

University of KwaZulu-Natal

**The Impact of Leadership Development in the Acceleration
of Black Talent in JSE-listed Companies**

By

Mncane Mthunzi

217080217

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**Graduate School of Business and Leadership
College of Law and Management Studies**

Supervisor: Prof Cecile Proches

Co-Supervisor: Dr Bhasela Yalezo

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DECLARATION

I, Mncane Mthunzi, declare that:

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- 2) This dissertation has not been submitted for any degree or examination at any other university.
- 3) This dissertation does not contain other persons' data, pictures, graphs or other information, unless specifically acknowledged as being sourced from other persons.
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ABSTRACT

This research examined the impact of leadership development on the acceleration of black talent to executive levels within the JSE-listed companies. Leadership development initiatives of different companies were studied to understand their impact, if any, on the acceleration of black talent. This study further sought to reveal and analyse the challenges in the lack of advancement of black talent in JSE-listed companies, including how they can be overcome. The aim of this research was to examine the impact of leadership development on the acceleration of black talent to top management or executive level positions in JSE-listed companies. The study outcome provides practical guidance to companies on how they can accelerate black talent to executive levels in JSE-listed companies by using the recommended leadership development initiatives. The research looked only at JSE-listed companies, using their market capitalisation for segmentation which ranged from small-sized, mid-sized and top-sized companies. The research method used for this study was exploratory in nature, which is a form of qualitative research, the form of data collection techniques aligned with qualitative research. The study used purposive, non-probability sampling, and the findings cannot be generalised. The goal of purposive sampling is to sample cases or participants in a strategic way so that those sampled are relevant to the research questions. The data were attained from 16 semi-structured interviews, which were conducted with different business leaders who were employed by, or who served on the board of directors of a JSE-listed company. The respondents included board chairmen; chief executives; executives and HR practitioners of different companies. The study should also contribute to the understanding of the challenges and barriers faced by black professionals in their pursuit to break the glass ceiling in advancing their careers to executive levels in JSE-listed companies. The key findings of the study indicated that there are many challenges facing the acceleration of black talent and these include inadequate participation of black talent in leadership development initiatives; prevalent overlooking of black talent for opportunities and institutionalised biasness in companies. The leadership development initiatives that the study recommends include the conversion of non-executives to executives; career sponsorships; stretch assignments and rotations; executive assistant initiatives. The study further recommends the needs for incentives and penalties to be considered in realising the acceleration of black talent to executive levels in JSE-listed companies.

GLOSSARY OF TERMS

AA	Affirmative Action
BBBEE	Broad-Based Black Economic Empowerment
BMF	Black Management Forum
CCPs	Central Counterparties
CCRED	Centre for Competition Regulation Economic Development
CEO	Chief Executive Officer
CIPD	Chartered Institute of Personnel and Development
DDI	Development Dimensions International
EAP	Economically Active Population
EEA	Employment Equity Act
EEC	Employment Equity Commission
ETF	Exchange Trade Funds
EUPCA	European Palliative Care Academy
FTSE	Financial Times Stock Exchange
GFC	Global Financial Crisis
GTM	Global Talent Management
HWI	Historically White Institutions
HRM	Human Resources Management
JSE	Johannesburg Stock Exchange
IFC	International Coaching Federation
IMD	Institute of Management Development
KSA	Knowledge Skills Abilities

LDI	Leadership Development Initiative
LDP	Leadership Development Programme
MNC	Multinational Corporation
OD	Organisational Development
PER	Price Earnings Ratio
ROI	Return on Investment
SIE	Self-Initiated Expatriate
TM	Talent Management
WFE	World Federation of Exchanges

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CHAPTER 1: INTRODUCTION

1.1 Introduction

According to the Commission for Employment Equity Report (2017), as far as top management representation is concerned, whites are only 10% of the economically active population (EAP) but occupy 68.5% of the top management positions. Of the remainder, 14.4% of senior positions are held by black Africans, while coloured and Indian people hold 4.9% and 8.8% of top management level positions respectively. The large-companies will also include the Top 40 Johannesburg Stock Exchange (JSE) listed companies and the index is the 40 biggest companies on the JSE, ranked by market capitalisation (market cap). The market cap of a company is the number of shares outstanding multiplied by the current share price (Courtney Capital, 2017). The Top 40 index is a fair reflection of what happens to the South African stock market as a whole, because even though it contains only 40 out of the roughly 400 shares listed on the JSE, it represents over 80% of the total market cap of all JSE-listed companies.

The Jack Hammer Executive Report (2015) revealed that the proportion of black South African executives fell from 15% in 2012 to 9.8% in 2015. While the executive teams of South Africa's top 40 companies are slowly becoming more representative, very few of these top black leaders are destined to make it to the pinnacle position in their companies. Of the 334 people who constitute the executive teams in South Africa's top 40 companies, 21% are black South Africans, but only half of them are currently in business strategy, operations or finance positions, and thus destined for company leadership.

Talent management and leadership development initiatives are at the core of the acceleration of black talent to the top management or executive levels of companies. The challenges need to be fully understood and the appropriate solutions and practical responses identified to assist in ensuring that JSE-listed companies reflect the demographics of our society at the executive level. The JSE is the oldest and largest existing stock exchange in Africa. It was previously known as the JSE Securities Exchange and the Johannesburg Stock Exchange (Black Management Forum, 2017).

Leadership development includes activities that improve the skills, abilities and confidence of leaders. Leadership programmes vary massively in complexity, cost and style of teaching, with mentoring and coaching being the two forms most often used to guide and develop leaders (Daft, 2014). Leadership development is a common process in succession planning, which aims to produce high-calibre leaders to take over senior positions when they become vacant. High performers are typically identified for these leadership development programmes, which may be longer-term and broader than programmes focusing on tighter end-goals (HR Zone, 2017).

Talent is a set of certain knowledge and valuable skills that are necessary for a company to run optimally, and includes abilities and aptitudes that can be developed by gaining experiences and skills. Exposure and approaches contributes to talent, i.e. talent is a total of human abilities, gifts, knowledge, intellect, views and character, as well as assertiveness, aptitude for learning and growth (Borisova, 2017).

Research shows that firms have some convergent, but also divergent, talent management practices (Stahl, 2012). A performance-driven vision of talent management is very common in talent management processes. Early studies on managing people indicate that organisations need to pay greater attention to internal talent, since managerial talent is just as likely to be present in those employees working their way up through the ranks as in managers hired from outside the organisation (Miner, 1973).

1.2 Background

This research examined how South Africa can achieve a sizeable number of black talent at the executive level within the JSE-listed companies. Leadership development initiatives of different companies were studied to understand their impact, if any, on the acceleration of black talent. Small-sized, mid-sized and top-sized companies in terms of market share were analysed.

The total market capitalisation of the JSE is approximately R13 trillion, while the nominal gross domestic product of South Africa is approximately R4,5 trillion. JSE-listed companies have a massive impact on the economy, including contributing employment, taxes and dividends, therefore it is imperative that they reflect the demographics of the broader society as far as its top management and executive leadership is concerned (Odhiambo, 2014). This will be good for the companies to reflect the demographics of its society throughout top management leadership in JSE listed companies. Following its research, the Centre for Competition Regulation Economic Development (CCRED) found that firms listed on the JSE have an important role to play in economic growth and industrialisation in South Africa (CCRED, 2017).

Black managers in higher positions job-hop from one company to another or start their own businesses when companies fail to provide for their career development (Nzukuma and Bussin, 2011). Also, entrepreneurship is stimulated by other pillars of the Broad-based Black Economic Empowerment (BBBEE) Act, namely preferential procurement and enterprise development (Nzukuma and Bussin, 2011; Valodia et al., 2018).

Andreeva (as cited in Ivanova, 2005: 72) defined the crisis of social identity “as a state of consciousness in which most of the social categories by means of which an individual defines himself and his place in society, seem to have lost their boundaries and their value”. Post-apartheid, the re-evaluation of identity caused the South African society to accept new values. This crisis of identity does not only occur when individuals face loss of status and opportunity in their newly assigned space in society (Ivanova, 2005; Korostelina, 2003; Malanchuk, 2005), but also in cases where they gain status and opportunity (Herriot and Scott-Jackson, 2002). Thus, in accordance with such cultural environment, black executives taking up senior roles are expected to fit into a culture that will never fully accept them (Fernandez and Alsaeed, 2014). This is due to the legacy of apartheid and racial profiling which reserved jobs for whites and expected the discriminated to foster new values rather than gain respect for their own.

According to Vass (2010), South African companies focus mainly on meeting legislative compliance by chasing targets instead of embracing transformation as a

strategic imperative. Companies, therefore, seek quick fixes like head hunting, poaching and salary incentives to achieve their targets. When blacks are appointed in top management positions, it is often in soft jobs with limited authority and minimal career prospects. Equity legislation and the emigration of skilled labour also force companies to chase targets, resulting in the mobility of black talent and a war for a limited pool of black professionals (Nzukuma and Bussin, 2011). According to Booyesen (2006), whites generally perceive blacks as incapable, despite the experiences, skills, and degrees they may attain (Valodia et al., 2018).

Whites, even as a minority which held absolute power previously, still hold the most economic and management power. Despite the presence of blacks in the political dynamics, they are yet to achieve some power in the context of management or organisations. Although, there are formal legalities that aim to focus on equality in the South African workplace, it is long road to substantially achieve equality due to the prevalence of societal discrimination and the past ideology of racial discrimination in existence. The argument stated certifies that despite the progress, there exists an apparent race gap at the decision-making level of management in South African organisations (Booyesen, 2007; Valodia et al., 2018).

Black incumbents are taking up senior roles in a corporate culture different from their own (Fernandez and Alsaheed, 2014; Khanyile and Maponga, 2006). Similarly, companies are not prepared to embrace black leadership as a result of their unfamiliarity with ethnically different leadership cultures (Jack et al., 2004; Vass, 2010). The research conducted by Dzivhani (2016) asserted a relationship between leadership and ethnicity. There is a large body of research that concludes the challenges faced by ethnic minorities to gain access to leadership positions (Ospina and Foldy, 2009). According to Elliott and Smith (2004), there has been a considerable slower rate of promotion for African-American managers as compared to white managers (Valodia et al., 2018).

Staff retention and commitment are mainly driven by organisational culture. Research on South African companies shows that those companies that focus on meeting legislative compliance by developing diversity, training and development policies will drive cultural change and embrace transformation as a strategic imperative (Vass,

2010). Though the executive teams of South Africa's top 40 companies are eventually gaining representation, it is very rare that black leaders make it to the top in their companies. It is imperative for the organisations to be more strategic about transformation, if their goal is to develop a cohesive pool of different leaders (Hammer, 2015), wherein they will be placed for influential roles rather than fulfilling the obligatory mandate of BBBEE Act. Frustration with corporate culture has forced many black individuals to seek alternate employment or start their own businesses (Nzukuma and Bussin, 2011).

The scarcity of black talent within the JSE-listed companies, equity legislation and the emigration of skilled labour have resulted in companies chasing numbers, which force black talent to be mobile (Nzukuma and Bussin, 2011). Human resource practitioners say the war for black professionals is fuelled by democracy, affirmative action and a skills crisis. Succession planning and internal career advancement should be part of the development plan to drive internal upward mobility (Vass, 2010). The lack of career path development contributes to the outward mobility or job-hopping of black managers (Nzukuma and Bussin, 2011; Valodia et al., 2018).

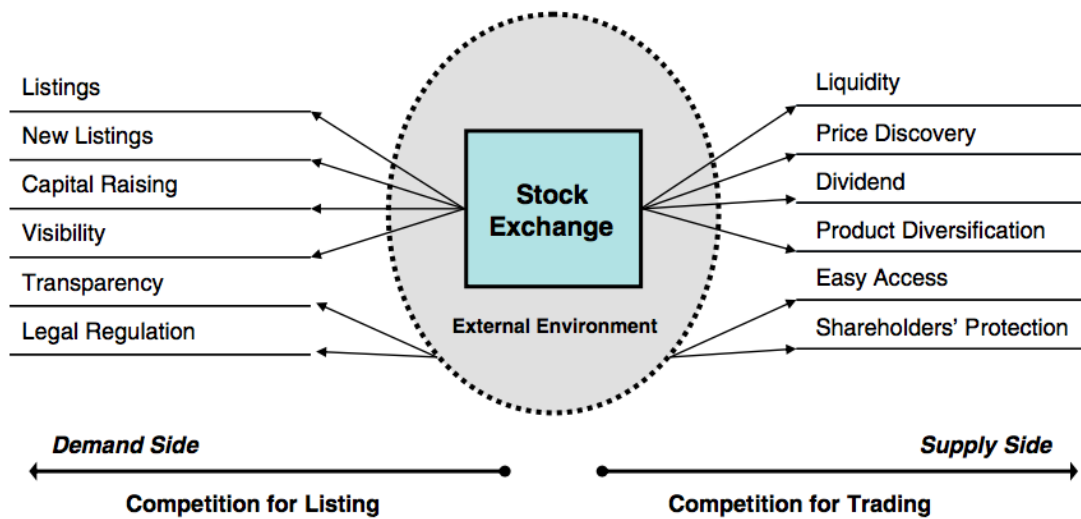
Change management and leadership development programmes have a poor record in most organisations, largely because they come up against a common challenge – incorporating different backgrounds into the existing one. Tasking managers with driving bottom-up cultural change provides leadership training in itself, but they require top-down support to succeed (Quinn and Quinn, 2016).

1.3 Generic Stock Exchanges Business Model

The stock exchange has played an important role in the modern economy across the globe by providing a channel for raising capital, price discovery, and information dissemination. The globalisation of the capital market has opened new era of stock market evolution in recent years. From an investor's point of view, investing domestically is no longer the only choice available, and money can be transferred to markets characterised by higher liquidity, lower transaction costs, higher profits and fewer barriers. As the heart of modern capital markets, stock exchanges still need to rethink their profit production process by providing better financial services to meet the

needs of firms as well as investors in adjusting to the changing environment. Therefore, the traditional role of the stock exchanges should rapidly change through the enforcement of competitive advantage and innovative development in order to secure their competitive position worldwide (Lo, 2013).

Figure 1.1: Listing and trading competition models for stock exchanges



Source: Lo (2013:502)

1.3.1 Analytical Model

From a worldwide capital market perspective, the tensions in terms of regional stock exchanges relate to the attraction of more listings as well as to a higher corresponding trading volume relative to rival peers (Pagano et al., 2001). From the viewpoint of the capital demand side, exchanges compete to attract new listings. From the viewpoint of the capital supply side, exchanges compete to provide superior trading services. Moreover, the listing decisions of firms, as well as the trading decisions of investors, are likely to depend not only on the characteristics of a specific stock exchange, but also on the institutional features of the country in which the exchange is located (Lo, 2013).

1.3.2 Competition for Listing

The attraction of stock market listings may depend on various characteristics of the exchange itself. In other words, exchanges may vary significantly in terms of size, international orientation, and market segmentation, and attract different types of firms (Karreman and van der Knaap, 2009). In practice, when exchanges provide a listing, they also provide other services at the same time: liquidity, the monitoring of trades, publicity, and a signal to inform investors that the issuing companies' stocks are of high quality (Lo, 2013).

1.3.3 Listings

The number of cumulative listed companies is commonly regarded as the basic knowledge of the exchange, implying an exchange's size and attractiveness to firms. Companies tend to be attracted by larger stock markets, because it is easier to access a larger pool of potential investors. Moreover, being listed on a larger stock market may give rise to greater visibility and reputation. The listing variable is used as a performance indicator in (Pagano et al., 2001; Serifsoy, 2008; Lo, 2013).

1.3.4 New Listing

Other than listings, the 'Number of newly-listed companies' for the current year is another frequently used indicator, implying an exchange's attractiveness to new firms. The yearbook of the World Federation of Exchanges (WFE) discloses this number as a key factor of a stock exchange's performance (Lo, 2013).

1.3.5 Capital Raising

Firms attach importance to trading costs, which is certainly linked to the fact that firms can raise capital cheaply from investors or intermediaries, especially those firms with new acquisition strategies. The price-earning ratio (PER) is usually used as the proxy. Since investors should translate their valuation into the PER, firms will be able to raise lower stock volumes or benefit from higher stock prices while the funding amounts remain constant (Wang, 2008 and Lo, 2013).

1.3.6 Visibility

In a firm's listing decision, how to gain more visibility, such as a better reputation and analyst coverage, is also important. Therefore, firms tend to look to list on larger markets. Bancel and Mittoo (2000) reported that the most important perceived benefit of a foreign listing in a larger market is the increased visibility and prestige, based on a survey of 305 European companies. One possible benefit of listing in a larger market is exposing the company to the attention of additional financial analysts, and thereby to a wider investor base (Baker et al., 2002; Lo, 2013).

Other than exchange-specific performance, some country-specific performance may affect an exchange's operation externally. Two aspects are frequently discussed: transparency and the legal regulation of a country's financial market (Lo, 2013).

1.3.7 Transparency

If a listing is seen as a preliminary step in a strategy of expansion and acquisition either domestically or abroad, a firm will naturally prefer a country where a financial institution's transparency is sufficient in evidence, and thus contracts are easily enforced and the bureaucracy is efficient (Klein, 2005). Financial institutional transparency is a key means of ranking the evaluation of stock market efficiency in the annual Institute of Management Development (IMD) World Competitiveness report (Lo, 2013).

1.3.8 Legal regulation

Firms also have to consider regulation and accounting standards. Coffee (2001) points out that strong legal standards tend to attract, rather than drive back, listings. As far as regulation is concerned, exchanges with strong protection for minority shareholders have received comparative higher listings (Klein, 2005). In the case of accounting standards regarding disclosure, countries compete to attract listings by designing a regulatory environment built around disclosure requirements that is expected to lower the cost of capital (Cantale, 1996; Fuerst, 1998; Huddart et al., 1999; Stulz, 1999).

Auditing and accounting practices is a key ranking indicator for the evaluation of business efficiency in the annual IMD World Competitiveness report (Lo, 2013).

1.3.9 Competition for trading

Competition for trading among the world's stock exchanges, and these are the factors considered by investors in their investing decisions. The attraction of stock market order flows may depend on various characteristics of the exchange itself. Investors obviously look for markets with smaller transaction costs, high liquidity, and better shareholder protection (Klein, 2005). For exchange-specific performance indicators, four aspects are frequently discussed: liquidity, price discovery, stock dividends, and product diversification (Lo, 2013).

1.3.10 Liquidity

Investors prefer lower transaction costs, which are met in brokerage commissions and taxes. However, transaction costs are in practice hard to estimate since trades occur in various ways, and they can therefore associate them with higher liquidity (Klein, 2005). In other words, higher liquidity increases investors' satisfaction if the stock market supplies immediate execution for an incoming order. The liquidity services, such as electronic trading venues, are often regarded as the key function of a stock exchange, and are valued by investors while they decide their selling/buying prices (Amihud and Mendelson, 1986; Brennan and Subrahmaniam, 1996; Lo, 2013).

1.3.11 Price discovery

Price discovery is literally defined as a market's attempts to find transaction prices that are close to the theoretical equilibrium. The contributions of a stock market's price discovery are widely discussed in the previous classical literature, for example, (Hasbrouck, 1995; Andersen et al., 2003). Investors prefer markets with greater flows of information, which results in higher volumes of trades (Klein, 2005; Lo, 2013).

1.3.12 Dividend

Investors tend to favour cash dividends more when they predict future uncertainty (Kahneman and Tversky, 1979; Thaler and Shefrin, 1981). The yearbook of the World

Federation of Exchanges (WFE) discloses the dividend percentage as being a key factor of a stock exchange's performance (Lo, 2013).

1.3.13 Product diversification

Both institutional and individual customers seek financial service institutions that can leverage their capabilities to provide a comprehensive range of financial products (Sheu et al., 2006). A firm's diversification strategy is one of the most frequently discussed topics and it is suggested that successful firms will finally expand their operations by diversifying their product offerings (Lang and Stulz, 1994; Palepu, 1985; Prahalad and Bettis, 1986). In addition to traditional stock share trading, more and more stock exchanges have provided an integrated market offering comprehensive service across securitised derivative products, exchange trade funds (ETFs), and investment funds, etc (Lo, 2013).

1.3.14 Easy access

Easy access that is typically defined as the accessibility of markets has improved with the deregulation of markets as well as the progress in technology. Easy access is a country level indicator rather than a stock exchange's technological progress. Capital markets accessibility is one of the key ranking indicators for the evaluation of market openness in the annual IMD World Competitiveness report (Lo, 2013).

1.3.15 Shareholders' protection

Fair access means that all market traders operate under similar conditions, where no one has a persistent advantage over another (Klein, 2005). Jain (2003) found that better shareholder protection rights and the enforcement of insider trading laws are related to lower spreads. In considering agency problems, the degree of shareholder protection against the misbehaviour of company directors is largely determined by the law of the country and by the way in which the courts interpret and enforce it. Financing activities are significantly reduced in countries with poor investor protection systems (Doidge, 2004; Doidge et al., 2004; La Porta et al., 1998). 'Shareholders' rights' is one of the key ranking indicators used in the evaluation of stock market efficiency in the annual IMD World Competitiveness report (Lo, 2013).

1.4 Stock Exchanges Global Perspective

Overall, the international exchange sector itself has performed well, according to the Financial Times Stock Exchange (FTSE) Mondo Visione Exchanges Index. The index hit a new record high in January 2018. Revenue gains in exchange market data businesses have driven industry growth. As exchanges continue to amend their operating models to diversify away from a dependency on transaction-based revenue, the global exchange industry continues to undergo a steady transformation (JSE, 2018).

Incumbent exchanges have been forced to dramatically expand their focus on new business segments because of weak trading volumes and emerging competition. However, attractive revenues from these services have invited some scrutiny and criticism. For example, potential conflicts of interest generated by exchange access fees and rebates, as well as the potentially market activity stifling effect of the monopolistic dominance of exchanges in the market data sphere, have been highlighted as potential problem areas (JSE, 2018).

Developments in post-trade services in the US and Europe have been driven by regulatory needs and competition for the provision of these services from a variety of non-exchange players. Examples are Cinnober's launch of a risk management offering for central counterparties (CCPs), the 2018 implementation of the Japan Exchange Group's TRADExpress CCP Risk system and the MiFID II regulatory reporting service launched by post-trade technology vendor Misys in partnership with Broadridge Financial Services (JSE, 2018).

In the information services space, analytics and indices continue to be sources of innovation, revenue growth and key areas for development for exchanges through organic and inorganic activities. Examples supporting this trend are Nasdaq's unique new platform, the Nasdaq Analytics Hub; the London Stock Exchange's plan to buy Citigroup's Yield Book fixed income analytics service; Thomson Reuters' incubator, Thomson Reuters LabsTM; and Moscow Exchange's announcement of its plans to work with fintech start-ups through MOES Innovations, a new subsidiary company (JSE, 2018).

Exchange traded funds (ETFs) continue their stellar growth and show a clear trend

towards more passive investment globally, led by the US. JSE statistics show a similar trend in South Africa, albeit off a low base. ETFGI, a leading independent research and consultancy firm on trends in the global ETF industry, reported that assets under management invested in ETFs listed globally breached the US\$4 trillion mark as at the end of April 2017. Also, retail investors flocking to passive products have prompted BlackRock to cut fees on 15 ETFs and market trends show a flat-lining or reduction in funds held by hedge funds, indicating that there may be a migration from hedge funds into ETFs. With 15 ETFs registered by December 2017, South Africa may be beginning to witness the same trend (JSE, 2018).

Bitcoin futures were launched for trading on the Cboe Futures Exchange in December 2017. This brings many benefits to market players, including transparency, efficient price discovery, deep liquidity and centralised clearing. However, the regulation around Bitcoin is still not bedded down. The continued acceleration of technological innovations will make competing with the JSE easier and put the JSE under pressure to adapt to new technology faster than it has historically done (JSE, 2018).

1.5 Overview of the study

The purpose of the Employment Equity Act, No. 55 of 1998 is to achieve equity in the workplace by promoting equal opportunities and fair treatment in employment, through the elimination of unfair discrimination and by implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups. This is done in order to ensure equitable representation across all occupational categories and levels in the workforce (Employment Equity Commission Report, 2017).

Booyesen and Nkomo (2014) state that the Employment Equity Act emanates from the Constitution adopted in 1996. Section 9(2) of the Constitution is specifically concerned with the achievement of substantive equality as opposed to formal equality (Dupper and Garbers, 2009). Substantive equality takes cognisance of structural inequality in society with a focus on remedy of this inequality (Coetzer, 2009: 93). The Constitution also states South Africa's vision for the kind of nation it aspires to be: "We, the people of South Africa, recognise the injustices of the past; honour those who have worked

for justice and freedom in our land; respect those who have worked to build and develop our country, *and believe that South Africa belongs to all who live in it, united in our diversity ...*” (Constitution of South Africa 1996: Preamble). This suggests an aspiration of creating an inclusive country that values its diversity.

Regarding inhibiting factors in the progression of black executives in their careers, Myres (2014) indicated that black executives experience high levels of racism. Achieving a critical mass of black executives would create an opportunity to adopt a blend between the current common Eurocentric management style and an Afrocentric one. Aspects of black culture can be detrimental to executives’ effectiveness, particularly the ability to confront other executives as superiors or colleagues. Creating a positive support environment for the black executive is important for the creation of a pipeline of executives. Having a supportive family background, and maintaining a positive attitude is key. Educational background no longer appears to be an inhibiting factor, as most executives have attended Historically White Institutions (HWIs). Most respondents had co-opted unofficial mentors at work during their careers. A distinct lack of visibility through substitute networks for the historical Anglo American model from schools and universities makes sourcing black male recruits difficult (Myres, 2014).

The goal of the Employment Equity Act is to achieve employment equity by (a) promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination; and (b) implementing affirmative action to redress the disadvantages in employment experienced by designated groups (Africans, Coloureds, Indians, persons with disabilities and women), in order to ensure their equitable representation in all occupational categories and levels in the workplace (Employment Equity Act, 1998). The intention of the Act is specified in Section 42 which reads, the demographic profiles of the national and regional economically active population should be reflected in the employment areas of designated employers. This reflection will show that the workplace is redressed and equality together with a diverse and representative workforce is achieved (Employment Equity Act 1998).

1.6 Problem statement

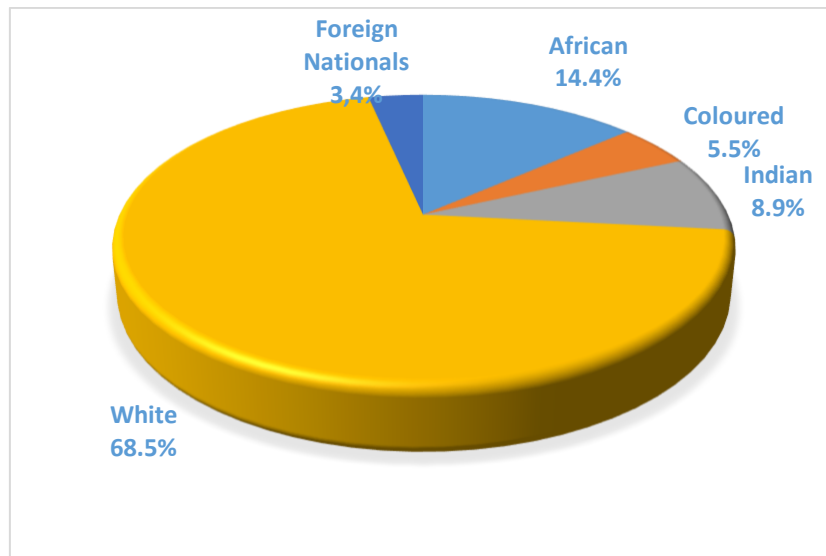
This research seeks to examine the impact of leadership development initiatives in the acceleration of black talent on the JSE-listed companies. The research problem is to explain the challenges in the process of development and advancement of talent that will produce a critical mass of black executives. It will scrutinise both the individual and organisational factors that influence black talent advancement or lack thereof.

The Top 40 index is a fair reflection of what happens to the South African stock market as a whole, because even though it contains only 40 out of the roughly 400 shares listed on the JSE, it represents over 80% of the total market cap of all JSE listed companies (Courtney Capital, 2017).

The Jack Hammer Executive Report which was released in late 2015, reveals that the proportion of black South African Executives has fallen from 15% in 2012 to 9.8% in 2015. While the executive teams of SA's Top 40 companies are slowly becoming more representative, very few of these top black leaders are destined to make it to the pinnacle position in their companies. Of a total of 334 people constituting the executive teams in SA's Top 40 companies, 21% are black South Africans. But, only half of them are currently in business strategy, operations or finance positions, destined for company leadership (Jack Hammer Report, 2015; Rhode and Packel, 2014). Essentially, there are about 70 black South Africans who are executives in the Top 40 JSE Listed companies. About only 35 of them have relevant experience and exposure to make them eligible for CEO positions, this is after 23 years of freedom and democracy in South Africa today (Black Management Forum, 2017).

Recent employment data from the Employment Equity Commission suggest slow transformation of the workplace (Department of Labour, 2017).

Figure 1.2: Workforce profile at the top management level by race in South Africa



Source: 17th Employment Equity Commission (2017)

As shown in Figure 1.2, the representation of the white group at the Top Management Level (68.5%) is more than six times their EAP. The Indian group at 8.9% is also over-represented at three times their EAP. On the contrary, the African group at 14.4% and the Coloured group at 5.5% are under-represented in relation to their EAP. African representation is more than five times below their EAP, while the Coloured representation is half their EAP (Employment Equity Commission Report, 2017).

Table 1.1: Workforce profile at the top management level by business type

Business Type	MALES				FEMALES			
	African	Coloured	Indian	White	African	Coloured	Indian	White
National Government	39.3%	6.6%	6.2%	10.5%	26.0%	3.0%	3.0%	4.8%
Provincial Government	47.4%	5.6%	2.4%	6.8%	28.4%	3.4%	1.5%	4.2%
Local Government	54.1%	6.0%	5.0%	8.2%	21.0%	1.3%	1.5%	2.6%
Private Sector	7.5%	3.0%	6.7%	59.1%	3.3%	1.7%	2.3%	13.0%
Non-Profit Organisations	22.5%	4.5%	3.5%	26.8%	13.0%	2.9%	3.4%	18.6%
State-Owned Enterprises	35.0%	4.3%	7.4%	16.2%	22.0%	2.8%	3.3%	7.7%
Educational Institutions	15.1%	4.6%	2.7%	35.8%	7.5%	1.8%	2.3%	26.2%

Source: 17th Employment Equity Commission (2017)

The private sector and educational institutions have an overwhelmingly White representation at the top management level (72.1% and 62.0% respectively), with White males featuring strongly in these sectors, as depicted in Table 1.1. Black people, the majority being African males, are most represented across all tiers of government, i.e. 65.3% in national, 75.8% in provincial and 75.1% in local government, as well as state-owned companies (57%). The foreign national population group statistics have been deliberately omitted (Employment Equity Commission Report, 2017).

Government (especially the provincial sphere) and state-owned companies are leading the way with regard to the representation of females, with special emphasis on African women, while the same cannot be said for the private sector and educational institutions. White women are more commonly found in the private sector, educational institutions and non-profit organisations (Employment Equity Commission Report, 2017).

The private sector shows a significant representation of male foreign nationals at the top management level, which is even higher than Black females.

Table 1.2: Workforce movement and skills development at the top management level

Workforce Movement	MALES				FEMALES			
	African	Coloured	Indian	White	African	Coloured	Indian	White
Workforce profile – all employees	9.8%	3.2%	6.5%	55.6%	4.5%	1.7%	2.3%	12.9%
Recruitment	19.4%	3.4%	5.6%	40.1%	9.6%	1.8%	3.5%	10.6%
Promotion	13.0%	5.0%	7.9%	37.7%	7.8%	3.4%	4.6%	17.4%
Terminations	14.5%	3.6%	4.9%	49.1%	7.2%	1.7%	1.8%	11.6%
Skills development	65.8%	1.8%	2.9%	17.0%	3.6%	1.2%	1.6%	6.1%

Source: 17th Employment Equity Commission (2017)

According to Table 1.2, white males continue to receive preference when it comes to job and promotion opportunities at the top management level. With regards to recruitment, African males are the next group to receive consideration, followed by White females, who are preferred over any other group for promotion after White males (Employment Equity Commission Report, 2017).

Masadeh et al. (2014) stated that many of us express concern for cultivating a positive organisational culture one that promotes high employee engagement. When it comes to culture we implicitly understand and accept that much of our experience in organisations is socially constructed. This means we hear similar messages, and assign shared meaning to our interactions because we have a common frame of reference that tells us what is valued and not valued. However, when it comes to framing leadership, we don't interpret it the same way. The lexicon of leadership places more weight on the individual, and less on the influence that the social system has in shaping managerial behaviour. In part, this jaded view of leadership is ironically very much a function of Western culture that places a premium on rugged individualism. The point, here, is not to dismiss individual behaviour, but to show how important social context is to the leadership and performance agenda. If you want to develop an effective leadership program, the social context of an organisation must inform the development process not cloud it. There are two basic strategies for using social context to inform leadership development: (1) focus at the level of the whole;

and (2) connect the dots between what is happening in the organisation and its social practices.

Cohen (2017) states that leadership development is an organisational process no different than other types of processes. The only difference is the purpose it is designed to achieve, and whether it is formal or informal. Informal processes are harder to observe, and to gauge whether they are working. Although the purpose of leadership development is relatively easy to explain, the presence of an informal social context makes the task more difficult. Therefore, before installing a formal leadership development programme, it is worth clarifying the social context so that senior management can decide if such patterns are supportive, or are constraints that need to be changed.

1.7 Research aim

The aim of this research was to examine the impact of leadership development initiatives on the acceleration of black talent to the top management or executive levels in JSE-listed companies. This study further sought to reveal and analyse the challenges in the lack of advancement of black talent in JSE-listed companies, including how they can be overcome. The study also provided practical guidance to companies and organisations on how they can accelerate black talent to executive levels in JSE-listed companies.

1.8 Research objectives

- To explore the challenges to advancing black talent in JSE-listed companies.
- To analyse the impact of leadership development initiatives on accelerating black talent in JSE-listed companies.
- To investigate to what extent there is institutionalised bias in the acceleration of black talent in JSE-listed companies.
- To provide recommendations on how black executives can be accelerated to leadership positions in JSE-listed companies.

1.9 Research questions

- What are the challenges to advancing black talent in JSE-listed companies?
- How impactful is leadership development to the acceleration of black talent in JSE-listed companies?
- How prevalent is institutionalised bias in the acceleration of black talent in JSE-listed companies?
- What are the practical recommendations for how black talent can be accelerated to leadership positions in JSE-listed companies?

1.10 Contribution of the study

This study will provide practical suggestions and recommendations to the top management JSE-listed companies and organisations in general that are being examined to assist in the acceleration of black talent to achieve transformation that reflects the demographics of our society. Different leadership development initiatives will be explained and how they could be successfully implemented. Current challenges, experiences and recommendations will be made for future research exploration on this subject matter. This study may contribute to providing solutions that could improve race relations and workplace transformation towards normalising and achieving sustainable business performance of JSE-listed companies.

1.11 Limitations of the study

The availability of participants was a limitation for this study as it only focused on executives or HR practitioners in JSE-listed companies. Time constraints served as another limitation to this study as some participants could not be kept out of their busy schedule for a lengthy period. This impacted on the time taken for each interview to be conducted and resulted in minimal time being available for the researcher to conduct each interview. The researcher mitigated these limitations by scheduling each interview according to the availability and comfort of each participant.

Lastly, owing to possible bias and subjectivity of the researcher, certain preconceived ideas on the topic and personal experiences might also have contributed to the

limitations. However, all efforts were applied in conducting a fair, objective, and unbiased study.

1.12 Dissertation outline

This study was undertaken with an approach of understanding the impact of leadership development on the acceleration of black talent in JSE-listed companies. Leadership development initiatives of different companies were probed, as were their impacts on the acceleration of talent, particularly that of black professionals. The following was explored in this study:

Chapter One: This chapter presents the research problem, explains the background of the study, outlines the research methodology used and provides the research questions to be answered.

Chapter Two: In this chapter, the literature review will be discussed in detail. An overview of the impact of leadership development initiatives and how black talent can be accelerated are outlined. The relationship between talent development and broader company performance will also be highlighted.

Chapter Three: This chapter describes the research methodology, data collection techniques as well as data analysis used on the study. The chapter also summarises sampling techniques and the usage of research instrument for data collection from the respondents, as well as the methods of data analysis.

Chapter Four: This chapter presents the findings and results from the interviews conducted with the respondents from small, medium and large JSE-listed companies.

Chapter Five: In this chapter, discussions and interpretation of study results from the research will be outlined. The findings of this study are compared and contrasted with the results of previous research, and a summary is provided which will determine if the study has indeed answered the research questions.

Chapter Six: In this chapter, the study objectives and the findings will be connected, a summary is provided which will determine if the study has indeed answered the research questions, and evidence will be provided which validate how the research questions have been answered. It also discusses what leadership development initiatives are more impactful than others, recommendations will be provided on how to address the research problem, limitations identified in the study will also be outlined, and solutions on how to overcome these limitations will be provided.

1.13 Summary

Chapter One was about the introduction of the study, which included the problem statement and the scope and the importance of the study, and defined leadership development and its significance in the acceleration of black talent to top management or executive levels in JSE-listed companies. The research focus and problem were clarified, as were the research questions and objectives.

The next chapter contains the literature review, which examines the literature pertaining to the objectives and questions that will be answered by this study.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

The research was aimed at examining the impact of leadership development initiatives on the acceleration of black talent to executive levels in JSE-listed companies. This study sought to reveal and analyse the challenges related to the lack of advancement of black talent in JSE-listed companies, as well as how they can be overcome.

There is substantial literature on leadership development, talent management and leadership theories. However, literature is limited on the other aspects of this study such as black talent in executive positions, institutionalised biasness from race perspective and on the JSE itself or South African based companies. This study was anchored on transformational leadership theory since it intently matches the research objectives and outcomes of this study. This chapter looks at different sources that are related to the research topic.

The following themes will be discussed in this chapter:

- Leadership theory and leadership development
- Development of black talent to executive positions
- Talent management
- Leadership development initiatives
- Institutionalised bias in business

2.1.1 Leadership and transformational theory

Leadership theory over the past 80 years has undergone a multitude of changes by employing various models of creation, consciousness and evolution (Smart, 1992). Mortimer (2009) provided an overview of the changes in the focus of leadership theory over time, stating that the emphasis has changed from developing leaders to developing learning organisations with a collective responsibility for leadership. Lichtenstein and Plowman (2009) highlighted that the majority of leadership theories focused on dyadic influence, primarily in the supervisor-subordinate relationship, and was developed and served as a basis for leadership discourse before the realisation

that a meso-model of leadership connects individual behaviours with organisational contexts, thus revealing far richer dynamics of interdependence and influence.

2.1.1.1 Leadership theories

Leadership literature reviews reveal that there is an evolving series of schools of thought with regard to leadership theories. Research brought about the great man and trait theories, resulting in many other theories including the transactional and transformational leadership theories. Whilst it is evident that theories developed during the early years were inclined to focus on the behaviour and characteristics of leaders who were successful, it is also evident that later theories began to consider an inclusive approach, viewing the followers' roles and the context of the calibre of leadership being practiced (Bolden et al., 2003).

As mentioned earlier, during the evolution phase, researchers developed and produced a wide range of leadership approaches, theories and models. The following leadership theories were analysed:

- The Great Man Leadership Theory
- The Trait Leadership Theory
- The Situational Leadership Theory
- The Transactional Leadership Theory
- The Transformational Leadership Theory

2.1.1.2 The Great Man Theory

Allio (2012) stated that, during the beginning of the revolution of industry, the Great Man Theory ruled the explanations of the leadership that existed during the time. Kutz (2012) added that the Great Man Theory encouraged the notion that genetics influence the superior leader status, suggesting that a leader was born with certain innate qualities and capabilities for leadership.

Avolio et al. (2009) pointed out that during the early days of the Great Man era of leadership, the main objective was to analyse an individual, who was most likely a male, and who was perceived to have great authority and power. The term 'Great Man'

dominated at the time, because people perceived leadership to be a quality that was predominantly male. Kutz (2012) supported this notion by saying that during these times the influence and powers of the leader came naturally, and being a visionary was not viewed as a necessity for secure backing from followers. It emerged that, in most cases, fear or respect was the basis for a leader's influence; under this model, it was very rare to have a leader's position challenged.

According to McCleskey (2014), the ideology was that only exceptional individuals possessed leadership characteristics. The study of leadership traits then came about as a result of the evolution of the Great Man Theory. McCleskey continued by saying that it was not surprising to note that the Great Man ideology still has supporters in this day and age. Typically, this support is evident in workplaces (Hofmeyr and Mzobe, 2012), where the promotion of females into senior positions in all sectors of the economy – including the South African government – remains a huge problem. This is particularly true in JSE-listed companies.

Rarieya (2013) also argued that people still believe that leadership positions in society and organisations belong to the male species, adding that these traditional societal gender stereotypes pose a fundamental challenge to women in leadership. According to Van Zyl (2003), leadership development programmes are an appropriate intervention for ensuring the acceleration of black talent to top management, as well as for ensuring gender representation. This will make an impact in assisting the JSE-listed companies to reflect the demographics of broader society.

According to Mkhize and Msweli (2011), the terms of employment equity policies and guidelines state that employment preferences in the workplace should be given to female applicants. This will ensure that the imbalance in the workplace that exists between males and females is dealt with effectively, most importantly at the senior levels of management.

2.1.1.3 The Trait Theory

According to Bolden et al. (2003), the Trait Theory evolved from the Great Man Theory, as researchers were seeking a method of identifying the key characteristics of

successful leaders. Some researchers were of the opinion that the key leadership traits of these leaders could be singled out through this approach. Anyone who demonstrated traits of this nature could then be engaged, hand-picked, and appointed as a leader. The military predominantly used this approach, and it is still practiced in some places as a selection criterion for candidates.

Kutz (2012) noted that the Trait Theory assumes that leadership traits are either naturally inherent to an individual or a godly quality that has been bestowed upon them. He added that since the traits are part and parcel of the natural identity of the individual, the person can at any stage be called up to lead effectively, regardless of how much time he may have been lying idle and not been involved in any leadership role. These have to do with being confident, assertive and bold in approach to management and leadership.

The Trait Theory of leadership also postulates that leader emergence and effectiveness is influenced by personality traits, and places strong emphasis on the belief that certain traits differentiate leaders from other individuals. If someone does not display those particular traits, they are deemed unsuitable as a leader (Colbert et al., 2012). It is imperative for black professionals to have these traits which will assist in propelling their careers to executive levels in JSE-listed companies.

Bolden et al. (2003) argued, however, that with traits being as numerous as they are, there is no reason to believe that an individual who does not possess some of the key traits would fail as a leader. They added that although consistency in the results was limited, some traits appeared more than others, including technical skills, kindness, task motivation, charisma, and emotional intelligence.

Some scholars have criticised this theory by saying that it focuses on a small set of individual attributes such as the Big Five personality traits, to the neglect of cognitive abilities, motives, values, social skills, expertise, and problem solving skills (Hoque, 2013). According to Hoque, the scholars further argued that the Trait Theory fails to consider patterns or integrations of multiple attributes; does not distinguish between those leader attributes that are generally not malleable over time and those that are

shaped by, and bound to, situational influences; and does not consider how stable leader attributes account for the behavioural diversity necessary for effective leadership.

Colbert et al. (2012) mentioned that the first half of the 20th century was dominated by leadership studies conducting tests that were influenced by the Trait Theory, which tried to identify common traits for effective leaders. However, after several years of such tests, it became evident that there was no consistency in the results of the traits identified. Such inconsistency created much doubt in the minds of the researchers, and this theory eventually lost its popularity.

2.1.1.4 Transformational Leadership Theory

The notion of transformational leadership was introduced by James MacGregor Burns in 1978, during his descriptive study on leaders involved in politics. Over the years this notion has found itself widely used in all fields of management and leadership studies, becoming the theory most subscribed to today (Odumeru and Ifeanyi, 2013). In examining the concept of transformational leadership, one has to begin by defining a transformational leader.

Odumeru and Ifeanyi (2013) defined a transformational leader as an individual who invigorates others, inspiring them to accomplish exceptional results, adding that a transformational leader is one who is very attentive to the concerns and developmental requirements of every one of his followers. Furthermore, a transformational leader transforms their followers' mental consciousness of issues by channelling them to view and deal with old problems in a completely different dimension, whilst stimulating, inspiring, and exciting them to go the extra mile in achieving organisational objectives.

McCleskey (2014) gave a similar definition, saying that a transformational leader is one who raises their followers' awareness levels regarding the importance and value of the desired results, and the ways and means of achieving these outcomes. Such a leader influences subordinates to lay aside their personal interests in pursuit of the organisation's success, while the level of their needs on Maslow's hierarchy of needs

is raised from concerns of lower level safety and security, to higher level needs for accomplishment and self-realisation (Scott, 2015).

Kutz (2012) added to the literature by summarising that the transformational leadership concept is the kind of leadership that inspires and motivates followers. He maintained that the inventiveness, appreciation, originality, and respect demonstrated by the leader helps him to effectively practice this leadership approach. Followers who are associated with transformational leaders admire and respect their leaders, because they are also given respect and admiration by their leaders.

According to Odumeru and Ifeanyi (2013), a number of mechanisms are used in transformational leadership to augment the morale, inspiration, and performance of followers. These include leading by example at all times, stimulating followers to take serious ownership and pride in their work, as well as knowing and understanding each one of the followers in terms of their strengths and weaknesses. This is in order to distribute and align the workload accordingly, so as to gain a good performance from every team member.

The Transformational Leadership Theory describes leadership that creates and instils positive change in the minds of the followers. The followers acknowledge the importance of ensuring that the interests of each individual team member are guarded by the same team members, whilst simultaneously considering group interests as a collective (Odumeru and Ifeanyi, 2013).

According to McCleskey (2014), as the transformational leadership style was being further researched, four key components of the concept emerged. The transformational leader displays these four components in different situations with differing levels of intensity, so that the anticipated organisational results are achieved by soliciting the efforts of the subordinates. These components are as follows (Bolden et al., 2003):

- Idealised influence – the extent to which the leader conducts himself in a commendable manner, demonstrating his beliefs and occupying a position that

motivates subordinates to align with him. The leader has strong principles, and his conduct is exemplary in the eyes of the subordinates.

- Inspirational motivation – the extent to which the leader communicates a vision that fascinates and inspires the subordinates, offering certainty about future objectives, whilst giving substance to the present responsibilities.
- Intellectual stimulation – the extent to which the leader challenges assumptions, invigorating and promoting subordinates' innovations by giving a structure for them to ascertain their association within the organisation.
- Personal and individual attention – the extent to which the leader addresses each subordinate's requirements whilst practicing as a mentor or coach, and providing respect to and recognition of the subordinate's value to the team. This satisfies and improves each team members' requirements for self-actualisation and self-worth, while simultaneously motivating subordinates to strive for more accomplishments and better personal development.

Bolden et al. (2003) argued that a differentiating factor for transformational leaders is their pro-activeness in a number of unique and different approaches. Transformational leaders strive to uplift the degree of maturity of the followers' needs, some of the needs being those of security, achievement, and self-development. The transformational leaders influence their subordinates to aspire to accomplishments, morality, and ethical standards at higher levels. The development of the organisation is optimised through the development of their followers, hence these elements are critical. Ultimately, high-performing organisations are built through high-performing employees (Bolden et al., 2003).

Yet critics of this theory have argued that a 'perfect picture' is portrayed by those who support this theory. Lee (2014) noted that the first and foremost criticism was that transformational leaders are represented as 'great men', with scholars writing about this theory highlighting a strong heroic bias in transformational leadership. This heroic leadership bias may naturally have detrimental consequences such as blind trust from followers and autocratic behaviour by leaders.

Lee (2014) further argued that followers risk fulfilling their leader's vision, however impractical, over-ambiguous or even deceptive it may be. Indeed, the extent to which the goal proposed by the transformational leader is for the collective good is often open to debate. Ultimately, there is no exact means to ensure that the new direction or vision proposed by a transformational leader is better or more promising than the existing organisational priorities, and the dangers can be considerable. Consider the case when the leaders' vision is intentionally deceiving or unethical; where would it direct the organisation?

2.1.1.5 Situational Leadership Theory

In 1968, Ken Blanchard and Paul Hersey developed the situational leadership concept, which focused on the actions of the leader in a given situation (McCleskey, 2014). This approach gave birth to a theory called the Situational Leadership Theory, which emerged as being very effective in encouraging communication between leaders and subordinates, while enhancing the quality and frequency of performance discussions and developments (Kutz, 2012).

McCleskey (2014) added that this theory suggests that effective leadership needs a logical comprehension of the situation at hand, which should then be followed by an appropriate course of action. The leader identifies the maturity level of his subordinates, and adopts a leadership style that will be most suited to dealing with the matter at hand. To gauge the maturity level of the subordinates, a relationship between their competency and commitment is used, allowing the leader to make correct judgements in terms of approaching the situation.

A typical example given by Kutz (2012) in this case would be that the delegation of supervision to subordinates with a high level of competency and high work commitment would be limited, whilst employees who exhibit shallow competency levels but have acute loyalty to their work need close supervision and guidance aimed at developing their competency.

Sharma and Jain (2013) argued that what may have worked in one situation will most likely not work in another, therefore it is crucial that the correct move is made and that

the most pertinent leadership style is employed in any given situations, as failure to do so may have serious consequences. Leaders find themselves having to lead employees from different backgrounds, who have vast differences in their competencies, experiences, and commitment to their work. This applies a great deal of pressure on them, with situational dynamics constantly changing, sometimes within a very short space of time. Under such circumstances, leaders still have to react appropriately and implement the correct leadership styles, leading their sections and their teams effectively, as expected of them in ensuring that the organisational objectives are achieved (Giltinane, 2013).

Critics of the Situational Leadership Theory have stated that the timing for the implementation of the course of action is pivotal; the wrong timing may yield completely different results from what may have been intended. For example, if the situation warrants an employee to be reprimanded or corrected immediately, a delayed action may be ineffective. On the other hand, a good response may not come about as a result of a speedy intervention (Sharma and Jain, 2013).

In addition, according to McCleskey (2014), three flaws with this theory relate to its consistency, continuity, and conformity. Also noted was its conceptual contradictions and ambiguities. McCleskey went on to say that as the concept of the Situational Leadership Theory is such that everything is decided on the spot as per the circumstances, the situation is very subjective as the leader changes his/her pace with the changing state of affairs. This has the potential to create dissatisfaction and division amongst the followers who witness flaws being practiced by their leaders.

Lastly, situational leadership models have been criticised by researchers and academics for having very few theoretical bases and little research support. For example, Blanchard's (2013) more recent publications do not clarify the relationship underlying the performance curve, despite its being central to the Situational Leadership Theory, leading to a question being asked about the extent to which the nature of this relationship has ever been satisfactorily demonstrated (Avery and Ryan, 2002).

2.1.1.6 Transactional Leadership Theory

Transactional leadership is a leadership style that relates to the way in which management leads, thus at times the term 'managerial leadership' is used. The Transactional Leadership Theory concentrates on the fundamental responsibilities of supervision, organisation, and the performance of groups. Its unique feature is that followers are encouraged by their leader to comply through a system of tangible rewards for good work and loyalty, and punishment for wrong-doing or poor performance (Odumeru and Ifeanyi, 2013).

Kutz (2012) concurred with the above, saying that transactional leadership in most instances constitutes the exchange of pay-outs, such as salaries or benefits in recognition of excellence, and that the approach resembles the traditional definition of a manager. McCleskey (2014) added that exchanges are used by the leaders in achieving their performance goals, having their required tasks completed, maintaining the status quo of the organisation, motivating followers by having contractual agreements, and channelling the behaviour of followers towards the accomplishment of set goals.

In return, transactional leadership gives followers the opportunity of having their self-interests fulfilled, reducing workplace anxiety, and allowing employees to focus on clear goals for the organisation (McCleskey, 2014). Furthermore, Odumeru and Ifeanyi (2013) commented that leaders using the transactional leader approach are said predominantly to wish to retain the status quo of an organisation, as opposed to wishing to turn things around, thus influencing the future.

It is also said that transactional leaders tend to think 'inside the box' when solving problems, as opposed to thinking outside the box as practiced by a transformational leader. Transactional leaders behave more like managers or supervisors, as they prefer micromanaging in order to spot faults and deviations in employees' work. This practice or leadership style is deemed most appropriate in crisis management, emergency situations, and for special projects that have to be executed in a specific manner (Odumeru and Ifeanyi, 2013).

Table 2.1 shows the differences concerning transformational and transactional leadership.

Table 2.1: Transactional Leadership and Transformational Leadership

Transactional Leadership	Transformational Leadership
<ul style="list-style-type: none"> • Is reactive. 	<ul style="list-style-type: none"> • Is proactive.
<ul style="list-style-type: none"> • Retains the status quo within the business culture. 	<ul style="list-style-type: none"> • Strives to transform the business culture by introducing innovative ideas.
<ul style="list-style-type: none"> • Assists workers to accomplish goals through pay-outs and penalties as laid down by the leader. 	<ul style="list-style-type: none"> • Assist workers to accomplish goals through elevated standards and ethical principles.
<ul style="list-style-type: none"> • Inspires subordinates by allowing personal interests to be the first priority. 	<ul style="list-style-type: none"> • Inspires subordinates by motivating them to consider interests of the team as the highest priority.
<ul style="list-style-type: none"> • Is management-by-exception: retaining the business norms; emphasis on corrective approaches to enhance productivity. 	<ul style="list-style-type: none"> • Offers personalised reflection: individualised conduct aims at each person as a separate entity in demonstrating consideration and support. Is intellectually stimulating: inventive and unconventional ideas are encouraged in addressing issues.

Source: Odumeru and Ifeanyi (2013:359)

It is important to add that, although the transformational leadership style may be the preferred leadership style, it will not always be effective in every situation. According to Alkahtani (2016), the maturity and experience of the leader has to kick in to ensure that the correct leadership style is immediately brought into play as and when required.

According to McCleskey (2014), critics of this theory have argued that transactional leadership practices tend to lead followers to short-term relationships of exchange with their leader. These relationships are inclined towards shallow, temporary exchanges of gratification, and often create resentments between the participants as destructive competition is created, and in the long run this can impair an organisation. Additionally,

a number of scholars criticise the Transactional Leadership Theory because it utilises a one-size-fits-all universal approach to leadership theory construction that disregards situational and contextual factors related to organisational challenges.

Fernandes and Awamleh (2011) added that transactional leadership behaviours did not even qualify for a “true” leadership label, since they are based on exchange and do not seek to motivate followers beyond the level that is required to avoid punishment or gain in extrinsic rewards. In most instances it is argued that a transactional leader does not make the effort to find out about subordinates’ excellence or the necessity to give compliments for expected good work. Accordingly, total reliance on this leadership style may cause performance and satisfaction to suffer in the organisation.

It is also argued that a transactional leader is inflexible in his expectations about his working relationship with his subordinates as he considers them to only have one responsibility; that of executing his given instructions without asking questions (Sultana et al., 2015).

Such an approach, according to Sultana et al. (2015), poses the risk of inducing an element of fear and exploitation on the subordinates’ part, which may have negative consequences for their overall output. The dependence on this one-way approach makes transactional leaders unwilling to talk about their own ideas or even consider ideas from their subordinates. This attitude frustrates and limits the element of innovation and creativity within the team, which ultimately stifles the growth of the organisation.

2.1.1.7 The Behavioural Theory

Behavioural theories of leadership are based on the belief that great leaders are made and not born. This leadership theory focuses on the actions of leaders and not on intellectual qualities or internal states. According to the behavioural theory, people can learn to become leaders through training and observation (Amanchukwu et al., 2015).

According to Bolden et al. (2003), different patterns of behaviour are observed and categorised as 'styles of leadership', and the interest in the behaviour of the leaders

has been stimulated by a systematic comparison of autocratic and democratic leadership styles. It has been observed that teams under these types of leadership styles perform differently.

Amanchukwu et al. (2015) argued that autocratically led teams will work well so long as the leader is present. The team members, however, tend to be unhappy with the leadership style and express hostility. Democratically led teams do nearly as well as the autocratic teams, but team members have more positive feelings and there is no hostility. Most importantly, the efforts of team members continue even when the leader is absent.

There are two kinds of leaders under the Behavioural Theory: the task-oriented leader and the people-oriented leader. The task-oriented leader is more concerned about the organisational structure, the task at hand, the operating procedures, as well as ensuring full control of activities; people motivation is not of primary importance. The people-oriented leader, on the other hand, is concerned about ensuring that the inner needs of his people are satisfied, thus this leader will seek to motivate the staff through emphasising the human relations. People-oriented leaders still focus on the task and the results, however they achieve them through different means (Bolden et al., 2003).

An illustration of the primary leadership theories and their focus are demonstrated in Table 2.2 below.

Table 2.2: Leadership theories

Leadership Theory	Focus
Great Man Theories	Based on the belief that leaders are exceptional people, born with innate qualities, destined to lead. The use of the term 'man' was intentional since, until the latter part of the 20 th century, leadership was thought of as a concept that is primarily male, military and Western. This led to the next school of Trait Theories.
Trait Theories	The list of traits or qualities associated with leadership exists in abundance and continues to be produced. They draw on virtually all the adjectives in the dictionary that describe some positive or virtuous human attribute, from ambition to zest for life.
Behaviourist Theories	These concentrate on what leaders actually do rather than on their qualities. Different patterns of behaviour are observed and categorised as 'styles of leadership'. This area has probably attracted the most attention from managers.
Situational Leadership	This approach sees leadership as specific to the situation in which it is being exercised. For example, while some situations may require an autocratic style, others may need a more participative approach. It also proposes that there may be differences in required leadership styles at different levels in the same organisation.
Contingency Theory	This is a refinement of the situational viewpoint, and focuses on identifying the situational variables that best predict the most appropriate or effective leadership style to fit the particular circumstances.
Transactional Theory	This approach emphasises the importance of the relationship between leader and followers, focusing on the mutual benefits derived from a form of 'contract' through which the leader delivers such things as rewards or recognition in return for the commitment or loyalty of the followers.
Transformational Theory	The central concept here is change and the role of leadership in envisioning and implementing the transformation or organisational performance.

Source: Bolden et al. (2003:6)

The most relevant and appropriate leadership theory for this study is Transformational Theory, as the research's main focus is on change and the role of leadership in the envisioning and implementation of transformation in companies, especially in JSE-listed companies.

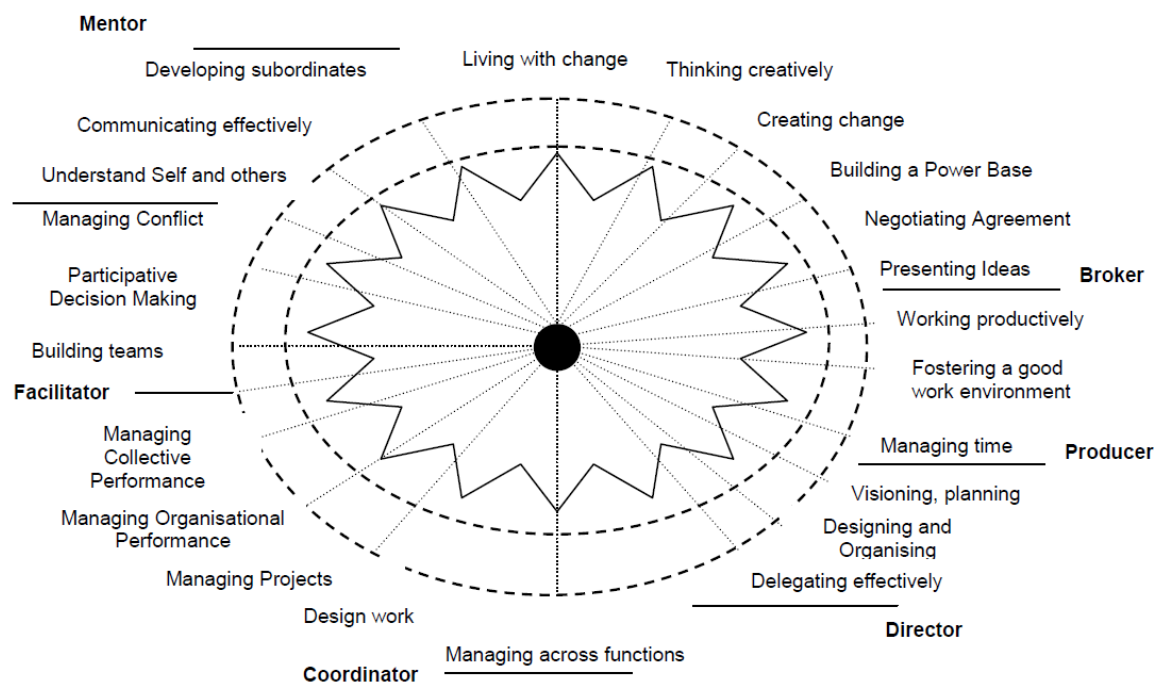
The Transformational Leadership Theory describes leadership that creates and instils positive change in the minds of followers. The followers acknowledge the importance of ensuring that the interests of each individual team member are guarded by the same team members, whilst simultaneously considering group interests as a collective (Odumeru and Ifeanyi, 2013).

The development of the organisation is optimised through the development of their followers, hence these elements are critical. Ultimately, high-performing organisations are built through high-performing employees (Bolden et al., 2003).

2.1.2 Leadership Development

Leaders who transition from operational to strategic leadership must assume these roles, which describe the “what” of leadership, to achieve long term strategic results and effectively deal with the situations and challenges they face (Appelbaum and Pease, 2003). Figure 2.1 is best explained in Table 2.3 where the leadership roles, descriptions and tasks are explained.

Figure 2.1: Generic leadership roles in organisations



Source: Ladyshevsky (2007: 435)

The global trends and challenges necessitate the assumption of leadership roles that are not necessarily displayed by an individual, but by a team in various situations (Appelbaum and Pease, 2003). Traditional, generic leadership roles cannot haphazardly be applied in all circumstances (Hernez-Broome and Hughes, 2004), as roles should be aligned with leadership competencies and skills that are essential to accomplishing critical tasks such as dealing with problems, setting direction, creating

alignment, and gaining commitment. Roles therefore need to be developed in alignment with “real world” leadership and business challenges.

Table 2.3: Leadership roles for leaders in complex organisations

LEADERSHIP ROLE	DESCRIPTION	TASK
Navigator	Clearly and quickly works through the complexity of key issues, problems and opportunities to affect actions (e.g. leverage opportunities and resolve issues)	<ul style="list-style-type: none"> • Identifies root causes quickly • Displays a keen sense of priority, relevance and significance • Integrates information from a variety of sources and detects trends, associations and cause-effect relationships • Creates relevant options for addressing problems and opportunities, and achieves desired outcomes • Translates complex situations into simple, meaningful explanations that others can grasp • Provides others with a relevant context for work • Overcomes personal and organisational biases in looking or data, avoids ‘not the way we do it here’ thinking
Strategist	Develops a long range course of action or set of goals to align with the organisation’s vision	<ul style="list-style-type: none"> • Continuously looks beyond the current year • Perceives what drives the business • Uses financial data for a successful business • Grasps big-picture, enterprise-wide issues across boundaries • Recognises risks and pursues actions that have acceptable levels of risk
Entrepreneur	Identifies and exploits opportunities for new products, services and markets	<ul style="list-style-type: none"> • Takes calculated risks to capitalise an emerging trend • Looks beyond the boundaries of the organisation for new growth opportunities (partnerships, new technologies, applications) • Turns threats (from competitors, government policies, and new technologies) into organisational opportunities
Mobiliser	Proactively builds and aligns stakeholders, capabilities, and resources for getting things done quickly and achieving complex objectives	<ul style="list-style-type: none"> • Leverages and integrates the capabilities of resources across all levels of the organisation to accomplish complex, multiple-level objectives • Anticipates and diffuses roadblocks to desired goals • Uses necessary and appropriate lobbying techniques to gain support for actions from decision-makers • Utilises creative networking approaches to identify contacts who can help in attaining goals • Develops alternative/ contingency plans • Empowers others relative to achieving the strategy
Talent Advocate	Attracts, develops and retains talent to ensure that people with the right skills	<ul style="list-style-type: none"> • Relentlessly identifies and secures high-potential talent

	and motivations to meet organisational needs are in the right place at the right time.	<ul style="list-style-type: none"> • Identifies the best people (internal and external), gets to know them, and stays in touch with them • Links development assignments to current and future needs of the organisation • Increases readiness of high-potential talent by providing developmental opportunities • Minimises challenges • to achievement, maximises the individual's likelihood for success • Builds and facilitates a culture that embraces development • Promotes employee retention by analysing and understanding its drivers
Captivator	Builds passion and commitment toward a common goal	<ul style="list-style-type: none"> • Conveys a simple, vivid picture of the organisation's vision and goals • Moves people from compliance to commitment • Instils others with a strong sense of belonging • Generates energy and enthusiasm through personal passion conviction • Keeps the message alive and ongoing
Global Thinker	Integrates information from all sources to develop a well-informed, diverse team	<ul style="list-style-type: none"> • Considers the implication of issues, decisions and opportunities beyond the boundaries of own country and culture • Understands the different perspectives and approaches in order to effectively handle cross-cultural challenges and individual differences • Identifies opportunities for global leverage
Enterprise Guardian	Ensures shareholder value through courageous decision-making that supports enterprise or unit-wide interests	<ul style="list-style-type: none"> • Refuses to trade long-term for short-term • Possesses the courage to make difficult decisions in times of success • Objectively upholds the interests of the organisation • Takes responsibility for unpopular decisions and their aftermath
Change Driver	Creates an environment that embraces change	<ul style="list-style-type: none"> • Sees the possibility for change • Recognises the need for change before it becomes critical • Sells ideals for change • Funds and supports the implementation of change

Source: Gauthier (2005: 7)

It is essential to note that these roles could be executed at different times, as the need arises, and at diverse stages of dealing with organisational challenges or implementation of the vision, mission and organisational goals, and that the emphasis is not necessarily on a leader being the focus, but on leadership as a whole. This, Graetz (2000) says, shifts the paradigm away from a traditional, hierarchical, top-down leadership viewpoint to an understanding that, to deal with complex challenges requires team effort, not necessarily in a formal capacity. Emergent leadership is the

construct through which he describes this type of leadership, and adds three further enacted roles, namely those of initiator, scheduler and integrator.

Roles describe the various contexts in which clusters of competencies are applied at various levels, and competencies describe behaviourally specific skills and abilities that impact effectiveness in those leadership contexts – and both competencies and roles are important to effectively capture aspects of leadership behaviour, explains Appelbaum and Pease (2003). An analysis of leadership competencies or skills required to deal with leadership challenges in complex organisations is herewith presented.

From a practical perspective, leadership development is seen as an increasingly important strategic imperative of an organisation. Moreover, in order to survive and succeed in the current turbulent and highly competitive environment, organisations need to develop leadership at all levels of the organisational structure (Grant, 2016). Success, survival and longevity of organisations depend on the selection of future leaders and their development, hence it is obvious that development of leaders capable of overcoming major difficulties is a considerable challenge for organisations of all sizes (Paulienè, 2017).

Management and leadership in organisations are complementary, although at times contradictory, roles, therefore it is very important to distinct a manager and a leader. Leadership is designed to address confusion, because the order and procedures are to a certain extent a response to the emergency of large multinational organisations – one of the most important events of the 20th century (Tichy, 1997; O’Toole, 2001). Without substantiated management, organisations plunge into chaos, causing a threat to their existence. Substantiated management promotes order and sustainability in such key areas as quality and profitability, however employees who are well managed may lose inspiration to achieve more. Only good leaders are able to continuously encourage this aspiration and to achieve extraordinary results with ordinary people. Good managers achieve the results of well-planned and well-performed tasks, but rarely experience great success resulting from the enthusiastic devotion that is inspired by true leaders (Kaufman, 2011).

Pauliené (2017) stated that competencies are about better performance, however there are no specific characteristics of successful leaders, as success depends on combinations of competencies. Individuals who have different competencies are able to successfully work in the same position, hence it is important to distinguish the key clusters of competencies. Considering the list of competencies based on empirical studies conducted in many countries around the world, which are essential for 21st century leaders and successful managers, three clusters may be identified (Boyatzis, 2007; McKee, 2007; Goleman, 1995):

- Emotional intelligence competencies – the ability to recognise, understand and use emotional information about oneself.
- Social intelligence competencies – the ability to recognise, understand and use emotional information about others.
- Cognitive intelligence competencies – the ability to think and analyse information and situations.

It is difficult to write a prescription for what constitutes excellence in leadership development. Variables such as work context, learning objectives, industry, participant composition and numerous other considerations might well result in contrasting leadership interventions of equal worth (Davis, 2014). Nevertheless, the literature does largely agree on some of the critical components of a good leadership development initiative. Haskins and Shaffer (2009), for example, identified 12 best practice principles of a good leadership development programme, which include winning CEO support; conducting a needs analysis; having a clearly defined target audience; and ensuring thorough post-intervention reviews and analyses. Perhaps, then, while the content and delivery mode for leadership development interventions will vary, the design, implementation and management of leadership development activities should conform to a quality assurance-driven process which includes some important steps. In this sense, at least, it is possible to define some key ingredients for excellence in leadership development.

According to Davis (2014), the first principle for quality leadership development initiatives commonly referred to in the literature is that organisations must objectively assess their leadership development needs through an organisational review. The

purpose of this review, or needs analysis, is primarily to identify leadership skill and knowledge gaps across the organisation so that the leadership development initiative is targeted at meeting the specific needs of the organisation. Addison and Cunningham (2006) suggested that the needs analysis not merely identify which current competencies leaders have, but also determine whether these competencies are adequate to serve the business. They also recommended that inadequate competencies, not only missing competencies, are identified and subsequently addressed in the leadership development initiative that follows.

Allio (2005) advocates authentic practice, i.e. to learn leadership through 'doing'. A good, contemporary example of leaders learning to lead outside of the classroom through physically engaging with others in the construction of leadership behaviours is through adventure retreats. Pollitt (2007) and Watson and Vasilieva (2007) provided examples of leaders engaging in building and restoration work in parks, for example, as ways in which leaders can develop many of the leadership skills and attitudes they will require back in the office.

Rapid changes in business, technology, political and social factors have called for the development of effective leadership skills and competencies. Consequently, leadership development programmes have become an increasing priority for business and government, and even social organisations. Highly successful organisations focus on creating a comprehensive set of assessment and leadership development practices that support a wide range of talents across the organisation (Groves, 2007; Casimir, 2001). Leadership is the art of getting someone else to do something you want done because he wants to do it – these words were spoken, since then many theories on leadership and leadership styles have arisen. This is especially true in a complex and challenging economic climate when companies are expanding activities across international borders and competition is on the rise, where leaders frequently find themselves in positions of responsibility without direct authority (Pauliené, 2017).

Meyers and van Woerkom (2014) stated that academics and practitioners agree that talent management continues to be one of the key challenges for organisations worldwide because it can represent a source of sustained competitive advantage in the highly dynamic and volatile market environment of the 21st century (Collings and

Mellahi, 2009; Farndale, Scullion and Sparrow, 2010; PricewaterhouseCoopers, 2012; Schuler, Jackson and Tarique, 2011). Building on other existing definitions (Blass, 2007; Tarique and Schuler, 2010), we refer to talent management as the systematic utilisation of human resource management (HRM) activities to attract, identify, develop, and retain individuals who are considered to be 'talented' (in practice, this often means the high-potential employees, the strategically important employees, or employees in key positions). Notwithstanding its importance, many organisations struggle to develop and implement effective talent management programs or practices (Vaiman, Scullion and Collings, 2012). On that account, scholars have started to look into the factors that impede the effective management of (global) talent. Factors that have been identified as challenges so far include a general shortage of talent in particular, of international management talent the fierce global competition for talent; and an insufficient talent supply for businesses in emerging markets such as India and China (Farndale et al., 2010; Kim and McLean, 2012; Mellahi and Collings, 2010; Tarique and Schuler, 2010).

Silzer and Church (2009) developed a three-dimensional model of potential that specifies how potential can be assessed. The first dimension of potential comprises stable cognitive and personality factors, such as general cognitive abilities, conceptual or strategic thinking, dealing with complexity, sociability, dominance, emotional stability, and resilience (foundational dimension). These factors are hypothesised to be indispensable for a broad range of future organisational roles and positions (Silzer and Church, 2009). The second dimension includes factors that determine the future growth and development of employees, for instance, adaptability, learning orientation, and career ambition (Silzer and Church, 2009). Factors in this dimension are also rather stable, but can vary in strength depending on the situation. The third dimension includes early indicators of skills (e.g., leadership skills, research skills) that can be further developed into end-state skills needed for specific career paths (Silzer and Church, 2009). Silzer and Church (2009) propose to generically assess the factors of the foundational and growth dimension for identifying potential, because they are required for almost any higher organisational role (Meyers and van Woerkom, 2014).

Meyers and van Woerkom (2014) further explain that when organisations design talent management systems in line with the exclusive/developable philosophy, they expect

to generate greater returns on training investments by offering development opportunities to employees with potential only. The idea is that if training is tailored to the initial abilities (potential) of promising employees, they will display a much steeper growth rate in their abilities than employees who do not display this initial potential (Papierno et al., 2005). This assumption has been challenged by scholars who argue that the mere designation as 'high potential' causes individuals to perform better regardless of whether they are true high-potentials or not (Burkus and Osula, 2011; Rosenthal, 2010).

Critiques also highlighted some challenges for talent management based on the inclusive/stable philosophy. They argue that talent management that emphasises stable employee strengths runs the risk of fostering a strong fixed mindset among the workforce (Biswas-Diener, Kashdan and Minhas, 2011). In a fixed mindset individuals believe that core talents are predetermined by nature and cannot be altered (Dweck, 2012). When employees fail, they will thus tend to attribute their failure to a lack of innate characteristics, which eventually leads to employees who are easily discouraged and avoid facing challenges (Dweck, 2012). In addition, a fixed mindset is related to low levels of resilience in the face of obstacles (Dweck, 2012; Yost and Chang, 2009).

At the very heart of the inclusive talent philosophy lays the ambition to develop ordinary employees into extraordinary performers. This ambition is on the one hand related to a pronounced growth mindset (Dweck, 2012). In a growth mindset individuals believe that all people have a "great capacity to adapt, change, and grow" (Dweck, 2012: 614). On the other, it builds on the fundamental assumption that individuals not only have the capacity but also the inner need to grow and fulfil themselves (Maslow, 1954). Within the inclusive/developable philosophy two approaches can be discerned. The first approach understands talents as individual "potentials for excellence that can be cultivated through enhanced awareness, accessibility, and effort" (Biswas-Diener et al., 2011: 106). This means that everyone has the potential to become excellent in a specific domain depending on his or her specific potential or strengths constellation (Biswas-Diener et al., 2011; Yost and Chang, 2009). It does, however, not mean that everyone possesses the potential to become, for instance, an excellent leader (Yost and Chang, 2009). In contrast to this, the second approach within this philosophy

assumes that everyone can become excellent in almost any domain (Colvin, 2010; Ericsson, Nandagopal and Roring, 2009). This implies that “experts are always made, not born” (Ericsson, Prietula and Cokely, 2007: 116). In particular, it has been argued that not a single innate factor—except for height and body size in sports—limits the maximum performance that an individual can achieve (Ericsson et al., 2007). Instead, the maximum performance of an individual heavily depends on the accumulative learning opportunities he or she had (Gladwell, 2008).

Meyers and van Woerkom (2014) stated that employee development under an inclusive/developable talent philosophy can have several forms. The first form is relevant when assuming that the achievement of excellent performance is partly dependant on an individual’s inherent potentials or strengths constellations (Biswas-Diener et al., 2011; Yost and Chang, 2009). Yost and Chang (2009) argue that, firstly, individuals have to be placed in adequate positions that allow them to deploy and expand their potential. Once individuals occupy a suitable position, HR and talent managers can stimulate employees to develop themselves by making use of stretch assignments, mentoring, networking, individual development plans, feedback, and reflection (Yost and Chang, 2009). Moreover, other researchers have argued that talent development initiatives need to teach employees how to use their given strengths wisely (Biswas-Diener et al., 2011). This implies that they (a) understand the strengths they own and how they interact with one another, (b) are aware of contextual factors that render the use of a certain strength appropriate or inappropriate, and (c) are able to regulate the use of their strengths (in terms of frequency and intensity) to make them fit the situation (Biswas-Diener et al., 2011).

Meyers and van Woerkom (2014) argue that the main aim of talent management practice is to develop future leaders and warrant the succession for management positions (Cohn et al., 2005). While deliberate practice can be used as a leadership development tool (Day, 2010), learning from experience has been proposed as another central aspect of leadership development (McCall, 1998, 2010; Yost and Mannion-Plunkett, 2010). Learning from experience strongly relies on on-the-job learning, which is particularly useful when it adheres to the following features: it takes place from the beginning of an individual’s career onwards, poses a challenge but does not overstrain the individual, and confronts the individual with new problems or

adverse conditions (McCall, 2010; Yost and Mannion-Plunkett, 2010). In addition, future leaders seem to learn a lot from either very good or very bad supervisors, action learning projects, extensive job rotation consisting of a number of strategic short-term assignments, and long-term leadership assignments (McCall, 2010; Yost and Mannion-Plunkett, 2010).

2.1.3 Development of black talent to executive positions in South Africa

The Employment Equity Act of 1998 was promulgated by the South African Parliament with the aim of achieving employment equity by promoting equal opportunities and fair treatment in employment through the elimination of unfair discrimination; and implementing affirmative action to redress the disadvantages in employment experienced by designated groups (Africans, Coloureds, Indians, persons with disabilities and women). This was done in order to ensure their equitable representation in all occupational categories and levels in the workplace. The intention of the Act is specified in Section 42, which states that the demographic profiles of the national and regional economically active population should be reflected in the employment areas of designated employers. This reflection will show that the workplace is redressed and equality together with a diverse and representative workforce is achieved (Employment Equity Act, 1998). Achieving the latter remains a challenge for a majority of organisations in South Africa, as recent employment data from the Employment Equity Commission suggest a slow transformation of the workplace (Department of Labour, 2017).

Executive coaching is one of the impactful leadership development initiative. Gantry et al. (2013) stated that there has been an increase in the amount of research on executive coaching in the past decade, some of which has hinted at the competencies or skills that coaches need. Carey, Philippon, and Cummings (2011: 51) stated that critical coaching models that include ideas such as “coach-coachee relationship, problem identification and goal setting, problem solving, transformational process, and mechanisms by which the model achieves outcomes”. In addition, Stern (2008) believed that coaches need certain knowledge and skills, specifically psychological knowledge; business acumen; organisational knowledge; and coaching knowledge,

tasks, and skills. Bono et al. (2009) compared a variety of attitudes and beliefs amongst psychologists and non-psychologists about their executive coaching.

According to Davis (2013), one solution is to make it mandatory that every leadership activity a developing leader undertakes, there is value added back to the organisation in some way. This could be through a presentation, a written report, a demonstration, an address, coaching others, contributing to a project, and so forth. This could be checked by a senior manager and assessed during annual performance appraisals. By making leaders accountable for the investment made in their development, it may well increase their level of engagement with development activities and so the ROI that the organisation derives from the venture.

The leadership development programmes would most assuredly benefit from a collaborative approach. Further, quality assurance is important in leadership development, and it is much harder to guarantee quality if the organisation engages contractors and then takes a 'hands-off' approach (Davis, 2013).

It is also the case that the Global Financial Crisis (GFC) has highlighted the need for leaders to be more transparent, accountable, moral and compassionate. Leadership texts call this type of post-GFC leadership "authentic leadership" (Yukl, 2013; Northouse, 2010), and it has an important place in contemporary leadership development initiatives. In summary, an important principle for modern leadership development initiatives is the incorporation of the concept of, and values associated with, global leadership.

In the initial years, executives focus on developing their functional and domain skills, and usually neglect developing business management and leadership skills, which are the key skills required at the top management level. The mid management level is not just about understanding the models, tools and terms used in key business functions such as supply chain / finance / human resources / manufacturing, as the middle and senior management positions in the current scenario resolve most of the complex cross-functional problems and play the role of integrators. This is by no means an easy skill that one can develop on the job – it requires conscious skill development. One needs to practice the art of business planning, keeping in mind the company's multiple

stakeholders and identification of patterns in the complex environment (Bandyopadhyay, 2013).

2.1.4 Talent management

One of the most common definitions of Talent Management is “activities and processes that involve the systemic identification of key positions that differentially contribute to the organisation’s sustainable competitive advantage, the development of talent pool of high-potential and high-performing incumbents to fill these roles, and the development of a differentiated human resource architecture to facilitate filling these positions with competent incumbents, and to ensure their continued commitment to the organisation” (Mellahi, 2009: 304).

Talent management has been described as “one of the most important human capital challenges faced by twenty-first century organisations” (Dries, 2013: 272). However, the labour market for talent is characterised by information asymmetry, which has been a topic of discussion among many economists (Autor, 2001; Baldwin, 1991). In particular, potential workers are not fully informed about the job characteristics and skills in demand, and employers cannot perform an exhaustive screening and evaluation of all applicants in the market pool for their required skills.

Meyers and van Woerkom (2014) mentioned that dictionaries define talent as a natural ability to be good at something, especially without being taught (Talent, 2013). Similar to this definition, lay people commonly understand talent as a scarce and genetically determined construct. Moreover, the assumption of innate talent is prevailing in the business context (Burkus and Osula, 2011). This assumption forms the basis of the exclusive/stable talent philosophy. This philosophy implies that the working population can invariably be divided into two groups: a small group of people ‘with talent’ (the A players, top performers, or star employees) and a much bigger group of people ‘without talent’ (the B and C players) or average and bottom performers (Axelrod, Handfield-Jones and Michaels, 2002).

Meyers and van Woerkom (2014) argued that the knowledge base on talent management has grown due to some valuable theoretical contributions, such as

several reviews on (strategic) talent management (Collings and Mellahi, 2009; Iles et al., 2010; Lewis and Heckman, 2006), a special issue on global talent management in *Journal of World Business* (Scullion, Collings and Caligiuri, 2010), and a special issue on talent management theory in *Human Resource Management Review* (Dries, 2013b). Nonetheless, ambiguities regarding definitions, theoretical frameworks, and empirically based recommendations for the use of talent management in practice persist (Collings and Mellahi, 2009; Lewis and Heckman, 2006). These ambiguities can often be traced back to dissimilar interpretations of the term talent: what is talent or who do we consider to be talented? These interpretations, in turn, are interrelated with fundamental assumptions and beliefs about the nature, value, and instrumentality of talent or, in short, talent philosophies. Recently, Dries (2013a) has identified five tensions about the nature of talent that mark talent management theory and practice. She addresses, amongst others, the questions of whether talent is an inclusive or exclusive concept and whether talent is innate or open to development. While we acknowledge that these two questions are not the only existing tensions about the nature of talent that possibly influence talent philosophies, we chose to focus on them due to their saliency and far reaching consequences for talent management practice.

The influence of career transfer to the higher organisational level have been studied thoroughly since Fleishman, Harris and Burt (1955) investigated the lack of sustainable effects of a leadership development programme attended by middle managers in a large private company (Rouiller and Goldstein, 1993). Through focus-group interviews they found that the effects of the programme apparently disappeared over time because of the lack of support from the superiors of the middle managers.

Practical advice was given by Wahlgren (2013) when he wrote that transfer is enhanced if the learner (in this case the manager being educated) experiences opportunities to discuss and reflect upon the application and use of what has been taught with his colleagues and supervisors. This could be done in regular meetings or in debriefing sessions. In addition, it is suggested that organisations start assessing the output (short-term perspective) as well as the outcome (long-term perspective) of the leadership education. Most organisations (private, public and non-profit) are evaluating all sorts of business aspects anyway, so why not evaluate the impact of leadership education as well? This will enhance transfer while linking leadership

development interventions with the overall organisational strategy. Last, implementing evaluations as a means of optimising transfer may also deliver data to organisations that allow them to argue for a return on investment in leadership development initiatives (Carter et al., 2012).

One of the biggest issues in talent management today is a skills gap, or a difficulty in filling jobs due to a lack of talent possessing the skills needed to succeed. Although several reasons have been suggested for why a skills gap exists, one of the primary culprits often blamed for such a lack is the education system. That is not to say that the education system is flawed, but that today's uncertainty and rapidly changing environment makes it difficult for higher education to have knowledge of and to keep up with the specific skills needed in the labour market (Bessen, 2014). Thus, rather than a skills gap problem, the issue really has more to do with a skills mismatch (Cappelli, 2015). One way to resolve this skills mismatch within the talent management process is to ensure that the supply the incoming workforce meets the demands and skills requirement of the labour market.

The question of who is responsible for talent acquisition and development has also been challenged in recent years. Although it is typically the responsibility of human resource department at large organisations, there has been an increasing need for individuals throughout the organisation and even beyond organisational boundaries to take a role in addressing the talent shortages and skills demand in today's economy (Cappelli and Keller, 2014). Companies face cutbacks and lack resources to fully manage and develop talent. Individuals are encouraged to take control of their careers, yet on their own they cannot know exactly what skills are needed or how to meet the challenges of a changing workforce. Uncertainty in demand for skills and competencies as well as uncertainty in having a labour supply that can meet changing needs makes the question of responsibility more important than ever.

In building talent pools, talent suppliers such as academic institutions can and should continue to focus on more generalised skill development for future employees, including problem solving, critical thinking, creativity, adaptability, and a variety of other skills needed to succeed in the labour market. In addition, these generalist skills could be balanced with specialist skills needed by employers in the short term. This

would require a constant review and refinement of the educational curriculum to make sure that the right skills are being imparted to graduating students and would help address the skills mismatch issue. This is now being done at a few institutions (Mehra, 2016). For example, community colleges in regions throughout California are taking industry engagement to new levels, developing deep and authentic employer partnerships that prepare future employees with the skills needed for high-demand jobs (Morgan Family Foundation, 2015).

One of the main issues in the relationship between the supply and demand of talent is information asymmetry. Prospective employees often lack information about the types and potential of jobs available and employers do not have complete knowledge about the availability of candidates and their skill levels. In the talent management process, employers are sometimes unable to determine exactly what characteristics and skills they are looking for in potential employees. This leads to skills mismatches such as an excessive supply of labour with possible skill deficiencies or labour shortages in jobs with new and changing skill requirements. Research indicates that both individuals and organisations are likely to have asymmetric and incomplete information about their value to one another (Matouschek, Ramezzana and Robert-Nicoud, 2011).

With the reality of ever increasing and inexorably advancing forces of globalisation, a more accurate understanding of the concept of talent management (TM) lies within a global context. This broader perspective of global talent management (GTM) includes the above basic characteristics of TM, yet are at play within a transnational and global field of exponentially greater variables, complexities, and interdependencies (Bruning and Tung, 2013; Farndale, Avinash, Sparrow and Scullion, 2014; Minbaeva and Collings, 2013). Within GTM, multinational organisations face the ongoing challenge of achieving a strategic balance between local adaptation and global coordination and integration of their business processes and associated talent management practices (Sidani and Al Ariss, 2014).

Much already has been written on the importance of talent management for various groups of employees, such as domestic employees and those staffing foreign operations. It has been examined that company-assigned expatriates within GTM as

involving high-potential talent development and global careers management (Al Ariss, 2014; Cerdin and Brewster, 2014). In this research study focus is somewhat neglected but certainly important source of global talent – namely, self-initiated expatriates and outline important issues pertaining to managing their talent in a global context.

A new important emphasis in GTM involves merging human resource management and knowledge management disciplinary perspectives into what Vance, Vaiman, Cosic, Abedi and Sena (2014) refer to as smart talent management. Within this conceptual hybrid, GTM can be considered as the effective management of all human talent throughout the global enterprise, which in a very real sense embodies an organisation's knowledge capital. Moreover, GTM policies and practices have a direct impact on the organisation's capacity to generate, acquire, store, transfer, and apply knowledge and information in support of company goals and objectives. With this merged disciplinary perspective in mind, the following discussion will touch upon each set of GTM activities listed earlier and examine their applicability to self-initiated expatriates (SIEs).

To better understand how organisations should manage the flow of talented SIEs, it is important to look at some key differences between assigned expatriates (AEs) and SIEs, including “distinct motivational drivers, diverse educational backgrounds, age and some other individual factors” (Doherty and Dickmann, 2013: 238). Among the most salient drivers that distinguish motivation behind AEs' and SIEs' decisions to take on international assignments is the location of expatriation, career considerations, as well as the status of the host country. SIEs, for example, are much more driven by the status of the host country, especially in terms of family considerations, career prospects, and perceived ability to adjust in that new environment (Doherty and Dickmann, 2013).

Retaining SIEs may be a challenging undertaking, given their motivational drivers to move abroad and seek employment in an organisation. For instance, their specific work attitudes and self-managing career considerations, as well as a clear tendency to be on the move, could prove to be problematic to employing organisations (Doherty and Dickmann, 2013). In addition, organisations should keep in mind that SIEs are more concerned with their personal development, as opposed to organisational

development, which may result in some conflicts that in turn can lead to turnover. Therefore, to keep their best SIE talent in the organisation, management should come up with mutually beneficial talent and career development strategies. To ensure long-term retention, it is essential for the SIE to perceive his or her future career interests as being satisfied through ongoing membership in and contribution to the organisation.

Al Ariss, Cascio and Paauwe (2014: 304) defined TM as “activities and processes that involve the systematic identification of key positions that differentially contribute to the organisation’s sustainable competitive advantage, the development of a talent pool of high-potential and high-performing incumbents to fill these roles, and the development of a differentiated human resource architecture to facilitate filling these positions with competent incumbents, and to ensure their continued commitment to the organisation”. The same authors recognise that TM systems should begin by identifying key organisational positions or mission-critical roles. This assumes a willingness to acknowledge the existence of strategic roles within organisations over non-strategic ones. Such an approach assumes that talent pools should be developed from which to fill these positions. Recruitment is therefore managed based on the requirements of the role in question, and it is implemented through a combination of “internal development and external recruitment” (Al Ariss et al., 2014: 308). The authors emphasise that organisations should aim to cultivate work motivation, organisational commitment, and extra-role performance among employees to achieve the best from their talent and to avoid turnover.

Al Ariss et al. (2014) stated that the hidden assumption is that such individuals are able to accumulate social, cultural, human, and other forms of capital that provide sufficient personal characteristics for them to be part of TM processes. In practice, such an elitist approach to TM impacts the individual level of TM. It excludes individuals who are in lower ranks in organisations, such as technical and operational workers who did not have the chance to accumulate the various forms of capital mentioned. On the one hand, they will have little chance to progress within their organisations. On the other hand, their organisations might miss the opportunity to develop people who may have played key roles in areas such as innovation, technical expertise, and also management. Thus, it is argued for broader inclusion of less privileged employees (in terms of their skills, jobs, positions in organisations, as well

as other factors such as physical disabilities), who also constitute an important element in the workforce. Furthermore, TM processes might also consider various forms of diversity, such as gender or intercultural competencies that internationally mobile professionals possess. With respect to gender, for instance, there is unequal representation of women in science, technology, and engineering professions across the world (Servon and Visser, 2011).

Al Ariss et al. (2014) further argued that at the intersection of the organisational and individual levels, challenges to women accessing leadership positions relate to lack of mentors, challenges in male dominated environments (e.g., oil exploration, cargo movement), and more family responsibilities than male counterparts. Ng and Burke (2005) focused on understanding women and ethnic minorities' career choices when seeking leadership positions. They collected data from a survey of 113 MBA job seekers, all MBA students from a mid-sized university located in Ontario, Canada, representing a mixture of gender, ethnic minority, and immigrant status. They concluded that women and ethnic minorities consider diversity management important when accepting offers of employment. Furthermore, highly skilled immigrants rate organisations with diversity management as more attractive. There appears to be a need to place a higher emphasis on diversity management in order to attract women and minority applicants. Such diverse individuals prefer to work for more progressive organisations. More broadly, at the national/international level in emerging economies such as India, China, and Russia, McDonnell, Collings, and Burgess (2012) propose that companies need to link TM more closely to diversity management, especially with the multicultural workforce, but also with increasing numbers of female employees. In such cases, business leaders and HR managers could do a better job in leveraging existing talent.

Cerdin and Brewster (2014) approach to talent management combines a strategic use of expatriates with a strong focus on talent management, the aim being to develop individuals for further responsibilities within the organisation. In that sense, talent management is synonymous with the traditional 'high-potential' approach. Organisations identify individuals who they expect, in the long term, to be able to occupy top-management positions (CIPD, 2009). It is well known that major multinational corporations (MNCs) such as Colgate Palmolive and Philips, for

example, restrict their senior positions to employees who have worked in more than one country. International experience is a prerequisite to get promoted above a certain level within those organisations. High potentials are assigned to international positions so that they may develop new skills, but it is also a way to test their abilities as tomorrow's top managers. In this sense, the high potentials as expatriates are critical for the organisation's current goals as well as for its long-term objectives. The segmentation perspective on talent seems prevalent in the literature (Swales, 2013). This talent segmentation perspective is "consistent with Pareto's 'law of the vital few', which, in this case, suggests that about 80% of an organisation's value adding derives from about 20% of its employees" (Swales, 2013: 32).

Repatriation management remains an organisational weakness in international mobility (Kraimer, Shaffer and Bolino, 2009; Lazarova and Cerdin, 2007; Shaffer et al., 2012). Although the expatriation is nearly always a success for those individuals who went abroad, they often leave the company upon return (Suutari and Brewster, 2003). Given the investment that the organisation has made in their development and the fact that they are likely to find work with competitors, this is hardly an example of good talent management. Short-term approaches to repatriation, devoid of strategic management, result in repatriation not being managed effectively (Farndale, Scullion and Sparrow, 2010). On the other hand, repatriation is more likely to be a success for those individuals who were sent abroad with the explicit goal of developing their skills as key employees within the assigning organisation (Cerdin, 2008; Suutari, Riusala, Brewster and Syrjakari, 2013). Because their expatriation was perceived from the outset as yet another stage in their overall career development, within a broader logic of human resource management, the chance of expatriate management leading to satisfactory results for both the organisation and the employee is higher. Expatriation management should not be seen as separate from the overall HRM policy.

Cerdin and Brewster (2014) stated that a conception of talent management as broader than the segmentation approach locates it within a global HRM strategy and may well include expatriation within it. Here, expatriation is seen as an invaluable developmental experience offered to employees being assigned abroad, rather than restricted to just the declared 'developmental' assignments, and is seen as an additional 'weapon' in the 'armoury' of talent-management specialists. On occasion

business requirements may demand short-term or ad hoc responses to crises, with expatriate management being limited to the administrative aspects, such as legal contracts and preparation of the expatriation package. Under a talent-management philosophy, the developmental experience of expatriation and its long-term impact on the individual and the organisation come to be seen as its crux. If strategic human resource management is defined as the art of taking effective decisions about the management of people (Cascio and Boudreau, 2012), then such decisions about talent management and expatriation fall neatly under the Global HRM approach to expatriation and talent.

In learning-related environments individuals are expected to pursue an 'intelligent career' articulated around three types of knowing, namely knowing-why, knowing-whom and knowing-how (DeFillippi and Arthur, 1994; Jokinen, Brewster and Suutari, 2008). These three forms of knowing are pivotal to the development of career capital or the resources that an individual has to advance their career. Knowing-why refers to why individuals work, which is related to their values and interests. Knowing-whom refers to networking, defined broadly, including professional and personal relationships. Knowing-how refers to the skills and competencies employees can offer to internal (their organisation) or external labour markets (Cerdin and Brewster, 2014).

The career capital approach leads to go beyond the immediate requirements tied to international assignments and take into account the long-term contribution to the organisation and the cultural training requirements of local employees working with expatriates and, indeed, all employees who face intercultural interaction in their workplace. Therefore, offering the opportunity to participate in cultural training and to develop cultural intelligence and competences could have important benefits for talent management within the organisation (Cerdin and Brewster, 2014).

Cerdin and Brewster (2014) argued that talent management approach to expatriation and international experience goes beyond the few employees who have been identified as potential top managers, and beyond those selected as traditional expatriates, to integrate all those who might have international experience, with the aim of developing their careers, their value to the organisation, and their retention. It

may also include those who might not leave their home country, but will come into contact with members of foreign cultures in the course of their work.

GTM is centred on the development of employees, and it includes both high-potentials development and global-careers development. Our definition of global talent management goes beyond simply developing a framework for “high-performing and high-potential strategic employees on a global scale” (Collings and Scullion, 2008: 12); it implies the development of a career system within the organisation, open to all employees, and integrating international work experiences as a step in the overall careers of individuals. Global-careers development reflects the idea of return on investment, both for the individuals and for the organisation (Cerdin and Brewster, 2014).

Cerdin and Brewster (2014) argued that in this sense our definition of global talent management ignores selection from the external labour market and focuses on ‘development’. Development encompasses HRM activities that enhance employees’ skills and competences. The HRM literature (Lepak and Snell, 2002) defines a ‘knowledge-based employment’ mode, which places the skills and competences of employees at its crux. While GTM encompasses all the traditional HRM activities contributing to development, a critical issue concerns the provision of relevant work experience, particularly including international exposure, to develop individuals’ skills. This should go alongside retention strategies so that the organisation has a return on its investment. Thus, development in our perspective includes steps suggested by the literature on talent management, including the growth, the deployment and the retention of employees (Collings and Scullion, 2008; Farndale et al., 2010). When the emphasis is placed on the management of specific individuals, we use the term ‘high-potentials development’. When the emphasis includes employees more broadly and integrates the expatriation management strategically with the HRM policies, we use the term ‘global-careers development’.

Cerdin and Brewster (2014) defined high-potentials development as the combination of a segmentation approach to talent management that relies on the development of high potentials and a strategic approach to expatriation management. In this case, talent is developed through international work experiences (Shaffer et al., 2012). There

is plenty of evidence that expatriates and former expatriates believe strongly in the concept that living and working in another country is invariably an extremely powerful learning experience that people do not forget. Not only are there the experiences of learning new knowledge and understanding (know-how), but there are also new contacts and networks (know whom), and, for the expatriate and his or her family, the chance to think about what is important to them and to find out about their resilience in coping with unfamiliar situations (Haslberger and Brewster, 2009).

Research is also needed on the distinction between individuals who have been formally identified by their organisations as high potentials and expatriates. Organisations do not always communicate to their employees whether or not they belong to the high potential category (Bjorkman, Ehrnrooth, Makela, Smale and Sumelius, 2013; Campbell and Smith, 2010). It is typical of expatriates that they believe that they have been specially selected for their positions. In one sense this is of course true, but they may not have been selected as high potentials. This uncertainty can give rise to the kinds of unmet expectations that can lead to turnover after repatriation. When individuals embark on an expatriation, the psychological contract between them and their organisation as to the goals of the assignment can contribute significantly to the success or failure of the assignment, and deserves to be taken into account. Therefore, data from organisations based on their formal evaluation and identification processes are needed to progress on this aspect of global talent management (Cerdin and Brewster, 2014).

Cerdin and Brewster (2014) stated further that research is needed to help understand what happens in countries where the national culture is different from that of the organisation's home country. Makela, Bjorkman and Ehrnroot (2010: 134) have questioned "what determines whether an employee is identified as 'talented' that is, exhibiting future leadership potential". This is a critical issue for MNCs that want to expand their talent pools beyond their employees working at Headquarters. If managers from headquarters evaluate foreign subsidiary employees to identify who counts as high potential, there can be a lack of immediate knowledge and cultural difficulties may arise. Some managers may be more efficient than others, depending for instance on their cultural intelligence level. If local managers perform the evaluation, there can be issues of preferential treatment, cultural differences and inter-

subsidiary comparison difficulties. As a result, good candidates may fail to be included in the corporate talent pool. In addition, the issue of identification depends on the political interests and power resources of managers involved in the process (Creevy, Gooderham, Cerdin and Rønning, 2011).

Talent-perception incongruence occurs in situations where the organisational executives perceive an individual as a 'talent' for the organisation whereas the individual does not or is unaware of this, and vice versa: a situation where the organisational executives do not consider an individual as a 'talent' whereas the individual does. Such discrepancies may result in a number of negative consequences for both organisations and employees in terms of, for instance, higher turnover and related costs. It is reasonable to expect that, if there is talent-perception incongruence, the implemented TM practices will have no effect or not the desired effect on the 'targeted' employees, or an effect on the 'wrong' employees. If employees are unaware that they are seen as talent by the organisation, they may simply not participate in TM practices and, therefore, the implemented TM practices will lose effect. Conversely, if employees perceive themselves as talent for the organisation, but the organisational executives do not, the wrong message will be sent by the TM practices, providing room for disappointment on the employees' side (Sonnenberg et al., 2014).

Sonnenberg et al. (2014) further argued that many organisations favour an inclusive talent differentiation strategy in the sense that they promote the view that they see talent in all their employees. Our results show that, in practice, organisations in which the TM executive claimed the organisation employed an inclusive strategy all made distinctions between employees. These organisations were found to apply various distinction-making terms such as 'high performers', but not to communicate this perspective openly to all employees. Also, in many instances, the employees experienced the approach as exclusive and believed they had an understanding of who the 'talents' in their organisation were perceived to be (although this frequently failed to coincide with the categorisation made by the organisational executives (e.g. talent managers, human resource managers, line managers). In essence, these findings suggest that there is greater room for misinterpretation in a claimed inclusive approach. In terms of minimising talent perception incongruence, the results of our

analyses support employing an exclusive differentiation strategy rather than an inclusive talent strategy (Collings, 2017).

Farndale, Pai, Sparrow and Scullion (2014) argued that research at the major drinks multinational Diageo showed the importance of building the commitment of top management, providing coaching and training for managers, calibrating and equalising talent across markets, enabling and aligning HR information systems, and monitoring talent management processes (Sparrow et al., 2004). Particularly the latter point highlights CHR's role as "champions of processes" (Evans et al., 2002: 472). Given the global competition context, the demand for higher skill levels amongst staff has led to the need to specify more closely the sorts of capital (human, social, intellectual and political) that constitute 'talent'. Competitive forces are also requiring organisations to take control of the skills supply chain through the use of more forward planning activity such as strategic workforce planning, market mapping and employer branding (Sparrow and Balain, 2008). These drivers have raised the need for better horizontal coordination of tools, techniques and processes for talent management across internal functions. This in turn requires both effective management of global expertise networks and a designated champion of processes role to monitor the global implementation of a talent management strategy and related tools.

Joyce and Slocum (2012) stressed that organisations are failing to "capitalise on the opportunity for strategic success that a talented management team can bring" (Joyce and Slocum, 2012: 184), and that the importance of TM is being overlooked. The authors relied on a 200 firm study, drawn from 40 industries over a 10-year time period. The firms varied in size and were both U.S. based and global in scope. Their article examines what managers can do to manage talent, taking account of the organisation's particular strategic situation, in order to achieve the highest levels of performance. Joyce and Slocum's (2012) findings show that executives are the key assets of organisations, and that their work to build and sustain talent is critical. Specifically, talent management must be understood in the context of the firm's strategic capabilities. Joyce and Slocum (2012) identified four critical capabilities: in strategy, structure, culture, and execution. They argued that senior managers should manage talent in light of the strategic needs and opportunities of their firms. Furthermore, an innovative structure will enable firms to operate effectively. Linked to

this, a supportive corporate culture will provide employees with a sense of cohesion, and at the same time, deepen their understanding and practice of the norms/ideals of their organisation. Finally, executing unique TM processes enables companies to gain a competitive edge, and allows them to meet or exceed their customers' expectations (Ariss et al., 2014).

2.1.5 Leadership development initiatives

Day, Fleenor, Atwater, Sturm and McKee (2014) stated that leadership development initiatives are frequently planned without consideration of the appropriate leadership theory. Leadership development should be rooted in appropriate leadership theory as a basis for planning and designing leadership development experiences that are aimed at assisting the leaders to deal with complex challenges, to fulfil leadership roles, and to grow and develop leadership skills congruent to the leadership roles required. Leadership challenges are thus placed in the performance system at the centre of the framework, from which relevant leadership roles, skills, development processes and theories need to be derived to empower leaders in complex organisations to deal with the challenges they experience. The framework challenges the adaptation of traditional leadership theories, skills and roles in the light of the complexity of leadership tasks in the current era. The framework further seeks to highlight that there needs to be a congruent match and flow between the building blocks in this leadership framework, for the purpose of empowering 21st century leaders to fulfil their leadership roles more effectively (Dinh et al., 2014).

Homans (2017) stated that the learner is typically taught different theoretical concepts, for instance, theories about and approaches to human relations, social psychology, or how teams work. However, it is one thing to be taught a theory and another to apply and use what has been taught and learned. In most leadership development programmes (including training and education), it is up to each of the learners to make use of the often abstract learning objectives in the workplace. For example, the theoretical and conceptual framework of Artificial Intelligence (AI) may be the same to all learners, but how knowledge about methods of AI is transferred and brought to life (used) varies from person to person and from workplace to workplace. This awareness

seems to be missing in most of the current research, as well as in the analysis made in other studies (Pea, 2013).

It is clear that more cooperation could help researchers and practitioners to improve training and learning. Both organisational practice and research would benefit if, for instance, research-based leadership development initiatives would yield proven results without companies wasting resources. Cooperation begins at an early stage; if representatives of an organisation and their training providers meet as soon as the organisation determines it needs help, they will be better able to develop interventions based on evidence provided by research on how to optimise the potential impacts of training and learning. Such early cooperation would make it possible to develop and conduct the development intervention in accordance with the transfer related aspects that are known to affect the outcome of the investment in training and learning before, during and after an intervention. This would also make it possible to discuss the transfer aspects that rely on the individual being trained and on organisational transfer conditions (Sørensen, 2017).

According to Bandyopadhyay (2013), leadership development initiatives have to recognise these issues and ensure that the organisation builds relevant skills in executives from the very initial stages of their careers. Potential leaders need to be given cross-functional projects on a regular basis and they should also be exposed to different products/geographies and industries in the first few years of their careers. This develops a width of experience, and decisions taken by executives with such diverse exposure are typically far more optimal than those who would have traditionally grown through the usual functionally driven career.

The executives who succeed in general management roles come with experience in at least a couple of functions and have moved across cities and industries. Leadership development is not about attending high flying courses in Ivy League institutions only; it is an art and a science and there are hard and soft skills involved. Simultaneously managing the rapidly shifting trends in the economy, technology and demographics is the new leadership landscape, as economies face issues of inflation, global volatility in terms of recession and growth, political polarities, risk appetite issues and talent shortages (Bandyopadhyay, 2013).

Concelman and Phelps (2014) stated that being a leader has never been harder given the growing complexity, the need to do more with less, the volatility and uncertainty that define leadership roles, and the state of the economy. A common leadership language can help to alleviate this unease by addressing what leaders at all levels need to do: collaborate and get things done through others. Indeed, critical leadership activities such as coaching, giving feedback, and resolving conflicts are most effective when everyone is using a core language that sets norms for discussions and ensures that all employees are hearing and experiencing a consistent, highly engaging work environment (Concelman and Phelps, 2014).

As a result, leaders at different levels – to say nothing of those working in different functional areas, such as finance, marketing or IT behave and get things done differently. These differences in leader behaviours breed frustration and inefficiency, and can also distract leaders and employees from the need to focus on executing strategy and realising business results (Concelman and Phelps, 2014).

Rao (2012) as well as Hurt and Homan (2005) emphasised the importance of actively involving senior leaders in leadership development initiatives, as passive involvement is much less powerful than having senior leaders make the time to spend with new and developing leaders. Rao (2012) suggested that it is important that senior figures in the organisation share their experiences and stories with developing leaders, as not only is this an excellent way to transfer knowledge, values, attitudes and corporate identity, but it adds gravitas to a programme when busy senior executives are actually involved as speakers or facilitators; it sends an important message to the entire organisation that leadership development is a priority for the organisation and that it is taken very seriously.

Some writers, most notably Clayton (2012), have written about the importance of leadership development initiatives being aligned with the organisation so that the individual and the organisation are simultaneously being developed, i.e. the competencies that are most worth developing in leaders are those which grow the business at the same time. Clayton argued that this can be achieved by having leadership development initiatives grounded in Organisational Development (OD)

theory and practice. Formulating initiatives with an OD grounding can have the benefit of maximising ROI by having developing leaders take on tasks and projects as part of their development that might otherwise need to be done by external consultants.

The important point is 'integration'. Leadership development should not be conducted in isolation from what the organisation is striving to achieve or become, because leadership is essential to achieving broader organisational plans and goals. Integration facilitates consistency in organisational messages and nurtures a shared understanding by all stakeholders; it also provides a leadership development initiative with focus and direction when participants can see the links between development activities and what the organisation represents. Corner (2014) and Santora et al. (2010) have said specifically that leadership development ventures should actually be a part of an organisation's strategic plan.

Another principle for excellent leadership development initiatives is making a concerted effort to fully embrace modern technology into the design and delivery of development activities. Technology should not become the learning or focal point of any activity - it must serve the learning objectives. Technology should also be utilised to enhance the learner's acquisition of skills and knowledge by making learning more realistic, enjoyable and accessible. Mustafa (2013) cited examples of e-learning applications like podcasts and virtual classrooms, which can enhance learning and reduce costs without compromising quality or learning outcomes. Mustafa also argued that computer-based technologies provide 24-hour access to development activities anywhere in the world, which reflects the needs of many modern business executives.

Santora et al. (2010) found that leadership initiatives need to be well financed and that organisations must set aside dedicated funds for leadership development. In other words, leadership development should be planned for when budgets are being developed, and a distinct budget of protected funds should be set aside expressly for leadership development. Santora et al.'s observation implies that in some organisations, leadership development is an afterthought or something that the organisation hopes to be able to do subject to funds being available after other projects have been paid for. This often results in leadership activities being under-funded or leadership planners being expected to achieve too much with too little. Corner (2014)

has argued that coaching, for example, is a proven cost-effective way to develop leaders. He noted that coaching costs are easily controlled and able to be forecasted, so that coaching activities are managed in ways that return good value for the investment.

Day and Dragoni (2015) suggested that leaders develop over time along two dimensions: the intrapersonal dimension and the interpersonal dimension. Issues related to intrapersonal development include developing human capital, such as cognitive, meta-cognitive, and behavioural skills that leaders acquire when moving into higher level leadership positions (e.g., Mumford, Campion and Morgeson, 2007), psychological processes, such as identity and self-regulation (Lord and Hall, 2005), and the role of learning from previous experiences, such as parental modelling (Zacharatos, Barling and Kelloway, 2000) and previous positions held (Bettin and Kennedy, 1990). Furthermore, the role of personality (Mumford, Zaccaro, Harding, Jacobs and Fleishman, 2000) and other deep-seated individual characteristics such as work orientation, mastery orientation, and career-growth orientation (Boyce, Zaccaro and Wisecarver, 2010) can impact leadership development.

Subramony, Segers, Chadwick and Shyamsunder (2018) stated that issues related to interpersonal development, on the other hand, concern the capacity for individuals to build relationships with others, such as enhancing a group's social capital and engaging in authentic leadership with followers (e.g., Avolio and Gardner, 2005; Galli and Müller-Stewens, 2012). In his seminal review of the leadership development literature, Day (2000) distinguished between “differentiation” Leadership Development Programmes (LDPs) aimed primarily at directly building the intrapersonal knowledge, skills, and abilities (KSAs) of leaders through the use of assessment tools (e.g., assessment centres and multisource or 360° feedback), internal and external formal leadership training, and support (e.g., mentoring and coaching); and “integration” LDPs, e.g., action learning, network events, stretch assignments, and job rotations that contribute to organisational goals (e.g., increased revenues, corporate social responsibility) by developing extended social networks, coordination and commitments, while simultaneously building individuals leaders' interpersonal knowledge, skills, and abilities. Day (2000) argued that the intrapersonal leadership development dimension should be more strongly determined by differentiation LDPs,

while the interpersonal leadership development dimension should be more strongly determined by integration LDPs. Some LDPs are more oriented toward intrapersonal leadership development, while other LDPs are more oriented toward interpersonal leadership development. Given the conceptual overlap between these two bundles of leadership development activities (it is, for instance, not implausible that job rotation builds individual leaders' KSAs as well as their social capital), it is expected that LDPs organised along the differentiation and integration dimensions will be conceptually and analytically distinct, but positively correlated.

Subramoney et al. (2018) argued that the leadership development literature provides insights on how to bundle LDPs, on how individual leaders develop, and on the effects of leaders' personal development on individual-level outcomes (Day, Fleenor, Atwater, Sturm and McKee, 2014), there is little existing theory or evidence to suggest how organisation-level LDPs are related to organisational performance. To fill this gap, we utilise key elements of resource-based theory (Barney, 1991; Barney, Ketchen and Wright, 2011). A fundamental assumption of RBT is that the acquisition and accumulation of intangible resources such as human capital (Campbell, Coff and Kryscynski, 2012) and social capital (Adler and Kwon, 2002; Nahapiet and Ghoshal, 1998) can help organisations successfully implement their competitive strategy (Barney et al., 2011; Shaw, Duffy, Johnson and Lockhart, 2005).

Studies have established the role of leadership behaviours in mitigating employee turnover (Tse, Huang and Lam, 2013), reducing turnover intention (Chang, Wang and Huang, 2013; Dawley, Houghton and Bucklew, 2010), enhancing organisational commitment (Kidd and Smewing, 2001); and supervisor support with employee development (Maurer, Weiss and Barbeite, 2003). Thus, it can be argued that leaders who participate in developmental activities aimed at enhancing interpersonal and intrapersonal leadership skills will be more effective at retaining and developing employees, thereby contributing to a higher stock of human capital. Similarly, there is indirect evidence linking unit-level leadership skills and behaviours with social capital. For instance, group-focused transformational leadership promotes high quality reciprocal relationships between team members (Chun, Cho and Sosik, 2016), empowering behaviours by leaders are related to collaboration among geographically dispersed team members (Hill and Bartol, 2016), and directive task oriented team

leadership behaviours support team-members' linkages and interactions with others in the external environment (Marrone, 2010).

Several organisations in India emphasise leadership development as a strategic priority, in part through corporate universities or management development centres, it has been argued that India's corporate leaders tend to be stronger on operational effectiveness and execution as opposed to exhibiting visionary or transformational leadership styles (Jones, O'Leonard and Bersin, 2012). Companies that recognise this leadership gap have started to focus on developing their pipeline leaders and taking a holistic yet targeted approach to leadership development. In that spirit, Chachra, Sahni and Bansal (2011) recently identified four critical priorities for developing Indian leaders: (a) emphasising increased responsibilities earlier in the career, including managing role transitions and becoming more self-aware, (b) learning strategic skills to manage growth instead of relying solely on operational skills, (c) thinking beyond traditional instructor-led training and focusing on innovative action learning (e.g. job assignments, leadership simulations), and (d) utilising blended learning solutions (e.g. a mix of instructor-led, technology/mobile-enabled and action learning) to maximise impact. Given these characteristics, we believe that there is likely to be both a high degree of cross organisational variance in leadership ability and, relatedly, the relationships between LDPs and organisational performance may be quite pronounced in India.

Global careers development research would benefit from examining the development outcomes of various forms of global work experiences. In this respect the three dimensions of the taxonomy of global work experience (physical mobility, cognitive flexibility and non-work disruption) proposed by Shaffer et al. (2012), who extended the framework of Peiperl and Jonsen (2007), turns out to be a good starting point for research questions. The expanding range of global work experience noted above has so far been the subject of only limited examination in the literature on expatriation management. It is not known whether certain types of global work experiences are more efficient than others in developing talent. Nor it is understood that the extent to which each of the various global work experiences develop specific skills and competencies of individuals. In other words, more research is needed into the specific contribution of each type of international work experience in the development of talent

and whether and how they complement each other. It seems logical that people will become good at learning from international experiences but that such learning may decrease in extent with each new experience (Cerdin and Brewster, 2014).

Sonnenberg, van Zijderveld and Brinks (2014) argued in recent years that the concept of the psychological contract has gained increased attention. It is now seen as an important concept in understanding the exchange relationship between organisations and employees. In essence, it connects the individual to the organisation. In line with Rousseau (1995: 9), the psychological contract can be defined as 'an individual's belief, shaped by the organisation, regarding reciprocal obligations'. Psychological contracts are shaped by the interaction of an individual with his or her organisation through several organisational practices (Sonnenberg, 2006; Westwood, Sparrow and Leung, 2001).

Although psychological contracts tend to be unique to each individual, an organisation's particular practices encourage the development of one type of contract over another through the sort of messages or 'signals' they send to employees. Three elements of the psychological contract are distinguished in the current literature (Freese, 2007; Rousseau, 1995): Perceived employee obligations: such as the obligation to cooperate well, promises about commitment and performance, loyalty, and respect. Perceived employer obligations: such as promised possibilities for training and development, career opportunities, and a good working environment. Psychological-contract evaluation, which can be measured in terms of perceived fulfilment or violation of employer obligations. Contrary to formal legal contracts, psychological contracts are subjective and exist only in the minds of the individual/employee (Suazo, Martinez and Sandoval, 2009). This inherently provides room for different interpretations (Rousseau and Tijoriwala, 1998). When the employee's interpretation of the employer's and/or the employee's obligations that constitute the psychological contract diverge from their interpretation by the organisational representatives, conflict situations can occur. These in turn will influence the evaluation of the psychological contract and subsequent attitudes and behaviours.

Sonnenberg et al. (2014) stated that high-performing employees are those who have already shown these kinds of attitudes, skills, and behaviours (Wang-Cowham, Kamoche, Tansley and Iles, 2012). However, environments change and so do the requirements for being seen as a high performer or having high potential. In practice, this leads to difficulties in the TM process as the talent identification process often changes more slowly than the environment does. This can lead to misunderstandings of the term 'talent'. The reality could be that the identification process leads to an outcome that, in practice, fails to identify the employees who are critical for the organisation's current and/or future performance. Consequently, when an organisational executive defines talent, it is usually defined in broad terms and linked to the specific function, sector, and industry (Tansley, 2011). Although it can be beneficial not to adopt a universal and static definition of the term talent, it may be important that the various actors adopt the same perspective when looking at defining talent for the specific organisation.

Masadeh, Maqableh and Karajeh (2014) argued that construct of leadership development is important for achieving flexible HRM practice and in turn organisational performance (McCallum and O'Connell, 2009). For instance, performance appraisal is a powerful instrument of human resource practices; it provides information that helps making decisions about promotion, training salaries increases. Tuytens and Devos (2012: 756) defined the performance appraisal as "a variety of activities through which organisations seek to assess employees and develop their competence, enhance performance and distribute rewards". It enhances both employees and organisation performance (Peretz and Fried, 2012). In his study carried out in (2012), Lee commented that supervisors have a strong influence on their employees' behaviours due to their physical and psychological proximity to employees and due to their ability to administer rewards and punishments as well as performance ratings. He found that supervisors' leadership behaviour is an important antecedent of workplace harassment and a climate of respect which provides a strategic focus that enables organisations to effectively guide employee behaviours to create a civil work environment. This is to say that leadership talk, which is defined as the communication that occurs between leader and evaluated employee, is a key.

Good leadership talk helps employees to turn their negative perception to a positive one. It also assists employees to maintain a positive perception. Poor leadership talk, on the other hand, cannot turn employee positive perception to a positive one. However, it causes the possible positive perception to turn into a negative one. The outcome of the performance appraisal is the perceived benefit of it. This outcome could be positive outcomes (overcoming weaknesses and taking opportunities by focusing on strengths), or negative outcomes (absenteeism and turnover). On one hand, feedback can help leaders to reinforce the positive outcomes, and it can help to overcome those negative outcomes by developing a proper communication between the leader and his subordinates, on the other hand (Masadeh et.al, 2014).

Yet another study conducted by McCall, Lombardo and Morrison (2009) found that despite large sums of money spent on management development and classroom training, most development and learning take place on the job. This study's contribution stems from documented evidence of the skills learned from performing different types of job assignments. For example, they found that executives commonly cited five types of developmental experiences and meaningful assignments. These included starting something from scratch; performing fix-it/turnarounds; making line-to-staff switches; effecting changes in scope or scale; and serving on high level task forces. Building on his prior work, McCall subsequently explained that management skills and intuition that enable people to succeed in new assignments were shaped through their experiences in previous assignments in their careers (Masadeh et.al, 2014).

Makarius and Srinivasan (2017) stated that the default option when it comes to personal assessments almost always focuses at the individual level of analysis. This basic attribution error puts more emphasis on individual personalities, and far less on the social context, culture, or setting. This tendency often leads to solutions such as one-on-one coaching, conducting workshops, or delivering training sessions. Such choices ignore crucial constraints; namely, the social practices that evolve in response to economic realities, industry trends, and history. The result of this error often leads to injecting new talent into the equation only to see the person get assimilated into the very same cultural pattern, and to compromise whatever new skills or acumen they came with. This is true to many managers and educators that come into an

organisation only to be constrained by a limited system, and handcuffed by pre-existing practices. What is really needed is to change the system or social practices that circumscribe managerial behaviour. It is not advocated that organisations throw away their 360's or assessment tools. Instead, use such tools or simply astute observations to find common behavioural patterns that are both functional and dysfunctional. In the above example, the new CEO realised that the social context that grew from the team's prior experience fostered too strong of an affiliative context. Although an affiliative social context may foster collaboration, one that is too dominant unwittingly suppresses a more robust achievement orientation that can be traced to performance shortfalls and challenges (Goleman et al., 2013).

Kaplan and Norton (2004) and Ulrich and Smallwood (2004) proposed that on-the-job training, leadership training, individual development, and career planning are important for human capital development. Further, Ready, Hill and Conger (2008) observed that challengeable tasks, training, and a foreseeable career path are conducive to organisational development, which drives employees to achieve their long-term goals. In this way, organisational human capital can be cultivated by following a distinct learning path and through interpersonal interaction within the organisation (Mahoney and Kor, 2015).

Lin, Yu-Ping Wang, Wang and Jaw (2017) argued that talent retention keeps inimitable employees striving for organisational advantage, and Becker (1962) and Ready et al. (2008) proposed that wages and corporate culture are key factors in retaining valuable employees. That is, an attractive contract with an exceptional wage reinforces employees' commitment and productivity, and additional welfare and bonuses are conducive to motivating better employee performance. Finally, cultivating a positive working environment, maintaining a positive corporate culture, and increasing person-organisation fit all inspire employees' loyalty and organisational commitment.

Lin et al. (2017) stated that prior researchers have emphasised the importance of human capital in yielding sustainable competitive advantage for an organisation (Hatch and Dyer, 2004; Lepak and Snell, 1999; Meyers and van Woerkom, 2014; Wright et al., 2001). In terms of human capital investment, Coff and Raffiee (2015) proposed that if a firm's investment in employees is in accordance with their

perceptions of key skills, more competitiveness will be generated. Hatch and Dyer (2004) stated that employees are capable of learning diverse skills by rotating through different job positions. In this way, a group of valuable and unique employees with long-term firm-specific skills and know-how, will then likely be gradually built up.

The contribution to human capital literature has two key insights. First, it verified the relationship between behavioural competencies and organisational competitiveness from a human capital perspective. Indeed, Lado and Wilson (1994) stated that human resource activities trigger behavioural competencies, that enable employees to be unique and valuable. In this study, we have also verified that employees become valuable and unique through the development and deployment of a set of behavioural competencies, such as on-the-job training, career planning, leadership training, and talent allocation. Second, human capital management was found to be particularly influenced by the institutional context. In fact, Kim, Pathak and Werner (2015) indicated that appropriate management of international human capital, that is, employees' global competence to strive for firms' competitive advantage, improves organisational performance. Drawing on Kim et al.'s concept, we propose that the human capital differences, such as attraction, that we observed were caused by differences in the context of internationalisation, should be taken into account by organisations (Lin et al., 2017).

Regarding practical implications, human capital management can be used to promote the majority of employees' talents through attraction, development, deployment, and retention practices (Meyers, van Woerkom and Dries, 2013). We further addressed the importance of brand competitiveness for attracting talented people. Attraction was found to be positively associated with employees' value in Mainland China, it is particularly imperative that the brand image of firms in this country is reinforced with good financial performance and welfare policies, and a well-structured career path for employees, in the pursuit of attracting talented applicants (Baum and Kabst, 2013).

In reviewing the leadership development literature, Day and Dragoni (2015) suggested that leaders develop over time along two dimensions: the intrapersonal dimension and the interpersonal dimension. Issues related to intrapersonal development include developing human capital, such as cognitive, meta-cognitive, and behavioural skills

that leaders acquire when moving into higher level leadership positions (e.g., Mumford, Campion and Morgeson, 2007), psychological processes, such as identity and self-regulation (Lord and Hall, 2005), and the role of learning from previous experiences, such as parental modelling (Zacharatos, Barling and Kelloway, 2000) and previous positions held (Bettin and Kennedy, 1990). Furthermore, the role of personality (Mumford, Zaccaro, Harding, Jacobs and Fleishman, 2000) and other deep-seated individual.

Subramony, Segers, Chadwick and Shyamsunder (2018) published empirical studies indicate that differentiation LDPs can exert a positive influence on the development of both the intrapersonal and interpersonal dimensions of leadership. For instance, together with evidence for the positive effect of traditional leadership training (Avolio, Reichard, Hannah, Walumbwa and Chan, 2009), there is evidence that individual coaching can increase self-regulation, coping with job demands, and job performance (Theeboom, Beersma and van Vianen, 2013), as well as social competencies (Grief, 2007); 360-degree feedback can improve leadership performance (Smither, London and Reilly, 2005); and mentoring has been shown to lead to leader efficacy and trust between mentor/mentee (Lester, Hannah, Harms, Vogelgesang and Avolio, 2011). Similar joint effects have also been noted for integration LDPs. For instance, service learning programs have been reported to lead to self- development, a responsible and global mind-set, ethical literacy, cultural intelligence, and interpersonal community building skills, which include stakeholder engagement, interpersonal skills, and relationship management (Pless, Maak and Stahl, 2011).

Stretch job assignments have been shown to lead to intrapersonal skills such as broader business knowledge, insightfulness, courage to take a stand, commitment to success, and acting with integrity, in addition to interpersonal skills such as “bringing out the best in people” and “pulling them around a common goal” (Dragoni et al., 2009: 737). Job rotation can increase intrapersonal skills such as adaptability and flexibility and building a broader perspective on the business (Campion, Cheraskin and Stevens, 1994), while action-learning experiences have been found to build personal meaning for individuals (McGregor and Little, 1998) and potentially collective leadership (Raelin, 2006). Finally, network events/offsites where information is

exchanged on new products can help in the creation of social capital (Galli and Müller-Stewens, 2012).

Subramoney et al. (2018) proposed that human capital and social capital are strategic resources that are partially accumulated and developed through the actions of leaders. Accordingly, organisational investments in developing leaders through LDPs can enhance leadership skills required to increase the total levels of human and social capital within the organisation, which can ultimately lead to an increase in organisational performance. Human capital and social capital are two types of complementary intangible resources that affect firm performance. Recent extensions of RBT have focused on the role of managers and leaders in linking strategic resources such as human capital and social capital to organisational performance (Ndofor, Sirmon and He, 2011).

Subramoney et al. (2018) argued that there is indirect evidence linking unit level leadership skills and behaviours with social capital. For instance, group focused transformational leadership promotes high quality reciprocal relationships between team members (Chun, Cho and Sosik, 2016), empowering behaviours by leaders are related to collaboration among geographically dispersed team members (Hill and Bartol, 2016), and directive task-oriented team leadership behaviours support team-members' linkages and interactions with others in the external environment (Marrone, 2010).

These propositions are built on the premise that the developmental activities experienced by leaders translate into domain-specific skills that are then utilised for the benefit of their team. Thus, if leaders learn how to diagnose or leverage personal strengths and weaknesses through 360-degree feedback and coaching, they are more likely to use these skills in motivating their employees toward the attainment of task and developmental goals, thereby promoting human capital. In contrast, if leaders gain skills related to networking and building relationships (through action learning or job rotation), they are likely to act as connectors, linking their subordinates with individuals in other departments, and additionally train their subordinates on building their own social relationships (Subramoney et al., 2018).

Leadership development can help build organisational capability and influence organisational performance. While culture-specific leadership styles have been found to make incremental contributions to subordinate performance (Palrecha, Spangler and Yammarino, 2012), the general evidence appears to suggest a lot more uniformity or convergence in managers' leadership development needs across cultures (Gentry, Eckert, Munuswamy, Stawiski and Martin, 2014).

In an extensive study of leadership development participant needs across seven countries, including India, those authors found that “some competencies such as Leading Employees or Resourcefulness or Change Management tended to be chosen more often by managers across countries as competencies needed to succeed in organisations than others while the overall frequency of being chosen as important or not did differ across countries, effect sizes of these differences were rather small in nature” (Gentry et al., 2014: 93). Thus, it could be argued that the effects of differentiation and integration LDPs could be generalised to organisations across cultural contexts, with the caveat that these differences need to be explicitly tested in future studies (Subramoney et al., 2018).

Ferris, Moore, Callaway and Foley (2018) argued that acquiring personal leadership skills and opportunities to practice and to apply these new skills in real-life palliative care contexts was a high value. The participants, by virtue of having been nominated and selected, were already in various stages of their leadership journey. The curriculum was designed to learn, practice, and polish leadership skills while advancing their knowledge and skills to effectively lead in the current setting and in progressively wider spheres, that is, their community, nation, region, or globally. Although each leader had a mentor, emerging professionals benefit by the counselling and support from the different perspective offered by a coach. Each coach was assigned several mentor-leader dyads to follow. Besides offering general support, LDI team coaches had frequent contact with leaders and mentors, offered personal coaching around work-life balance, characteristics, strengths and skills of leadership, and underscored accountability and support for accurate and timely reporting: interim reports, expense reports, Web page entries, leadership story, monthly reflections, etc.

Ferris et al. (2018) stated that the primary outcome of the initiative is the nurturing of emerging leaders who expand the cadre of palliative care experts and have the potential to advance the field of palliative medicine throughout the world. An intended by-product of the initiative was the development of a palliative care leadership development curriculum and process that can be used for the development of leaders in resource-rich and resource-limited countries. Ideally, this could be expanded to include leadership development for other health care professional disciplines, including nursing, social work, etc. It has the potential to be marketed and commercialised as a leadership development process for palliative care practitioners within organisations. This initiative serves as a useful pilot program to help develop a more extensive business plan for the long-term sustainability of an LDI in palliative care. Already leaders and mentors are running leadership courses and teaching components of leadership skill development in a variety of settings, including an adaptation of LDI has formed the foundation for the European Palliative Care Academy (EUPCA) course funded by the Robert Bosch Foundation in Germany and another program in Sweden.

Gurdjian, Halbeisen and Lane (2014) state that one large international engineering and construction player built a multiyear leadership program that not only accelerated the personal development paths of 300 midlevel leaders but also ensured that projects were delivered on time and on budget. Each participant chose a separate project: one business unit leader, for instance, committed his team to developing new orders with a key client and to working on a new contract that would span more than one of the group's business lines. These projects were linked to specified changes in individual behaviour for instance, overcoming inhibitions in dealing with senior clients or providing better coaching for subordinates. By the end of the program, the business unit head was in advanced negotiations on three new opportunities involving two of the business lines. Feedback demonstrated that he was now behaving like a group representative rather than someone defending the narrow interest of his own business unit.

Gurdjian et al. (2014) argues that the ability to push training participants to react, while also giving them real work experiences to apply new approaches and hone their skills, is a valuable combination in emerging markets. There, the gap between urgent "must

do” projects and the availability of capable leaders presents an enormous challenge. In such environments, companies should strive to make every major business project a leadership development opportunity as well, and to integrate leadership-development components into the projects themselves. Another approach is to monitor participants’ career development after the training. How many were appointed to more senior roles one to two years after the program? How many senior people in the organisation went through leadership training? How many left the company? By analysing recent promotions at a global bank, for example, senior managers showed that candidates who had been through a leadership development program were more successful than those who had not. Companies can avoid the most common mistakes in leadership development and increase the odds of success by matching specific leadership skills and traits to the context at hand; embedding leadership development in real work; fearlessly investigating the mind-sets that underpin behaviour; and monitoring the impact so as to make improvements over time.

Martinelli and Erzikova (2017) stated that based on a review of 25 years of research and theory, Day et al. (2014) defined leadership development as an inter-dependent process of enhancing individual leadership capabilities and expanding the collective capacity of organisations. To evolve to the highest levels of leadership, such organisational practices as 360° feedbacks, executive coaching, networking, new job assignments, and active learning are believed to be beneficial (Day, 2000). However, there is no solid scientific evidence of these practices’ actual effectiveness. What is known is that “leadership is developed through the enactment of leadership” (Day, 2000: 605). In other words, leadership development is most meaningful in the context of actual work.

Martinelli and Erzikova (2017) mentioned that strategic decision-making capabilities seem to develop later in one’s professional development, after one has both technical skill and professional experience upon which to draw. Thus, this dimension may be the highest-order leadership dimension on the PR leadership “ladder”, being successfully applied only after experience and skills pertaining to the other dimensions have been realized. In the global study (Berger and Meng, 2014: 108), strategic decision making stood out as “the most significant leadership condition in various situations and geographic locations”.

Eyring (2014) stated that companies with a key talent strategy believe that talent is not created equal. They segment talent and disproportionately invest resources on a small group of “A” players to fuel their leadership pipeline. This approach was made popular by GE (Welch, 2003) in its stack ranking process and McKinsey & Company in its “up or out” model of talent management. More broadly, this strategy should lead to practices that attract, develop, or retain top “A” talent. As a result, companies following this strategy should promote more leaders internally. At the same time, they should have a higher turnover of “C” players who will be managed out of the company.

Phillips, Ray and Phillips (2016) argued that early research in human capital analytics paved the way for its application in the workplace. Some suggest that without the ability to articulate the business impacts of programs and initiatives, the human resources function would have a very difficult time playing a strategic role. Current research also supports the critical need to demonstrate the return on investment of leadership development initiatives. One study conducted research for The Conference Board with leading multinational firms to determine the ways in which the profession could articulate the business value of leadership development. Two other studies indicate that even intangibles can be measured and used to support the impact discussion.

Ariss et al. (2014) argued that to a large extent these actions can be accomplished by providing developmental support, such as mentoring, coaching, and counselling to the employee, his or her spouse, and children during expatriation and repatriation. The repatriation process can also be enhanced by facilitating home visits, company sponsored networking activities, by providing information through regular company newsletters, and by creating expatriate networks and facilitating communications with back home mentors and colleagues. Research shows that it is essential to ensure that the HR executives responsible for international moves have a full understanding of international assignments. The role of HR in GTM is clearly a crucial element. Vaiman et al. (2012) argue that there is a shift towards increasing the contribution of the HR function by including it in organisational decision-making. To do that, effective decision making in TM should be tightly linked to the strategy and corporate culture of the firm.

Ariss et al. (2014) stated that the criteria for the selection of those who can be part of TM programs include attributes such as being skilled and belonging to a certain key managerial category in a company. Of course, the hidden assumption is that such individuals are able to accumulate social, cultural, human, and other forms of capital that provide sufficient personal characteristics for them to be part of TM processes. In practice, such an elitist approach to TM impacts the individual level of TM. It excludes individuals who are in lower ranks in organisations, such as technical and operational workers who did not have the chance to accumulate the various forms of capital mentioned. On the one hand, they will have little chance to progress within their organisations. On the other hand, their organisations might miss the opportunity to develop people who may have played key roles in areas such as innovation, technical expertise, and also management. Thus, it is argued for broader inclusion of less privileged employees (in terms of their skills, jobs, positions in organisations, as well as other factors such as physical disabilities), who also constitute an important element in the workforce. Furthermore, TM processes might also consider various forms of diversity, such as gender or intercultural competencies that internationally mobile professionals possess. With respect to gender, for instance, there is unequal representation of women in science, technology, and engineering professions across the world (Servon and Visser, 2011).

2.1.6 Institutionalised bias in business

According to Swales (2012), talent programmes could be seen as suppressing opportunities to express individual identity and authenticity. If the excluded are harmed by being left out, then there is an ethical problem and talent management could be seen as dehumanising if it denies individual human agency (Haslam, 20016). The excluded may simply respond by doing what they think the organisation expects of them, which is to underperform. In-group members can attribute more human essence to their in-group associates and consider people in outgroups as less human (Leyens et al., 2003), the particular nature of separation used in talent management, praising 'stars' while downplaying the contributions of others, enhances the potential for division (Pfeffer, 2001).

Despite some terminological ambiguity around its meaning (Tansley, 2011), the common denominator that links descriptions of talent is that the talented deliver or have the potential to deliver a much greater contribution to the business compared to others (Lubitsh et al., 2007). 'High performance' and 'high potential' are commonly associated with talent (Collings and Mellahi, 2009; Farndale, Scullion and Sparrow, 2010; Lubitsh et al., 2007; Makela, Bjorkman and Ehrnrooth 2010, Tarique and Schuler, 2010), and although the meaning of 'high' is left to the organisation, it usually represents the top few percent of employees in a particular job level who, if they left, would be hard to replace.

Zemsky (2000) argued that the study on how diversity evolves in a firm with entry-level and upper-level employees who vary in ability and type. Their logic is based on mentoring and the dynamic consequences of having fewer mentoring opportunities for lower-level employees. Bjerk (2008) showed that even if there is no discrimination in promotions to the top jobs in the economy, the under-representation of one group relative to another (e.g. non-whites vs. whites) can arise not only if one group has higher than average skills than the other, but also if firms are less confident in the precision of the pre market and early market skill signals they observe from members of one group relative to the other, and if members of one group generally have fewer opportunities to signal their skills prior to labour market entry than members of the other group. Thus it is inequality of opportunity between groups that leads to the underrepresentation of racial minorities among those working at the highest career levels. This is relevant given the challenges in the process of development and advancement of talent that will produce a critical mass of black executives.

2.2 Summary

The relevant literature was reviewed and it provided a clear indication that the existing executive leadership in JSE-listed companies have a responsibility in the acceleration of black talent to top management of those companies. The acceleration of black talent will be achieved through the commitment and implementation of leadership development initiatives, appropriate talent management and eradication of biasness in companies.

The review of literature was conducted to establish the perspectives of other researchers and authors' as far as the purpose of the study is concerned, as well as leadership development, transformational and other related leadership theories. The acceleration of black talent or minorities, including women, to top management and executive levels across business functions and industries were also explored. The literature gaps were fundamentally narrowed by the global perspectives experienced by minorities and women in Americas, Europe and Asia. Their challenges is similar to those faced by black professionals and women in South Africa. The following chapter will present the research methodology utilised in the current study.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

The previous chapter examined the literature pertaining to acceleration of black talent or minorities, including women, to top management and executive levels across business functions and industries were also explored. This chapter sets out the methodology used for this research to collect data, and assesses different research methods and their advantages and disadvantages. This chapter outlines the participants and location of the study, the data collection strategies utilised, and the research design and methods used, while also reiterating the aim and objectives of the study, and assessing how the research methods satisfied or fulfilled these objectives. In conclusion, the chapter explains the tools and strategies that were used to collect the data, followed by a description of how the data were analysed.

Research is any organised investigation undertaken to provide information for solving problems and thereby increasing the knowledge base (Cooper, 1998; Saunders et al., 2003). Creswell (2003: 56), stated that "Research is a process of steps used to collect and analyse information to increase our understanding of a topic or issue". This chapter gives a detailed overview of the research methods used to conduct this study. Using the correct research method is invaluable in ensuring that the research is carried out properly, effectively, efficiently and ethically.

3.2 Research design

According to Sekaran and Bougie (2014), the extent of scientific rigour in a research study depends on how carefully the researcher chooses the appropriate design alternatives, taking into consideration the cost, time and other resources. It is for this reason that it is critical for the researcher to ask himself or herself whether the benefits of the research design and methods are appropriate with the resources employed for research purposes and ensuring accuracy.

In the research process, serious cognisance was given to the selection of a research method, as it reflects the philosophy while the methods are situated within a research

paradigm. A paradigm is a lens through which a researcher thinks and views the world around him or her. The study applied an interpretative method as the research paradigm, which advocates that people are fundamentally different from objects and cannot be studied in the same way as objects (Du Plooy-Cilliers et al., 2014). It was with this in mind that this paradigm was fit for the purpose of trying to understand the situation through the eyes of the participants. The researcher's perspective is that the world of interest to this study is made up of unique individuals, hence there is no objective reality or truth (Saunders et al., 2009). This philosophy underpins the research strategy and methods employed by this research (Henning, Van Rensburg, and Smit, 2004). Against the background of this philosophy, the ontology that the study holds is subjectivism (Saunders et al., 2009), which influenced the framing of the research process and defined the researcher's position and thinking about social conditions.

Blaikie (2007) argued that research paradigms were explained as strategies within a broader framework of theoretical standpoints. Research paradigms do vary, and each have one of two distinguishing characteristics at their core, i.e. epistemological assumptions or ontological assumptions. The preoccupation of ontology has to do with the nature of social reality and investigates into the kinds of things that exist, under what circumstances do they exist, and how they are related, while epistemology is concerned with the method of knowledge and seeks to understand how human beings increase their know-how of the world around them. These different aspects are an individual's view of the world, which has a noteworthy impact on what they view as being relatively significant in existence. Seeing the world from different vantage points by different people has repercussions for research and academia (Blaikie, 2007), as they impact how we think about the world we live in against the world we would like to live in.

According to Plooy-Cilliers (2014), qualitative research refers to the whole world experience and these type of researchers would like to have an in-depth understanding of the human thoughtfulness associated with a particular sensation. The understanding of these notions is appropriate to this study as it needed the researcher to explore into the perceptions of executives, HR practitioners and managers in how black talent can be accelerated in JSE-listed companies; the

researcher had to identify the way executives understand how leadership development initiatives can be impactful in accelerating black talent.

3.3 Research methodology

Methodology refers to the general principles by which a researcher investigates the social world and also how they demonstrate that knowledge is valid (Henning, 2004; Bryman, 2015). A research method, on the other hand, refers to the more practical issue of choosing an appropriate research design. There are a number of research methods that can be used to conduct research, and where necessary, more than one research method can be used. The most commonly used research methods are either quantitative or qualitative in nature. Quantitative research is empirical research where the data are in the form of numbers, while qualitative research is empirical research where the data are not in the form of numbers (Punch, 2013).

Qualitative research deals with the essential qualities of subjective experiences and the meanings in relation to phenomena (Du Plooy-Cilliers et al., 2014). It is predominately aligned with data collection and data analysis, which generates and uses non-numerical data (Saunders et al., 2009). Qualitative questions are asked in a particular way and refer to qualitative content, and the data collection method involves words, statements and images (Crescentini and Mainardi, 2009). These are ultimately used to generate theories based on participants' insights (Sekaran and Bougie, 2013). The qualitative research follows a scientific method, where the theory is generated by the researcher from the data collected.

For the purpose of this study, qualitative research was used to determine the impact of leadership development initiatives on the acceleration of black talent in JSE-listed companies. The reason for this was that the form of data collection techniques aligned with qualitative research are able to reflect a deeper knowledge and understanding of social reality. A qualitative study affords a methodology that is of interest to researchers in order to understand individual experiences through the participants' eyes (Du Plooy-Cilliers et al., 2014).

The research method used for this study was explanatory in nature, which is a form of qualitative research. Explanatory research requires that social phenomena are investigated in order to develop explanations of the phenomena (David and Sutton, 1994). “Explanatory studies are also necessary when some facts are known, but more information is needed for developing a viable theoretical framework” (Bougie, 2010: 104). In order to provide solutions to the problem at hand, extensive research needs to be conducted, as well as extensive interviews. According to Ulmer and Wilson (2003), the type of study should determine the method of research utilised. There is a certain process that needs to be followed in data collection to ensure that relevant data in terms of the study are collected.

3.4 Qualitative research

Qualitative research was deemed appropriate for this study as it examined human experiences and perceptions; quantitative research would have restricted the research findings (Strauss and Corbin, 1990; Taylor et al., 2015). The researcher’s purpose was to understand the impact of leadership development initiatives in the acceleration of black talent and the promotion of black managers to executive or top management positions. As Strauss and Corbin (1990) wrote, qualitative research is any kind of research that produces findings not arrived at by means of statistical procedures or other means of quantification. In other words, qualitative research is a type of scientific research, which seeks to understand a given research problem or topic from the perspectives of the local population it involves (Qualitative Research Methods Overview, 2012).

The three main qualitative research methods: participant observation, in-depth interviews and focus groups (Strauss and Corbin, 1990; Corbin et al., 2014). For the purposes of this study, in-depth interviews were used as the research tool, as interviews are optimal for collecting data on individual personal histories, perspectives and experiences, particularly when sensitive topics are being explored.

Qualitative research needs to convince the reader that the research makes sense and that the research processes have been followed and systematically documented (Bougie, 2010). This research was not designed to be company specific, but rather

looked at the experiences of the various executives in their various corporate positions, the aim being that the HR managers and executives would draw from their experiences in the workplace, whether positive or negative, and analyse their working relationships with different companies, including the progression of executives.

According to Creswell (2013), the researcher may be seen as intrusive; private information may be observed that the researcher cannot report; the researcher may not have good attention and observation skills; certain participants may present special problems in gaining rapport; the interviews may provide indirect information filtered through the views of the interviewees.

3.5 Research objectives

- To explore the challenges to advancing black talent in JSE-listed companies.
- To analyse the impact of leadership development initiatives in accelerating black talent in JSE-listed companies.
- To investigate how resolute institutionalised bias in the acceleration of black talent in JSE-listed companies is.
- To provide recommendations on how black executives can be accelerated in JSE-listed companies.

3.6 Sampling

It is not always practical to study an entire population; hence a sample size is selected. The defined sampling as the process of selecting items from a population so that the sample characteristics can be generalised to the population. Sampling involves both design choice and sample size decisions (Sekaran and Bougie, 2013). A mixture of non-executive chairpersons, executives and HR managers or practitioners were interviewed, all of whom were involved in JSE-listed companies and were drawn from different business functions such as HR, finance, legal, IT and others. Companies were also carefully selected to reflect small-sized, mid-sized and large-sized JSE-listed companies.

Defining a target population is critical for determining a sample. The elements of the target population must be defined in terms of geographical location (Sekaran and Bougie, 2014). Etikan et al. (2016) argued that non-probability sampling occurs when there are no controls in place on the sample selection method. The study used purposive, non-probability sampling, and the findings cannot be generalised. The goal of purposive sampling is to sample cases or participants in a strategic way so that those sampled are relevant to the research questions.

3.7 Data collection

The interviews provided the researcher with the opportunity to interact with the participants, who were afforded the opportunity to respond in their own words and in great detail, giving the researcher the opportunity to probe deeper into the participants' responses where necessary through follow-up questions. Although this method assisted the researcher to gather a wealth of information, one of its challenges is the fact that it requires that the researcher listens carefully to what participants say, engage with them according to their individual personalities and styles, and use "probes" to encourage them to elaborate on their answers (Sekaran and Bougie, 2014; Eriksson and Kovalainen, 2015). The researcher was considerate during the interviews, and ensured that the participants' responses were properly recorded.

Table 3.1: Research Participants

Companies based on market cap categories	Chief Executives or Chairmen	Executives	HR Practitioners / Management	Company or Industry
Top JSE-listed companies	2	4	3	Aveng Group Discovery Limited FirstRand Group Nedbank Limited Old Mutual Sasol Limited Standard Bank
Mid JSE-listed companies	1	2	1	Pick and Pay Stores MMI Holdings Massmart Holdings
Small JSE- listed companies	1	1	1	Adcorp Holdings PPC Ltd Aurecon
Total Sample = 16				

Source: Constructed by the researcher

Table 3.1 shows how the research was conducted, targeting different population sections (participants). The first row shows that two Board Chairpersons or Chief

Executives, four executives and three HR practitioners/managers were interviewed, and the corresponding companies listed are those from where the participants were sourced. This data was collected from top-sized JSE listed companies.

The second row shows that one Board Chairperson or Chief Executive; two executives and one HR practitioner/manager were interviewed. This data was collected from medium-sized JSE-listed companies. The third row shows that one Board Chairperson or Chief Executive; one executives and one HR practitioner/manager were interviewed. This data was collected from small-sized JSE-listed companies.

All the participants were carefully selected to represent the various business functions in different companies, and were experts in their fields. A total of 16 people were interviewed for this research, all of whom came from companies listed on the JSE.

3.8 Interviews

Interviews were used as a process of collecting data by the researcher, these were considered to be a beneficial way to gain a comprehensive insight into how the participants feel and their views and perception on the study under discussion. Semi-structured, face-to-face interviews were conducted (Appendix 2), the duration of interviews averaged 45 minutes and were conducted in offices of the participants and these allowed the researcher to probe further any discussions that were deemed to be relevant to the study.

The participants were allowed to express their views, using their own words, on what they really understood about the impact of leadership development in the acceleration of black talent and these views responded to the interview questions asked by the researcher.

Cresswell (2017) explained how qualitative research approach would differ from quantitative approach studies as the outcomes between the two are never the same. However, the intimate link between qualitative and quantitative studies will always be there as it is driven by the type of method and the research questions. The resources and the experience of the researcher is complemented by the chosen methodology

and that helps in driving the research questions. The formulation or refinement of research questions also takes place as the quantitative study develops. On the other hand, in qualitative research, the refinement of the questions would always require the commencement of a new study. Moriarty (2011) specified that the common method for collecting data is interviews in qualitative research study, and this is regarded as a highly agile and acquainted way on engaging views, how people feel, unlocking the experiences and expertise of participants.

Setting up interviews and undertaking data analysis takes a significant amount of time, interviews also comes with a substantial amount of data that is to be collected from such interviews. Interviews of a qualitative nature are often described as in-depth or semi-structured. Donalek (2005) cited in Poulton (2014), observed that qualitative research is often used by researchers who see interviews as an appropriate way of collecting data and developing appreciation of the respondents and their perspective on the topic.

Interviews have been the most frequently used tool for data collection since qualitative research originated (Al Yateem, 2012; Poulton, 2014). Fontana and Frey (2014) indicated that interviews serve as a reliable technique for data collection as they provide an accurate record of the participants' actual responses and perspectives, and the authenticity is genuine as an audio recording cannot be edited. The researcher abstained from leading the participants into providing responses that were deemed appropriate for the research study, but rather allowed them to freely express their thoughts, opinions and experiences about the research topic. It is essential for a researcher to thoroughly understand the research topic that is being investigated so that the correct questions can be posed to the participants in order to benefit the study. If a researcher is not fully aware of the research topic, it could prove quite a challenge during the course of the interview as there would be uncertainty on when to probe further to obtain a more thorough response (Poulton, 2014).

The researcher was resolute about ensuring that participants were comfortable in speaking about their perceptions, experiences and feelings relative to the research topic, without participants feeling a sense of obligation to relate their accounts of the

subject to general social standards and preferences. The researcher also found it essential to record all interviews digitally, in order to ensure that all data were captured accurately. However, Poulton (2014), expressed the view that participants may become guarded due to the interview being recorded, and may be reluctant to freely express themselves. All the participants were comfortable with the recording of interviews. Data were gathered through interviews with selected participants who the researcher viewed as being key to providing invaluable information that would enable the researcher to formulate an opinion (Hlathi, 2008).

Prior to commencing with the data collection, the researcher contacted the participants with better understanding and experience on the topic of leadership development. HR practitioners are particularly important as they decide and allocate participants in leadership development initiatives in their respective companies. All the identified participants expressed their willingness to participate in the study. The researcher drew up an interview timetable with allotted dates and times for the interviews that best suited the participants. Upon obtaining ethical clearance approval from the university (Appendix 3), the researcher completed the interviews between October and November 2017. The researcher clarified with each participant prior to their interviews that any information provided by themselves would only be used for the purposes of this research study; that confidentiality would be strictly maintained; and that under no circumstances would information be shared with anyone with the exception of the supervisor and the examiner.

Each participant was made aware, prior to their interview, of the purpose of this study, and were told that their responses would be based on their perceptions of the research topic. The researcher additionally clarified with the participants that the responses provided were neither correct nor incorrect, and requested the participants to provide consent to permit the researcher to record the interview for transcribing at a later stage. The researcher prepared an interview schedule with a list of open-ended questions to engage the interviewees in conversation on the study topic. Goldman (2007) stated that unlike a questionnaire or survey which has to be followed, an interview schedule is created to provide a formal, yet simple and comfortable, discussion, where the

researcher is focused on listening and comprehending the responses from the participants.

3.9 Data analysis

The method of analysis used was described by Baskarada (2014) as interpretative thematic analysis. This involves an intensive reading of the transcripts in order to identify the beliefs and attitudes held by the informants.

The procedure of collecting data is not the end state of a research inquiry. Patton (1990), cited in Mayet (2003), explained that a feature of a qualitative research study is to create knowledge. The intention of this study was to create knowledge, specifically about the impact of leadership development in accelerating black talent. In this study, the researcher used the thematic analysis method, which incorporates conducting a data analysis with the aim of categorising themes that are based on recurring thoughts, criticism and perceptions (Hayes, 2000, cited in Goldman, 2007). Mayet (2003) contended that a researcher seeks to identify themes and patterns in the data, which arise from the opinions of the participants. Mayet (2003) explained that rather than attempting to make use of existing literature to identify patterns and themes from the responses of the research participants. A literature review is expected to enable the researcher to identify patterns and common themes that emanate from the data (McClaren, 1998, cited in Mayet, 2003). The first step in analysing the data is to organise them, which in this case included a precise transcription of the recorded audio interviews.

The next step in the process is an in-depth review of the data, which is a creative process that requires intellectual discipline, rigorous analysis and a substantial amount of hard work (Mayet, 2003). Due to qualitative data analysis being extremely creative in nature debated that a fixed approach may be difficult to recommend (Goldman, 2007), a deductive thematic analysis was conducted in this study. This method is contrary to a theory-driven approach, in which the research design is to test a pre-existing theory that is created by specific examinable hypotheses.

The thematic analysis enabled the precise words, thoughts and experiences of the participants to emerge from each interview, which concurred with the views expressed by Goldman (2007), i.e. that a researcher should not have a pre-determined idea of the responses, but should rather attempt to identify themes that surface from the data analysis. A study with pre-determined conclusions could restrict the potential outcome that would have emerged from the research process, therefore the interview questions were formulated carefully to avoid any limitations in the responses provided. All the responses from the interviews were coded and analysed by the themes that emerged from the questions. To protect the anonymity of the participants, none of the participants' names are mentioned in the study.

The thematic analysis used in this study followed Braun and Clarke's (2013) seven stages of thematic analysis, as cited in Craver (2014). Table 3.2 below lists these seven stages.

Table 3.2: Braun and Clarke's Seven Stages of Thematic Analysis

Stage	Thematic Analysis	Description
1	Transcription	Transcribing audio data to written text
2	Reading and familiarisation	Become familiar with the content by reading and re-reading the data
3	Coding (Selective and Complete)	Becoming familiar with the content by reading and re-reading data
4	Searching for themes	Identifying patterned responses within a dataset
5	Reviewing themes	Determine if themes fit with coded data
6	Defining and naming themes	Identifying the uniqueness of each them
7	Writing the report	Writing the report by making use of compelling extracts that relate to the research question and literature

Source: Braun and Clarke (2013) cited in Craver (2014, 2)

3.10 Limitations

This study consisted of a relatively small sample which may not be representative of the population. The participants who were selected may not be representative of the current South African managerial demographics, which are consistently changing. Sensitivity of the topic may have resulted in certain biases, or the participants not being completely honest with the interviewer.

3.11 Credibility and trustworthiness

For any research to be acceptable, and for its findings to be useful, it has to be credible. The researcher must vouch for the validity of the findings, i.e. their accuracy, and the reliability of the approach used, which speaks to the consistency of the approach across different researchers (Sinkovics and Alfoldi, 2012). Various strategies for ensuring credibility and trustworthiness are available to a researcher, and a combination of some of these was used in this study, based on the in-depth interview data collection method, which was the principle method used. The data collection method of the in-depth interview was dictated to by the nature of the research problem, which meant that attention had to be given to ensuring the trustworthiness and credibility of the process and the findings especially in the light of the fact that the raw data was in the form of the perceptions, views and feelings of the participants (Sinkovics and Alfoldi, 2012).

Saldana (2015) mentioned that in order for a research study to ensure confirmability, it needs to be objectively confirmed by making the research study available for outside scrutiny. This can be done by subjecting the interview schedule, audio recording and data collection to an audit process, which enables a review of the analysis and ensures that the interpretations made are well explained in the data. In ensuring credibility for this study, the researcher, prior to commencing with the research, made himself aware of the expectations and interests, reserved opinion on the study, and allowed the data that were gathered from the interview process to be expressed without restrictions. This was done by testing the ideas and suggestions with professionals and practitioners in the field before formally conducting the research. Saldana (2015) further explained that in order for the research results to be credible, the participants' responses should make sense, which can only be achieved if the researcher can

maintain a distinction between the views of the participants and their own. In this case, the researcher reserved any subjectivity and allowed the participants to share their views, knowledge and practices easily.

The in-depth engagement of the executives or top managers ensured that the data were credible and trustworthy. Furthermore, since this study was exploratory in nature, the opinions of the executives and managers were significant as their responses were mostly influenced by their experiences, emotions and feelings. Credibility was maintained by posing the same set of questions to all the respondents, and a comparison of the answers received were analysed equally.

Creswell (2009) described the process of reliability and validity with respect to data collection as follows:

- The interview questions should be clear and concise for the respondents as they should be specific to the research study.
- The interview questions should not be leading.
- The interview questions should be simple so that there are no misunderstandings.

Particular care was taken through the interview process to allow the participants to express themselves freely, without incorporating the researcher's opinions and views into the questions that were asked.

3.12 Ethical clearance

The University of KwaZulu-Natal expects staff and students to obtain ethical clearance before conducting any type of research, therefore the researcher applied and received ethical clearance approval (Appendix 3) from the Research Office. All the participants were informed about the nature of the study and were asked for their consent to participate in the study. They were also advised that they could withdraw from the study at any given time during the interviews should they so wish, and they were assured that their names would not be disclosed, therefore there was an informed consent (Appendix 1) with all the respondents.

3.13 Summary

This chapter examined the various research methods and explained how the data were collected from the participants. It also included a section on how the interviews were conducted and addressed ethical considerations. A number of executives as well as HR practitioners were interviewed to gain an understanding of the dynamics that are at play in the advancement of black talent in corporate South Africa. The next chapter presents the results of the study.

CHAPTER 4: RESULTS

4.1 Introduction

The purpose of this study is to examine the impact of leadership development initiatives on the acceleration of black talent in JSE-listed companies. This chapter captures the findings from the 16 semi-structured interviews conducted with different business leaders who were employed by, or served on the board of directors of, JSE-listed companies. All 16 transcripts were vigorously analysed, resulting in some of the quotes that are shared in this chapter. The quotes were grouped into different categories, from which emerged broader themes.

The interview questions were aligned to the research objectives and detailed to ensure appropriate answers to the set-out objectives. Below is the linkage of the questions to the research objectives:

- To explore the challenges to advancing black talent in JSE-listed companies. In achieving this objective, challenges facing black talent and how they can be overcome were posed. The elimination of such challenges and advancement of black professionals were discussed.
- To analyse the impact of leadership development initiatives in accelerating black talent in JSE-listed companies. In achieving this objective, different leadership development initiatives, selection criteria and the success rate in promotion of black talent was discussed. Details of investment in careers of black professionals was also deliberated.
- To investigate how resolute institutionalised bias in the acceleration of black talent in JSE-listed companies is. In achieving this objective, questions were posed to understand if there is bias within companies in the acceleration of black talent and how prevalent it is. The representation of black professionals on the board and executive committees as well as their responsibilities were discussed.

- To provide recommendations on how black executives can be accelerated in JSE-listed companies. In achieving this objective, the respondents made an input on how they assess their own companies on the acceleration of black talent. Practical steps, recommendations and additional views were also discussed broadly.

4.2 Demographics of the research participants

The 16 interviewees are described as Respondents 1 to 16 in order to protect their identities. The quotations from participants come directly from their transcripts, i.e. the actual words, forms and expressions are quoted. Each participant was required to respond to all the interview questions put to them, and were also given the opportunity to contribute other thoughts that were relevant to the research topic. Table 4.1 shows the diversity of responsibilities and positions that the participants occupied, as well as the size of the companies they worked for or with.

Table 4.1: Details of participants

	Chairman /CEO	Executive	HR Practitioner	Top Company	Mid Company	Small Company
Respondent 1	✓				✓	
Respondent 2	✓			✓		
Respondent 3	✓			✓		
Respondent 4	✓					✓
Respondent 5			✓	✓		
Respondent 6		✓		✓		
Respondent 7		✓		✓		
Respondent 8		✓				✓
Respondent 9		✓			✓	
Respondent 10			✓		✓	
Respondent 11			✓		✓	
Respondent 12			✓			✓
Respondent 13		✓				✓
Respondent 14			✓			✓
Respondent 15		✓		✓		
Respondent 16			✓	✓		

Source: Constructed by the researcher

4.3 Analysis of the research data

The interviews were transcribed verbatim, after which the researcher engaged in a process of analysing the responses and grouping them into relevant themes. Table 4.1 provides a summary of themes that were identified by the researcher.

Table 4.2: Themes

THEME	DESCRIPTION
Theme 1	Coaching and mentoring
Theme 2	Succession planning and retention
Theme 3	Career sponsorship
Theme 4	Institutionalised bias
Theme 5	Stretch assignments and rotations
Theme 6	Non-executives to executives
Theme 7	Transformation targets and incentives
Theme 8	The power of networking
Theme 9	Credibility and professionalism
Theme 10	Lifting as rising

Source: Constructed by the researcher

4.3.1 Coaching and mentoring

Coaching and mentoring was mentioned by almost all the participants in the research interviews. Most companies lack formal mentoring and coaching programmes and that leaves very few companies that have incorporated this form of initiative. There has been a moderate success rate in the acceleration of black talent by the companies that have adopted this leadership development initiative. The respondents cited it as a necessary intervention in their career development, particularly that of black professionals, as it will propel them to executive positions.

“The challenges with investing in the development of black talent, gets challenged by the resources that the organisation to put aside for that purpose. For instance, what you find is because there is not a big pool of black talent out

there, so sometimes you have to take people and put a mentorship programme and other development assistance to enable them to be ready for the positions that you want to fill in the long term” (R1).

Another respondent added that it is important for black professionals to be given more opportunities to take leadership and be involved, in the same way the sport players would need to field in order to gain experience and competence:

“And sometimes we tend to use experience as an obstruction but actually if you want more black people operating at that level, we need to see more intent and by more intent, we need to start throwing them or putting them on the field of play for them to play. I think what needs to happen is that you know there’s a new field that is growing in this country and that is executive coaching and mentorship” (R9).

One of the respondents stated that mentoring and coaching needs to be formalised in companies, adding that cultural inclusiveness and diversity must be the key driver when selecting managers who will be part of this initiative.

“...mentoring, spending time and being given assignment so that you could use your expertise to share and engage with the young people” (R11).

A number of respondents commented that the youth dimension must also be taken into account. This was argued from the role model perspective, as well as in terms of access to networks and building relationships with senior managers and executives within companies.

“...we need to in our networks, and in our coaching and mentoring of... of young people, we need to share with them what it means to succeed” (R3).

4.3.2 Succession planning and retention

The majority of the respondents argued that there is insufficient or lack of succession planning to be taken more seriously by companies. Most participants viewed it as crucial in positioning black talent for future opportunities, as natural attrition takes place in companies. Retention, most respondents explained, is equally important when

dealing with matters of succession. Both succession and retention are critical in leadership development and ensuring progress in accelerating black talent.

One of the participants said that there should be consideration for black managers as potential successors in all key positions within companies, especially at the executive level. However, most companies still have not factored this in their succession plans. Assessments must also be taken into account to ensure that the leadership development interventions are customised and appropriate for the individual who is on the succession slate. He further explained that companies must be deliberate and offer tangible roles to ensure that succession is not reduced to a mockery by other observers within companies.

“I think I'm convinced that that's what you need to have. You need to show me the talent map and show me who those individuals are, and why in particular positions there aren't Black individuals, and depending on the business units ask for disproportionate targets for Black people” (R3).

Most participants linked the success of succession planning to role modelling; when young black professionals see their own in top management or executive levels, that inspires them and gives them hope.

4.3.3 Career sponsorship

All the respondents agreed that the people who make it to executive positions are backed by a sponsor; a career sponsor is someone who takes an interest in an individual's career and unlocks opportunities that are related to career advancement, such as promotions, participation in business development programmes, and various kinds of exposure. This researcher can attest to this, having worked at the top management of a JSE-listed company, where careers are unlikely to get to such heights without sponsorship.

“So one of the key things is that we use the executive assistant role and the executive assistant gets exposed to a variety of senior executives...” (R7).

Another respondent concurred:

“When I became an Executive Assistant for an example, it became apparent that I was being fast-tracked. And I think the onus was on me to perform, so I was being told to say, “Look, you are being fast-tracked.” And this was not a secret but there was also an understanding that it is not going to be given to me on a silver platter” (R9).

The majority of participants highlighted the impact of Executive Assistant roles as the most successful leadership development intervention. They revealed how the Assistant gets exposed to areas of business and company strategies by interacting with the company executives. This also helps the Assistants to build their own personal networks with the rest of the executives within the company.

“Sponsoring for me means that when you sponsor, sponsorship says I am successful when that person is successful I therefore do everything in my power to make sure that they get to that point” (R7).

One of the participants emphasised the significance of white executives offering career sponsorship, arguing that it will assist in the improvement of race relations. Clearly, there are benefits that go far beyond career acceleration within companies.

“I think it is useful to get a white person, a white male for that matter to sponsor a black person, because they’re going to have to go out of their way to do that. And for them, sponsoring a black person, it gets them to open their eyes on black talent, you know, a little bit more than ordinarily that they would do” (R4).

Another participant indicated that while the Executive Assistant programme is great, every executive should have an assistant that is being exposed, not just the CEO. He concluded that this will help to achieve scale and impact the acceleration of blacks to executive levels in companies.

4.3.4 Institutionalised bias

Bias came out as one of the discussion and impact in halting the advancement of black talent; almost all the respondents agreed that it exists and is prevalent, saying that black professionals and women are always on the receiving end of this bias. One of the respondents argued that it is as a result of people feeling threatened or seeing

their career progress being at risk, and thus becoming negative about transformation. Only those who are close to retirement seem to be comfortable with accelerating black talent.

“... like I know that I’m close to retirement and it’s easier for me to assist in developing my successor because he or she does not threaten me. But the human reaction is such that unless there is some incentive for me to do it, your natural reaction is always likely to be negative” (R1).

This respondent also contended that the economic prosperity of the company seems to be a key driver in putting people at ease and supporting the acceleration of black talent. By extension, if there are no alternative opportunities within the broader economy, then people tend to hold onto their jobs and not unlock opportunities for others, particularly black professionals.

The respondent added that:

“But the other problem that sometimes arises is that within the organisation, you find there is resistance. So particularly in a time where the companies are not growing so then people think okay, if I assist this fellow, my job may be on the line and I can’t see my own career” (R1)

Nevertheless, another respondent insisted that how people are socialised and their background is at the core of what fuels bias in companies, adding that the acceleration of black talent will not happen without leadership taking transformation seriously - only then will the culture change to enable transformation to take place. Leadership and culture are thus instrumental in redressing institutionalised bias in companies.

“...if you go to the United Kingdom other than international companies that actual chose just to operate there your general head of a British company what do you expect them to be, if you go to China your heads of Chinese businesses, if you go to Brazil what do you expect them to be, those companies are not discriminating, you will find some black people but you will expect if you walk into a French company the majority of the top leadership is French because that is actually normal...” (R2).

One of the respondents indicated that South African companies need to reflect the demographics of our society, and that diversity must be at the core of what drives companies if we want to do well as a country. This diversity must be reflected across all management levels within companies across industries. However, another respondent had a completely different view, and argued that diversity training in companies has not yielded the desired outcomes.

“...so I think companies have to do unconscious bias training and again I don’t think diversity training, that’s not what I am talking about, diversity training hasn’t worked” (R11).

Another respondent supported the argument by highlighting that:

“... a lot of the people that have to make the changes are white people. And because of that, a lot of them have got unconscious bias, a lot of them would deny that they are racists, but they will take actions that you and I would understand as being the outcomes of either deliberate or unconscious bias” (R3).

Bias is essentially a prejudice based on favour for or against a certain person or group, and it is inherently anchored by unfairness. In corporate South Africa, bias is largely institutionalised given the racial history of the country; people have been socialised in racial terms and that seems to be the lens through which they view the world. Consequently, top managers and executives in companies are no different from how the rest of the society has been socialised.

4.3.5 Stretch assignments and rotations

A stretch assignment is an additional responsibility or project given to an employee over and above their normal duties, while rotation is about taking on a new responsibility within the company or organisation without any responsibilities and dependencies to a previous role. Both these initiatives have proven to be effective in the development and acceleration of talent in companies. Most respondents believed that they must be skewed in favour of black professionals and women to improve the demographics in top management structures of companies.

“Rotation is almost a domino rotation... when there's an opportunity there that's created by one person moving, we put another person and rotate another person into that space. If there's a project that the company is working on, we can rotate people into those projects” (R5).

This respondent further indicated that it is critical for companies to invest in training and developing their employees, and insisted that these stretch assignments and rotations are the most effective ways of advancing blacks and minorities in the gas and petroleum industry. The prioritisation of black talent, she concluded, will assist in the acceleration of black professionals to executive levels in JSE-listed companies.

The respondent also highlighted that:

“...you've got people that are ready because you've trained them, and you've made them ready. You've exposed them to other projects that are similar to the one that we are starting in China because businesses always grow adjacent” (R5).

4.3.6 Non-executives to executive conversion

The conversion of non-executive directors to executive directors was one of the most captivating and creative perspective. Most of the respondents indicated that it is easier for companies to achieve diversity and inclusivity at the board level than at the executive committee level.

One of the respondents highlighted two examples where this initiative was perfectly executed in different JSE-listed companies where he serves as a non-executive director.

“... the Deputy CEO, I'll use her as an example. She used to be a partner in an audit firm. Then she became a non-executive director at our company, but because she could demonstrate talent, the CEO said to me I'd like her to be the next CFO. So we then transitioned her from being a non-executive to being an

executive, and then she ran a unit called Balance Sheet Management which really focuses on managing capital for the group” (R1).

This has proven to be a massive success as the candidate was already familiar with the company and part of the development of strategy, and had a good understanding of the drivers and levers of the business.

The respondent further commented that:

“Because when you look at it, people have been there in the board, they have a visibility of what’s happening in the company, they understand the nitty-gritties. Then it makes sense for them to be converted, and that candidate is a good example and now CEO of a Top 40 listed company” (R1).

4.3.7 Transformation targets and incentives

Most participants stated that there must be incentives for transformation to be achieved that must work on two levels, one for individuals whose performance bonuses must be linked to the promotion of black talent, and one for the companies themselves through tax breaks and other forms of benefits.

One of the respondents indicated that companies and boards must set targets that they want to achieve because without targets there is no aim. He insisted that these targets must be linked to the management’s performance indicators. A timeframe of three years must be set with the leadership team in terms of how KPIs will be achieved.

“The other way maybe you can encourage businesses to overcome this obstacle, is maybe there needs to be a process in place where we reward companies taking this thing seriously. Maybe it could be in the form of tax breaks, it could be in some form of rewards and rebates that will encourage companies to be able to take transformation seriously” (R9).

Another respondent explained:

“So we actually do set targets, sometime a 50%, sometimes a 30%, depends on the different environments. Fifty percent women, 30% women, 60% blacks,

so we set quite very high targets on recruitment and on promotion of women” (R5).

Some respondents argued that rewards and penalties must cascade to the executive and management levels and have a direct personal impact to encourage the acceleration of black talent.

“...we’re going to call them what they are and we are going to implement them, and we are going to have rewards and penalties, just like we have rewards and penalties for business objectives” (R3).

Another participant added that:

“At a point in time here for the top guys our incentives were weighted and it was as much as 20% for transformation at a gender and race level” (R2).

There was also an interesting view from one of the respondents who suggested that there must be a bonding of positions to encourage transformation to take place. This essentially means reserving positions or roles exclusively for black professionals.

“You got to start making calls like are you going to bond this position for a black person and we’ve done that with some roles” (R11).

4.3.8 The power of networking

Networks were mentioned as one of the most powerful mechanisms in career progression. These networks are informal and sometimes takes the form of interest groups when people participate in recreational activities or even just going out for drinks. Black professionals could progress their careers if they participate in these networks.

One of the respondents highlighted how she was excluded from a social conversation on the basis that she did not participate in that recreational activity. The activities that are done outside professional work seem to strengthen relationships and ease professional relationships as well.

“They watch the same shows, they do cycling like, and for instance this morning I was the only black lady in that meeting. There were four white men, one

Indian, four white men, and then the white lady that has just joined. So towards the end of the meeting, finished and they are talking about cycling, I don't cycle, I don't even know how to ride a bike, so obviously I am not going to be part of that conversation..." (R13).

All the respondents highlighted the importance of networks in advancing a corporate career; when colleagues spend time together, their conversations cover both social and work topics. One respondent argued that networks have to be across racial lines, as black professionals will benefit from the power of other races in building and strengthening theirs to benefit their own career acceleration.

"She says because when we're sitting, we're having drinks, there's this project and there's that project. Not because people consciously say we're going to talk about work and drinks, but you start to talk about this, about things of work" (R4).

Another respondent highlighted the racial aspect of it:

"You know, businesses work, based on networks, and because we don't have a big enough pool of black professionals as yet, it's that much more difficult to have the networks going, and as such, other races' networks will always be much stronger" (R8).

4.3.9 Credibility and professionalism

Most respondents argued that black professionals themselves need to be role models and demonstrate credible track records. Taking charge and displaying excellence seems to be their preoccupation, however the challenge seems to be how that black excellence mantra can be cascaded to all black professionals.

"... I wish we can institutionalise black excellence, and black excellence is really about when you assume a position of leadership, you also demystify the perceptions of you got this because you know so and so. But to show that you can actually competently deliver to the expectations of all stakeholders. And if we do that, and also make sure that when you achieve a position at the top, you also create space for others to get there" (R1).

Another respondent contended that black professionals need to empower themselves and be more confident based on their qualifications. She further argued that black professionals must think in terms of the legacies they are leaving behind as they execute their responsibilities.

“Yes but like my point is that as black people it is important that you leave a legacy for other black people...” (R13).

Another respondent mentioned that:

“One of the things that I think as black professionals, which includes myself because I’m a black professional myself, is that sometimes I don’t think we’re doing enough to claim the space” (R4).

One of the respondents indicated the need for black professionals to purposefully empower themselves, develop industry knowledge, learn industry trends, and develop networks within that industry. These things will assist black professionals to be at the cutting edge at all times and keep their pulse on industry developments.

“It’s about allowing any eligible experienced, talented person, to work and have an equal opportunity for success, meaningful work and contribution” (R5).

4.3.10 Lifting as rising

There is a sense of responsibility amongst black professionals that they need to play a representative role to fellow blacks and women. Almost all the respondents viewed their success as a symbol to be claimed by others, and they seem to have an obligation to lift others as they climb the ladder of success.

“I think what black professionals, what they can do is even when they rise, and occupy those positions, they need to also push more black professionals in key positions” (R9).

Another respondent agreed but was more critical:

“...we can also be our worst enemy in that when you are appointed to a position, you then forget that you are in that position also to play a supportive role to others who come after you” (R1).

All the respondents were keen to lift others as their careers rise. The high positions they occupy come with power, and it is this power that they intend to use to unlock opportunities for others, thereby contributing to the acceleration of black talent to top management, particularly in JSE-listed companies.

4.4 Summary

The responses provided by the participants clarified the challenges and potential solutions for how companies could use leadership development initiatives to accelerate black talent to executive or top management levels. The majority of companies have leadership development programmes and they are investing a lot in developing their employees, black and white, however there is still a high promotion of white managers as opposed to black employees and women in general.

The next chapter is discussion of the key findings of the study and provides suggestions on how black talent can be accelerated through leadership development in JSE-listed companies.

CHAPTER 5: DISCUSSION

5.1 Introduction

This chapter analyses the findings of the research, and explores its wider implications in terms of the leadership development impact on the acceleration of black talent. The research findings will confirm, contradict or enhance what the current literature reveals about leadership development.

The transformational leadership theory describes leadership that creates and instils positive change in the minds of the followers. The followers acknowledge the importance of ensuring that the interests of each individual team member are guarded by the same team members, whilst simultaneously considering group interests as a collective (Odumeru and Ifeanyi, 2013).

Transformational leadership emphasises how followers can contribute to the organisation, not vice versa. In such instances, the transformational leader will influence followers to exert extra and exceptional efforts in order to achieve the common goal, and this influence is assumed to be unidirectional as it flows from the leader to the follower. The danger of such unidirectional influence is that it makes the followers more susceptible to deception (Lee, 2014).

The acceleration of black talent by leveraging leadership development initiatives will need a transformational approach from leaders who need to sponsor such outcome. The ultimate outcome is for corporate companies that are listed in JSE to also reflect the demographics of a broader South African society.

In Chapter 4, the following broad themes emerged, which needed to be scrutinised in light of the current literature on the subject:

- Coaching and mentoring
- Succession planning and retention
- Career sponsorship
- Institutionalised bias

- Stretch assignments and rotations
- Non-executive to executive conversion
- Transformation targets and incentives
- Power of networking
- Professionalism and credibility
- Lifting as rising

5.2 Coaching and mentoring

Almost all the respondents in this research highlighted that mentoring and coaching is an initiative that will be impactful in the acceleration of black talent. Respondents also indicated that companies, particularly the JSE-listed ones, must carefully select black talent who they are willing to invest in and provide proper support to, to ensure the maximum chance of success. These decisions will require companies to be bold and prepared to pay for their investment, some of the respondents explained.

According to the ICF (2016), executive coaching results in a new perspective, increased confidence, better interpersonal skills and improved decision-making skills. Executive coaching has a positive effect, not only on individuals, but on organisations as well (de Haan, et al., 2014).

Talent management practices were surprisingly positively reviewed; coaching is seen as beneficial for creating a pipeline. Fifty areas for the application of coaching were identified and grouped under Katz's (1974) model of skills needed for managerial practice, namely conceptual skills, human skills and technical skills. According to Daft (2014), the most important talent should include: enhancing leadership, performance management, managing corporate politics, building networks, leadership style and team leadership. In the intrapersonal category, the topics noted were: raising self-esteem, coaching for performance, raising self-awareness, emotional intelligence, coaching through strengths, and coaching for transitions. Myres (2014) emphasises that South Africa still suffers from a historical legacy, where numerous factors are inhibiting the full participation of black executives in top management at the level required to achieve a sustainable political and economic environment. Coaching was

found to be a suitable leadership development tool for many of the promotion challenges of black managers (Myres, 2014).

The majority of respondents to the study as indicated in the previous chapter also stated that coaching and mentoring programmes were very impactful in unlocking career progression of black managers to top management or executive levels. However, most companies lack formal mentoring and coaching programmes. The respondents cited this initiative as a necessary intervention in their career development and it will also propel careers of black professionals to executive positions.

The introduction of BBBEE is a clear indication that the government expects changes and transformation in the workplace, particularly the Employment Equity, which is the integral element of BBBEE. Several studies have revealed the critical role that executive coaching can play in South Africa's workplace transformation (Booyesen, 2007; Booyesen and Nkomo, 2010; Myres, 2014), however Gerber and Keane (in press) reinforced the notion of using mentoring and coaching programmes that are culturally sensitive and go beyond just personal or individual development. According to Cilliers (2005) and Ting and Scisco (2006), coaching and coaches can help navigate the complexities of diversity within organisations. Litvin (2006) emphasised the benefits of diversity in providing organisations with a stronger competitive advantage through innovation and creativity. A study by Motsoaledi and Cilliers (2012), meanwhile, highlighted South Africa's challenge of being intentional about diversity management and dealing with unconscious behaviours in the workplace.

5.3 Succession planning and retention

The study results revealed that highly talented employees are always concerned about opportunities for the development and advancement of their careers, thus companies must have development and succession planning processes in place for each of their key employees. Furthermore, talented employees who are kept apprised of their performance and areas of development do better and take advantage of opportunities. Although it may be tempting to retain a talented employee in a role where they are

doing well, such action could create retention problems when his/her advancement is perceived as being slow or non-existent.

This study's findings corroborate those of researchers such as Greer and Virick (2008), i.e. that although practitioners and academics alike have argued for succession planning practices that facilitate better talent identification and the creation of stronger "bench strength", too little attention has been paid to the incorporation of gender and racial diversity in succession planning. Improvements in strategy, leadership, planning, development, and programme management processes are critical for diversified and inclusive succession planning.

At the heart of succession planning is the belief that, under normal circumstances, talent is best developed from within, starting with the selection of the best individuals and continuing through a career-long process of mentoring, coaching, internships, externships, and other professional development opportunities. Such approaches can be used at every level in the institution (Denis, 2016; Richards, 2016; Wilson, 2016).

The majority of participants as highlighted in the previous chapter highlighted the success of succession planning to role modelling; when young black professionals see their own in top management or executive levels, that inspires them and gives them hope.

Employee retention activities encourage employees to remain in an organisation, which ensures business effectiveness and organisational performance (Mita, Aarti and Ravneeta, 2014); employees are seen as the most crucial and dynamic capability of any organisation, whose skills are central in order to enable firms' competitiveness (Bidisha and Mukulesh, 2013).

Various studies have examined the area of employee retention strategies and practices (Christeen, 2015; Dahlman, 2007; Das, 2013; Knox and Freeman, 2006). Capelli (2000) stated that factors that have a direct impact on employee retention include career opportunities, work environment, organisational justice and culture, work-life balance and existing leave policy. In addition, organisational commitments,

i.e. when employees feel a sense of pride and work to their full potential, is an important factor contributing to loyal employee retention (Das, 2013).

5.4 Career sponsorship

Sponsorship has proven to be instrumental in leadership development as an intervention. Almost all the respondents in this study who managed to get into top management or executive positions had sponsors. To unlock opportunities for sponsorship and exposure, people have to be given an opportunity to present or interact with the broader business leadership or executives for them to stand a chance of being noticed for sponsorship. Black professionals thus need to take the initiative and approach executives in their respective companies to ask them for sponsorship.

Castello (2012) argued that building a strong business case for multicultural sponsorship, a case that relies mostly on engagement and retention, but also on the increased networking, market, and client opportunities such diversification can yield. Literally changing the face of corporate leadership through diversification not only allows organisations to tap into new talent, but also provides more opportunities for global reach.

5.5 Institutionalised bias

All the participants in this study conceded that there is institutionalised bias in their respective companies and this has been embedded in companies when dealing with race and gender matters, be it appointment, promotions and unlocking of opportunities. Companies must make efforts in ensuring that the demographics of our country are reflected at every level of management, including top management. The development of black talent has to be interpreted within the context of reflecting the demographics and economically active population, therefore participation in leadership development initiatives must take race and gender into account.

The other stumbling block as highlighted in the study is the fear that whites have when dealing with inclusiveness or transformation. One of the research participants recounted how their company had to hire psychologists to assist white managers to

deal with transformation; it was only then that they let go and more black talent was accelerated to the executive levels. This intervention went a long way to helping the company deal with people's fears, and it unlocked opportunities for black talent.

The current study's findings are supported by Blais and Monnery (2014), which found that most organisations fall somewhere along the spectrum between inadvertently letting biases rule, to actively championing diversity. However, organisations that really get diversity right – that recognise, leverage, and retain diverse talent, realise the greatest return on their investment, and earn an enviable employer reputation – first get potential right. As with approaches to potential based on intuition or experience, the effects of this approach can be unduly harsh for diverse employees. A less than spectacular performance in a current role may be seen by others as confirmation of their unconscious biases. The executive is passed over for promotion, moved laterally, and perhaps tacitly dropped from the company's high potential programme. Feeling the organisation's withdrawal of confidence, the executive grows dissatisfied and leaves, or worse, remains at the company in a needlessly stalled career. In addition to the personal cost to the executive, such high-profile derailments can set back diversity efforts overall, discouraging diverse employees and increasing resistance to diversity programmes (Bidwell et al., 2013).

The assessment of performance and potential lies at the heart of talent identification, yet is prone to biasing effects (Schoorman, 1988); impression management (Wayne and Liden, 1995); interpersonal regard or liking (Lefkowitz, 2000); internal politics (Buckley et al., 2001; Longnecker and Ludwig, 1990); and the social and geographic distance between performance rating and the ratters (Mellahi and Collings, 2010). Particular appraisal schemes create a construction of the individual that has meaning for the organisation (Townley, 1993), which may relegate the individual's distinctive attributes and thus suppress the talents that they want to demonstrate. Unless individual expression fits with the organisation's ideal, then it is in danger of being overlooked.

As presented in the previous chapter, the majority of respondents stated that in corporate South Africa, bias is largely institutionalised given the racial history of the country; people have been socialised in racial terms and that seems to be the lens

through which they view the world. Consequently, top managers and executives in companies are no different from how the rest of the society has been socialised.

Booyesen (2007), Kilian et al. (2005) and Matandela (2008) listed several aspects that inhibit black managers from being promoted. These are discrimination, lack of trust, cultural clashes, lack of coaches and mentors, low commitment to employment equity from top management, a lack of cultural sensitivity where the new recruits are expected to assimilate into the current organisational culture, and a white, male-dominated culture that continues to exclude black recruits.

5.6 Stretch assignments and rotations

The study results revealed that most companies have unlocked opportunities for their highly talent employees to go to business schools, but they also have to take them away from, for example, finance or other roles, and give them some additional responsibilities that are operational. These stretch assignments are instrumental in ensuring that the employee's experience is well rounded and that have more exposure to the rest of the business.

One of the respondents further explained that rotation in career terms means leaving one role for a completely new one within the broader divisions or other departments within a company, for example there may be an opportunity created by one person moving, i.e. the company can rotate people through that space. Another example is rotating people through a project that the company is working on.

This study concurs with other researchers that the benefits of job rotation (transfer and promotion) from two different point of organisational and individual have been analysed (Jordan and Brauner, 2008). Organisationally, the transfer of employees from one job to another is crucial in developing employees' skills. Managers who change jobs to different parts of the organisation gain experience which assist them to be prepared for higher positions and responsibilities. Career exposures are crucial in accelerating talent (Akbari and Maniei, 2017).

More progress can be achieved in the acceleration of black talent in JSE-listed companies when opportunities for rotation are unlocked. This may be achieved by directing or encouraging leadership development participants to undertake 'stretch' assignments that will challenge and impel them into unknown territories, thereby experiencing growth and development (Farr and Brazil, 2009).

This approach had been practiced by the Coca-Cola Company, where over 300 professional and leadership staff members were transferred to new countries in one year under a leadership-development programme, to expose them to new challenges, giving them stretch assignments that would add value to their growth, in turn adding value to the organisation as a whole (Day and Halpin, 2001). Some of the companies in this study are doing the same based on the interviews with the respondents.

In contrast, talent management relates to a set of processes concerning "the strategic management of the flow of talent through an organisation" (Iles, Preece and Chuai, 2011: 127) involving the selection, development and deployment of high value people (CIPD, 2009). Linked to the identification of individuals is the identification of the strategically important positions that they will occupy (Collings and Mellahi, 2009). Talent programmes typically involve the modelling of organisational images of talent and evaluation against them; selected participants experience a formal programme that generally includes teamwork, job rotation, self-development and executive mentoring (Gupta and Wasylyshyn, 2009). In all, talented employees can enjoy a different human resource architecture to that experienced by the majority of the workforce (Collins and Mellahi, 2009).

5.7 Non-executive to executive conversion

One of the outcomes of this study is that the consideration of converting non-executive directors to executives is the most creative and strategically impactful idea. Corporate South Africa needs to reflect the demographics of our society more at the board level than at the executive committee level. Board appointments are normally rigorous and people are invited to join based on the strength of their business expertise and an astonishing leadership track record. These directors spend an enormous amount of

time understanding the business of companies in order for them to be effective in holding the executives accountable (Mthunzi, 2018).

The benefit of appointing a current director to the CEO position is that the director can act as a hybrid “inside-outside” CEO. He or she is likely well versed in all aspects of the company, including the strategy, business model, and risk-management practices. In addition, a current director likely has personal relationships with the executive team and their fellow board members, making it easier to determine cultural fit prior to hiring them. At the same time, this individual is not a member of the current senior management team, and therefore has greater freedom to make organisational changes if needed. To this end, Citrin and Odgen (2010) found that board members-turned-CEOs outperform all other types of candidates (including insiders, outsiders, former executives, and COO promotions). They measured performance using a combination of relative stock price returns, revenue growth and profit growth, and concluded that directors-turned-CEOs represent a strong blend of insider and outsider attributes (Larcker and Tayan, 2017).

Based on the outcomes of this study, this researcher believes that it makes sense for companies to leverage and use their non-executives as a talent pool to plug them into vacancies at executive levels. There is already a precedence for this concept, which strengthens the solution based on its recorded successes.

5.8 Transformation targets and incentives

To retain talented people, most of the respondents emphasised that a company’s reward system must be perceived as being competitive, differentiated and fair. Furthermore, companies may consider paying differential remuneration across most reward elements to lessen the chances that competitors can entice their talented employees from them. Management of the competitive market for key talent is advisable, but one must also make sure that employees identified as top talent understand why they are paid what they are. A reward system designed to differentiate key talent from other employees is important to enhance perceptions that the pay system is fair.

Quotas can be an effective tool to improve gender equality. This is particularly true if path dependence is a key factor for the under-representation of women in the highest corporate echelons. Because qualified women might be harmed by an absence of networks to help them climb the corporate ladder, quotas can provide the initial step up that women need to break this cycle. If discrimination is the key factor for the under-representation of women, quotas might help overcome business prejudice (and improve efficiency) by forcing more exposure to talented women in positions of power (Beaman et al., 2009; Rao, 2013). However, if high-quality women cannot be found, the quotas may backfire and reinforce negative stereotypes, resulting in a patronising equilibrium, with women investing less in their careers as they see that it does not require much to become a board member (Coate and Loury, 1993).

Affirmative action has been the main mechanism to achieve such equality (Denton and Vloeberghs, 2003), but these historical declarations also suggest aspirations beyond redress; they envision a society based on the principle of valuing the diversity of the South African population. Ultimately, this aspiration should also be achieved in the workplace.

Scholars have argued that the affirmative action approach in the United States cannot fully serve as a model for South Africa, primarily because the beneficiaries of affirmative action in South Africa are a numerical majority, unlike its targets in the United States (Dupper, 2004). More importantly, except for those companies that do direct business with government, affirmative action in the United States is voluntary (Kelly and Dobbin, 1998). However, such an option is not feasible in South Africa; unless interventions directly tackle the power and privilege institutionalised in organisational structures and processes, historical inequalities will simply be re-created and re-enforced (Linnehan and Konrad, 1999).

5.9 The power of networking

The majority of respondents in this study highlighted the significance of networking and how it increases the visibility of those black professionals who make an effort to be known within their companies. This visibility has unlocked opportunities for them to

participate in high impact projects or roles within organisations, and has ensured that their talents are noticed and utilised.

One respondent argued that networks have to be across racial lines, as black professionals will benefit from the power of other races in building and strengthening theirs to benefit their own career acceleration.

From the ceremonial rituals to the beach festivals, team sports, and urban marathons of large-scale communities around the world, people everywhere get together to move together. The ubiquity of coordinated, physical, exertive movement in everyday social activity points to its significance not only for individual physical and mental health, but for social wellbeing also (Davis, Taylor and Cohen, 2015).

5.10 Credibility and professionalism

The respondents in this study expressed the need for going beyond the call of duty and demonstrating professionalism and credibility in executing responsibilities, particularly by black professionals. The majority of black respondents would like to refute stereotypes when it comes to delivering superior quality outcomes when given an opportunity to lead.

One of the participants explained how black professionals themselves have to be organised, take accountability, be competitive and change the discourse, which should be about building globally competitive South African companies that are managed by the best people; this cannot be achieved from a small and shrinking talent pool.

Post-programme reviews and evaluations are, according to the literature, essential for a high quality leadership development initiative. Amongst many others, Bekas (2014) stated that all leadership initiatives should be assessed post-completion for their effectiveness, as measured against their espoused pre-programme objectives and stated learning outcomes. This necessarily implies an additional principle for leadership initiatives, being that they should have explicit objectives and well-defined learning outcomes. As with ROI, post-programme evaluations serve as a quality assurance mechanism, whereby the success and any shortcomings of an initiative can

be readily identified and remedied for future initiatives. This equates to a continuous improvement tool for leadership development initiatives (Davis, 2014).

Many organisations unintentionally muddle their leadership brand; rather than reinforce a common core leadership language at all levels, they do something like this: the organisation's frontline leadership development programme provides core leadership skills, such as coaching, performance management, and change management. Then, for the middle level, the organisation has a different programme to develop the specific skills needed for execution, including driving innovation and change management. Meanwhile, senior level leaders go through an executive programme to hone their strategic skills – another wholly unique skill set – or work with an executive coach on their personal areas of development. An equally common scenario is one where just one or two levels are developed while the others do not benefit from any type of development programme at all (Concelman and Phelps, 2014).

5.11 Lifting as rising

The current study results indicate that black professionals generally have to carry the transformation agenda and be representatives of their fellow blacks and women, who look up to them as professionals. They also have to be globally competitive, thrive under pressure to deliver superior results, and correct the skewed and significantly fewer development opportunities given to black employees.

The success, survival and longevity of companies and organisations depend on the selection of future leaders and their development. Therefore, the development of capable business leaders who will successfully execute on the strategic business mandate and overcome hurdles remains the biggest challenge for companies, particularly those listed on the JSE. The success of companies is a function of many things, but at the core of it is leadership. Deliberate efforts for the acceleration of black talent to leadership and executive positions helps companies to be viewed as ethical and moral.

5.12 Summary

It is very clear from the results of the study that the majority of companies have leadership development programmes and they are investing a lot in developing their employees, black and white, however there is still a high promotion of white managers as opposed to black employees and women in general. The outcomes of this chapter provides better understanding of chapter one of this study when it mentioned that according to the Commission for Employment Equity Report (2017), as far as top management representation is concerned, whites are only 10% of the economically active population but occupy 68.5% of the top management positions.

This chapter analysed and discussed the themes that emerged from the analysis of the findings, which were discussed in light of the current literature. These themes were also linked to the main research problem, which was to scrutinise the impact of leadership development on the acceleration of black talent in JSE-listed companies.

The next chapter will present the key findings of the study and provide suggestions for how leadership development initiatives and programmes could be leveraged to accelerate black talent. Recommendations for further studies on this research topic will also be outlined.

CHAPTER 6: CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

This chapter presents the conclusion and the recommendations of this study. To support these recommendations, relevant literature studied by the researcher is referred to where relevant. The aim of this research was to examine the obstacles that exist that limit the acceleration of black talent to the top management or executive levels in JSE-listed companies.

The literature review focused on relevant literature from academic journals and textbooks covering a broad spectrum of leadership development programmes and initiatives. This literature provided a widespread understanding of the challenges as far as leadership development and black talent acceleration is concerned.

The objectives of the study were clearly defined and consistently integrated in the study. The objectives of the study were:

- To explore the challenges to advancing black talent in JSE-listed companies.
- To analyse the impact of leadership development initiatives on accelerating black talent in JSE-listed companies.
- To investigate to what extent there is institutionalised bias in the acceleration of black talent in JSE-listed companies.
- To provide recommendations on how black executives can be accelerated to leadership positions in JSE-listed companies.

The leadership development approach (as discussed in Chapter 2) used was based on leadership roles in organisations. The framework places leadership challenges in the performance system at the centre of the framework, from which relevant leadership roles, skills, development processes and theories need to be derived to empower the leadership in complex organisations to deal with the challenges experienced. The framework challenges the adaptation of traditional leadership theories, skills and roles in light of the complexity of leadership tasks in the current era.

It is essential to note that these roles could be executed at different times, as the need arises, and at diverse stages of dealing with organisational challenges or implementation of the vision, mission and organisational goals, and that the emphasis is not necessarily on a leader being the focus, but on leadership as a whole.

This study was grounded on Transformational Leadership Theory (as outlined in Chapter 2) and it has proven to be appropriate given the outcomes and recommendations of the study. The focus of transformational theory was on the central concept of change and the role of leadership in envisioning and implementing the transformation or organisational performance.

The transformational leadership theory describes leadership that creates and instils positive change in the minds of followers. The followers acknowledge the importance of ensuring that the interests of each individual team member are guarded by the same team members, whilst simultaneously considering group interests as a collective (Odumeru and Ifeanyi, 2013).

6.2 Conclusion

Different leadership development initiatives were highlighted and these initiatives included coaching and mentoring; executive assistance; stretched assignments; job rotations; etc., and their impact on accelerating the careers of black professionals. As discussed in the previous chapter, the acceleration of black talent by leveraging leadership development initiatives will need a transformational approach from leaders who need to sponsor such outcome.

The study provided practical guidance to companies on how they could accelerate black talent to executive levels in lower, mid and top JSE-listed companies. This is important in the South African context if the management of JSE-listed companies are to reflect the country's demographics based on the EAPs of different racial groups as described by the Commission for Employment Equity.

Qualitative research was used to determine the impact of leadership development initiatives on the acceleration of black talent in JSE-listed companies. The reason for

this was that the form of data collection techniques was able to elicit a deeper knowledge and understanding of social reality. The data were attained from 16 semi-structured interviews, which were conducted with different business leaders and HR practitioners who were employed with, or served on the board of directors of JSE-listed companies. The interviews were conducted in October and November 2017. The collected data were analysed and categorised into themes that were identified and formed the description of the results of this study.

The recommendations provided in this study are based on key research findings, which propose an effectiveness and commitment to leadership development in accelerating black talent. The recommendations are supported by a theoretical background on this subject.

6.3 Key findings

The purpose of this study was to examine the impact of leadership development initiatives on the acceleration of black talent in JSE-listed companies. The key findings of this study will be discussed with respect to the study's objectives and the themes that emerged from the analysis of the interview data.

- **Objective 1: To explore the challenges to advancing black talent in JSE-listed companies**

The study set out to identify the challenges that are faced by companies when it comes to the acceleration of black talent to top management or executive levels in JSE-listed companies. Challenges raised by the participants include the fact that the breaking of the glass ceiling to executive levels has less to do with technical competencies. The composition of these leadership development candidates should be largely black and women. The promotion of those selected candidates would bring legitimacy to the leadership development initiatives that companies will be rolling out.

There are respondents who felt very strong that the corporate experiences sometimes do not seem to be inclusive and accommodate how different people have been socialised and raised. One of the respondents emphasised that black professionals themselves need to gain confidence and "occupy the space", rather than wait to be

invited to participate. Corporate South Africa, especially JSE-listed companies, are fast-paced, and there is no patience for people who are still raising their hands and waiting for their turn to participate.

Stanley (2016) stated that according to Thomas and Gabarro (1999), the challenges facing the advancement of black talent are the prevalence of prejudice; issues of comfort and risk; and the difficulty of identifying high-potential minorities. There are two sorts of prejudice: individual and systemic. The former is held by individuals about a group other than their own, while the latter, systemic prejudice, is a set of industrialised assumptions and practices that have a kind of invincible-hand effect in systemically advantaging members of more powerful groups over members of less dominant groups.

It is said that systematically appraisers give higher performance ratings to members of their own racial groups and view members of their own racial groups as more promotable. High-performing members of other racial groups remain comparatively invincible in the selection process. As a result, one can predict that minority managers are in general more likely to spend significantly longer than the company average in the same job or hierarchical level (Buford, 2016).

- **Objective 2: To analyse the impact of leadership development initiatives on accelerating black talent in JSE-listed companies**

Conversion of non-executives to executive directors has also been highlighted by one of the respondents as being highly impactful. There is already positive outcomes from this initiative, as it was perfectly executed in different JSE-listed companies. One of the black talent that benefited from this initiative is now the CEO of a Top 40 JSE-listed company while the other is currently the deputy CEO of a mid-sized JSE-listed company in insurance industry. Familiarity with the company strategy, operating model and people seems to have given those black candidates a massive advantage (Mthunzi, 2018).

The key learning point of this from a leadership development perspective is that leaders need to understand that their decisions have wide and far-reaching ramifications for people they will never know. To this end, Sheppard et al. (2013) suggested that quality contemporary leadership development initiatives should also incorporate topics such as climate change, environmental sustainability, cross-cultural leadership, leading remote teams and diversity management. Others have also argued that good quality leadership programmes in modern organisations include a strong focus on corporate social responsibility and community engagement, so that leaders are oriented to their connectedness with a society which is wider than merely their own organisation (McCullum et al., 2013; Sanchez-Hernandez and Gallardo-Vazques, 2013; Bartsch, 2012).

- **Objective 3: To investigate to what extent there is institutionalised bias in the acceleration of black talent in JSE-listed companies**

All the participants in this study admitted that institutionalised bias is prevalent in their companies. This bias against black professionals and women is also taken as the way things are – it is almost a second nature. One participant said she now feels defeated and is no longer willing to fight bias.

The significance of the rewards is an important determination for changing the attitude of staff towards performance management. If a reward is perceived to be significant, then the impact on motivation will positively influence the effort towards goal achievement (Shields, 2008).

Managers in organisations must be held accountable and responsible for eliminating inequalities. Research on the impact of diversity interventions in organisations has found evidence that setting managerial responsibility and accountability within well-defined structures for change had a stronger effect than diversity training (Kalev, Kelly and Dobbin, 2006). In other words, organisational leaders have to be held accountable for implementing systemic changes in organisational and human resource management practices. In fact, empirical studies on the relationship between valuing diversity and organisation performance have reported that organisations that are

racially diverse and also follow a proactive diversity-management strategy have the greatest impact on performance (Cunningham, 2009).

6.4 Recommendations

Based on the respondents' suggestions, the study recommends the following interventions to enhance the impact on the acceleration of black talent to management or executive level. These recommendations are in support of the fourth objective of the study where participants provided a wide range of suggestions in a form of recommendations.

The majority of companies have a number of leadership development initiatives, which often take the form of in-house programmes such as corporate universities, and partnerships with local business schools. A few also send their employees to overseas business schools.

One of the participants said that there could be black managers as potential successors in all key positions within companies, especially at the executive level. Assessments could also be taken into account to ensure that the leadership development interventions are customised and appropriate for the individual who is on the succession slate. He further explained that companies must be deliberate and offer tangible roles to ensure that succession is not reduced to a mockery by other observers within companies.

6.4.1 Conversion of non-executives to executive directors

The appointment of a board director is normally thoughtful, and people are invited based on strength of their business expertise and astonishing leadership track record. These directors spend an enormous amount of time understanding the business of those companies in order for them to be effective in holding the executives accountable. These directors are highly educated and have vast professional working experience, hence they quickly understand the mechanisms of the company so that they can start adding value.

The consideration of converting non-executive directors to executives is the most creative and strategically impactful one. Corporate South Africa find it easier to mirror the demographics of our society more at the board levels than executive committee levels. The executives are the ones who do the day-to-day running of the organisation. There has already been some success with few companies converting their non-executives to be executive directors (Mthunzi. 2018).

One of the respondents stated that white executives could play a more central role in mentoring and coaching black professionals. Whites often feel that sponsoring a black person is riskier than sponsoring whites, because black protégés will be scrutinised more closely. Black professionals, for their part, may also feel that they represent bigger risks to their bosses and potential sponsors, because they are aware of the assumptions and prejudices that people hold about members of racial or ethnic minorities.

Citrin and Odgen (2010) find that board members-turned-CEO outperform all other types of candidates (including insiders, outsiders, former executives, and COO promotions). They measure performance using combination of relative stock price returns, revenue growth, and profit growth, and conclude that directors-turned-CEOs represent a strong blend of insider and outsider attributes (Larcker and Tayan, 2017).

6.4.2 Incentives and penalties for transformation

The top management of most organisations are white, most of whom are in their 40s and 50s and are not about to retire soon. This is an impasse which has frustrated the acceleration of black talent to executive levels in JSE-listed companies.

There is also a consistent narrative that there must be incentives and rewards for transformation to be taken seriously and implemented in the interest of accelerating black talent. This should be measured at the manager/executive level as well as the company level. However, there was also a suggestion that there should be penalties for people and companies that do not take transformation as a business imperative.

These incentives may work at two levels, one for individuals whose performance bonuses may be linked to their success in the promotion of black talent, and one for the companies themselves, which may be incentivised for advancing transformation through tax breaks and other forms of benefits.

Conversely, there could also be penalties at the individual and company levels when transformation targets have not been achieved. The success of some European countries in advancing women to boards could be useful to assess.

According to Bertrand et al. (2017), in December 2003, Norway passed a law requiring 40% representation of each gender on the board of directors of public limited liability companies, also referred to as ASA companies. Because most firms did not voluntarily comply, in January 2006 the law became compulsory, and firms that did not comply by January 2008 were to be dissolved. The median percentage of female board members among public limited companies reached 40% by 2008, from a median of 0% in 2003.

The idea of mandating gender quotas on corporate boards has been gaining further political traction in Europe in recent years. Following Norway's lead, Belgium, France, Germany, Iceland, India, Israel, Italy, and Spain have all passed similar reforms. In 2014, the new German coalition government passed legislation requiring that corporate boards be comprised of at least 30% women by 2016 (or else the seat would be left vacant). On November 20, 2013, the European parliament voted in favour of a proposed draft law that would require 40% female board members in approximately 5,000 listed companies in the European Union by 2020; state-owned companies would be required to comply by 2018 (Bertrand et al., 2017).

6.4.3 Stretch assignments and rotations

Stretch assignments occur when additional responsibility is added over and above one's day-to-day career responsibilities, whereas rotation encompasses a completely new role or duty. These opportunities are instrumental in exposing a professional to different or new activities within an organisation or company.

Both these initiatives have been instrumental in advancing talent, and it would be beneficial as an intervention in accelerating black talent. Unfortunately, only a handful of companies have implemented this initiative, and more progress can be achieved if more companies were to adopt and formalise it. Only highly talented professionals should benefit from this intervention, with a clear commitment from companies to promote them after the successful completion of their assignments or duties.

Stretch assignments and job rotations seem to be highly effective initiatives that provide managers with the opportunity to access skills and know-how quicker than other development programmes. Both of these leadership development initiatives leverage adjacent roles or opportunities to accelerate expertise for talented employees. Companies need to create more of these for black professionals and women. Most respondents believed that they must be skewed in favour of black professionals and women to improve the demographics in top management structures of companies.

6.4.4 Executive Assistant Initiative

An Executive Assistant initiative was mentioned as being the most impactful programme, as it exposes highly talented managers to what the CEOs or executives are dealing with, and builds confidence in the individuals assigned. The conclusion of such assignments often end up with those assistants being appointed to executive positions themselves. The researcher highly recommends this initiative, having been a beneficiary of it himself.

6.4.5 Career Sponsorship

All the respondents in this study who managed to get into top management or executive positions had sponsors. Sponsorship has proven to be instrumental in leadership development as an intervention. Black professionals thus need to take the initiative and approach executives in their respective companies to ask them for sponsorship.

Formalised career sponsorship as a leadership development initiative will assist black talent which currently struggles to make the leap from middle to senior management, which is where a lot of black talent is lost; part of this is the culture of organisations. It is also what it takes to get black talent to the next level, and JSE-listed companies have not put enough support and ladders in place for black talent to move to the executive or senior management levels.

Sponsorships are powerful links to senior executives who are willing to put their reputations on the line to promote their protégés all the way to the top; they are a powerful driver of ambition and engagement, yet they elude up to 95 percent of minority professionals. Only five percent of American minorities have sponsors compared with 21 percent of whites (Castellano, 2012). Although there is no South African study on career sponsorship, some parallels could be drawn and concluded that the situation could be similar based on American studies.

6.4.6 Coaching and mentoring

Coaching and mentoring was recommended by all the respondents as one of the most relevant and effective leadership development initiative. It needs to be formalised in companies, inclusiveness and diversity must be the key driver when selecting managers who will be part of this initiative.

The current study shares similarities with other studies that argue that leadership development in contemporary organisations assumes many different forms. Coaching has become a popular form of leadership development, especially for more senior leaders (Jones et al., 2006), while some organisations send select leaders to retreats or academies for their professional development (Preece and Iles, 2009). It is also the case that the leadership development learning methodology can be mixed for a richer and perhaps more challenging or holistic leadership experience (Davis, 2014).

6.4.7 Succession planning and retention

The majority of participants highlighted the need for companies to pay attention to succession and retention of black talent, particularly in JSE-listed companies. The

realisation of succession planning to role modelling; when young black professionals see their own in top management or executive levels, that inspires them and gives them hope.

JSE-listed companies must have a succession plans that reflect bias to black professionals and women in all key positions within companies, especially at the executive level. Disappointingly, most companies still have not factored this in their succession plans.

At the heart of succession planning is the belief that, under normal circumstances, talent is best developed from within, starting with the selection of the best individuals and continuing through a career-long process of mentoring, coaching, internships, externships, and other professional development opportunities. Such approaches can be used at every level in the institution (Denis, 2016; Richards, 2016; Wilson, 2016).

Employee retention activities encourage employees to remain in an organisation, which ensures business effectiveness and organisational performance (Mita, Aarti and Ravneeta, 2014); employees are seen as the most crucial and dynamic capability of any organisation, whose skills are central in order to enable firms' competitiveness (Bidisha and Mukulesh, 2013).

6.5 Recommendations for further studies

Future research can focus on the incentives and penalties regarding the acceleration of black talent in JSE-listed companies, using both quantitative and qualitative research methodologies. Another possible study could be on the black candidates who benefitted from participation in leadership development initiatives as well as conversion of non-executive to executive directors in accelerating black talent in JSE-listed companies can also be conducted, using a qualitative or mixed research methodology.

6.6 Implications of the study

This is a unique study that aimed to contribute to the body of knowledge on the topic of the impact of leadership development on the acceleration of black talent in JSE-listed companies. This study established the significance of different leadership development programmes and initiatives in the acceleration of black talent, however the outcomes of this study are only reflective of the experiences of corporate South Africa broadly, and the private sector specifically. This topic will hopefully inspire more researchers to do further studies to solve a unique South African challenge, ultimately ensuring that South African demographics are reflected in the top management of JSE-listed companies.

6.7 Summary

The aim of this research was to examine the impact of leadership development on the acceleration of black talent to the top management and executive levels of JSE-listed companies. Some of the challenges found included the fact that the breaking of the glass ceiling to executive levels has less to do with technical competencies, and more to do with soft issues.

This study was anchored on transformational leadership theory since it closely matches the research objectives and outcomes of this study. Essentially, the acceleration of black talent into executive levels in JSE-listed companies will need to be led by courageous corporate leaders with a fundamental belief system that is anchored in transformational leadership. By so doing, they will be turning theory into practice. The literature gaps were fundamentally narrowed by the global outlooks experienced by minorities and women in Americas, Europe and Asia. Their challenges is similar to those faced by black professionals and women in South Africa.

Recommendations on how black talent can be accelerated were made, based on the comments from the research respondents and the relevant literature that supported those propositions. If properly implemented, these recommendations could make a difference in making the top management of JSE-listed companies more representative of the demographics of the broader South African society.

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APPENDIX 1: INFORMED CONSENT

Informed Consent Letter 3C

**UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP**

**MCom Research Project
Researcher: Mncane Mthunzi (0824963317)
Supervisor: Dr Cecile Gerwel Proches (0312608318)
Co-Supervisor: Mr Bhasela Yalezo (0312607429)**

Dear Respondent,

I, Mncane Mthunzi a Master of Commerce in Leadership student, at the Graduate School of Business and Leadership, of the University of KwaZulu-Natal. You are invited to participate in a research project entitled: The Impact of Leadership Development in the Acceleration of Black Talent in JSE Listed Companies. The aim of this study is to understand the obstacles that exist in the acceleration of black talent to top management or executive level in JSE listed companies

Through your participation I hope to understand both the individual and organisational factors that influence black talent advancement or lack thereof. The results of the interview are intended to contribute to the body of knowledge in this field and offer solutions in assisting companies to address issues of transformation.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this interview. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School of Business and Leadership, UKZN.

If you have any questions or concerns about participating in the interview or about participating in this study, you may contact me or my supervisor at the numbers listed above.

Investigator's signature _____ Date _____

**UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP**

**MCom Research Project
Researcher: Mncane Mthunzi (0824963317)
Supervisor: Dr Cecile Gerwel Proches (0312608318)
Co-Supervisor: Mr Bhasela Yalezo (0312607429)**

CONSENT

I.....(full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project.

I understand that I am at liberty to withdraw from the project at any time, should I so desire.

I hereby consent/do not consent to record the interview.

SIGNATURE OF PARTICIPANT

DATE

.....

APPENDIX 2: INTERVIEW QUESTIONS

UNIVERSITY OF KWAZULU-NATAL GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP

MCom Research Project
Researcher: Mncane Mthunzi (0824963317)
Supervisor: Prof Cecile Gerwel Proches (0312608318)
Co-Supervisor: Dr Bhasela Yalezo (0312607429)

The Impact of Leadership Development in the Acceleration of Black Talent on JSE-listed Companies

Interview Questions

1. What are the challenges in advancing black talent in JSE listed companies?
2. In your opinion how can these challenges be overcome?
3. What will it take to eliminate these challenges?
4. What can the Black professionals themselves do to overcome these challenges?
5. What leadership development initiatives exist in your company which will assist in the acceleration of Black Talent in JSE listed companies?
6. What is the selection criteria for participation in leadership development initiatives in your company?
7. What is the success rate in terms of promotion or acceleration to the next career level for Black participants?
8. In your opinion, does your company invest enough in developing skills for Black professionals?
9. How prevalent is the institutionalised biasness in the acceleration of Black Talent in JSE listed companies?
10. What is the representation of Black people and women in your company's Executive Committee and Board?
11. Does your company have Black Executives with Profit and Loss responsibilities? If so, in which business functions and what is the size of their portfolio contribution as a percentage of total company revenue?
12. What is the representation of Blacks in your company's recruitment and promotions numbers?

13. What are the practical recommendations on how Black Talent can be accelerated in JSE listed companies?
14. In your opinion, which company has done well in accelerating Black Talent and how have they done it?
15. What are the practical steps that can be followed in accelerating Black Talent?
16. What are the additional views and suggestions do you have?

APPENDIX 3: ETHICAL CLEARANCE



28 September 2017

Mr Mncane Mthunzi (217080217)
Graduate School of Business & Leadership
Westville Campus

Dear Mr Mthunzi,

Protocol reference number: HSS/1552/017M

Project title: The impact of Leadership Development in the Acceleration of Black Talent in JSE listed companies

Approval Notification – Expedited Approval

In response to your application received on 04 September 2017, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol has been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

Dr Shenuka Singh (Chair)

/ms

Cc Supervisor: Dr Cecile Gerweil Proches and Mr Bhasela Yalezo
Cc Academic Leader Research: Dr Muhammad Hoque
Cc School Administrator: Ms Zarina Bullyraj

Humanities & Social Sciences Research Ethics Committee

Dr Shenuka Singh (Chair)

Westville Campus, Govan Mbeki Building

Postal Address: Private Bag X54001, Durban 4000

Telephone: +27 (0) 31 260 3587/8350/4557 Facsimile: +27 (0) 31 260 4609 Email: ximbap@ukzn.ac.za / snymam@ukzn.ac.za / mohunp@ukzn.ac.za

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APPENDIX 4: TURN-IT IN REPORT

the impact of leadership development on the acceleration of black talent in JSE-listed companies - Final

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APPENDIX 6: EDITOR'S REPORT

JENNIFER RENTON

PO Box 68648
Bryanston
2021
25th April 2018

To whom it may concern,

This letter is to confirm that I am a professional editor and proof reader and that I have edited Mncane Mthunzi's thesis, the title being: *The impact of leadership development on the acceleration of black talent in JSE-listed companies.*

For any queries, please contact me on jenniferrenton@live.com.

Yours sincerely,

Jennifer Renton