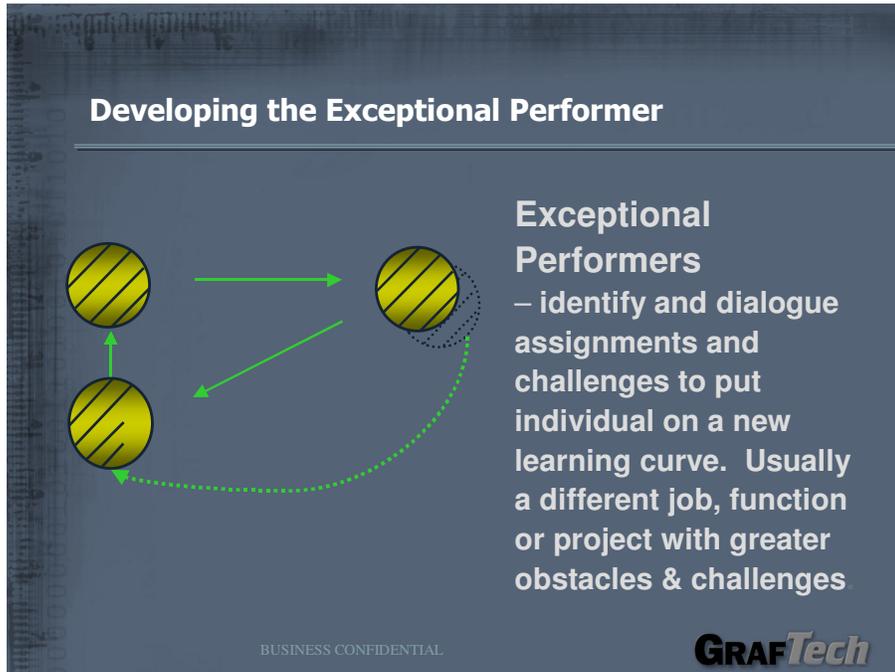


Figure 6: Developing the Complete Full Performer (Ucar internal document)



**Figure 7: Developing the Exceptional Performer (Ucar internal document)**



When deciding on how to identify gaps in leadership, several tools for assessment were investigated. The human resource manager stated that the organisation wanted “a process where people were exposed to real life situations and case studies, something as close to reality as possible”. The organisation believed that this method would be the best way to establish developmental needs. Participants were divided into groups based on the level of the organisation that they were in. These groups then attended the assessment centre together where they underwent several assessment programs. Based on these assessments a report was developed that identified participants strengths and weaknesses and gaps that needed to be developed. These reports were then shared with the human resource manager and the individual. The individual then used these reports to devise a plan for personal development, and was welcome to use the consultant who acted as a coach to help develop these plans and share ideas and experiences with while trying to implement these plans.

**DIMENSION 4: WHEN?**

When asked when leadership is developed, the human resource manager was passionate that this is “an ongoing activity”. He is adamant that their identification that

leadership is the answer to increasing the value of Ucar South Africa is valid and will always be appropriate. The program has been in operation since 2005, and he has no intentions of ceasing the initiative. Integrating the strategy and ensuring accountability in the performance management system, is another way of ensuring the continuity of the program.

#### **DIMENSION 5: HOW? The leadership development methods.**

The leadership development methods at Ucar include mentoring and coaching, formal training and practical application such as job assignments and projects. The human resource manager believed that these methods work best for Ucar. Coaching and mentorship will help participants identify gaps as well as the formal training and practical applications that would best alleviate these gaps, thus ultimately moving participants to become exceptional performers.

The consultant serves as a coach and a mentor to the participants. Over and above this, his role is also to train the participants to be coaches and mentors as well. Accountability for development as a coach and mentor is included in the performance reviews.

#### **DIMENSION 6: WHERE? The organization climate and environment**

The Human Resource Manager believes that Ucar South Africa had always tried to foster an open culture where people were encouraged to express views. However he admits that a good job has not been done of it. Feedback from various parties to him has identified the contributing factor to this negative culture as the previous general manager. With the resignation of the general manager and the appointment of the new leadership structure, the human resource manager believes this is changing. He states that he is trying to create an environment where “people are encouraged to perform to the best of their ability, to continuously improve and develop. The new leadership structure empowers people, employees no longer feel intimidated and have more opportunities to express themselves and are encouraged to be open”. The human resource manager is starting to see positive spin offs in the culture and the environment. The new environment also does not protect poor performers, each employee has to deliver on their promises, “No one can hide, and they have to deliver on promises”. There is no place for passengers in Ucar and these will be easy

to detect given the leadership development strategy and performance management plan.

When asked if the leadership development strategy is working, the human resource manager answers “most certainly”. Feedback from the performance reviews indicates this. Monthly reviews with the outside consultant who provides feedback of this progress as coach and the progress of the participants also indicate that the strategy is working. Feedback from managers from the executive team and the operations teams totalling 13 individuals is also solicited and has been positive. He is working on how to quantitatively assess the value of the program.

This interview thus reveals that leadership development at Ucar is a relatively new concept that was developed and implemented in 2005. All levels in the organisation were targeted and leadership gaps were identified via the assessment centre method. The aims of the strategy is to retain critical skills, develop internal leadership talent and enhance overall organisational performance. A competency matrix was established for the seven different levels of the organisation and the strategy was to develop from poor performance to full performance, and full performance to exceptional performance. Coaching and mentoring is the dominant leadership development method. The performance management system is the means by which all parties are held accountable for leadership development. The organisational culture is one that facilitates openness and learning but is still in the transition stage from the previous intimidating culture enforced by the general manager. No formal evaluation and measurement system exists to determine if the strategy is working but feedback from the executive team and operations managers indicate that it is.

The next section outlines the results of the interview with the trainer.

## **4.2 INTERVIEW WITH THE TRAINER**

Due to the limited internal resources and capabilities of Ucar, an outside organisation was subcontracted to implement the leadership development strategy. This organisation ran the assessment centre that was used to identify the leadership gaps of the participants and their representative is performing the coaching role to the participants. The interview with the trainer was conducted telephonically. He was

asked to comment on the leadership development strategy of Ucar, the assessment centre, his role as a coach, his perception of whether the program is working, and his opinion of the leadership culture and environment of Ucar.

### **His perception of the leadership development strategy of Ucar**

The consultant was asked to evaluate Ucar's leadership strategy especially in light of the fact that Ucar was one of the many other companies that he was acting as a consultant to. He believes that in comparison to other companies Ucar has a more convincing and sincere commitment to human resources and other strategies, in other words "Ucar has a more convincing and sincere commitment to human resources issues and practices than 80 percent of all companies that he has worked in or with. Ucar however still has a great need and opportunity to up skill its managers with all human and leadership skills". He adds that there are emerging challenges and realities with the newest 2007 group of leadership development program participants who according to him "are more resistant, less exposed to surprises and new things, poorly trained in the basics of the human side of business, and more entrenched in tunnel vision habits and avoidance of learning and stimulation". The majority in this group just want to carry on with their job and not be bothered with being analysed to determine their strengths and weaknesses and to engage in the effort to be developed, they thus believe that leadership development is a waste of their time.

He also believes that Ucar has a more effective human relations culture and pride at shop floor level than 80 percent of other employers, but has also seriously neglected people development prior to three years ago.

He adds further that he is only one person and with the participants now comprising 68 individuals, he can feel himself being stretched to the limit and is not totally confident that he has been dedicating the required effort necessary to each person.

### **The Assessment Centre**

Dr Bill Byham of Development Dimensions in the USA originally designed the tools used at the assessment centre, more than 30 years ago. The aim of the assessment was to provide an assessment of the company's pool of human talent and capacity

and their related development needs as well as to give people insight into their own capabilities, strengths, needs and development challenges. When designing the assessment methods, the organisation was looking for observable behavioural evidence and substance on a range of leadership dimensions including analytical ability, business mindedness, communication skill, innovation, situational competence, independence and energy. Three behaviourally trained assessors (which included the trainer) evaluated participants in a variety of group and individual exercises and on a variety of diverse material that were all customised to their environmental reality. The three assessors had to debate and agree on the reported outcomes observed by all three and then developed a report of the participants attributes which were shared with the human resource manager and the participant. The participant then used this report to develop a personal leadership development plan. The trainer in his role as coach was available to the participants to act as a sounding board for their personal leadership development plan.

### **The coaching role**

The consultant's aim is to build personal leadership competence by means of helping individuals confront fears, building individual confidence, deepening insight and understanding of the leadership landscape and scope of role, agreeing on workable outcomes, and gaining commitment to action. He has a further role to develop managers to become coaches as well. He states that he achieves this by "involving the relevant line managers and demonstrating his deep commitment as coach, through constant feedback, line manager buy in and frank but constructive confrontation". He relationship builds with all stakeholders and provides the participants with free access to himself. The methods used to develop the participants leadership capacity is "frank but caring feedback on the written leadership development program results, one on one coaching for a deeper understanding of the impacting issues and challenges, and joint coaching sessions with the line managers of the leadership development program participants". These joint coaching sessions involve strong participant involvement in determining choices and actions, working with the leadership development program participants' superior to identify issues and challenges, devising of opportunities for delegation and other

practical suggestions to address work related leadership challenges facing the participant. This could result in participants writing down commitments and reports to action, reading of relevant subjects and material and sharing tools with the participants to understand new concepts such as the Iceberg model, SCR model (stimulus, choice, and result). He constantly gives feedback to the leadership development program participant's superior.

He assesses whether the program is working through his own assessment and feedback from the superiors of the leadership development program participants, for example, his assessment of the leadership development program candidates' real commitment to their task and their actioning and implementation of self development work. Assessment is done through his own follow up, observation and feedback with the superiors of the participants.

### **Is the leadership development program working in Ucar?**

According to his assessment, "the program is working for at least 75 percent of the first two batches of participants (2005 and 2006). Of the group of participants targeted in 2007, approximately 40 percent to 50 percent are resisting the LDP".

Feedback obtained by him from the various participants (first line managers, operational managers, and executive managers) reflects that the program is working for them or their work colleagues who attended the LDP. He adds that he "has seen enough development programs to say that this one has had a very good 2 year run of success".

### **The leadership culture and organisational climate of Ucar**

His assessment of the culture is that it is generally:"

- Participative, democratic, mostly disciplined, but non threatening and very low on the scale of arrogance and personal ego.
- Increasingly showing evidence of the human element, for example, family days and recognition days.
- Top management is definitely convincingly dedicated to the human factor and people development.

- Human resource processes and systems are generally increasing in effectiveness due to the human resource manager and his team”.

The interview with the trainer revealed more information about the design of the assessment centre. The aim of the assessment was to provide an assessment of Ucar’s pool of human talent and capacity and their related development needs, as well as to give people insight into their own capabilities, strengths, needs and development challenges. The trainer provides a coaching role to the participants in the program in which he helps the individuals to confront their fears, to build their individual confidence, deepen their insight and understand leadership. His personal assessment and feedback from individuals reveal that the program is working.

In sum, the interviews with the human resource manager and the trainer reveal that the leadership development strategy was developed and implemented in 2005. The aims were to retain critical skills, develop internal leadership talent and enhance overall organisational performance. The plan is to help individuals develop from poor performance to full performance, and full performance to exceptional performance and a matrix outlining the competencies to achieve this at the seven different levels of the organisation was developed. Development methods include coaching and mentoring done by an outside consultant whose aim is to help the individuals to confront their fears, to build their individual confidence, deepen their insight and understand leadership. Participants are also being developed to be coaches and mentors to their subordinates.

The next section provides the results of the questionnaires completed by the participants of the leadership development program.

#### **4.3 THE QUESTIONNAIRES COMPLETED BY THE PARTICIPANTS OF THE LEADERSHIP DEVELOPMENT PROGRAM.**

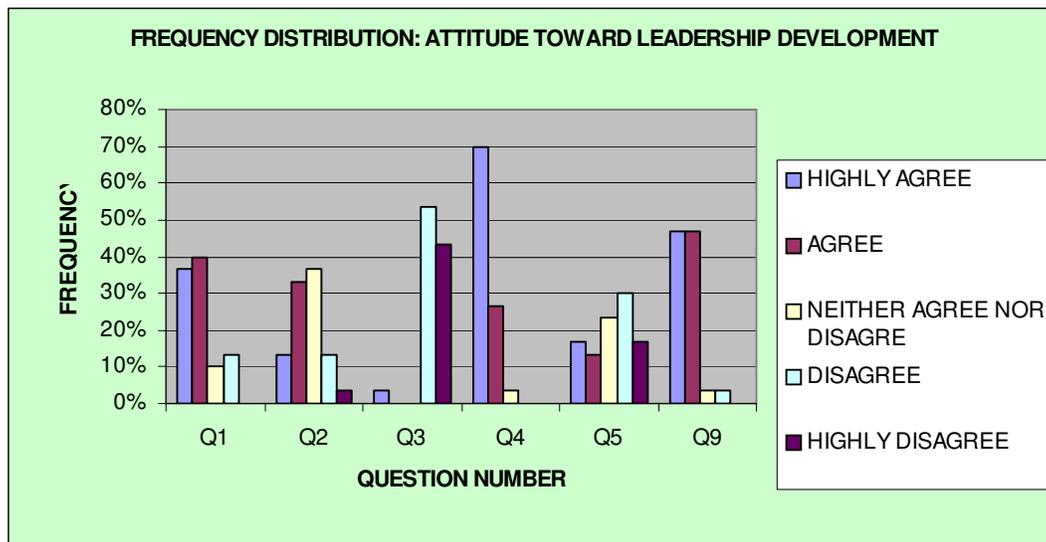
The results of the questionnaire survey are presented in terms of the 7 measurement aims of the survey, namely, attitude towards leadership development, aim of leadership development, the assessment centre, the leadership culture and environment of Ucar, the general skills developed, the core competencies developed and the major barriers to leadership development.

**Attitude toward leadership development**

**Table 5: Relative frequency - Attitude toward leadership development**

QUESTIONS		RELATIVE FREQUENCY					MODE
		HIGHLY AGREE	AGREE	NEITHER AGREE NOR DISAGRE	DISAGREE	HIGHLY DISAGREE	
Attitude toward leadership development	Q1	37%	40%	10%	13%	0%	4
	Q2	13%	33%	37%	13%	3%	3
	Q3	3%	0%	0%	53%	43%	2
	Q4	70%	27%	3%	0%	0%	5
	Q5	17%	13%	23%	30%	17%	2
	Q9	47%	47%	3%	3%	0%	4

**Figure 8: Frequency Distribution - Attitude toward leadership development**



The aim of this group of questions was to determine the attitudes of the participants to leadership development. Six questions were included in the questionnaire to measure this, namely, questions 1, 2, 3, 4, 5 and 9.

*Question 1: I think the program is great; it speaks to the fact that Ucar is embracing its employees and trying to develop their skill set.*

37 percent of the respondents highly agreed and 40 percent of the respondents agreed with this statement, while 10 percent neither agreed nor disagreed and 13 percent disagreed. The mode for this question was “agree”.

*Question 2: Participating in the program has increased my loyalty.*

37 percent of the respondents neither agreed nor disagreed with this statement, 13 percent agreed, 33 percent highly agreed, 13 percent disagreed and 3 percent highly disagreed. The mode for this question was “neither agree nor disagree”.

*Question 3: I think that leadership development is a waste of my valuable time and the company’s financial resources, both of which can be used more effectively elsewhere.*

53 percent disagreed and 43 percent highly disagreed with this statement while 3 percent highly agreed. The mode was “disagree” for this question.

*Question 4: I believe that leadership and personal development is important.*

70 percent highly agreed, 27 percent agreed, and 3 percent neither agreed nor disagreed. The mode was “highly agree” for this question.

*Question 5: I do not believe that the current way the company is developing my leadership is effective.*

30 percent disagreed, 23 percent neither agreed nor disagreed, 17 percent highly disagreed, 17 percent highly agreed and 13 percent agreed with this statement. The mode for question 5 is “disagree”.

*Question 9: A company’s policy towards its people and their development is a contributing factor when deciding whether to work for that company or not.*

47 percent highly agreed and 47 percent agreed with this statement. The balance of 6 percent was split evenly between neither agree nor disagree and disagree. The mode for this question is “agree”.

The responses to the above questions indicate a positive attitude toward leadership development. The majority of the respondents felt that leadership and personal development is important and that a company’s policy towards its people and their development is a contributing factor when deciding on an employer. The responses also indicate a favourable attitude toward the fact that Ucar has a leadership development program, but a mixed reaction as to whether the current way the company is developing the leadership is effective. Whether being chosen for the program has increased the participants’ loyalty to the organisation is split between 46 percent either agreeing or highly agreeing and 37 percent neither agreeing nor

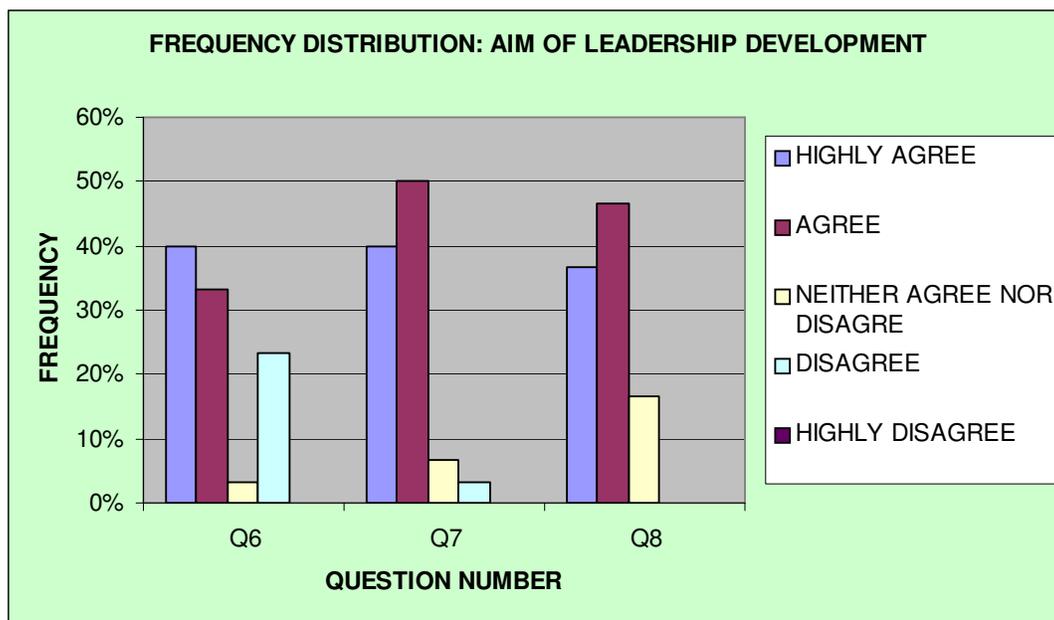
disagreeing. Thus there is a disproportionate relation between the number of people who believed that leadership development was important and the number of respondents who felt loyalty toward the organisation as a result of the leadership development program.

**Aim of leadership development**

**Table 6: Relative frequency - Aim of leadership development**

QUESTIONS		RELATIVE FREQUENCY					MODE
		HIGHLY AGREE	AGREE	NEITHER AGREE NOR DISAGRE	DISAGREE	HIGHLY DISAGREE	
Aim of leadership development	Q6	40%	33%	3%	23%	0%	5
	Q7	40%	50%	7%	3%	0%	4
	Q8	37%	47%	17%	0%	0%	4

**Figure 9: Frequency Distribution - Aim of leadership development**



This section comprised of three questions (questions 6, 7, 8) and aimed to test whether there was synergy between the aims of the leadership development strategy articulated by the human resource manager and the understanding of the aims by the participants of the leadership development program.

*Question 6: The aim of the leadership development program is to improve my leadership skills so that I can be ready when an opportunity arises to move up the corporate ladder.*

40 percent highly agreed, 33 percent agreed, 3 percent neither agreed nor disagreed and 23 percent disagreed with this statement. The mode for this question was “highly agree”.

*Question 7: The aim of the leadership development program is to improve my available skills and strengths so that I can become an exceptional performer thus improving organisational performance.*

40 percent highly agreed, 50 percent agreed, 7 percent neither agreed nor disagreed and 3 percent disagreed with this statement. The mode for this question was “agree”.

*Question 8: The aim of the leadership development program is to improve my leadership skills so as to bring out the best in my subordinates thus improving personal satisfaction and organisational performance.*

37 percent highly agreed, 47 percent agreed and 17 percent neither agreed nor disagreed with this aim. The mode for this question was “agree”.

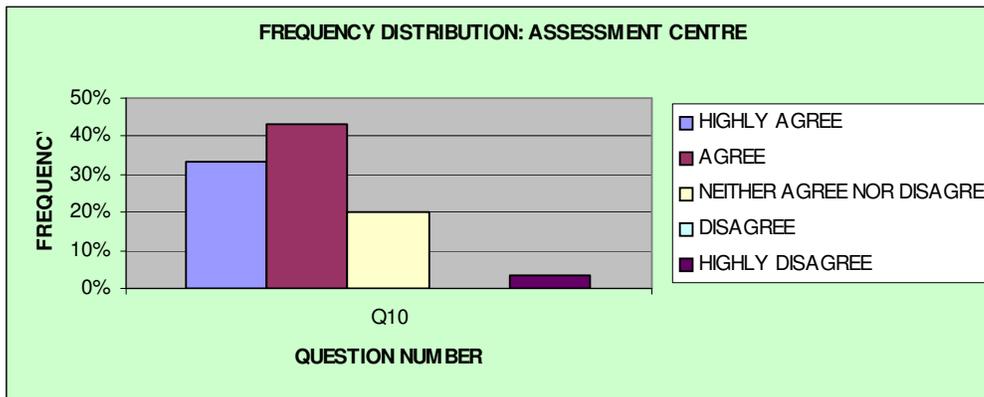
The responses to the questions indicate a synergy between the aims of the strategy and the understanding of the aims by the participants.

**The Assessment Centre**

**Table 7: Relative frequency - Assessment Centre**

QUESTIONS		RELATIVE FREQUENCY					MODE
		HIGHLY AGREE	AGREE	NEITHER AGREE NOR DISAGRE	DISAGREE	HIGHLY DISAGREE	
Assessment Centre	Q10	33%	43%	20%	0%	3%	4

**Figure 10: Frequency Distribution - The Assessment Centre**



Question 10 aimed to determine the effectiveness of the assessment centre method in identifying the leadership development participants’ strengths and weaknesses.

*Question 10: The assessment at Maccaulei or Henley Air correctly identified my strengths and weaknesses and enabled me to draft a plan for my development.*

33 percent highly agreed, 43 percent agreed, 20 percent neither agreed nor disagreed and 3 percent highly disagreed with this statement. The mode for this question is “agree”.

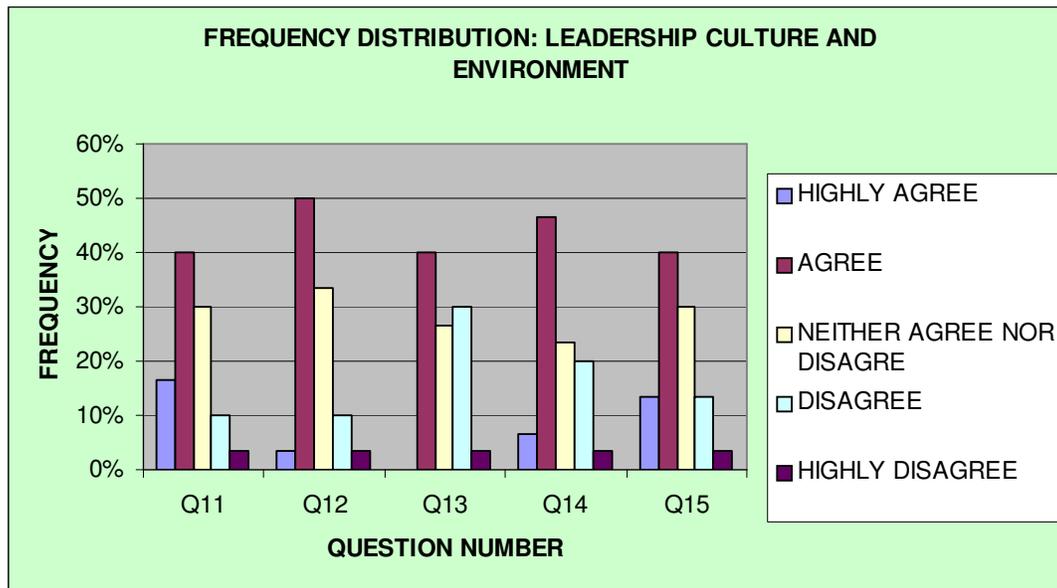
The results of the responses to this question indicate that the assessment centre method was an effective method in identifying the leadership gaps and development needs of the participants.

**Ucar’s leadership culture and environment**

**Table 8: Relative frequency- Leadership culture and environment**

QUESTIONS		RELATIVE FREQUENCY					MODE
		HIGHLY AGREE	AGREE	NEITHER AGREE NOR DISAGRE	DISAGREE	HIGHLY DISAGREE	
Ucar and its leadership culture and environment	Q11	17%	40%	30%	10%	3%	4
	Q12	3%	50%	33%	10%	3%	4
	Q13	0%	40%	27%	30%	3%	4
	Q14	7%	47%	23%	20%	3%	4
	Q15	13%	40%	30%	13%	3%	4

**Figure 11: Frequency Distribution - Leadership culture and environment**



The culture and environment must be conducive for leadership development and this section sought to examine the respondents’ perception of the nature of the culture and environment in Ucar. Questions 11 to 15 made up this section of the questionnaire.

*Question 11: Leadership within my organisation is generally driven by senior management to establish order and control.*

40 percent of the respondents agreed with this statement, 30 percent neither agreed nor disagreed, 17 percent highly agreed with this statement, 10 percent disagreed and 3 percent strongly disagreed. The mode for this question is “agree”.

*Question 12: My organisation has a shared direction about the future.*

50 percent agreed, 33 percent neither agreed nor disagreed, 10 percent disagreed, 3 percent highly agreed and 3 percent highly disagreed. The mode for this question is “agree”.

*Question 13: Leaders and employees all are in agreement with this direction and the way to achieve this direction.*

40 percent agreed, 30 percent disagreed, 27 percent neither agreed nor disagreed and 3 percent highly disagreed. The mode for Question 13 is “agree”.

*Question 14: My organisation acknowledges unpredictability and diversity of thinking and approach.*

47 percent agreed, 23 percent neither agreed nor disagreed, 20 percent disagreed, 7 percent agreed and 3 percent highly disagreed with this statement. The mode for the question is “agree”

*Question 15: The role of leadership within my organisation is to create an environment in which staff is encouraged to challenge and progress.*

40 percent agreed with this statement, 30 percent neither agreed nor disagreed, 13 percent highly agreed, 13 percent disagreed and 3 percent highly disagreed with this statement. The mode is “agree” for this question.

The responses to this set of questions are equally distributed across the various responses making it difficult to draw conclusions about the organisations leadership environment. 57 percent believe that the leadership culture and environment of Ucar is one which establishes order and control, 53 percent believe that the organisation has a shared direction about the future but 40 percent believe that all are in agreement with this direction and the way to achieve this direction. 54 percent of the respondents believe that Ucar acknowledges unpredictability and diversity of thinking and approach and only 53 percent believe that the role of leadership in Ucar is to create an environment in which staff is encouraged to challenge and progress.

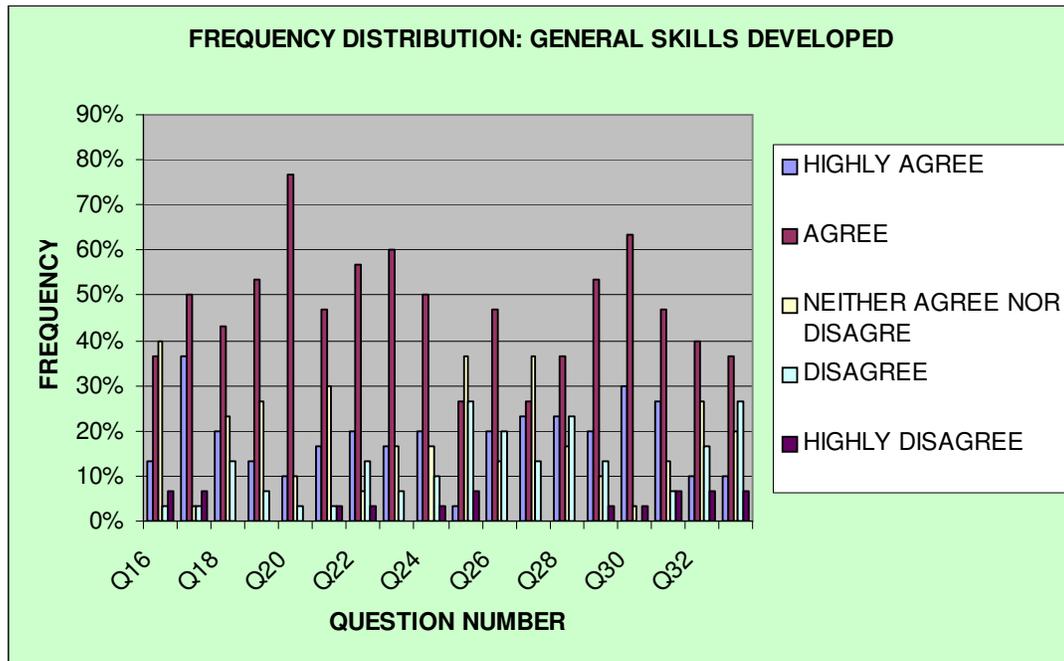
**The general skills developed**

**Table 9: Relative frequency - General skills developed**

QUESTIONS		RELATIVE FREQUENCY					MODE
		HIGHLY AGREE	AGREE	NEITHER AGREE NOR DISAGRE	DISAGREE	HIGHLY DISAGREE	
General skills developed	Q16	13%	37%	40%	3%	7%	3
	Q17	37%	50%	3%	3%	7%	4
	Q18	20%	43%	23%	13%	0%	4
	Q19	13%	53%	27%	7%	0%	4
	Q20	10%	77%	10%	3%	0%	4
	Q21	17%	47%	30%	3%	3%	4
	Q22	20%	57%	7%	13%	3%	4
	Q23	17%	60%	17%	7%	0%	4
	Q24	20%	50%	17%	10%	3%	4
	Q25	3%	27%	37%	27%	7%	3

Q26	20%	47%	13%	20%	0%	4
Q27	23%	27%	37%	13%	0%	3
Q28	23%	37%	17%	23%	0%	4
Q29	20%	53%	10%	13%	3%	6
Q30	30%	63%	3%	0%	3%	4
Q31	27%	47%	13%	7%	7%	4
Q32	10%	40%	27%	17%	7%	4
Q33	10%	37%	20%	27%	7%	4

**Figure 12: Frequency Distribution - General skills developed**



*Question 16: I am more motivated.*

37 percent highly agreed, 40 percent neither agreed nor disagreed. 13 percent highly agreed while 3 percent disagreed and 7 percent highly disagreed with this statement. The mode for this question is “neither agree nor disagree”.

*Question 17: I have more insight into myself.*

50 percent of the respondents agreed and 37 percent highly agreed with this statement. 3 percent neither agreed nor disagreed and 3 percent disagreed while 7 percent highly disagreed with the statement. The mode for the question is “agree”.

*Question 18: I am more confident.*

43 percent of the respondents agreed while 20 percent highly agreed with this statement. 23 percent neither agreed nor disagreed and 13 percent disagreed with the statement. The mode was “agree” for this question.

*Question 19: I challenge more.*

53 percent of the respondents agreed with this statement, 13 percent highly agreed, and 27 percent neither agreed nor agreed. The mode for this question was “agree”.

*Question 20: I accept change*

47 percent of the respondents agreed with this statement, 30 percent neither agreed nor agreed, 17 percent highly agreed with this statement while 3 percent disagreed and 3 percent highly disagreed.

The mode for this question is “agree”.

*Question 21: I have increased credibility*

47 percent of the respondents agreed with this statement, while 30 percent neither agreed nor disagreed. 17 percent of the respondents highly agreed, 3 percent disagreed and 3 percent highly disagreed with the statement. The mode for this question was “agree”.

*Question 22: I have a bigger/broader/wider view.*

57 percent of the respondents agreed with this statement, while 20 percent agreed. 7 percent neither agreed nor disagreed, 13 percent disagreed and 3 percent highly disagreed with the statement. The mode for this question was “agree”.

*Question 23: I think out of the box.*

60 percent of the respondents agreed with this statement, while 17 percent highly agreed. 17 percent neither agreed nor disagreed and 7 percent disagreed. The mode for this question was “agree”.

*Question 24: I have improved my leadership*

50 percent of the respondents agreed, 20 percent highly agreed while 17 percent neither agreed nor disagreed with this statement. 10 percent disagreed and 3 percent highly disagreed with the statement. The mode for this question was “agree”.

*Question 25: The program has retained me within Ucar.*

37 percent of the respondents neither agreed nor agreed with this statement. 27 percent agreed while 27 percent disagreed. 3 percent highly agreed and 7 percent highly disagreed with this statement.

The mode for this question was “neither agree nor disagree”.

*Question 26: The increased knowledge and understanding gained from the program has enabled me to be able to display leadership and vision.*

47 percent of the respondents agreed with this statement while 20 percent highly agreed and 20 percent disagreed. 13 percent neither agreed nor disagreed with the statement. The mode for this question is “agree”.

*Question 27: The quality of my leadership contribution has been significantly influenced.*

37 percent of the respondents neither agreed nor disagreed with this statement. 27 percent agreed while 23 percent highly agreed and 13 percent disagreed with the statement. The mode for this question is “agree”.

*Question 28: I am taking a more proactive leadership role*

37 percent of the respondents agreed with this statement, 23 percent highly agreed while 23 percent disagreed and 17 percent neither agreed nor disagreed. The mode for this question was “agree”.

*Question 29: I have better insight into my leadership capabilities*

53 percent of the respondents agreed with this statement, 20 percent highly agreed, 13 percent disagreed while 10 percent neither agreed nor disagreed and 3 percent strongly disagreed.

The mode for this question was “agree”.

*Question 30: The programme made me think about my own qualities in leading effective operations.*

63 percent of the respondents agreed with this statement while 30 percent highly agreed, 3 percent neither agreed nor disagreed and 3 percent highly disagreed. The mode for this question was “agree”.

*Question 31: I have been able to apply the leadership qualities developed through the program to deliver results.*

63 percent of the respondents agreed with this statement, 30 percent agreed, 3 percent neither agreed nor disagreed and 3 percent highly disagreed. The mode for this question was “agree”.

*Question 32: My manager has become more effective as a leader.*

40 percent of the respondents agreed with this statement, 27 percent neither agreed nor disagreed, 17 percent disagreed, 10 percent highly agreed and 7 percent highly disagreed. The mode for this question was “agree”.

*Question 33: My manager has developed positively in his role as a coach to me and the rest of his subordinates.*

37 percent of the respondents agreed with this statement, 27 percent disagreed, 29 percent neither agreed nor disagreed, 10 percent agreed and 7 percent highly disagreed. The mode for this question was “agree”.

The responses to these questions indicate that the program has resulted in the development of certain attributes. The majority of the respondents are more motivated, have more insight into themselves, are more confident, challenge more, accept change, have increased credibility, have a bigger/broader/wider view, think out of the box, have improved their leadership, were able to display leadership and vision as a result of the increased knowledge and understanding gained from the program. The quality of their leadership contribution has been significantly influenced, they are taking a more proactive leadership role, have better insight into their leadership capabilities, thought about their own qualities in leading effective operations, and have been able to apply the leadership qualities developed through the program to deliver results. The majority of the respondents also believe that their manager has become more effective as a leader and has developed positively in his

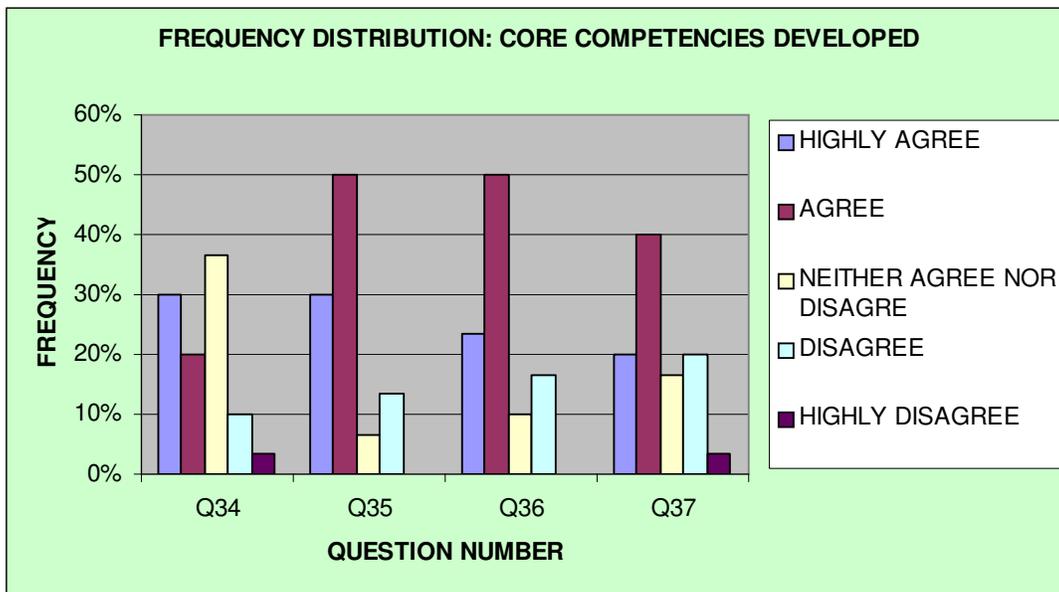
role as a coach. The program however has not been successful in retaining the employees within the organisation.

**The core competencies developed**

**Table 10: Relative frequency - Core competencies developed**

QUESTIONS		RELATIVE FREQUENCY					MODE
		HIGHLY AGREE	AGREE	NEITHER AGREE NOR DISAGRE	DISAGREE	HIGHLY DISAGREE	
Core Competencies Developed	Q34	30%	20%	37%	10%	3%	3
	Q35	30%	50%	7%	13%	0%	4
	Q36	23%	50%	10%	17%	0%	4
	Q37	20%	40%	17%	20%	3%	4

**Figure 13: Frequency Distribution - Core competencies developed**



Questions 34 to 37 were designed to determine if the leadership development program successfully developed the core competencies outlined in the performance management system.

*Question 34: I have been able to apply the leadership qualities developed through the program to improve my drive for results.*

37 percent of the respondents neither agreed nor disagreed with this statement, 30 percent highly agreed, 20 percent agreed while 10 percent disagreed and 3 percent highly disagreed. The mode for this question is "neither agree nor disagree".

*Question 35: I have been able to apply the leadership qualities developed through the program to improve my peer relationships.*

50 percent of the respondents agreed with this statement, 30 percent highly agreed with this statement, while 13 percent disagreed and 7 percent neither agreed nor disagreed. The mode for this question is "agree".

*Question 36: I have been able to use the leadership qualities developed through the program to improve my customer focus.*

50 percent of the respondents agreed with this statement and 23 percent highly agreed. 17 percent disagreed and 10 percent neither agreed nor disagreed. The mode for this question is "agree".

*Question 37: I have been able to use the leadership qualities developed through the program to improve my health, safety, environment and quality performance.*

40 percent of the respondents agreed with this statement, 20 percent highly agreed and 20 percent disagreed. 17 percent neither agreed nor disagreed and 3 percent highly disagreed. The mode for this question is "agree".

The results of this section indicate that the leadership development program has contributed significantly to improving peer relationships, improving customer focus and improving health, safety, environment and quality performance. The results for question 34, namely, the contribution of the leadership development program to improving the drive for results, is distributed evenly across the responses.

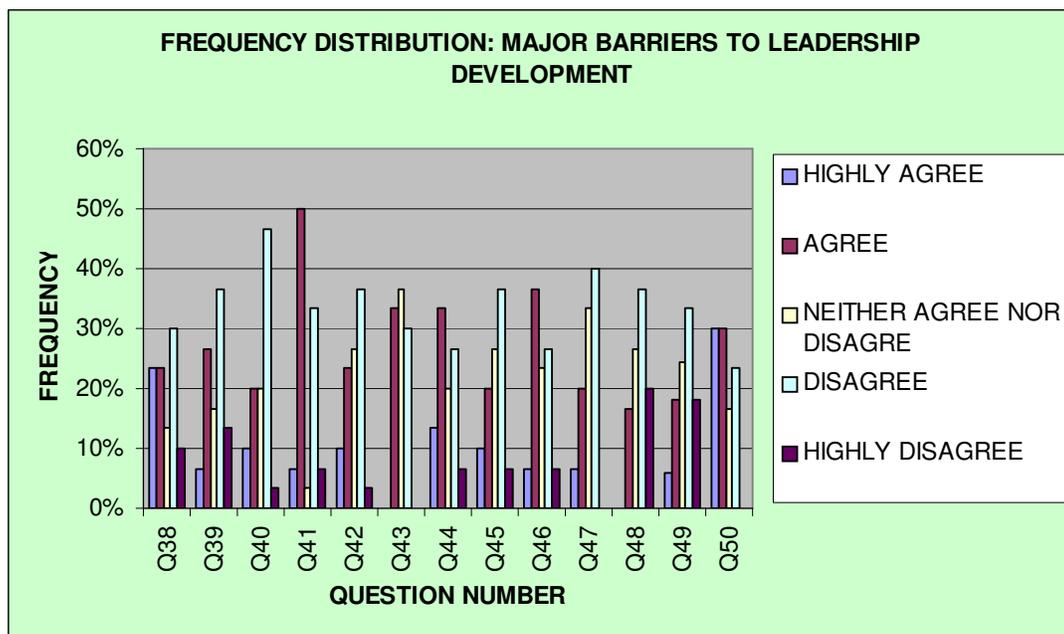
**The major barriers to leadership development**

**Table 11: Relative frequency - Major barriers**

QUESTIONS		RELATIVE FREQUENCY					MODE
		HIGHLY AGREE	AGREE	NEITHER AGREE NOR DISAGRE	DISAGREE	HIGHLY DISAGREE	
Major Barriers	Q38	23%	23%	13%	30%	10%	2
	Q39	7%	27%	17%	37%	13%	2

Q40	10%	20%	20%	47%	3%	2
Q41	7%	50%	3%	33%	7%	4
Q42	10%	23%	27%	37%	3%	2
Q43	0%	33%	37%	30%	0%	3
Q44	13%	33%	20%	27%	7%	4
Q45	10%	20%	27%	37%	7%	2
Q46	7%	37%	23%	27%	7%	4
Q47	7%	20%	33%	40%	0%	2
Q48	0%	17%	27%	37%	20%	2
Q49	6%	18%	24%	33%	18%	2
Q50	30%	30%	17%	23%	0%	4

**Figure 14: Frequency Distribution - Major barriers to leadership development**



*Question 38: Poor role modelling by existing leaders.*

30 percent of the respondents disagreed with this statement, 23 percent highly agreed while 23 percent agreed, 13 percent neither agreed nor disagreed and 10 percent highly disagreed. The mode was “disagree” for this question.

*Question 39: Insufficient support from senior managers.*

37 percent of the respondents disagreed, 27 percent agreed while 7 percent neither agreed nor disagreed, 13 percent highly disagreed and 7 percent highly agreed. The mode for this question was “disagree”.

*Question 40: Lack of consistent reinforcement of the leadership development program.*

47 percent of the respondents highly disagreed with this statement, 20 percent agreed and 20 percent neither agreed nor disagreed. 10 percent highly agreed and 3 percent highly disagreed with this statement. The mode for this question was "neither agree nor disagree".

*Question 41: Reluctance of individuals to change, to introduce new ideas and concepts.*

50 percent of the respondents agreed with this statement while 33 percent disagreed, 7 percent highly agreed, 7 percent highly disagreed and 3 percent neither agreed nor disagreed. The mode was "agree" for this question.

*Question 42: Poor links between the leadership development initiative and Ucar strategy.*

37 percent of the respondents disagreed with this statement, 27 percent neither agreed nor disagreed, 23 percent agreed, 10 percent highly agreed and 3 percent highly disagreed. The mode is "disagree" for this question.

*Question 43: Competition with other initiatives and priorities.*

37 percent of the respondents neither agreed nor disagreed with this statement while 33 percent agreed and 30 percent disagreed. The mode for this question is "neither agree nor disagree".

*Question 44: Insufficient time devoted to leadership development.*

33 percent of the respondents agreed with this statement, 27 percent disagreed, 20 percent neither agreed nor disagreed, 13 percent highly agreed and 7 percent highly disagreed. The mode for this question is "agree".

*Question 45: Insufficient support generally within the organisation.*

37 percent of the respondents disagreed while 27 percent neither agreed nor disagreed, 20 percent agreed, 10 percent highly agreed and 7 percent highly disagreed. The mode is "disagree" for this question.

*Question 46: Unsupportive organisational culture.*

37 percent of the respondents highly agreed with this statement, 27 percent disagreed while 23 percent neither agreed nor disagreed, 7 percent highly agreed and 7 percent highly disagreed. The mode is “agree” for this question.

*Question 47: Unrealistic expectations of outcomes and results.*

40 percent of the respondents disagreed with this statement, 33 percent neither agreed nor disagreed, 20 percent agreed and 7 percent highly agreed. The mode is “disagree” for this question.

*Question 48: Limitation of the facilitator/ mentor/coach*

37 percent of the respondents disagreed with this statement while 27 percent neither agreed nor disagreed, 20 percent highly disagreed and 17 percent agreed. The mode for this question is “disagree”.

*Question 49: Limited time of the facilitator/ mentor/coach.*

33 percent of the respondents disagreed with this statement, 24 percent neither agreed nor disagreed, 18 percent agreed, 18 percent disagreed and 6 percent highly agreed. The mode for this question is “disagree”.

*Question 50: Lack of career opportunities.*

30 percent of the respondents agreed and 30 percent highly agreed with this statement while 23 percent disagreed and 17 percent neither agreed nor disagreed. The mode for the question is “agree”.

According to the majority of the respondents, barriers to leadership development at Ucar are reluctance of individuals to change, to introduce new ideas and concepts; competition with other initiatives and priorities; insufficient time devoted to leadership development; unsupportive organisational culture and lack of career opportunities.

The majority of the respondents did not believe that poor role modelling by existing leaders, insufficient support from senior managers, lack of consistent reinforcement of the leadership development program, poor links between the leadership development initiative and Ucar strategy, insufficient support generally within the organisation, unrealistic expectations of outcomes and results, limitation of the

facilitator/mentor/coach and limited time of the facilitator/ mentor/ coach were not barriers to leadership development.

The survey thus aimed to evaluate the LDP participants' attitude towards leadership development and evidence indicates a positive attitude toward leadership development. The participants understanding of the aims of the leadership development strategy was also measured and the results indicate that their understanding of the aims is in line with the intentions of the Human Resource Manager. The assessment centre as a leadership development method was evaluated, and the validity of the method has been confirmed. The survey reveals that the LDP was successful in attaining certain outcomes, such as increasing the motivation of the participants, increasing the participants insight into themselves, and increasing the participants confidence, etcetera. The evidence also indicates that the participants' managers had become more effective as leaders and have developed positively in their role as coaches. The final variable measured was the barriers to leadership development within the company and the evidence indicates that there are barriers such as an unsupportive organisational culture and lack of career opportunities.

In sum, the survey conducted on the participants of the LDP thus reflect that the majority of the participants believe in the value of leadership development and view positively the fact that Ucar is trying to develop its people. The program however has not necessarily increased the loyalty of the employees.

The participants understanding of the aims of the leadership development strategy of the company is in line with the aims articulated by the Human Resource Manager.

The accuracy and the effectiveness of the assessment centre as a development tool to identify gaps in leadership has been confirmed.

The leadership culture and environment is one that is generally driven by senior management to establish order and control. The organisation has a shared direction about the future and leaders and employees all are in agreement with this direction and the way to achieve this direction. Ucar also acknowledges unpredictability and diversity of thinking and approach and the role of leadership within Ucar is to create an environment in which staff is encouraged to challenge and progress.

The following have developed as a result of the LDP, namely, the participants are more motivated, have more insight into themselves, are more confident, challenge more, accept change, have increased credibility, have a bigger/broader/wider view, think out of the box, have improved their leadership, were able to display leadership and vision as a result of the increased knowledge and understanding gained from the program, quality of their leadership contribution has been significantly influenced, the participants are taking a more proactive leadership role, have better insight into their leadership capabilities, thought about their own qualities in leading effective operations, and have been able to apply the leadership qualities developed through the program to deliver results. The managers have become more effective as leaders and have developed positively in their role as coaches. The program however has not been successful in retaining the employees within the organisation.

The core competencies that have developed as a result of the LDP are improving peer relationships, improving customer focus and improving health, safety, environment and quality performance while the core competency “drive for results” was not as significantly influenced.

Barriers to leadership development at Ucar are reluctance of individuals to change, to introduce new ideas and concepts; competition with other initiatives and priorities; insufficient time devoted to leadership development; unsupportive organisational culture and lack of career opportunities, while poor role modelling by existing leaders, insufficient support from senior managers, lack of consistent reinforcement of the leadership development program, poor links between the leadership development initiative and Ucar strategy, insufficient support generally within the organisation, unrealistic expectations of outcomes and results, limitation of the facilitator/mentor/coach and limited time of the facilitator/mentor/coach were not considered to be barriers to leadership development.

The questionnaire included an open-ended section at the end for the respondents to add any further comments they had about the leadership development program and strategy of Ucar. The next section outlines these comments.

#### **Other comments added at the end of the questionnaires**

Eleven of the respondents added comments at the end of the questionnaire. The following comments provide an expansion of the participants' attitude towards leadership development:

"In order for the LDP to work, individuals need to dedicate themselves and be prepared to sacrifice their time. They must be prepared to participate and work hard."

"The investment in human capital in my opinion is important to the success of the company."

"The key for me is that the LDP is about self development as a leader. I have to make it work, and can and must not wait for someone else to make it happen for me. I have listed, for example, unsupportive organisational culture as a barrier, however, I must emphasize it is only a barrier. Barriers can be overcome. The program is great; I have seen growth in myself and many others."

"People who don't want to participate in the program and who's reluctant to do their assignments, etcetera, should be kicked off the program. There's some who see this as a waste of their time and I think these individuals are wasting the time of others who appreciate the opportunity and want to excel in their fields and better their skills, for example, be stricter on deadlines, monitor improvement, etcetera."

"One of the better programs I've ever seen and been involved in. Starting to bear fruit and requires consistent reinforcement."

These comments indicate a positive attitude to leadership development. Leadership development is viewed as important; the participants are dedicated and have accepted responsibility and accountability for making the program work.

The following comment provides clarity on the difficulty experienced in assessing the leadership culture of the organisation and confirms the human resource manager's comments regarding the leadership culture at Ucar.

"I would strongly recommend that this questionnaire be re-done at the end of 2008. The results may be distorted due to the change of operating culture currently in progress - general manager replaced by executive team. I believe results will be much more positive than now. There was a general belief that the LDP was used for alternative motives by the previous dispensation."

This response indicates that the leadership culture of the case organisation is in a transition stage and is in its early stages of development into a culture conducive to leadership development.

The following two comments indicate the importance of measurement and follow up and confirm that this aspect is lacking in the current leadership development strategy:

“I think it is important to look at ways to follow upon this program once a year for at least 2 to 3 years. After implementation maybe 360 degree assessment/development centres to put these newly acquired skills to use and to challenge the individuals thought process yet again.”

“LDP is an excellent tool/vehicle for development. We need to put a time frame when it comes to develop certain people, otherwise it can drag on forever.”

The next comment highlights that lack of career opportunities is a barrier to leadership development in Ucar:

“I think the program has lost momentum at senior management level. There is a lack of career opportunities within our business for senior managers.”

The following two comments also highlight further barriers to leadership development in Ucar.

“The company sends you for leadership development and thereafter forgets about you and recruits externally. Project leverage was understood by all employees as a skill development of employees but it has now changed when one of the production managers resigned and his post combined with the other to be one position. Don't we have developed leaders in this company, either black or white to have been considered for the Bake position?”

“The program is more a psychological exercise than an exercise in development. It is almost intimidating at times and this can cause one to put up defensive barriers. Goals are not always quantifiable.”

These comments indicate that the lack of the link between the leadership development strategy and the business strategy is a barrier to leadership development. The results also indicate why a portion of the respondents believes the current way the company is developing leadership is not effective.

Thus the comments added by some of the respondents have provided important insights into the closed ended questions that measured the attitudes toward leadership development, the leadership culture of the organisation and the barriers to leadership development.

The interviews and questionnaire survey method thus revealed valuable insights into the leadership development strategy of Ucar. The interview with the human resource manager revealed that the strategy is relatively new and provided feedback about the aims of the strategy, the targets of the strategy, the development methods and the aspects that were being developed. The interview with the trainer provided information on the development methods. The questionnaire completed by the participants of the program revealed information on their attitudes toward leadership development, their understanding of the aims of the leadership development strategy, aspects that were developed and barriers to development.

The results of the survey thus reveal that the assessment centre is a valid leadership development method. There is synergy between the reason for choosing this method expressed by the human resource manager, the design and implementation of the method expressed by the trainer and the accuracy and satisfaction expressed by the respondents of the method in identifying the leadership gaps. Although, the sample size is small, the research results do indicate the validity of this method.

The results indicate that a leadership development strategy as a retention strategy should comprise just a portion of the retention strategy because leadership development alone is not enough to facilitate retention of talent in an organisation.

The survey conveyed the relevance of an organisations culture and climate on a leadership development strategy. It was expressed by the majority of the respondents as a barrier to leadership development, and mentioned as a challenge by the trainer. These comments and viewpoints confirm the human resource manager's perception of the culture, that is, that the previous management negatively influenced the culture. There is thus still a lot of effort to be done to rectify the situation.

The model and best practice recommends a leadership development strategy to be linked to the organisation's strategy, however the survey does not confirm the necessity of this. The human resource manager has not linked the leadership development strategy and the business strategy, but the respondents do not see this as a barrier to leadership development. However the comment articulated by one of the respondents, namely, "The Company sends you for leadership development and thereafter forgets about you and recruits externally. All employees understood project leverage as a skill development of employees but it has now changed when one of the production managers resigned and his post combined with the other to be one position. Don't we have developed leaders in this company, either black or white to have been considered for the Bake position?" indicates the need to link the strategies and to articulate the link. Project leverage is another strategy being implemented by the company whereby the number of staff is being reduced. This can be seen as conflicting with the leadership development strategy, but can be linked to the development strategy. Due to the lack of career opportunities, reducing staff and developing people to perform the additional functions, provides opportunities to advance further in the organisation. Failure to communicate this link has led to demotivation in this case.

There is also a definite need to reassess people to see if the strategy is working, as one of the respondents added to their questionnaire "I think it is important to look at ways to follow upon this program once a year for at least 2 to 3 years. After implementation maybe 360 degree assessment/ development centres to put these newly acquired skills to use and to challenge the individuals thought process yet again." These are valid comments to determine the effectiveness and progress of the strategy.

The following comment also reflects the need to fit a leadership development strategy with the culture of the company, "The program is more a psychological exercise than an exercise in development. It is almost intimidating at times and this can cause one to put up defensive barriers. Goals are not always quantifiable." The strategy is to increase employees self-awareness through psychological means. However, not everybody is comfortable with this process as a tool and could as mentioned by this

respondent reject the program and put up barriers. This could be the possible reason for the relatively high frequency of the variables “lack of individuals to change and unsupportive culture”. This could also be the reason for the low response rate of the questionnaire survey. If this is true, then the company should re-examine the strategy to determine what the best method is to accommodate this culture.

To summarise, the personal interviews reveal that the leadership development strategy was developed and implemented in 2005. The aims were to retain critical skills, develop internal leadership talent and enhance overall organisational performance. The plan is to help individuals develop from poor performance to full performance, and full performance to exceptional performance and a matrix outlining the competencies to achieve this at the seven different levels of the organisation was developed. Development methods include coaching and mentoring done by an outside consultant whose aim is to help the individuals to confront their fears, to build their individual confidence, deepen their insight and understand leadership. Participants are also being developed to be coaches and mentors to their subordinates.

The questionnaire survey revealed that the majority of the participants believe in the value of leadership development and view positively the fact that Ucar is trying to develop its people. The program however has not necessarily increased the loyalty of the employees. Their understanding of the aims of the leadership development strategy of the company is in line with the aims articulated by the Human Resource Manager. The assessment centre was a valid method for assessing the leadership development needs and the leadership culture and environment is one that is generally driven by senior management to establish order and control. The organisation has a shared direction about the future and leaders and employees all are in agreement with this direction and the way to achieve this direction. Ucar also acknowledges unpredictability and diversity of thinking and approach and the role of leadership within Ucar is to create an environment in which staff is encouraged to challenge and progress.

Aspects have developed as a direct result of the LDP and these include, the participants are more motivated, have more insight into themselves, are more

confident, challenge more, accept change, have increased credibility, have a bigger/broader/wider view, think out of the box, have improved their leadership, were able to display leadership and vision as a result of the increased knowledge and understanding gained from the program, quality of their leadership contribution has been significantly influenced, the participants are taking a more proactive leadership role, have better insight into their leadership capabilities, thought about their own qualities in leading effective operations, and have been able to apply the leadership qualities developed through the program to deliver results. The managers have become more effective as leaders and have developed positively in their role as coaches. The program however has not been successful in retaining the employees within the organisation. The core competencies have also developed as a result of the LDP.

The results also indicate the following barriers to leadership development at Ucar, namely the reluctance of individuals to change, to introduce new ideas and concepts; competition with other initiatives and priorities; insufficient time devoted to leadership development; unsupportive organisational culture and lack of career opportunities,

Chapter 4 presented the results of the study, namely the interview with the human resource manager, the interview with the trainer and the questionnaires completed by the participants of the program. A summary of the findings and implications for researchers as well as recommendations for future research are presented next.

## **CHAPTER 5: DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS**

This chapter provides a summary of the findings and a discussion of the implications of this study for researchers. The chapter begins with a review of the best practices outlined in the literature. The strategy of the case organisation is reviewed in line with these practices and any similarities or differences are identified. The chapter then concludes with lessons that can be learnt from the case organisation as well as recommendations for the organisation and for future research.

### **The importance of leadership development**

A majority of global business executives believe that leadership shortages are threatening corporate performance. This shortage specifically affects their ability to adapt and respond to business risks such as increased competitive pressures, rapidly changing market conditions, innovation and customer expectations (CMA Management, 2006).

Research shows that the management and leadership of people have a greater effect on productivity and profitability than the combined effects of strategy, quality, manufacturing technology, research and development. Emerging research links an organizations ability to develop its leadership capacity to its competitive advantage. Leadership development is necessary to cope with the challenges of a complex business environment, the need to deliver results on many levels and the high expectations of leaders (Weiss & Molinaro, 2006).

Successful firms maximize investment in human capital (Pittaway, Rivera & Murphy, 2005). The most admired companies in Fortune 500 companies have strong leadership development practices (Lockwood, 2006). Leadership development is a key success factor in the long-term sustainability of organizational change (Locke & Tarantino, 2006).

Ucar South Africa concurs with the views expressed by these authors. They realised the value of their human resources in overcoming the challenges being experienced by the company such as the intense competition being faced in a mature market.

They also realised the scarcity of their leadership resources and thus needed to develop their leadership pipeline. As such, they have developed a leadership development strategy in 2005.

The importance of leadership development was also confirmed by the questionnaire survey completed by the participants of the leadership development program. The questionnaire results indicate a positive attitude towards leadership development. The respondents felt that leadership development is important and considered it to be a contributing factor when choosing an employer. They also viewed Ucar favourably for having a leadership development program.

### **The aim of leadership development**

Moore (2004) states that a leadership development initiative cannot be successful unless it clearly targets a specific business goal. He recommends that organisations should be very clear about what they are trying to accomplish before implementing any single leadership development program. The starting point should be a business analysis, because all leadership development efforts should be grounded in business needs.

Ucar South Africa's business needs are that it is operating in a market that is mature and that even though it is the market leader, this position is being threatened by vicious competition. The competition comes from external global competitors as well as its fellow affiliates in the rest of the world. Thus to ensure their leading market position requires that they be the best global manufacturing company in the world. This entails focusing on continuous product improvement, maintenance of its excellent quality standards, technical expertise, continuous improvements in manufacturing, improved customer focus and being a low cost manufacturer.

The leadership development strategy was thus implemented with the following objectives in mind:

1. Ensure that all the jobs within Ucar were filled with fully performing individuals now and in the future.
2. Ensure that all leadership and specialist jobs added the appropriate value.
3. Facilitate the retention of skills.

Ucar understood that the abilities of its human resources would determine the organisation's overall performance.

According to Moore (2006) most leadership development activities can be placed in one of four broad categories of goals. Each requires a different approach in the design of leadership development programs.

The first category is about building a bench strength of leadership talent. When this is the goal, the development initiative should be built around creating a strong succession planning system and an effective career management system. Development actions can include job assignments, coaching, mentoring, and targeted education programs.

The second broad category of leadership development goals is about using leadership development to transform the business. Leadership development can be a very effective tool for helping to move the business in a new direction by getting the leaders to think differently, while giving them new skills, mindsets and attitudes about change, and help them to identify the specific actions that will be required to accomplish the change. Action learning programs are effective in achieving this goal.

A third area of leadership development is just helping leaders become more effective at what they are already doing.

A fourth area of leadership development goals centres on helping leaders through critical career transitions, for example, with a formal education program or providing a coach.

The aims of leadership development in Ucar, namely, the retention of critical skills, succession planning, building internal talent and improving organisational performance thus tie in with three of the four categories of aims for leadership development outlined by Moore (2006), namely building a bench strength of leadership talent, using leadership development to transform the business and helping leaders become more effective at what they are already doing.

Ucar's retention strategy are in line with the requirements outlined by Moore (2006), namely, that succession planning systems must be designed that provide clear criteria for identifying the high potential talent who will most benefit from an extra

investment in leadership development, specific identification of development needs and track able development plans and judgements about readiness for higher level positions. Ucar identified critical positions in the company and potential succession pool candidates. A competency matrix was developed for the positions and the leadership gaps were identified in the candidates via the assessment centre method. The performance management system which entails the development of learning and development plans and performance plans are utilised to track development. The development actions being utilised by Ucar are coaching and mentoring.

However the study indicates that a lack of career opportunities could derail the effectiveness of the strategy. Loyalty towards the company as a result of its leadership development strategy has not been increased convincingly and respondents did not feel that the strategy would retain them within the company. This indicates that leadership development, even though it is an important part of a retention strategy, is just an element of a strategy and other factors need to be considered to retain talent in an organisation, for example, organisational culture, compensation packages and career opportunities.

The leadership development prong of Ucar's strategy aimed to improve organisational performance by helping leaders become more effective at what they are already doing. Moore (2006) states that it is necessary to first be clear about the goal of the transformation and then design a high impact, strategic leadership development initiative focused on understanding the transformation and identifying the actions required. An organisation will need to conduct a comprehensive business and skills analysis to identify the gaps in skills that will have the most impact on business results. Ucar identified the positions targeted for the leadership develop program, a profile for each position was developed and the critical competencies needed were identified. These were then used to develop a performance matrix for each of the levels for full performance and exceptional performance. The assessment centre and line manager appraisals was utilised to identify the gaps of the current leadership profile and the requirements as per the competency matrix. Ucar is using coaching as a method to achieve this aim. The responses however indicate that not

everyone is convinced that the way the company is developing leadership is effective.

### **The assessment of leadership development needs**

A leadership development strategy should involve determining what aspects of leadership needs development, in other words, a method needs to be chosen to identify the leadership gaps in the organisation. Many methods exist to enable this, namely assessment centres, 360-degree feedback, Myers-Briggs tests, line management appraisals, training needs analysis, personal development plans, psychometric assessment and competency assessment.

The assessment centre is a method of evaluating individual's knowledge and skills using a series of exercises or activities designed to elicit a range of responses. Starting with a thorough job analysis, key competencies are identified. Then activities are developed that are intended to elicit the behaviours deemed most crucial for job success. Evaluators referred to as assessors, are trained to observe, appraise, and record participants performance during these exercises using structured feedback forms. After a day or more of activities, assessors meet to develop a consensus evaluation of each participant on the specific dimensions of concern before sharing their evaluations with the assessee. Frequently a specific plan for development is also suggested. Through this process an individual's current competencies and future potential can be assessed in a reliable and controlled manner as assessors observe participants leading discussions, solving problems and performing other typical managerial tasks (Brownell 2005).

Ucar chose the assessment centre method because they felt that this method would expose people to real life situations and are as close to reality as possible, and thus would be the best way to establish developmental needs.

The assessment centre method was confirmed as a valid developmental tool for identifying participants' strengths and weaknesses and leadership development gaps. There was synergy between the reason for choosing this method expressed by the human resource manager, the design and implementation of the method expressed

by the trainer and the accuracy and satisfaction expressed by the respondents of the method in identifying the leadership gaps.

Line management appraisals and personal development plans are also being utilised by the case organisations. Participants in the leadership development program are required to use the feedback from the assessment centre and their line manager's appraisal's during their performance reviews to develop their own learning and development plans.

### **The measurement and evaluation of leadership development initiatives**

As with any strategy, it is very important to determine how the leadership development initiatives will be measured to compare planned outcomes with actual outcomes and to identify any discrepancies that require action. This step involves the overall assessment of the value of the program, its broad objectives and program philosophy and needs to be given proper time and thought by the senior executive team (Martineau, 2004).

Once accountabilities for leadership development are clarified and investments are made in process excellence, the appropriate metrics must be put in place to help managers judge whether investments in leadership development are paying off (Wilson, 2004).

Rather than dwelling on activity analysis, companies should link leadership development investments to building the capabilities that will produce superior business results, for example, are we better able to satisfy our customer's needs than our competitors? Do we have the right leaders to take on key jobs when they arise? Can we take advantage of new opportunities when they arise faster than our competitors? Do our people understand – and are they capable of executing – our vision and strategy? Having effective metrics is crucial to ensuring that no one is lead astray from the real aim of leadership development initiatives (Ready & Conger, 2003).

Ucar's leadership development strategy fails in that there is no formal mechanism to measure the success of the strategy. Both the human resource manager and the trainer felt that the program was working, but this was based on feedback from the

executive managers, feedback from the operations managers and feedback from the trainer. This method is quite subjective and is not an adequate method to measure the effectiveness of the program.

Many methods exist that can be used to measure the effectiveness and outcomes of the program. Hannum (2004) recommends using a combination of methods. Examples of such methods include Kirkpatrick's (four) levels of evaluation (Melum, 2002), daily evaluations, end of initiative evaluations, interviews, learning surveys, change surveys, behavioural observation, focus groups, dialogues, ROI, workplace statistics, document analysis, analysis of organisational systems and processes, appraisal of customer satisfaction, climate survey retests, culture survey retests (Hannum, 2004), employee surveys, performing 360 degree assessments, tracking the number of employee relations issues, comparing the organisations benchmarks with those of the leaders in the industry or others with acknowledged best practices, (HR Focus, 2006), Bar-on-EQ-I and the Lockwood leadership assessment (Wilson, 2004). In choosing techniques, attention must be paid to the leadership needs addressed by the initiative, the type of data preferred by stakeholders, and the levels of mastery targeted (Hannum, 2004).

### **Methods to develop leadership**

Weiss and Molinaro (2006) state that organisations need to ensure that development options are relevant, are aligned to business needs and add value to leaders. They recommend that an integrated solution approach should be taken to leadership development. This approach brings together and unites an array of development options so that they can add value to one another. It is more comprehensive, rigorous and long term in focus. It is also more complex and requires greater commitment on the part of organisations. It is the most effective approach to building leadership capacity and overcoming the leadership gap because the approach ensures that all developmental options are focused on helping the organisation gain competitive advantage. The approach involves creating a comprehensive strategy for leadership development and implementing the strategy effectively. Instead of implementing a hodgepodge of discrete development options, the integrated solution approach is more synergistic. It strives to select and implement development options in a

seamless manner so that they add value to one another. The approach is sustainable in that it takes a long-term perspective to leadership development. It recognises that leadership development today is an emergent and iterative process that needs constant attention, focus and resources. It is not work to be delegated to an HR department, but rather it needs to become an organisational priority (Lockwood, 2006).

Organisations can use four broad types of leadership development options when developing their leaders, namely assessment options, coaching options, learning options and experience options (Lockwood, 2006). Examples of specific leadership development options include strategic team projects, job rotation, business game simulations, learning organisation simulations, case studies, strategic planning sessions, project work, problem solving team exercises, role-plays (Cacioppe, 1998), external leadership training programs provided by universities and executive education or professional organisations, internal leadership training programs, stretch assignments, international assignments (HR Focus, 2002), action learning programs (Fulmer & Conger, 2004), facilitated on line learning (Wilson, 2004) and experiential learning (Training Journal, 2004). Zenger and Folkman (2003) advise using different methods.

An outside consultant acts as a trainer for Ucar and in this capacity coaches the leadership development program participants to be coaches and mentors. Thus internal coaching in the form of managers, external coaches in the form of the trainer and mentors in the form of managers and the trainer is the leadership development method. According to Moore, 2006 coaching and mentoring are effective methods to develop a bench strength of leadership talent. High performance coaching invests in top performers to ensure ongoing high performance and to promote successful successions (Melum, 2002).

Supplementary development methods according to the human resource manager include formal training, job assignments and work projects, although the research failed to obtain evidence on this.

### **The environment necessary to facilitate leadership development**

Vardiman, Houghton and Jinkerson (2005) state that environmental factors are necessary for leadership development. Understanding the conditions that support the emergence of leadership is critical to creating an environment that not only promotes and encourages leadership development but also removes the roadblocks that prevent people from stepping out and taking leadership roles. The ideal leadership development culture is an organisational learning orientation that seeks and shares new knowledge, the effective use of measurement, assessment, and feedback in developing leaders, growing and retaining leadership talent and sense making or reflective learning. The importance of leader developers is emphasised.

A learning organisation facilitates change, empowers organisational members, encourages collaboration and sharing of information, creates opportunities for learning, and promotes leadership development. Such a learning culture will reward leadership development and holds its members accountable for the effective development of others. A leadership development culture will further allow for failures by developing leaders, as failure experiences often provide more effective and long lasting learning opportunities than successes. The learning environment must be one where mistakes are not fatal and experimentation encouraged (Peters & Smith, 1998).

The interview with the trainer identified the culture to be one that facilitates leadership, that is, it is participative and democratic increasingly showing dedication to its human resources. However, his comment that the newest group of participants are reluctant to embrace leadership development, is evidence that there is an underlying climate perhaps due to the age of the individuals, their level of education or the years service in the company who are reluctant to change.

The culture at Ucar is also in a transition stage. According to the human resource manager Ucar had always tried to foster an open culture where people were encouraged to express views, but a good job had not been done of it due to the negative influence of the previous leadership. This viewpoint was confirmed by one of the questionnaire respondents who suggested that, "I would strongly recommend that this questionnaire be re-done at the end of 2008. Results may be distorted due to the change of operating culture currently in progress - general manager replaced by

executive team. Believe results will be much more positive than now. There was a general belief that the LDP was used for alternative motives by the previous dispensation.”

The respondents also identified the following barriers to leadership development, namely reluctance to change; to introduce new ideas and concepts, insufficient time for leadership development, competition with other initiatives, unsupportive organisational culture and lack of career opportunities.

### **The targets for leadership development**

Zenger and Folkman (2003) state that candidates for development must be selected and a plan to do so must be developed. They believe that high performance organisations believe that everyone is a candidate for development. Alimo-Metcalfe and Lawler (2001) also recommend that the development of leaders at all levels is best practice as organisations are now so complex that the role of the leader is beyond the abilities of just one person or a small group of leaders. Work in the ‘learning organisation’ suggests leaders are needed at all levels. Leadership skills can and must be cascaded throughout the organisation.

A leadership development strategy could focus on opportunities to develop women as women bring new perspectives and values to organisations but need development in terms of self-confidence (Training Journal, 2004). Lockwood (2006) also adds that a leadership development strategy should ensure a diverse mix of people in the leadership pipeline thus adding to the available skills in an organisation.

The study indicates that the targets for leadership development at Ucar were not limited to a single level of management. The human resource manager stated that the organisation took the stance that “leadership does not only reside with management positions but should permeate throughout the organisation”. The reason is that the aim of the leadership development strategy is “to get people to be leaders at what they are doing, make people more competent at their jobs, elevate performance from the one level to the next level and elevate skills irrespective of whether the person is in a management position or not”.

The company has not gone out of their way to ensure that women and a diverse mix of people were targets for the program, but by targeting all levels within the organisation, they were able to achieve this.

The study revealed that following this approach however does pose further challenges such as tailoring the strategy to meet the different cultures evident at the different levels in the organisation. The trainer expressed that he was experiencing resistance to the program from the 2007 group of leadership development program participants who according to him “are more resistant, less exposed to surprises and new things, poorly trained in the basics of the human side of business, and more entrenched in tunnel vision habits and avoidance of learning and stimulation”.

Allio (2005) advises that the leadership development strategy could incorporate a formal selection process for choosing the right candidates for leadership development. He states the right candidates can be identified by the following traits, namely strong motivation, positive attitude, morality and potential for growth.

### **What should be developed?**

This part of the leadership development strategy is linked to determining the characteristics of an effective leader. Morrison, Rha and Helfman (2003) advises emotional intelligence, instrumental skills, interpersonal skills, system skills and creative imagination should be the aspects that should be developed in leaders.

Cacioppe (1998) add that a leadership development strategy should improve self knowledge and self worth, reshape mindsets, improve abilities; skills and relationships and should have a global focus.

Allio (2005) believes that the strategy should focus on knowledge, strategic thinking, communication skills, self awareness and the development of others, while Yeo (2006) states that leadership competence results from the development of self management, social capabilities and work facilitation capabilities.

The coach’s aim is to help the participants in the program to confront their fears, to build their individual confidence, deepen their insight and understand leadership. This ties in with Cacioppe (1998) who states that elements of an effective leadership development experience should improve self-knowledge and self worth, in other

words, a leadership program needs to expand and build managers self-esteem and self worth. Cacioppe (1998) further states that research has shown that organisations rate highly those activities that contribute to improved self-understanding. This improved self knowledge is enhanced in a program by giving participants time to reflect and to assimilate their learning to their own world at work and home.

The survey revealed that the program has been successful in achieving this aim. The participants have become more motivated; they are more confident and challenge more; they have increased credibility; have a bigger/broader/wider view; think out of the box; have improved their leadership; display leadership and vision as a result of the increased knowledge gained from the program; the quality of their leadership contribution has been influenced; they have more insight into their leadership capabilities; thought about their own qualities in leading effective operations and were able to apply leadership qualities developed through the program to deliver results. The survey also revealed that the program has been successful in developing managers into coaches and making them into effective leaders. Core competencies that have developed as a direct result of the leadership development strategy are improvement of peer relationships, improvement of customer focus, and improvement of health, safety, environment and quality performance.

Lockwood (2006) states that since today's leadership roles are increasingly complex and diverse, the role itself determines certain key skills. The study supports this. Ucar identified the positions targeted for the leadership development program and a profile for each position was developed. The critical competencies needed were identified and the result was the development of a performance matrix (Annexure E). The matrix comprised of competencies at seven levels, and was further classified according to competencies required for full performance and exceptional performance.

### **The strategy**

There are certain key success factors for an effective strategy. Leadership development needs to be connected to the goals and strategies of the organisation. Leadership development needs to focus on identifying and connecting an organisation's values, strategies and goals to the training and development of

leaders. By connecting the organisational strategy to the training, the trainee will gain more from the process because they will be able to see its immediate application to the organisation (Hurt and Homan, 2005). Weiss and Molinaro (2006) state that organisations need to develop a comprehensive strategy for integrated leadership development. Organisations resources are limited; they need to therefore develop a strategy that optimises the available resources and investment in a way that delivers sustainable competitive advantage for the business. Organisations need to ensure that leadership development is not just done for the sake of doing it; instead it must support the organisation's overall business strategy.

The study reveals that the human resource manager failed to link the leadership development to the business strategy, goals, objectives or mission of the organisation. According to the survey, 40 percent of the respondents did not believe that this has been a barrier to leadership development, while 33 percent believed that it was. The repercussion of failing to provide the link is evident by the following comment made by one of the respondents "The company sends you for leadership development and thereafter forgets about you and recruits externally. Project leverage was understood by all employees as a skill development of employees but it has now changed when one of the production managers resigned and his post combined with the other to be one position. Don't we have developed leaders in this company, either black or white to have been considered for the Bake position?" Leadership development was thus seen to be in conflict with the cost cutting strategy through staff reductions in the organisation. This study thus confirms the need to link a leadership development strategy with its strategy, goals, objectives and mission of the business.

Weiss and Molinaro (2006) state that another critical element of a comprehensive leadership development strategy is a comprehensive communications plan that regularly sends messages to leaders about the organisations efforts in building leadership capacity.

The study reveals that the understanding of the aims of the leadership development initiative is in line with the aims articulated by the human resource manager. This can

thus be interpreted as an indication of the good communication of the strategy done by the human resource manager.

An organisation must ensure that the development options fit the culture. The experience, level, function, previous management education, current challenges faced and demographic background of the potential participants needs to be considered when setting the objectives so that the program is made relevant to the participant as well as the organisation (Weiss and Molinaro, 2006). Alimo-Metcalf and Lawler (2001) also state that leadership development initiatives should model well with the culture of the organisation.

The study confirms the need for this. The trainer commented that the newest group of LDP participants are rejecting the leadership development program. The questionnaire survey revealed that one of the barriers to leadership development at Ucar is an unsupportive organisational culture and the reluctance of individuals to change; to introduce new ideas and concepts. One of the respondents also stated that "The program is more a psychological exercise than an exercise in development. It is almost intimidating at times and this can cause one to put up defensive barriers. Goals are not always quantifiable." This confirms that not all the LDP participants were comfortable with the development method.

Another key success factor is the integration of the leadership development strategy with the management and human resource systems. The participants' manager must be aware of the major outcomes and competencies taught during the program and actively push the participants to utilise and implement the things covered. The human resource systems that operate within the organisation such as selection, performance management, rewards and responsibilities also need to be aligned with the strategic directions, issues and skills that are covered in the program (Weiss and Molinaro, 2006).

At Ucar the leadership development program is integrated with the performance management system. Line management appraisals and the feedback from the assessment centre are used as a base to devise the leadership development plans. Accountability for self development and the development of the participants' subordinates are ensured through the performance management system. The

performance management system is linked to the bonuses and the annual increases awarded.

Alimo-Metcalfe and Lawler, 2001 state that the role of the line manager is crucial because 'on the job' support is a key stage in the application of development experience to the organisation. Support networks are needed to reinforce development, including support from superiors.

The survey revealed that the trainer accomplishes his leadership development aims by involving the relevant line managers and obtaining their buy in. One of the methods used to develop the participants leadership capacity is joint coaching sessions with the line managers of the leadership development program participants. The results indicate that following these methods are facilitating the development of the participants.

Another critical success factor is the need to ensure there is a clear vision of what leadership means, in all sections of the organisation (Alimo-Metcalfe & Lawler, 2001).

At Ucar, there are mixed viewpoints regarding what leadership means in the organisation. The questionnaire survey indicated that 57 percent believe that the leadership culture and environment of Ucar is one which establishes order and control, 53 percent believe that the organisation has a shared direction about the future but 40 percent believe that all are in agreement with this direction and the way to achieve this direction, 54 percent of the respondents believe that Ucar acknowledges unpredictability and diversity of thinking and approach and only 53 percent believe that the role of leadership in Ucar is to create an environment in which staff is encouraged to challenge and progress. These results thus show that there is no clear vision of what leadership means.

Hurt and Homan (2005) advise that if an organisation is going to implement a leadership development program, then upper management needs to be heavily involved with the creation and instruction of the program. Zenger and Folkman (2003) also agree with this view and state that senior executive involvement gives traction to any development efforts.

Ucar have been successful in this aspect. The general manager was involved in the development of the strategy in 2005 and the new leadership structure in the form of the executive team are briefed monthly on the progress of the strategy by the human resource manager.

Cook (2006) advises that a successful leadership strategy holds leaders accountable for developing direct reports and provides incentive pay for leadership development. In the case of leadership development, there needs to be ongoing accountability both for a continuously improving leadership development system and for personal development and development of others. Linking rewards and recognition to progress on personal development goals can do this. Performance evaluation questions can be used. Leadership development is a shared responsibility between the organisation and individuals. The organisation's role is to foster the climate.

Ucar ensures accountability at various levels; namely, the human resource manager is accountable for the strategy and reports on developments and progress to the executive team. Managers are accountable for the development and coaching of their subordinates, and participants are accountable for their own development. This accountability is enforced through the performance management system

Cook (2006) states that a company should have a written policy on leadership development and a dedicated budget for development. Priority of leadership development is reflected by the average spend on development per capita. The budget that Ucar dedicates to leadership development is approximately R6000 per annum per individual. This equates to a session a month per participant by the trainer. This begs to ask the question if this is the intention of the strategy, and if it is, is it enough? If this is not the intention of the strategy, what is? It is difficult to determine if this budget is adequate for effective leadership, as this report has failed to establish a benchmark for leadership development expenditure. The trainer also commented that he feels stretched amongst the 68 participants; however the dimension "limited time of the facilitator" was not viewed as a barrier to leadership development by the participants.

## **LESSONS LEARNT FROM THE CASE ORGANISATION**

1. Ucar South Africa provides an excellent example of a company that realised the value of their human resources in overcoming the challenges being faced by the company. They also realised that their leadership resources were in scarce supply and that as a result of this they needed to develop their leadership pipeline.
2. Leadership development is an important aspect of a retention strategy, but is not the only factor that contributes to retention. Other aspects such as career opportunities need to also be investigated as part of the strategy.
3. The case organisation provides an excellent example of the integration of leadership development to the performance management system. The assessment centre method was utilised to identify leadership gaps, and the feedback from the assessment as well as the line manager's appraisals of their performance are utilised by the participants of the leadership development program to draw up learning and development plans. Progress on leadership development is followed up utilising the performance management system.
4. The case organisation also provides an example of targeting individuals at all levels within the organisation for leadership development and the challenges this poses in terms of tailoring the strategy to meet the culture of the different targets.
5. The study confirms that the assessment centre method is a valid leadership development tool.

### **RECOMMENDATIONS TO THE CASE ORGANISATION**

1. The organisation should investigate other leadership development methods besides coaching such as action learning, job assignments and targeted education programs. Coaching is effective to build a bench strength of talent but other methods are necessary to develop people to become better at what they are doing and to improve organisational performance. A combination of methods is recommended comprising of coaching options, learning options and experience options.
2. The organisation needs to implement objective and effective metrics to measure the effectiveness of the strategy and to establish methods to assess the outcome

of the program. Having effective metrics is crucial to ensuring that no one is lead astray from the real aim of the leadership development initiatives. A combination of methods should be used such as Kirkpatrick's level of evaluation and change surveys. In choosing techniques, attention must be paid to the leadership needs addressed by the initiative, the type of data preferred by stakeholders, and the levels of mastery targeted. Rather than dwelling on activity analysis, the organisation should link leadership development investments to building the capabilities that will produce superior business results, for example, are we better able to satisfy our customers' needs than our competitors? Do we have the right leaders to take on key jobs when they arise?

3. There is a lot of work to be done to facilitate a climate and environment conducive to leadership development. Evidence exists that there is improvement but further actions need to be taken to reinforce a learning environment. The organisation needs to foster an organisational learning orientation that seeks and shares new knowledge; it needs to focus on the effective use of measurement, assessment, and feedback in developing leaders. The environment must be one that facilitates change, empowers organisational members, encourages collaboration and sharing of information and creates opportunities for learning. The organisation must maintain its momentum of promoting leadership development, rewarding leadership development and holding its members accountable for the effective development of others. The environment must allow for failures where mistakes are not fatal and experimentation encouraged.
4. The company should modify their strategy by incorporating a formal selection process for choosing the right candidates for leadership development, that is, those candidates who have a strong motivation, a positive attitude, good morals and potential for growth. This will alleviate the frustrations being experienced by the trainer who expressed that the newest group of candidates are rejecting the program, as well as the frustrations of the participants who want to develop but feel that those who do not want to are jeopardising their opportunities.
5. The strategy is currently focused on developing emotional intelligence, and improving self knowledge and self worth. The organisation should modify the

strategy to also focus on instrumental skills, interpersonal skills, system skills, creative imagination, knowledge, strategic thinking, communication skills, social capabilities and work facilitation capabilities.

6. The organization needs to ensure that leadership development focuses on identifying and connecting the organisation's values, strategies and goals to the training and development of leaders. By connecting the organisational strategy to the training, the trainee will gain more from the process because they will be able to see its immediate application to the organisation.
7. The organisation must connect leadership development to the organisations environmental challenges. Connecting leadership development to an organisation's environmental challenges creates focus and ensures that leadership development is being used to prepare leaders to succeed in the future.
8. Weiss and Molinaro (2006) states that effective leadership development is emergent in that organisations must continually be in touch with what is happening in the business and be ready to respond to it. The organisation must thus constantly look for opportunities to improve the development options because leaders learn through a constant process of learning, relearning and unlearning. Therefore the design and implementation needs to be emergent rather than static, it needs to be flexible and fast because the business world moves fast and leadership solutions must keep up.
9. The organisation must ensure that the development options fit the culture of the organisation and the participants in the leadership development program. The experience, level, function, previous management education, current challenges faced and demographic background of the potential participants needs to be considered when setting the objectives so that the program is made relevant to the participant as well as the organisation.
10. The organisation needs to ensure that there is a clear vision of what leadership means, in all sections of the organisation.
11. The organisation must have a written policy on leadership development. They should also benchmark themselves against other organisations to determine if

their current average spend on development per capita is adequate for ensuring that leadership development is priority.

## **RECOMMENDATIONS FOR FURTHER RESEARCH**

1. Other manufacturing organisations strategies in the steel industry should be investigated to determine what best practice exists to cope with the challenges of manufacturing organisations in the steel industry.
2. What specific aspects of leadership have been developed should be investigated.
3. Further research should be done on how organisations ensure that the development options fit the culture of the organisation as well as the culture of the participants of the leadership development program.
4. Further investigation needs to be done of how organisations measure and evaluate the effectiveness of their leadership development strategies.

## **CONCLUSION**

This study confirmed the complication of developing a leadership development strategy. There are many methods and practices but finding a combination that works is challenging. It can be done, and the first step is to make the efforts to do it. The strategy should always be fine-tuned to take into account the challenges but it is important that this does not deter companies from investing in leadership development. The world is not getting any easier, and a leadership development strategy is the only answer to surviving.

This study thus aimed to identify what best practice in leadership development exists and examined the strategy of a manufacturing organisation. The study confirmed some good best practice that could be learnt from the organisation such as targeting all levels in an organisation for development, linking a company's performance management system to its leadership development strategy and developing leadership competencies for individuals to be measured against. The study also highlights some challenges that can be encountered when developing a strategy. Examples of such challenges include fostering a learning organisation climate, fitting

a leadership strategy to the organisational and individuals cultures and implementing metrics to measure the success of the leadership development strategy.

## **ANNEXURE A: INTERVIEW SCHEDULE**

1. The leadership development strategy:
  - a. Provide details of the strategy.
  - b. Indicate organisational priority of leadership development.
    - i. Is there a written policy on leadership development?
    - ii. Is there a dedicated budget?
    - iii. What is the average spend on development per employee?
  - c. Indicate top management support
    - i. Does the board play a role?
    - ii. How is management held accountable for development?
    - iii. What was top managements role in the leadership development strategy?
  - d. Link between company's strategy and leadership development strategy?
    - i. What is the company's strategy?
    - ii. How are the two linked?
    - iii. What definition of leader is needed to achieve the company's objectives?
2. The leadership development program
  - i. Who were targeted?
  - ii. Why were they targeted?
  - iii. How was the development needs established?
  - iv. What methods are used to develop leadership?
  - v. How is the effectiveness of the program determined?
  - vi. Is the program working? How do you know?
  - vii. Describe the culture and environment of the organisation? How does it facilitate leadership development?

## **ANNEXURE B: QUESTIONNAIRE**

### **Purpose of the questionnaire**

I am conducting a study on the leadership development program implemented by Ucar South Africa as part of the requirements for the completion of my Master of Business Leadership Qualification. I would appreciate it if you could take a few moments to complete the attached questionnaire. This questionnaire is designed to gauge your views on the leadership development program (LDP) that you are currently busy with. The questionnaire should take approximately 20 minutes to complete. Answers should be based on your immediate thoughts. The data will be collated and reported anonymously and will be used for research purposes only. No response will be attributed to any individual respondent.

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**Instructions**

On the following pages is a list of items that may be used to describe your experiences with the leadership development program at Ucar South Africa.

- Read each item carefully
- Think about your perceptions regarding the statement.
- Decide whether you

(5) - strongly agree

(4) - agree

(3) - neither agree nor disagree

(2) - disagree

(1) - strongly disagree

- Draw a circle around one of the numbers (5 4 3 2 1) following the statement to show the answer you have selected.
- Mark you answers as shown in the example below

Example: My leadership skills are being developed	5	4	3	2	1
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I would appreciate it if the completed questionnaire could be returned to me on or before the 30 of October 2007 either by e mail/ post/ fax.

My contact details are as follows:

Sandra Munsamy

Office number: 016 360 3112

Cellular number: 082 784 4038

Fax number: 016 362 3112

Kindly complete the details below.

Job grade: \_\_\_\_\_

Years service at Ucar: \_\_\_\_\_

Date that you were assessed for the LDP: \_\_\_\_\_

Please comment on the following aspects of your experience with the leadership development program at Ucar South Africa by circling your choice that best reflects your attitude towards the following statements: Please use the following scale:

5=STRONGLY AGREE      4= AGREE      3=NEITHER AGREE NOR DISAGREE      2=DISAGREE      1=STRONGLY DISAGREE

1. I think the program is great, it speaks to the fact that Ucar is embracing its employees and trying to develop their skill set.	5	4	3	2	1
2. Participating in the program has increased my loyalty.	5	4	3	2	1
3. I think that leadership development is a waste of my valuable time and the company's financial resources, both of which can be used more effectively elsewhere.	5	4	3	2	1
4. I believe that leadership and personal development is important.	5	4	3	2	1
5. I do not believe that the current way the company is developing my leadership is effective.	5	4	3	2	1
6. The aim of the leadership development program is to improve my leadership skills so that I can be ready when an opportunity arises to move further up the corporate ladder.	5	4	3	2	1
7. The aim of the leadership development program is to improve my available skills and strengths so that I can become an exceptional performer thus improving organisational performance.	5	4	3	2	1
8. The aim of the leadership development program is to improve my leadership skills so as to bring out the best in my subordinates thus improving personal satisfaction and organisational performance.	5	4	3	2	1

9. A company's policy towards its people and their development is a contributing factor when deciding whether to work for that company or not.	5	4	3	2	1
10. The assessment at Maccaulei or Henley Air correctly identified my strengths and weaknesses and enabled me to draft a plan for my development.	5	4	3	2	1
11. Leadership within my organisation is generally driven by senior management to establish order and control.	5	4	3	2	1
12. My organisation has a shared direction about the future.	5	4	3	2	1
13. Leaders and employees all are in agreement with this direction and the way to achieve this direction.	5	4	3	2	1
14. My organisation acknowledges unpredictability and diversity of thinking and approach.	5	4	3	2	1
15. The role of leadership within my organisation is to create an environment in which staff is encouraged to challenge and progress.	5	4	3	2	1

The following aspects have developed as a direct result of my participation in the LDP:

16. I am more motivated.	5	4	3	2	1
17. I have more insight into myself.	5	4	3	2	1
18. I am more confident.	5	4	3	2	1
19. I challenge more.	5	4	3	2	1
20. I accept change.	5	4	3	2	1
21. I have increased credibility.	5	4	3	2	1
22. I have a bigger/broader/wider view.	5	4	3	2	1
23. I think out of the box.	5	4	3	2	1
24. I have improved my leadership.	5	4	3	2	1

25. The program has retained me within Ucar.	5	4	3	2	1
26. The increased knowledge and understanding gained from the program has enabled me to be able to display leadership and vision.	5	4	3	2	1
27. The quality of my leadership contribution has been significantly influenced.	5	4	3	2	1
28. I am taking a more proactive leadership role.	5	4	3	2	1
29. I have better insight into my leadership capabilities.	5	4	3	2	1
30. The programme made me think about my own qualities in leading effective operations.	5	4	3	2	1
31. I have been able to apply the leadership qualities developed through the program to deliver results.	5	4	3	2	1
32. My manager has become more effective as a leader.	5	4	3	2	1
33. My manager has developed positively in his role as a coach to me and the rest of his subordinates.	5	4	3	2	1

The following core competencies have developed as a direct result of my participation in the LDP:

34. I have been able to apply the leadership qualities developed through the program to improve my drive for results.	5	4	3	2	1
35. I have been able to apply the leadership qualities developed through the program to improve my peer relationships.	5	4	3	2	1
36. I have been able to use the leadership qualities developed through the program to improve my customer focus.	5	4	3	2	1
37. I have been able to use the leadership qualities developed through the program to improve my health, safety, environment and quality performance.	5	4	3	2	1

The following are the major barriers to me successfully developing as a leader.

38. Poor role modelling by existing leaders.	5	4	3	2	1
39. Insufficient support from senior managers.	5	4	3	2	1
40. Lack of consistent reinforcement.	5	4	3	2	1
41. Reluctance of individuals to change, to introduce new ideas and concepts.	5	4	3	2	1
42. Poor links between leadership development initiative and strategy.	5	4	3	2	1
43. Competition with other initiatives.	5	4	3	2	1
44. Insufficient time devoted to leadership development.	5	4	3	2	1
45. Insufficient support generally within the organisation.	5	4	3	2	1
46. Unsupportive organisational culture.	5	4	3	2	1
47. Unrealistic expectations of outcomes.	5	4	3	2	1
48. Limitation of the facilitator/mentor/coach.	5	4	3	2	1
49. Limited time of the facilitator/mentor/coach.	5	4	3	2	1

Please add any other comments about the LDP here.

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## ANNEXURE C: PERFORMANCE REVIEW FORM



### Performance Review Form

<b>Type of Review:</b>	<b>6 Month</b>	<b>From:</b>	<b>To:</b>
	<b>Annual</b>	<b>From:</b>	<b>To:</b>

<b>Employee's Name:</b>			
<b>Title:</b>	<i>Last</i>	<i>First</i>	<i>MI</i>
<b>Manager's Name:</b>			

GrafTech International Ltd. believes an employee's development and performance should be reviewed and rewarded as appropriate. The performance management process is designed to ensure that the employee's performance as compared to job expectations and competencies is thoroughly discussed. The process is designed to facilitate constructive discussion between employee and manager and to include input from those with whom regular interactions take place.

This document provides a general framework from which a valuable discussion of performance and development can take place. It is intended as a working document in reviewing job accomplishments to objectives for the past year; performance to stated competencies; areas identified as needing further work, and targets for the upcoming year. Most importantly, the process provides a framework for identifying each employee's development plan. The framework also includes a section on performance against values inherent to GrafTech International Ltd.

- **Employee:** Please complete the form as a self-assessment and send it to your manager prior to review.
- **Manager:** Please add your comments and assessment to the employee’s self-assessment on this combined form.
- **External Evaluator** is an individual that directly interacts with the person being evaluated. They could be a peer or direct report. Although not mandatory; input from at least one external evaluator is encouraged. (External evaluator form is available on the KDS site.) Target Date for Completion: \_\_\_/\_\_\_/\_\_\_

1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

**Significant changes to employee’s job responsibilities / objectives during past review period (if any):**

**Section I—Performance To Goals**

<p align="center"><b><u>Goals for Review Period</u></b></p> <p>A performance goal is a statement of results to be achieved in a given review period. Goals are project or target-based. (These should come from the Job Results and Continuous Improvement sections of last year’s Performance Plan.) These results should be considered for the Achieving Job Goals segment of the overall rating at the end of this form.</p>	<p align="center">%</p> <p align="center">Complete (Manager)</p>	<p align="center"><b><u>Achievements/Results</u></b></p> <p align="center">Results/Achievements against established performance goals and job responsibilities.</p>	
		<p align="center"><b>6 Month Comments</b></p>	<p align="center"><b>Annual Comments</b></p>
1.			
2.			
3.			
4.			
5.			
6.			
7.			

<p><b><u>Personal Development Goals for Review Period</u></b>                      These goals should come from the Personal Development section of last year's Performance Plan and be considered for the Learning &amp; Development Progress segment of the overall rating at the end of this form.</p>	<p>% Complete (Manager)</p>	<p><b><u>Achievements/Results</u></b>                      Results/Achievements against established performance goals and job responsibilities.</p>	
		<p><b>6 Month Comments</b></p>	<p><b>Annual Comments</b></p>
1.			
2.			
3.			
4.			
5.			

### Section II—Core GrafTech Competencies

Core Competencies		Self				Manager				Self Comments	Manager Comments
		NI	IO	S	E	NI	IO	S	E		
<b>Customer Focus</b> <i>Is dedicated to meeting the expectations and requirements of internal and external customers; gets first-hand customer information and uses it for improvements in products and services; acts with customers in mind; establishes and maintains effective relationships with customers and gains their trust and respect.</i>	6 mos.										
	12 mos.										
<b>Drive for Results</b> <i>Can be counted on to exceed goals successfully; is constantly and consistently one of the top performers; very bottom-line oriented; steadfastly pushes self and others for results.</i>	6 mos.										
	12 mos.										
<b>Ethics and Values</b> <i>Adheres to an appropriate and effective set of core values and beliefs during both good and bad times; acts in line with those values; rewards the right values and disapproves of others; practices what he/she preaches.</i>	6 mos.										
	12 mos.										
<b>Health Safety &amp; Environment</b> <i>Consistently supports the Health, Safety &amp; Environmental Protection, (HS&amp;EP) program and demonstrates knowledge of and compliance with procedures and requirements.</i>	6 mos.										
	12 mos.										
<b>Peer Relationships</b> <i>Can quickly find common ground and solve problems for the good of all; can represent his/her own interests and yet be fair to other groups; can solve problems with peers with a minimum of noise; is seen as a team player and is cooperative; easily gains trust and support of peers; encourages collaboration; can be candid with peers.</i>	6 mos.										
	12 mos.										
<u>Needs Improvement</u> <i>Performance is substantially below expectations and a Performance Improvement Plan is warranted.</i>	<u>Improvement Opportunity</u> <i>Opportunity(ies) for further skill or competency development has been identified.</i>				<u>Successful</u> <i>Performance consistently meets and sometimes exceeds expected results for the job.</i>				<u>Exceptional</u> <i>Performance far exceeds expected results for the job.</i>		



## **Section IV—Future Goals & Action Plans For Upcoming Year**

(Finalize During Annual Review Discussion)

<b>Goals &amp; Actions Plan for upcoming Review Period:</b>	<b>Review Period: _____</b>
Goals & Actions must be SMART: Specific, Measurable, Accountable, Realistic, and Time Bound.	
<b>1. Goal:</b>  <b>Action Plan</b> (to achieve the above Goal):	
<b>2. Goal:</b>  <b>Action Plan</b> (to achieve the above Goal):	
<b>3. Goal:</b>  <b>Action Plan</b> (to achieve the above Goal):	
<b>4. Goal:</b>  <b>Action Plan</b> (to achieve the above Goal):	

## Summary

Note: If performance to goals needs improvement, please complete a Performance Improvement Plan Form – available online.

Employee Rating:	Top Performer	Highly Valued	Valued	Performance Plan
Please use weighting guidelines in determining rating:				
60-70%	Achieving job goals (if all job goals are not met, Top Performer rank cannot be achieved)			
15-20%	Rating in Core Competency section (and Job Competencies section, where applicable)			
15-20%	Documented actions and positive progress on individual's "Learning and Development Plan"			

**Supervisor's Summary Comments:**

**Employee's Summary Comments (How did the review go? What could your group do differently?):**

I have reviewed my appraisal with my manager and have been given the opportunity to add my comments. My signature below indicates that I have discussed this appraisal with my manager.

\_\_\_\_\_  
*Employee's Signature*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Manager's Signature*

\_\_\_\_\_  
*Date*

## ANNEXURE D: LEARNING AND DEVELOPMENT PLAN



### *Learning and Development Plan*

<b>Employee's Name:</b>			
<b>Title:</b>	<i>Last</i>	<i>First</i>	<i>MI</i>
<b>Manager's Name:</b>			

GrafTech International Ltd. believes the Learning and Development Plan is your personal road map to guide and recognize your learning and development in your identified competencies of focus. The Plan provides a personalized means of focusing your learning and development on the specific competencies you plan to improve during the next year. This development may be for either your current position or a position you aspire to be in.

To develop the plan, a multi-faceted assessment of your strengths, opportunities for improvement, and interests should be identified based upon the following feedback sources:

- Unfinished development items identified in the previous Learning and Development Plan.
- Feedback received about your strengths and developmental areas during your Performance Review.
- Development planning discussions with your supervisor / manager.
- Feedback when asking to be considered for a position you aspire to and the gaps identified.

#### **Developmental Process:**

- **Employee: Please complete the form.**
- **Supervisor / Manager: Please review form and prepare thoughts for meeting on plan.**
- **Employee and Supervisor / Manager: Finalize plan together insuring goals are challenging and aligned with personal career plans and corporate vision.**

## Section I—Core Strengths and Interests

<u>Core Strengths or Strong Competencies</u>	<u>Interests</u>
What are your top three to five strengths or strong competencies? Are you overusing any of them?	What are your greatest areas of interest?
1.	
2.	
3.	
4.	
5.	

→ Do you have any interest in assisting others who are working to grow in one of your areas of strength? Yes\_\_\_ Not at this time\_\_

## Section II—Career Aspirations

<u>Career Aspirations</u>
What are your career goals? What gaps in competencies and abilities are there in comparison to your current level of performance and strengths / interests above?

### Section III—Areas Identified for Development

Area Identified for Development <i>(Information is available on Developmental Sheets on KDS website)</i>	Learning and Development Actions
<hr/> <p><b>Difficulty Level:</b></p> <p style="text-align: center;">__ Easiest __ Easier __ Moderate __ Harder __ Hardest</p> <hr/> <p><b>Measurement of Completion:</b> <i>(How will you know that target level of performance has been achieved?)</i></p> <hr/> <p><b>Dates for Progress Review:</b> <i>(comments)</i></p>	<p><b>Developmental Activities to Complete:</b></p> <p><b>Involvement of Others for Coaching, Mentoring Teaching, and Accountability:</b></p> <p><b>Resources to Utilize:</b> <i>(books, DVDs, etc.)</i></p>

Area Identified for Development <i>(Information is available on Developmental Sheets on KDS website)</i>	Learning and Development Actions
<hr/> <p><b>Difficulty Level:</b></p> <p style="text-align: center;">__ Easiest __ Easier __ Moderate __ Harder __ Hardest</p> <hr/> <p><b>Measurement of Completion:</b> <i>(How will you know that target level of performance has been achieved?)</i></p> <hr/> <p><b>Dates for Progress Review:</b> <i>(comments)</i></p>	<p><b>Developmental Activities to Complete:</b></p> <p><b>Involvement of Others for Coaching, Mentoring Teaching, and Accountability:</b></p> <p><b>Resources to Utilize:</b> <i>(books, DVDs, etc.)</i></p>

## Summary Comments

### **Supervisor's Summary Comments:**

### **Employee's Summary Comments:**

I have reviewed my development plan with my manager and have been given the opportunity to add my comments. My signature below indicates that I have discussed this development with my manager.

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*Employee's Signature*

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*Date*

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*Manager's Signature*

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*Date*

## ANNEXURE E: PERFORMANCE MATRIX

### Individual contributor – level 1

<i>Results</i>	<b>Full Performance</b>	<b>Exceptional Performance</b>
<b>Business and financial results</b> 1.Delivery targets (products, service). 2.Quality results (agreed standards/compliance). 3.Cost awareness and control. 4.Resource utilization and efficiency. 5.HSEP.	1.Consistently achieved all targets. 2.Ensured all work met standards for quality, quantity and due dates. 3.Optimized available resources and contained costs. 4.Achieved HSEP objectives.	1.Consistently exceeded targets and operating standards of quantity, quality and due dates and initiated cost savings. 2.New and different results achieved within budget.
<b>Leadership and growth results</b> 1.Company values and goals: supported / lived. 2.Personal development and effectiveness. 3.Performance goals.	1.Understood and supported the company vision and values. 2.Took responsibility for personal improvement and skills development. 3.Took responsibility to agree and review personal performance goals and their achievement.	1.Trusted and sought out by other supervisors. 2.Acted as role model to peers in terms of company values, behaviour and performance. 3.Consistently took leadership roles in team.
<b>Management results</b> 1.Plan, organize, control and report own work. 2.Policies, practices, standards, procedures and methods: application/compliance. 3.Problem solving and decision making.	1.Consistently ensured work completed to plan, 2.Regularly reviewed compliance and follow-up against objectives and standards. 3.Resolved work obstacles and issues positively and quickly.	1.Role model to peers in terms of planning, organization and results achievement. 2.Took initiative in enhancing team performance. 3.Policy and standards gatekeeper for the team.
<b>Customer and relationship results</b> 1.Working relationships with customers (internal and external). 2.Manager and team relationships. 3.Team and colleague communication.	1.Full understanding of customer needs. 2.Projecting a positive image of the company. 3.Developed effective manager and peer working relations.	1.Acted as coach/mentor in and/or outside team. 2.Shared key information / ideas and learning with customers and teams. 3.Built effective relationships to get things done.
<b>Innovation and improvement results</b> 1.Continuous improvement.	1.Questioned present ways of doing work. 2.Shared and implemented new ideas regarding work.	1.Continuous improvement champion in team. 2.Did own personal research and stayed current.

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## Individual contributor – level 2

<i>Results</i>	<b>Full Performance</b>	<b>Exceptional Performance</b>
<b>Operational, financial and technical results</b> 1. Service level agreement delivery. 2. Quality results. 3. Cost awareness and control. 4. Technical expertise and advice. 5. Technical / operating systems and models.	1. Delivered quality, cost effective service and support on time. 2. Advice accepted, implemented and resulted in improved business performance.	1. Consistently exceeded targets, client expectations and due dates. 2. Set the model for professional individual contribution. 3. Produced new value adding service and product delivery
<b>Leadership and growth results</b> 1. Company values and goals support and promotion. 2. Performance goals agreement and alignment. 3. Personal development and effectiveness.	1. Supported and articulated vision and values and goals aligned to organizational objectives. 2. Continuously sought to improve personal mastery, professional and business growth. (Ensuring technical / professional development in specialist area). 3. Shared expertise freely and often.	1. Acted as a role model to peers in terms of company values, behavior and performance. 2. Acted as a role model for personal mastery and professional growth to add value to the business. 3. Expertise developed in others.
<b>Management results</b> 1. Work, project plans and organization. 2. Policies, practices, standards, procedures and methods: application and review. 3. Analysis, problem solving and decision quality. 4. Progress monitoring, reporting and corrective action. 5. Statutory compliance and professional practices.	1. Work and project plans met technical/professional objectives. 2. Established and ensured professional standards for service provision and contribution. 3. Analyzed, formulated recommendations, designed solutions and implemented them effectively. 4. Adapted to changing business and work requirements, solved problems, provided data on time. 5. Made a full contribution to statutory compliance and management.	1. Set the model for professional planning, project management, problem solving and decision making within field of expertise. 2. Served as model for technical/professional standards application. 3. Served as the model for statutory compliance and management within the business area.
<b>Customer and relationship results</b> 1. Customer and supplier relationships (internal and external). 2. Knowledge sharing, networking and collaboration with colleagues and other teams. 3. Manager and peer relationships. 4. Contractor/consultant relationships/management. 5. Technical/professional communication to customers.	1. Built constructive working relationships with manager, peers and customers. 2. Professional communication, behavior and actions resulted in high level of credibility, trust and respect throughout the business unit. 3. Consistently met customer and business needs and requirements.	1. Achieved results in a way that built and maintained constructive working relationships with manager, peers, clients and other service providers. 2. Leveraged internal and external networks to identify optimization opportunities. 3. Consistently exceeded expectations of customer and business needs and requirements.
<b>Innovation and improvement results</b> 1. New ideas and processes.	1. New ideas, thinking and approaches adopted and supported by the business.	1. Served as a model for high performance contribution as a professional and innovative team member.

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## Individual contributor: level 3

<i>Results</i>	<b>Full Performance</b>	<b>Exceptional Performance</b>
<b>Operational, financial and technical results</b> 1. Business solutions (consulting advice, business options). 2. Products, systems, programmes, processes and models: development and delivery. 3. Quality results. 4. Cost effectiveness. 5. Risk results.	1. Delivered solutions which contributed to maintenance of the Company's competitive advantage. 2. Delivered quality solutions /service/technology cost effectively, on time and within risk parameters. 3. Advice given on programmes and systems generally accepted and implemented, enhancing Company's competitive advantage	1. Consistently a role model for delivery of solutions/ services/technology contributing to business value and results. 2. Consistently a key contributor to maintaining the company's industry leadership position and competitiveness i.e. effectiveness of field of expertise improved year on year.
<b>Leadership and growth results</b> 1. Values, solutions, goal clarity and alignment. 2. Expert utilization and performance. 3. Personal development and effectiveness. 4. Expertise transfer.	1. Solutions/services/technology aligned to business goals and values. 2. Successful at selling and obtaining support for value-adding ideas leading to business results. 3. Continuously developed extensive knowledge relating to field of work and personal mastery in technical skills application. 4. Thought leadership established through developing expertise and sharing it with others.	1. Model for other experts in aligning solutions/ services/ technology to business goals and values. 2. Sought after as industry/discipline expert, providing advice and best practice. 3. Regarded as an expert in the field within operating company.
<b>Management results</b> 1. Plan and project management. 2. Policies, practices, standards, procedures and methods: application, review and development. 3. Trends analysis , problem solving and decision quality. 4. Process and risk impact, reporting and corrective action.	1. Work, project and knowledge management set standard for company. 2. Established technical and professional policies, practices, procedures and standards for the function / business unit / group. 3. Corporate risk minimized through applied expertise.	1. Work, project and knowledge management set standard for industry. 2. Quality of decision making and problem solving served as industry standard. 3. Significantly contributed to business results and competitiveness.
<b>Customer and relationship results</b> 1. Expert network and relationships (e.g. customers, suppliers, universities and specialist bodies). 2. Manager, peers and business leaders. 3. Contractor/consultant relations and management. 4. Communication of expertise (best practices, technical reports, position statements).	1. Built relevant professional expert network and relationships. 2. Regarded as a trusted and challenging business partner. 3. Demonstrated influential relationships with manager, peers and company business leaders. 4. Applied a collaborative and consultative approach which consistently met business needs.	1. Influence and insight sought by business leaders regarding advancement of their initiatives. 2. Leveraged high credibility relationships with all stakeholders.
<b>Innovation and improvement results</b> 1. New solutions in area of expertise. 2. Research and Development.	1. Developed and facilitated implementation of new and appropriate business solutions/technology. 2. Research and development effective and delivered new solutions, 3. Tracked impact of industry and global trends on business and developed appropriate solutions (minimized corporate risk, advanced competitiveness).	1. Breakthrough and pioneering thinking/technology and advice on business solutions consistently accepted and implemented.

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# First Line Management

Results	Full Performance	Exceptional Performance
<b>Operational, financial and technical results</b> 1. Delivery target achievement (production, service, advice, etc). 2. Quality target achievement. 3. Cost target achievement. 4. HSEP target achievement. 5. Productivity target achievement.	1. Self and team consistently met targets, due dates and quality standards. 2. Consistently reduced all non-value-adding work. 3. Consistently improved productivity.	1. Set new standards for achievement of results delivered by operational teams. 2. Achieved a new standard in productivity, effectiveness and reduction of non freeing resources for other challenges.
<b>Leadership and growth results</b> 1. Value, goal clarity and alignment (performance direction). 2. Team performance (performance management). 3. Team skill level, succession and career progression. 4. Team motivation and wellness. 5. Change management and communication.	1. Vision, values and department goals embraced by team. 2. Performance reviewed regularly, recognition given where it was due and performance issues dealt with proactively. 3. Self and all team members achieved development objectives. 4. Case for change/improvement well communicated and effectively executed. 5. Made work easy for others inside and outside their departments.	1. Created a new performance framework and paradigm for operational teams. 2. Exceptional performers want to work on Supervisors' team. 3. Appointed exceptional talent and identified high potential talent. 4. Considered a role model for leading operational teams. 5. High team credibility with key stakeholders. 6. Role model for making work easy for others.
<b>Management results</b> 1. Plan, organize, control and report own work. 2. Policies, practices, standards, procedures and methods: application/compliance. 3. Problem solving and decision making.	1. Plans executed and team objectives consistently achieved in safe working environment. 2. Control systems and measures in place ensured timely results and compliance. 3. Cost effective resources available for results delivery. 4. Achieved results through cross boundary teamwork. 5. Made quality decisions and found solutions which improved team results.	1. Set the standard for resource availability, plan delivery and progress monitoring. 2. Exceptional cross boundary teamwork. 3. Decision making, problem solving and control systems served as a role model to peers.
<b>Customer and relationship results</b> 1. Working relationships with customers 2. Manager and team relationships. 3. Team and colleague communication.	1. Fully understood customer needs and fully understood supplier contributions to drive operational results. 2. Built effective working relationship with manager, peers, team members, customers and suppliers.	1. Actively supported other teams in achieving better results. 2. Built outstanding working relationship with manager, peers, team members, customers and suppliers.
<b>Innovation and improvement results</b> 1. Continuous improvement (new ways of doing existing work.) 2. Process and results optimization.	1. Applied new ideas/work methods and opportunities for improving results through team engagement. 2. Consistently supported the implementation of business optimization initiatives.	1. Team set the norm for applying and implementing new knowledge and ideas to drive performance improvement. 2. Targets consistently exceeded through finding new ways of doing work.

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# Operations management

Results	Full Performance	Exceptional Performance
<b>Operational, financial and technical results</b> 1.Delivery results (production volume, projects, yield, availability). 2.Quality results (product quality, service quality) 3.Cost / capital competitiveness. 4.Productivity results. 5.HSEP target achievement.	1.Met both individual and aggregate targets, made appropriate adjustments. 2.Ensured all First Line managers met professional / technical / operational standards. 3.Met all departmental goals and produced a positive cumulative result.	1.Individual and aggregate targets and due dates always exceeded. 2.All work meaningfully and exceeded productivity and quality standards. 3.Model for other departments in terms of productivity, quality and safety results. 4.Drove own results as well as supporting results of other parts of the organization.
<b>Leadership and growth results</b> 1.Strategy contribution, translation and execution. 2.Value, goal clarity and alignment (direction). 3.Energized environment. 4.Management team effectiveness. 5.Management team skill and development. 6.Team organization / structure.	1.Ensured all department members understood, supported and executed the values, vision and strategy of the business. 2.All First line managers had clear, current and measurable goals. 3.First line managers hired, based on demonstrated leadership capabilities rather than only on technical expertise. 4.Built an energized organization and valued a diverse and high performing team. 5.Held direct reports accountable for their own results and obstacles and dealt with under performance. 6.Sought opportunities for growth and development and produced written development plans for self and direct reports.	1.Set standard among peers for implementing strategy. 2.Every subordinate managers' performance continuously improved year on year. 3.Model for developing managers of managers – viewed as a supplier of management talent. 4.Created a highly energized environment to support result achievement.
<b>Management results</b> 1.Operational / project plans and priorities. 2.Implementation / execution. 3.Resource and asset management and coordination. 4.Results monitoring and control (including systems and quality control). 5.Problem solving and decision quality. 6.Governance / charter / legal compliance (audit, inspect).	1.Developed plans which drove aggregate results and supported other departments. 2.Made resource trade-offs which improved overall results. 3.Decisions took into consideration upstream and downstream and company interests and requirements. 4.Control systems ensured timely results from managers and individual contributors. 5.Department complied fully with governance/charter/legal requirements.	1.Quality of planning created new opportunities and synergies. 2.Greater results were achieved with same or fewer resources relative to previous year. 3.Resource and asset management a model for other departments. 4.Decision making and governance a model for other departments.
<b>Customer and relationship results</b> 1.Manager, peer and subordinate relationships. 2.Upstream downstream interface management / relations. 3.Customer, supplier relations and management (incl contractors, service providers). 4.Stakeholder interface.	1.Built effective relations upwards, downwards and sideways. 2.Built effective network (internally and externally) to get things done. 3.Proactively supported peers in own & other departments. 4.Readily shared information and knowledge with peers and throughout the division. 5.Used opportunities and appropriate communication tools to effectively communicate information.	1.Role model for relationship building internally and externally. 2.Organization boundaries were eliminated. 3.Accepted and sought out for input by stakeholders.
<b>Innovation and improvement results</b> 1.Process improvements. 2.Continuous improvement and learning.	1.Created the environment for improvement. Measured direct reports on improvements. 2.Tried out new ideas, technologies – challenged and improved the status quo. 3.Optimized and improved systems and work processes to drive productivity and reduce cost (self and corporate initiatives).	1.Role model and built enthusiasm for improvement with passion. 2. Information was used effectively to drive new ways of doing business or create new business opportunities. 3. Sought out by senior management for ideas, project participation and innovations.

# Executive management level 1

RESULTS	FULL PERFORMANCE	EXCEPTIONAL PERFORMANCE
<p><b>Operational, financial and technical results</b></p> <ol style="list-style-type: none"> <li>1. Delivery results (production, projects, service,).</li> <li>2. Quality results.</li> <li>3. Financial results.</li> <li>4. Productivity results.</li> <li>5. Risk, sustainability and environment results.</li> </ol>	<ol style="list-style-type: none"> <li>1. Self and function consistency met all goals, targets &amp; due dates (delivery, quality, sustainability, productivity &amp; financial).</li> <li>2. Achieved functional results in ways that enabled other functions to achieve their results.</li> <li>3. Assured long term growth through achieving short-term results</li> </ol>	<ol style="list-style-type: none"> <li>1. Self &amp; function consistently exceeded goals targets and due dates.</li> <li>2. Function regarded as a respected model in delivering world-class outputs and results.</li> </ol>
<p><b>Leadership and growth results</b></p> <ol style="list-style-type: none"> <li>1. Functional vision, strategy formulation &amp; direction.</li> <li>2. Direct reports performance</li> <li>3. Talent management.</li> <li>4. Function value and competitiveness.</li> <li>5. Function organization / structure.</li> </ol>	<ol style="list-style-type: none"> <li>1. Functional strategy (3+ years) blended in with and supported the overall business strategy.</li> <li>2. All direct reports were held accountable for developing leaders.</li> <li>3. Team strength, performance and energy matched strategic requirements.</li> <li>4. Created an energized, effective, competitive and legitimate function.</li> <li>5. Functional champion for developing a diverse high performing talent pipeline.</li> <li>6. Organization was structured to deliver both short-term and long-term results.</li> </ol>	<ol style="list-style-type: none"> <li>1. Strategy &amp; structure pushed function into the future and enables the business to do better than the competition creating a sustainable competitive advantage.</li> <li>2. Led changes in business direction and results.</li> <li>3. Function was a respected centre of excellence/expertise internally and externally.</li> <li>4. Model for developing manager of managers.</li> </ol>
<p><b>Management results</b></p> <ol style="list-style-type: none"> <li>1. Functional and project plan development &amp; execution.</li> <li>2. Governance, ethics, legal compliance, sustainability.</li> <li>3. Systems development and effectiveness.</li> <li>4. Functional information monitoring, interpretation &amp; application.</li> <li>5. Resource availability, prioritization &amp; utilization.</li> </ol>	<ol style="list-style-type: none"> <li>1. Developed and executed functional operating plans which directly supported the business strategy.</li> <li>2. Rapidly responded to meet changing business environments, opportunities and threats.</li> <li>3. Made trade-offs within the function that supported business strategy, profitability and competitive advantage (rather than just supporting functional success).</li> <li>4. Optimized/improved systems and processes in ways that delivered productivity gains.</li> <li>5. Ensured all legal, health, safety &amp; environmental legislation requirements met.</li> </ol>	<ol style="list-style-type: none"> <li>1. Other functional areas followed lead on management practices and systems.</li> <li>2. Functional efficiency increased year on year with same or fewer resources required.</li> </ol>
<p><b>Customer and relationship results</b></p> <ol style="list-style-type: none"> <li>1. Stakeholder relations (internal &amp; external).</li> <li>2. Functional network.</li> <li>3. Customer satisfaction.</li> <li>4. Supplier development and management.</li> <li>5. Partnership with other parts of the business.</li> </ol>	<ol style="list-style-type: none"> <li>1. External (including customer &amp; supplier) relationships were deliberate and delivered predefined functional objectives.</li> <li>2. Direct reports, managers and peers trusted and respected functional manager.</li> <li>3. Made time to support and assist other functions &amp; divisions.</li> <li>4. Furthered Sasol's image as a responsible corporate citizen.</li> <li>5. In- and external functional network contributed directly to results.</li> </ol>	<ol style="list-style-type: none"> <li>1. Climate supported relationship building at all levels and throughout organization.</li> <li>2. Set standard amongst peers for working across divisional and functional boundaries.</li> <li>3. Opinion sought by industry and external functional groups.</li> </ol>
<p><b>Innovation and improvement results</b></p> <ol style="list-style-type: none"> <li>1. State of the art best practice and change leadership.</li> <li>2. Continuous improvement.</li> <li>3. Breakthrough innovation.</li> </ol>	<ol style="list-style-type: none"> <li>1. Introduced Best practices through the function into the business.</li> <li>2. Pipeline of breakthrough opportunities created.</li> <li>3. Regular improvements to current processes and practices implemented.</li> <li>4. Created an environment to value ideas wherever they came from.</li> </ol>	<ol style="list-style-type: none"> <li>1. Continuous improvement was the norm.</li> <li>2. Steam of new innovation introduced.</li> </ol>

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# Executive management level 2

RESULTS	FULL PERFORMANCE	EXCEPTIONAL PERFORMANCE
<b>Business results</b> 1. Business results (profit, gearing, cash flow, cost, CAPEX, inventory, talent). 2. LOB results. 3. HSEP results. 4. Productivity results.	1. Consistently achieved ICP and performance objectives. 2. Business profitability improvement aligned to group requirements. 3. Short and medium term business results delivered without compromising long-term growth. 4. Consistently achieved risk reduction and HSEP targets. 5. Return on invested capital met targets. 6. Major contribution to the LOB and inter-related business objectives.	1. Exceeded bottom-line targets, i.e. margin, cost, productivity, quality, safety, development, etc. led Sasol. 2. Achieved breakthrough results without compromising group interests and long term growth. 3. Achieved breakthrough results in risk reduction and HSEP targets. 4. Performance results set the standard in the group. 5. Productivity and efficiency improvement consistently exceeded targets for the LOB.
<b>Leadership and growth results</b> 1. Business growth and optimization. 2. Ownership of strategy, climate, culture. 3. Visible transformational leadership. 4. Talent management. 5. Macro-environmental challenges/management.	1. Effectively developed a robust business strategy and aligned functional performance goals – creating competitive advantage. 2. Mobilized and engaged all functions around strategic business drivers. 3. Business strategy understood, owned and delivered. 4. Created a high performance team – successfully managed performance and talent availability. 5. Championed a climate and culture that directly contributed to achieving business results. 6. Demonstrated ability to collectively build and unleash the value of all functions within the business.	1. Role model for leadership, alignment and communication of business and LOB strategy. 2. Delivered breakthrough results through strategy. 3. Viewed as a premier high performance business. 4. Created an outstanding bench strength and was a talent provider. 5. Anticipated macro environmental challenges and proactively turned them into opportunities.
<b>Management results</b> 1. Strategy and business plan execution. 2. Performance management. 3. Financial management. 4. Resource management. 5. Corporate governance.	1. Operation/functional plans and goals directly supported the business strategy. 2. Optimized/improved systems and processes in ways that delivered productivity gains year on year. 3. Resource management leveraged to produce sustainable results. 4. Effective problem solving and decision making achieved high quality turnaround times, productivity and motivation. 5. Created a high performance ethic in Business and Operations teams and throughout the business. 6. Ensured sustainability, legal and governance compliance. 7. Consistently applied sound financial practices.	1. Resource prioritization, allocation and management produced exceptional results and was a role model in the LOB. 2. Legal and governance compliance practices emulated by other businesses. 3. Decision and problem solving quality during normal business and in crisis was a model to others.
<b>Customer and relationship results</b> 1. Key stakeholder influence (industry, government, community, union and employees). 2. Board/LOB President/peer/customer/supplier relations. 3. Cross-business interface. 4. Social investment (community).	1. Successfully engaged with internal and external operation / functional / business network. 2. Earned stakeholders' (business & community) trust and respect. 3. Partnered with other business peers on integrating processes, practices and breaking down boundaries. 4. Supported company goals through sharing of people and other resources. 5. Effectively communicated and engaged with organization through multiple levels of management. 6. Contracts and agreements delivered win-win business objectives.	1. Model for stakeholder relationships. 2. Influence and insight sought by stakeholder communities for advancement of initiatives. 3. Set the standards for the engagement of unions and employees as well as for the trust in and credibility of management. 4. Ensured Contracts and agreements of exceptional win-win value.
<b>Innovation and improvement results</b> 1. Transfer of best practices. 2. Continuous improvement sponsor. 3. Innovation.	1. Utilized external benchmarking to improve understanding of threats and opportunities, meeting macro-environment challenges. 2. Championed innovation and continuous improvement through infrastructure, resourcing and climate creation. 3. Shared best practices with other business leaders.	1. Drove resources and innovation towards breakthrough competitive advantage. 2. Crises and threats seen as improvement opportunities and managed exceptionally.

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## ANNEXURE F: FREQUENCY DISTRIBUTION

QUESTIONS		ABSOLUTE FREQUENCY						RELATIVE FREQUENCY						MODE
		5	4	3	2	1	TOTAL	5	4	3	2	1	TOTAL	
Attitude toward leadership development	1 I think the program is great, it speaks to the fact that Ucar is embracing its employees and trying to develop their skill set.	11	12	3	4	0	30	37%	40%	10%	13%	0%	100%	4
	2 Participating in the program has increased my loyalty	4	10	11	4	1	30	13%	33%	37%	13%	3%	100%	3
	4 I believe that leadership and personal development is important .	21	8	1	0	0	30	70%	27%	3%	0%	0%	100%	5
	9 A company's policy towards its people and their development is a contributing factor when deciding whether to work for that company or not.	14	14	1	1	0	30	47%	47%	3%	3%	0%	100%	4
	3 I think that leadership development is a waste of my valuable time and the company's financial resources, both of which can be used more effectively elsewhere.	1	0	0	16	13	30	3%	0%	0%	53%	43%	100%	2
	5 I do not believe that the current way the company is developing my leadership is effective.	5	4	7	9	5	30	17%	13%	23%	30%	17%	100%	2

QUESTIONS			ABSOLUTE FREQUENCY					RELATIVE FREQUENCY					MODE		
			5	4	3	2	1	TOTAL	5	4	3	2		1	TOTAL
Aim of leadership development	6	The aim of the leadership development program is to improve my leadership skills so that I can be ready when an opportunity arises to move up the corporate ladder..	12	10	1	7	0	30	40%	33%	3%	23%	0%	100%	5
	7	The aim of the leadership development program is to improve my available skills and strengths so that I can become an exceptional performer thus improving organisational performance	12	15	2	1	0	30	40%	50%	7%	3%	0%	100%	4
	8	The aim of the leadership development program is to improve my leadership skills so as to bring out the best in my subordinates thus improving personal satisfaction and organisational performance.	11	14	5	0	0	30	37%	47%	17%	0%	0%	100%	4
Assessment Centre	10	The assessment at Maccauveli or Henley Air correctly identified my strengths and weaknesses and enabled me to draft a plan for my development.	10	13	6	0	1	30	33%	43%	20%	0%	3%	100%	4

QUESTIONS			ABSOLUTE FREQUENCY					RELATIVE FREQUENCY					MODE		
			5	4	3	2	1	TOTAL	5	4	3	2		1	TOTAL
Ucar and its leadership	11	Leadership within my organisation is generally driven by senior management to establish order and control.	5	12	9	3	1	30	17%	40%	30%	10%	3%	100%	4
	12	My organisation has a shared direction about the future.	1	15	10	3	1	30	3%	50%	33%	10%	3%	100%	4
	13	Leaders and employees all are in agreement with this direction and the way to achieve this direction.	0	12	8	9	1	30	0%	40%	27%	30%	3%	100%	4
	14	My organisation acknowledges unpredictability and diversity of thinking and approach.	2	14	7	6	1	30	7%	47%	23%	20%	3%	100%	4
	15	The role of leadership within my organisation is to create an environment in which staff is encouraged to challenge and progress.	4	12	9	4	1	30	13%	40%	30%	13%	3%	100%	4

QUESTIONS		ABSOLUTE FREQUENCY						RELATIVE FREQUENCY						MODE	
		5	4	3	2	1	TOTAL	5	4	3	2	1	TOTAL		
General skills developed	16	I am more motivated.	4	11	12	1	2	30	13%	37%	40%	3%	7%	100%	3
	17	I have more insight into myself.	11	15	1	1	2	30	37%	50%	3%	3%	7%	100%	4
	18	I am more confident.	6	13	7	4	0	30	20%	43%	23%	13%	0%	100%	4
	19	I challenge more.	4	16	8	2	0	30	13%	53%	27%	7%	0%	100%	4
	20	I accept change.	3	23	3	1	0	30	10%	77%	10%	3%	0%	100%	4
	21	I have increased credibility.	5	14	9	1	1	30	17%	47%	30%	3%	3%	100%	4
	22	I have a bigger/broader/wider view.	6	17	2	4	1	30	20%	57%	7%	13%	3%	100%	4
	23	I think out of the box.	5	18	5	2	0	30	17%	60%	17%	7%	0%	100%	4
	24	I have improved my leadership.	6	15	5	3	1	30	20%	50%	17%	10%	3%	100%	4
	25	The program has retained me within Ucar.	1	8	11	8	2	30	3%	27%	37%	27%	7%	100%	3
	26	The increased knowledge and understanding gained from the program has enabled me to be able to display leadership and vision.	6	14	4	6	0	30	20%	47%	13%	20%	0%	100%	4
	27	The quality of my leadership contribution has been significantly influenced.	7	8	11	4	0	30	23%	27%	37%	13%	0%	100%	3
	28	I am taking a more proactive leadership role.	7	11	5	7	0	30	23%	37%	17%	23%	0%	100%	4
	29	I have better insight into my leadership capabilities.	6	16	3	4	1	30	20%	53%	10%	13%	3%	100%	6
	30	The programme made me think about my own qualities in leading effective operations.	9	19	1	0	1	30	30%	63%	3%	0%	3%	100%	4
	31	I have been able to apply the leadership qualities developed through the program to deliver results.	8	14	4	2	2	30	27%	47%	13%	7%	7%	100%	4
32	My manager has become more effective as a leader.	3	12	8	5	2	30	10%	40%	27%	17%	7%	100%	4	
33	My manager has developed positively in his role as a coach to me and the rest of his subordinates.	3	11	6	8	2	30	10%	37%	20%	27%	7%	100%	4	

QUESTIONS		ABSOLUTE FREQUENCY						RELATIVE FREQUENCY						MODE	
		5	4	3	2	1	TOTAL	5	4	3	2	1	TOTAL		
Core Competencies Developed	34	I have been able to apply the leadership qualities developed through the program to improve <b>my drive for results.</b>	9	6	11	3	1	30	30%	20%	37%	10%	3%	100%	3
	35	I have been able to apply the leadership qualities developed through the program to <b>improve my peer relationships.</b>	9	15	2	4	0	30	30%	50%	7%	13%	0%	100%	4
	36	I have been able to use the leadership qualities developed through the program to <b>improve my customer focus.</b>	7	15	3	5	0	30	23%	50%	10%	17%	0%	100%	4
	37	I have been able to use the leadership qualities developed through the program to <b>improve my health, safety, environment and quality performance.</b>	6	12	5	6	1	30	20%	40%	17%	20%	3%	100%	4

QUESTIONS		ABSOLUTE FREQUENCY						RELATIVE FREQUENCY						MODE	
		5	4	3	2	1	TOTAL	5	4	3	2	1	TOTAL		
Major Barriers	38	Poor role modelling by existing leaders.	7	7	4	9	3	30	23%	23%	13%	30%	10%	100%	2
	39	Insufficient support from senior managers.	2	8	5	11	4	30	7%	27%	17%	37%	13%	100%	2
	40	Lack of consistent reinforcement of the leadership development program.	3	6	6	14	1	30	10%	20%	20%	47%	3%	100%	2
	41	Reluctance of individuals to change, to introduce new ideas and concepts.	2	15	1	10	2	30	7%	50%	3%	33%	7%	100%	4
	42	Poor links between the leadership development initiative and Ucar strategy.	3	7	8	11	1	30	10%	23%	27%	37%	3%	100%	2
	43	Competition with other initiatives and priorities.	0	10	11	9	0	30	0%	33%	37%	30%	0%	100%	3
	44	Insufficient time devoted to leadership development.	4	10	6	8	2	30	13%	33%	20%	27%	7%	100%	4
	45	Insufficient support generally within the organisation.	3	6	8	11	2	30	10%	20%	27%	37%	7%	100%	2
	46	Unsupportive organisational culture.	2	11	7	8	2	30	7%	37%	23%	27%	7%	100%	4
	47	Unrealistic expectations of outcomes and results.	2	6	10	12	0	30	7%	20%	33%	40%	0%	100%	2
	48	Limitation of the facilitator/ mentor/coach.	0	5	8	11	6	30	0%	17%	27%	37%	20%	100%	2
	49	Limited time of the facilitator/ mentor/coach.	2	6	8	11	6	33	6%	18%	24%	33%	18%	100%	2
50	Lack of career opportunities.	9	9	5	7	0	30	30%	30%	17%	23%	0%	100%	4	

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## **ARTICLE FOR PUBLICATION**

# **An Investigation into the Leadership Development Strategy Implemented by a Manufacturing Organization in South Africa**

Sandra Munsamy

Professor AE Booysen

### **ABSTRACT**

The challenging nature of business today requires exceptional leadership skills. However these leadership skills are a scarce commodity and companies need to develop leadership to ensure a pipeline of leadership talent that can cope with the challenges facing business. This task however is quite daunting as there are many methods but few certainties about what works and what does not. Thus many organizations struggle to find the right strategy to bridge the leadership gap. This article examines the best practices that exist in developing a leadership development strategy, recommends a model for leadership development and investigates the leadership development strategy of a manufacturing organization in South Africa. The findings indicate that the strategy implemented by the case organization is effective and thus can be used as an example to other organizations also trying to implement a leadership development strategy. Challenges include fostering a learning organization climate and implementing metrics to measure the success of the strategy.

### **INTRODUCTION**

The new millennium is a turbulent one, full of challenges such as globalisation, intense competition, ethics and governance issues, health and environmental issues, electronic advances, rapid technological change, outsourcing/off shoring, higher energy needs, workplace diversity, environmental turbulence, and eroding psychological/physical safety (Wasylyshyn, 2004). There are further difficulties facing South African organizations in the global market such as fierce competition from

experienced international competitors, increased labour demands, implementation of affirmative action, high labour costs, low levels of productivity, a lack of international business experience and a high incidence of crime (Denton, 2002).

Literature suggests that effective leadership is necessary to enable businesses to survive these challenges (Yukl, 2006). Research shows that the management and leadership of people have a greater effect on productivity and profitability than the combined effects of strategy, quality, manufacturing technology, research and development. Emerging research links an organizations ability to develop its leadership capacity to its competitive advantage. Leadership development is necessary to cope with the challenges of a complex business environment, the need to deliver results on many levels and the high expectations of leaders (Weiss & Molinaro, 2006).

However leading and the development of leaders is a systematic challenge made worse by the shortage of leadership talent in contrast to the anticipated need and severe competition for talent (Allio, 2005). This paper thus provides an examination of the best practices that exist in leadership development to overcome these challenges.

## **THEORETICAL BACKGROUND**

Leadership development is fraught with challenges and opportunities. Firstly there is a lack of a common definition of leadership. Some believe that the adoption of a single definition will only restrict the potential for development while others believe that one needs to know what leadership is to be able to develop effectively. There is also a lack of consensus of what constitutes an effective leader. There are many alternative measures of effectiveness thus making it difficult to evaluate the effectiveness of a leader. Leadership development has also been changing, where development once was focused on classroom training seeking to expand knowledge and occurring as a once of event, it is now seen as continuous, happening anywhere and focusing on increasing the ability to execute current organisational strategies. The debate on whether leadership can be taught is a further dilemma facing leadership development, some believe it is an inherent trait in individuals and thus cannot be taught, while others believe this is not true and that leadership can be

taught. Differences between leadership and management also add to the controversial nature of leadership and leadership development. Three views can be taken, namely leadership and management are different, leadership and management have different qualities but are both necessary for success, and leadership and management are synonymous. Taken together these various debates make the task of organisations of devising and executing leadership development quite daunting.

Best practice in leader development is hard to discern. There are many methods but few certainties about what works and what does not. Thus many organizations struggle to find the right strategy to bridge the leadership gap. The next section provides an overview of the various best practices outlined in the literature.

### **THE AIM OF LEADERSHIP DEVELOPMENT**

The first step in devising a leadership development strategy is to determine why the organisation believes that this is a strategy that should be pursued, in other words, what the company hopes to achieve with the strategy.

Moore (2004) states that a leadership development initiative cannot be successful unless it clearly targets a specific business goal. Organisations must be very clear about what they are trying to accomplish before implementing any single leadership development program. The starting point should be a business analysis, as all leadership development efforts should be grounded in business needs. Typical questions include: what are the needs of the business that are driving this need for change? What is the business need that is driving the need for performance improvement? What are the long-term issues the business faces and how can leadership development help accomplish these business objectives? From this business analysis an organisation can begin to identify its leadership development goals.

Martineau (2004) adds that it is fundamental to identify all key stakeholders in the leadership development initiative and to involve each of them in the needs assessment. Key stakeholders are individuals or groups who have involvement in, responsibility for, or significant interest in the leadership development initiative and its

evaluation. After identifying key stakeholders, it is then necessary to determine the best way to involve each of them in the needs assessment.

Most leadership development activities can be placed in one of four broad categories of goals. Each requires a different approach in the design of leadership development programs (Moore, 2006).

The first category is about building a bench strength of leadership talent. This entails trying to grow leaders from within to insure orderly continuation of the business. When this is the goal, the development initiative should be built around creating a strong succession planning system and an effective career management system. Development actions can include job assignments, coaching, mentoring, and targeted education programs (Moore, 2006).

The second broad category of leadership development goals is about using leadership development to transform the business. Leadership development can be a very effective tool for helping to move the business in a new direction by getting the leaders to think differently, while giving them new skills, mindsets and attitudes about change, and help them to identify the specific actions that will be required to accomplish the change. Action learning programs are effective in achieving this goal (Moore, 2006).

A third area of leadership development is just helping leaders become more effective at what they are already doing. An organisation will need to conduct a comprehensive business and skills analysis to identify the gaps in skills that will have the most impact on business results (Moore, 2006).

A fourth area of leadership development goals centres on helping leaders through critical career transitions by providing them with support to ensure that they succeed, while avoiding derailment. Ways to help in this transition are with a formal education program or providing a coach (Moore, 2006).

Other aims include individual skills development, socialisation of corporate values and vision, and promotion of dialogue and implementation of a collective vision (Alimo-Metcalfe and Lawler, 2001).

## **ASSESSMENT OF LEADERSHIP DEVELOPMENT NEEDS**

The next phase of the leadership development strategy should involve determining what aspects of leadership needs to be developed, in other words, what are the dimensions of effective leadership that the strategy will aim to address.

Martineau (2004) states that identifying leadership development needs involves discussing with stakeholders where change is needed to solve a business problem or meet an organisational challenge. What do individuals or groups need to do differently? In what ways do they need to think or interact differently? Leadership development needs can be assessed using questions such as these: what three changes in individual or group leadership would address the organisational challenges and why? What are individuals or groups doing or not doing, that prevents the organisation from overcoming these challenges? What are the consequences of not addressing these leadership needs?

An assessment centre is one method to determine the leadership development needs. The assessment centre is a method of evaluating individual's knowledge and skills using a series of exercises or activities designed to elicit a range of responses. Researchers have concluded that the assessment centre method has sufficiently high criterion related validity to be considered a reliable indicator of an individual's future performance. Problems however can arise if the centre is poorly designed, if the link between the organisational values assessment activities is weak, or if the assessors are not trained (Brownell 2005).

An alternative to assessing leadership development needs is the Myers-Briggs Type Indicator Test (MBTI). Because the results of the MBTI are subject to a variety of environmental influences, such as work tasks and organisational climate and values, interpretations have to be treated with caution and individually verified (Micheal, 2003).

360 degree feedback or full circle feedback provides another means of obtaining the leadership development needs assessment. The primary purpose is to identify developmental opportunities. The feedback enables participants to compare their own perceptions of their leadership skills and personal style with the perceptions of important observers in their work environment. These observers can include co-

workers, subordinates, managers and even customers, suppliers and alliance partners (Cacioppe & Albrecht, 2000).

Line management appraisals, training needs analysis and personal development plans can also be used to identify critical leadership skills gaps (Dunn & Pope, 2001).

## **THE MEASUREMENT AND EVALUATION OF LEADERSHIP DEVELOPMENT INITIATIVES**

As with any strategy, it is very important to determine how the leadership development initiatives will be measured to compare planned outcomes with actual outcomes and to identify any discrepancies that require action. This step involves the overall assessment of the value of the program, its broad objectives and program philosophy. This involves a look at the broader and deeper questions of the leadership development program. It involves looking at the entire process, whether it is delivering value to the business, whether the objectives have changed, and examination of the philosophy on how, when and where the program is run (Martineau, 2004).

Two types of evaluation exist, namely, summative evaluation which focuses on whether the leadership development initiative should be continued or not, and formative evaluation which focuses on how the initiative is working and how it can better meet its goals (Wilson, 2004).

Many organisations evaluate leadership development primarily through participants' reactions to specific programs. Others use a comprehensive system including Kirkpatrick's (four) levels of evaluation as follows (Melum, 2002):

- Level 1: reaction/ satisfaction e.g. Participant satisfaction – how happy or dissatisfied were the participants with the experience? What is their personal evaluation as to whether the objectives were met, whether the presenters were effective, etc?
- Level 2: learning / knowledge e.g. skills; information; attitude change. What was learned, what specific knowledge or skills were gained?

- Level 3: behaviour e.g. job behaviours regarding organisational expectations of leadership. At this level the person is able to demonstrate they have acquired skills and use them in their workplace.
- Level 4: results e.g. profits, ROI, costs, quality, retention rates, sales, morale. This means that the new knowledge, skills and behaviours that the person acquires leads to actual results that improve the operation of the person, team or organisation.

Hannum (2004) recommends using a combination of methods so that outcomes can be assessed at different levels. Individual outcomes are most appropriately assessed by daily evaluations, end of initiative evaluations, interviews, learning surveys, change surveys, and behavioural observation, group or team outcomes by focus groups and dialogues, and organisational outcomes by ROI, workplace statistics, document analysis, analysis of organisational systems and processes, appraisal of customer satisfaction, climate survey retests, and culture survey retests. In choosing techniques, attention must be paid to the leadership needs addressed by the initiative, the type of data preferred by stakeholders, and the levels of mastery targeted.

Other tools to help assess success at the various levels include employee surveys, whose results can be linked to performance reviews to measure if managers are seeing changes after training, performing 360 degree assessments before and after the training, tracking the number of employee relations issues that arise before and after training, and comparing the organisations benchmarks with those of the leaders in the industry or others with acknowledged best practices. Key in measurement success is to make sure that the organisation does not wait until the end of the program to measure. It is important to be able to diagnose problems along the way so that the organisation can readjust (HR Focus, 2006).

Further evaluation methods include Bar-on-EQ-I which is a self assessment instrument used over time to measure progress in leadership skills acquisition or the Lockwood leadership assessment which can be used to obtain a fuller picture of the progress in leadership development (Wilson, 2004).

## **METHODS TO DEVELOP LEADERSHIP**

Another important aspect of the leadership development strategy is the leadership development method, that is, what means will be used to develop the leaders.

Three approaches exist for leadership development, namely the single solution approach where organisations rely primarily on one method to build leaders, the multiple solution approach that entails organisations using an array of leadership development options and the integrated solution approach to leadership development. The integrated solution approach brings together and unites an array of development options so that they can add value to one another (Weiss and Molinaro, 2006). It is the most effective approach to building leadership capacity and overcoming the leadership gap because the approach ensures that all developmental options are focused on helping the organisation gain competitive advantage. The approach involves creating a comprehensive strategy for leadership development and implementing the strategy effectively (Lockwood, 2006).

Organisations use four broad types of leadership development options when developing their leaders: assessment options, coaching options, learning options, experience options (Lockwood, 2006).

Melum (2002) outlines the following classification of methods to develop leadership. Content specific programs expose leaders to new trends in leadership and provide opportunities to exchange ideas with peers. Competency building programs develop or refine an individual's skills and help leaders deal with the demands of the job. Experiential learning programs facilitate overall personal and professional growth through structured learning simulations. Interventional programs focus on issues related to performance and career progress. High performance coaching invests in top performers to ensure ongoing high performance and to promote successful successions.

According to Cacioppe (1998) leadership development activities that contribute to the strategic business direction include competencies, strategic team projects, job rotation, leaders developing leaders, business game simulations, learning organisation simulations, case studies, strategic planning sessions and future searches. Activities that build leadership, team and interpersonal skills include project

work, problem solving team exercises, leadership models, role plays, interpersonal skills, development centre. Activities that can aid in self development include 360 degree feedback process, coaching, group feedback, health appraisal, personality questionnaires, learning journals, on the job and follow up.

Other methods include external leadership training programs provided by universities and executive education or professional organisations, internal leadership training programs, stretch assignments to help individuals develop new skills and competencies and international assignments to offer diverse experiences (HR Focus, 2002).

### **THE ENVIRONMENT NECESSARY TO FACILITATE LEADERSHIP DEVELOPMENT**

Vardiman, Houghton and Jinkerson (2005) state that environmental factors are necessary for leadership development. Understanding the conditions that support the emergence of leadership is critical to creating an environment that not only promotes and encourages leadership development but also removes the roadblocks that prevent people from stepping out and taking leadership roles. By simultaneously focusing on the importance of both individual leadership characteristics and organisational contextual factors, organisations may find it possible to increase the development and growth of leaders at all levels. The ideal leadership development culture is an organisational learning orientation that seeks and shares new knowledge, the effective use of measurement, assessment, and feedback in developing leaders, growing and retaining leadership talent and sense making or reflective learning. The importance of leader developers is emphasised, that is, those who incorporate the development of others as a central work activity.

### **WHO SHOULD BE TARGETED FOR LEADERSHIP DEVELOPMENT**

An important part of the leadership development strategy is to identify the participants that will be developed.

The leadership development strategy should outline what levels are targets for leadership development (Alimo-Metcalfe & Lawler, 2001). Leadership development

can be targeted at individuals, work groups or teams or even the organisation as a whole (Martineau, 2004).

High performance organisations believe that everyone is a candidate for development (Zenger and Folkman, 2003). It is important that the target of leadership development is both the individual and the organisation (Melum, 2002). Alimo-Metcalfe and Lawler (2001) recommend that development of leaders at all levels is best practice as organisations are now so complex that the role of the leader is beyond the abilities of just one person or a small group of leaders. Work in the 'learning organisation' suggests leaders are needed at all levels. Leadership skills can and must be cascaded throughout the organisation. A leadership development strategy could focus on opportunities to develop women as women bring new perspectives and values to organisations but need development in terms of self-confidence (Training Journal, 2004). Lockwood (2006) also adds that a leadership development strategy should ensure a diverse mix of people in the leadership pipeline thus adding to the available skills in an organisation.

### **WHAT SHOULD BE DEVELOPED**

This part of the leadership development strategy is linked to determining the characteristics of an effective leader. This is a complicated task because firstly there is no consensus to what makes an effective leader and secondly, effectiveness can be defined in different ways.

Morrison, Rha and Helfman (2003) identify the following as some pertinent skills that chief executive officers and human resource development professionals need to be mindful of in order to maximise the potential of their leaders. These include emotional intelligence, assertiveness skills, instrumental skills, interpersonal skills, system skills, and creative imagination.

Cacioppe (1998) states that elements of an effective leadership development experience should improve self knowledge and self worth, reshape mindsets, improve abilities; skills and relationships and should have a global focus.

Allio (2005) states that the leadership development recipe comprises the following: knowledge (successful leaders fully understand their industry, business operations,

and profession or field); strategic thinking (this involves balancing long and short term thinking, understanding intended and unintended results, and creating vision and strategy based on innovative thinking); communication skills (effective communication enhances cooperation and team productivity); and self-awareness (leaders who know themselves well have a baseline for skill development and the opportunity to identify their shortcomings, seek feedback and continue to learn).

Leadership competence results from the development of self management (self awareness, the ability to balance conflicting demands, the ability to learn and leadership values), social capabilities (the ability to build and maintain relationships, the ability to build effective work groups, communications skills and the ability to develop others), work facilitation capabilities (the ability to think creatively and the ability to initiate and implement change) (Yeo, 2006).

Since today's leadership roles are increasingly complex and diverse, the role itself determines certain key skills. Operational roles such as the more traditional management positions require self confidence and flexibility. Advisory roles that provide support in a specific area, for example human resources, require excellent people skills, influence and organisational knowledge. Collaborative roles that accomplish work through others are highly proactive, requiring tenacity at gathering information. Overall, the more strategic and sophisticated the role, the wider the essential repertoire of leadership skills (Lockwood, 2006).

## **THE STRATEGY**

There are certain key success factors to devising a strategy that will ensure maximum results. Hurt and Homan (2005) state that a leadership development strategy should connect leadership to business goals. Lockwood (2006) advises that each leadership development program should be tailored uniquely to that organisation based on its assessments and resources. Linking leadership development to the organisations mission and strategic goals is a smart business strategy. Leadership development must start at the top and should involve all managers (Venn & Simerson, 2003). Cook (2006) states that a company should have a written policy on leadership development and a dedicated budget for development. Priority of leadership development is reflected by the average spend on development

per capita. A company should identify ways in which leaders can be formally recognised for the leadership activities they undertake. A successful leadership strategy holds leaders accountable for developing direct reports and provides incentive pay for leadership development. Leadership development should be embedded deeply into the organisation. This includes integrating the approach to and the practice of leadership development with the organisations mission, vision and business strategy, the culture of the organisation, the organisations other management processes and systems, such as performance management, reward and recognition, management information and succession planning and daily work. Top management must be champions. Leadership development simply cannot be delegated to others (Melum, 2002).

## **A MODEL FOR LEADERSHIP DEVELOPMENT**

Based on the theoretical foundation of the previous section the following model has been developed. The first dimension of the leadership development model involves answering the question why, in other words an organisation must determine the aim of leadership development. Organisations must understand their leadership development needs. They need to know what they want to achieve. Leadership development to be successful must target a specific business goal. Managers' aim in business is to increase wealth for the owners of the business. Investing in value enhancing activities does this. As with all strategies, the leadership development strategy should translate into goals to ensure that all are focused on what needs to be achieved. Goals can fall into a number of categories namely: build a bench strength of leadership talent, transform the business, help leaders become more effective and help leaders through career transitions. The leadership strategy should be linked to the company's strategy, goals, mission and objectives. All stakeholders should be included in the needs analysis when determining the aims of leadership development and top management should be involved by providing support and ensuring accountability for the process by all stakeholders. Measures should then be introduced to track progress against these goals. Following this recipe is the first step to success.

The next dimension answers the question who. This step involves determining the targets for leadership development. Leadership development should not be limited to a select group of people but should be targeted at all levels in the organisation. This will ensure a diverse mix of people of different genders, education level, ethnicity, personalities with different styles and abilities that can only strengthen the talent in an organisation.

Dimension three answers the question what, what aspects of the current pool of candidates are going to be developed. This step involves defining what the effective leader looks like in the particular organisation. The definition of an effective leader is subjective and there is no hard and fast rule, therefore an organisation needs to develop its own model. This will encompass determining the competencies, skills and behaviours of the effective leader. This must be communicated to the participants so that there is no ambiguity as to the goal to work towards. Once the effective leader is defined, an assessment needs to be done of the participants compared to the organisations model of the effective leader and any gaps should be identified. These gaps will then incorporate the dimensions of leadership that will be developed. Processes and procedures should also be set up to ensure accountability and commitment from the participants because leadership development is a team effort and both the organisation and the individual have a role in ensuring the development strategy works.

The next dimension answers the question when. This dimension serves to remind all that development should be continuous and not a once of event. Leadership development is ongoing and constantly evolving. Leadership effectiveness does not happen overnight. Add to this the ever changing circumstances in which business operates and these equate to an evolving paradigm for leadership development. The strategy must continuously be evaluated and revised to fit the circumstances as they change.

The second to last dimension answers the question how. This step involves determining the methods that will be used to develop leadership. The methods are numerous, and depend on the aims of the leadership development and the aspects

of leadership to be developed. The key is to use a combination of methods and to ensure the various methods are integrated.

Finally, the last dimension answers the question where. Although organisations say they want to develop leadership, they fail to understand the implications and do not create an environment in which such leadership can thrive. Organisations should ensure that the strategy fits well with the culture of the organisation and that the environment encompasses the attributes of a learning organisation. In this environment, leaders thrive without the fear of making mistakes.

There should be integration of the elements within each dimension as well as integration between each dimension. Having correct metrics to measure and evaluate the strategy is important. Adhering to these principles will definitely alleviate the burden of developing, implementing and evaluating an effective leadership development strategy that will ensure value is added to the organisation.

**Figure 1: Conceptual leadership development model**



Source: (Lockwood, 2006), (Locke & Tarantino, 2006), (Moore, 2004), (Alimo-Metcalfe & Lawler, 2001), (Ready & Conger, 2003), (Wilson, 2004), (Weis & Molinaro, 2006), (Vardiman, Houghton & Jinkerson, 2005), (Martineau, 2004).

## **THE STUDY**

This study sought answers to the following questions:

- What are the elements of an effective leadership development strategy that results in the development of leaders able to cope with the challenges facing business today?
- What best practices exist in leadership development?
- What lessons can be drawn from the leadership development strategy of a manufacturing organisation?

Interviews were conducted with the human resource manager and the trainer to obtain details about the leadership development strategy implemented by the case organisation. E mail questionnaires were administered to the 68 participants of the leadership development program with the intention of evaluating the leadership development program and strategy. Only 30 completed forms were returned representing a response rate of 44%.

## **FINDINGS OF THE STUDY**

Leadership development in the case organisation is a relatively new concept that was developed and implemented in 2005. The aims of the strategy is to retain critical skills, develop internal leadership talent and enhance overall organisational performance. All levels in the organisation were targeted and leadership gaps were identified via the assessment centre method. The aim of the assessment was to provide an assessment of Ucar's pool of human talent and capacity and their related development needs as well as to give people insight into their own capabilities, strengths, needs and development challenges. A competency matrix was established for the seven different levels of the organisation and the strategy was to develop from poor performance to full performance, and full performance to exceptional performance. Coaching and mentoring was the dominant leadership development

method where the aim is to help the individuals to confront their fears, to build their individual confidence, deepen their insight and understanding of leadership. The performance management system is the means by which all parties are held accountable for leadership development. The organisational culture is one that facilitates openness and learning but is still in the transition stage from the previous intimidating culture enforced by the previous leadership. No formal evaluation and measurement system exists to determine if the strategy is working but feedback from the executive team and operations managers indicate that it is.

The majority of the participants believe in the value of leadership development and view positively the fact that the case organisation is trying to develop its people. The program however has not necessarily increased the loyalty of the employees.

The participants understanding of the aims of the leadership development strategy of the company is in line with the aims articulated by the Human Resource Manager.

The accuracy and the effectiveness of the assessment centre as a development tool to identify gaps in leadership has been confirmed.

The leadership culture and environment is one that is generally driven by senior management to establish order and control. The organisation has a shared direction about the future and leaders and employees all are in agreement with this direction and the way to achieve this direction. The Company also acknowledges unpredictability and diversity of thinking and approach and the role of leadership within the organisation is to create an environment in which staff is encouraged to challenge and progress.

The following have developed as a result of the LDP, namely, the participants are more motivated, have more insight into themselves, are more confident, challenge more, accept change, have increased credibility, have a bigger/broader/wider view, think out of the box, have improved their leadership, were able to display leadership and vision as a result of the increased knowledge and understanding gained from the program, the quality of their leadership contribution has been significantly influenced, the participants are taking a more proactive leadership role, participants have better insight into their leadership capabilities, participants thought about their own qualities in leading effective operations, and participants have been able to apply the

leadership qualities developed through the program to deliver results. The managers have become more effective as leaders and have developed positively in their role as coaches. The program however has not been successful in retaining the employees within the organisation.

The core competencies that have developed as a result of the LDP are improving peer relationships, improving customer focus and improving health, safety, environment and quality performance while the core competency “drive for results” was not as significantly influenced.

Barriers to leadership development in the case organisation are reluctance of individuals to change, to introduce new ideas and concepts; competition with other initiatives and priorities; insufficient time devoted to leadership development; unsupportive organisational culture and lack of career opportunities, while poor role modelling by existing leaders, insufficient support from senior managers, lack of consistent reinforcement of the leadership development program, poor links between the leadership development initiative and the organisation’s strategy, insufficient support generally within the organisation, unrealistic expectations of outcomes and results, limitation of the facilitator/mentor/coach and limited time of the facilitator/mentor/coach were not considered to be barriers to leadership development.

## **LESSONS LEARNT FROM THE CASE ORGANISATION**

1. The case organisation provides an excellent example of a company that realised the value of their human resources in overcoming the challenges being faced by the company. They also realised that their leadership resources were in scarce supply and that as a result of this they needed to develop their leadership pipeline.
2. Leadership development is an important aspect of a retention strategy, but is not the only factor that contributes to retention. Other aspects such as career opportunities need to also be investigated as part of the strategy.
3. The case organisation provides an excellent example of the integration of leadership development to the performance management system. The assessment centre method was utilised to identify leadership gaps, and the

feedback from the assessment as well as the line manager's appraisals of their performance are utilised by the participants of the leadership development program to draw up learning and development plans. Progress on leadership development is followed up utilising the performance management system.

4. The case organisation also provides an example of targeting individuals at all levels within the organisation for leadership development and the challenges this poses in terms of tailoring the strategy to meet the culture of the different targets.
5. The study confirms that the assessment centre method is a valid leadership development tool.

## CONCLUSION

This study confirmed the complication of developing a leadership development strategy. There are many methods and practices but finding a combination that works is challenging. It can be done, and the first step is to make the efforts to do it. The strategy should always be fine-tuned to take into account the challenges but it is important that this does not deter companies from investing in leadership development. The world is not getting any easier, and a leadership development strategy is the only answer to surviving.

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