

LEADERSHIP DEVELOPMENT AND DIVERSITY IN JSE-LISTED COMPANIES

Mncane Mthunzi *, Bhasela Yalezo **, Cecile Gerwel Proches **

* Corresponding author, Graduate School of Business and Leadership, University of KwaZulu-Natal, Durban, South Africa
Contact details: Graduate School of Business and Leadership, University of KwaZulu-Natal, Private Bag X54001, Durban 4000, South Africa
** Graduate School of Business and Leadership, University of KwaZulu-Natal, Durban, South Africa



Abstract

How to cite this paper: Mthunzi, M., Yalezo, B., & Gerwel Proches, C. (2022). Leadership development and diversity in JSE-listed companies. *Corporate Governance and Organizational Behavior Review*, 6(3), 87-96.
<https://doi.org/10.22495/cgobrv6i3p8>

Copyright © 2022 The Authors

This work is licensed under a Creative Commons Attribution 4.0 International License (CC BY 4.0).
<https://creativecommons.org/licenses/by/4.0/>

ISSN Online: 2521-1889
ISSN Print: 2521-1870

Received: 02.01.2022
Accepted: 01.08.2022

JEL Classification: J19
DOI: 10.22495/cgobrv6i3p8

The study sought to reveal and analyze the causes for the lack of advancement of black talent in Johannesburg Stock Exchange (JSE)-listed companies, including how they can be dealt with. The research further examined the impact of leadership development on the acceleration of black talent at executive levels within the JSE-listed companies in South Africa. A qualitative research approach was employed. This was an exploratory study. This paradigm was considered suitable in attempting to understand the problem situation. The study used purposive, non-probability sampling. The data were obtained from 16 semi-structured interviews conducted with different business leaders employed by or who served on the board of directors of a JSE-listed company. The respondents included board chairpersons, chief executives, executives, and human resources (HR) practitioners of different companies. Leadership development will require a transformational approach from leaders who need to sponsor such outcomes (Daft, 2018). The leadership development initiatives that the study recommends include the conversion of non-executives to executives, career sponsorships, stretch assignments and rotations, and executive assistant initiatives. The study outcomes provide practical guidance to companies for accelerating black talent to executive levels in JSE-listed companies by using the recommended leadership development initiatives.

Keywords: Leadership Development, Talent Management, Black Talent, South Africa, JSE-Listed Companies

Authors' individual contribution: Conceptualization — M.M.; Methodology — M.M.; Writing — Original Draft — M.M.; Writing — Review & Editing — B.Y.; Supervision — C.G.P.; Funding Acquisition — C.G.P.

Declaration of conflicting interests: The Authors declare that there is no conflict of interest.

1. INTRODUCTION

The purpose of this study is to examine the impact of leadership development initiatives on the acceleration of black talent in Johannesburg Stock Exchange (JSE)-listed companies. According to the Commission for Employment Equity Report (The Department of Employment and Labour, 2018), 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.

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 on the acceleration of black talent. Small-sized, mid-sized and top-sized companies in terms of market share were analyzed.

The Employment Equity Act, No. 55 of 1998¹ seeks to achieve equity in the workplace by "promoting equal opportunities and fair treatment in employment, eliminating unfair discrimination, and implementing affirmative action measures to

¹ <https://www.labour.gov.za/DocumentCenter/Acts/Employment%20Equity/Act%20-%20Employment%20Equity%201998.pdf>

redress the disadvantages in employment experienced by designated groups. This is done to ensure equitable representation across all occupational categories and levels in the workforce” (Employment Equity Act of 1998, p. 5).

The Employment Equity Act is derived from the Constitution adopted in 1996 (Booyesen & Nkomo, 2014, pp. 241-265). The focus on achieving substantive equality instead of formal equality is covered in Section 9(2) of the Constitution (Dupper & Garbers, 2009). Substantive equality recognizes structural inequality in society, focusing on remedying this inequality. “The Constitution also states South Africa’s vision for the kind of nation it aspires to be: We, the people of South Africa, recognize 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)².

The JSE is the oldest and largest stock exchange in Africa in terms of its listed companies and market capitalization. Companies listed on the JSE are instrumental in achieving economic growth and industrialization in South Africa (Centre for Competition Regulation and Economic Development [CCRED], 2017). The liberalization, internationalization, and de-conglomeration processes came with a formal shift from a “management-controlled, ‘social club’ approach”, dominated by family, cultural, and other informal networks, towards an Anglo-American approach corporate governance model that is anchored on the maximization of the shareholder value as a primary principle (Andreoni, Robb, & van Huellen, 2021). Therefore, the JSE-listed entities with a market capitalization of about three times the size of South Africa’s GDP have to also reflect the broader demographics of South Africa, particularly on its race and gender given its discriminatory historical past.

Black representation is slowly being achieved in South Africa’s top 40 companies, but the challenge is that few black leaders reach the executive level (Hammer, 2015). There has been a slight increase in female executives overall at the executive level, with an encouraging rise in black female representation (Hammer, 2018). However, the CEO-level situation is different: in the past five years, there have only been 24 CEO changes in the JSE top 40. With no black female CEOs and only a white female CEO, there has been no movement on gender transformation (Hammer, 2018).

According to the Broad-Based Black Economic Empowerment (B-BBEE) Commission Annual Report of 2018 (The B-BBEE Commission, 2019), only 2% of the companies listed on the JSE are under 100% black ownership. B-BBEE Commission has proposed that elements of the B-BBEE scorecard must be reported on for companies to fulfill the listing requirement on the JSE. It was anticipated that such interventions B-BBEE Commission would improve the reporting and extent of B-BBEE implementation (West, 2019). A B-BBEE Commission study highlighted that there was only 38% representation by black people on the boards of JSE-listed companies in 2017; males comprised 20% and females 18% (Fin24, 2018).

Race and gender diversity are interconnected since they were used as the basis for propelling apartheid, especially considering South Africa’s history. The B-BBEE Act, along with the Codes of Good Practice, play a role in facilitating the involvement of Black women in decision-making at the corporate level (Viviers, Mans-Kemp, & Fawcett, 2017). Viviers et al. (2017) further state that “although more women are serving on the boards of companies listed on the Johannesburg Stock Exchange (JSE), they only represent approximately one-fifth of all directors. This situation mirrors international trends. A review of the extant literature revealed three prominent mechanisms to increase the appointment of female directors, namely mandatory board gender quotas, voluntary targets, and shareholder activism” (p.4). The authors critically evaluated these three mechanisms to suggest the most appropriate ones in the South African context.

The 2013 B-BBEE Codes of Good Practice³ refer to five metrics, which point to an organization’s level of B-BBEE compliance. These are “ownership, management control, skills development, enterprise, supplier development, and socio-economic development” (Viviers et al., 2017, p.5). Some companies may unfortunately focus on black empowerment for compliance and targets, rather than for meaningful transformation (Mofokeng, Giampiccoli, & Jugmohan, 2018). To ensure the sustainability of developing black talent, the emphasis should shift to headhunting, poaching, and salary incentives to meet targets. As a result, blacks in top management positions may be in “soft” jobs with little growth opportunities and limited authority.

The research problem is to examine the challenges in developing and advancing talent that will produce a critical mass of black executives. This research examines the impact of leadership development initiatives on the acceleration of black talent in the JSE-listed companies. While the executive teams of South Africa’s (SA) top 40 JSE-listed 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 334 people constituting the executive teams in SA’s top 40 JSE-listed companies, 21% are black South Africans. Nevertheless, only half of them are currently in business strategy, operations, or finance positions, destined for company leadership (Hammer, 2018; Rhode & Packel, 2014).

The objectives of the study are:

- To explore the challenges to advancing black talent in JSE-listed companies.
- To analyze the impact of leadership development initiatives on accelerating black talent in JSE-listed companies.

One of the definitions of talent management is “activities and processes that involve the systemic identification of key positions that differentially contribute to the organization’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

² <https://www.justice.gov.za/legislation/constitution/saconstitution-web-eng.pdf>

³ https://www.gov.za/sites/default/files/gcis_document/201409/29617s0.pdf

to facilitate filling these positions with competent incumbents and to ensure their continued commitment to the organization" (Collings, Mellahi, & Cascio, 2019, p. 304).

Leadership development initiatives are critical in keeping the companies relevant in their markets and generating sustainable profits. This study may provide solutions that could improve race relations and workplace transformation towards normalizing and achieving the sustainable business performance of JSE-listed companies.

The context and background of the study have been outlined in this introduction section. The structure of this paper is as follows. Section 2 reviews the relevant literature. Section 3 analyses the methodology that has been used to conduct empirical research on leadership development and diversity. Section 4 unpacks the results and discussion. Finally, Section 5 summarises the conclusion of the study.

2. LITERATURE REVIEW

An overview of the impact of leadership development initiatives and how they can accelerate black talent is outlined. The relationship between talent development and broader company performance will also be highlighted.

This study was anchored on the transformational leadership theory since it closely matches this study's research objectives and outcomes. 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 anchored in transformational leadership. By so doing, they will be turning theory into practice.

Leadership literature reviews reveal an evolving series of schools of thought concerning leadership theories. Research brought about the great man and trait theories, resulting in many other transactional and transformational leadership theories. At the same time, it is evident that theories developed during the early years were inclined to focus on the behaviour and characteristics of successful leaders. 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, Gosling, Marturano, & Dennison, 2003).

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), to ensure their equitable representation in all occupational categories and levels in the workplace" (Employment Equity Act of 1998). The intention of the Act is specified in Section 42, which states that the demographic profile 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 of 1998).

In passing this Act, it has been realized that societal and racial discrimination tendencies which have been rife in the South African historical context present a challenge to achieving equality. There appears to be a gap when it comes to the top level as far as management is concerned in organizations in South Africa, tasked with real authority, despite gains in middle and lower levels of management that have been made (Booyen & van Wyk, 2008; Valodia, Sun, & Zachariah, 2018).

Previous research identified difficulties that ethnic minorities face when reaching leadership positions (Ospina, Foldy, Fairhurst, & Jackson, 2020). A different corporate culture from one's own could present as a challenge (Fernandes & Awamleh, 2004; Khanyile & Maponga, 2007). Organizations could also battle with a situation whereby they are faced with individuals who are ethnically different (Vass, 2010). Previous research has thus indicated a relationship between leadership and ethnicity (Dzivhani, 2016). All persons, regardless of ethnicity, possess talents that can be harnessed for managerial purposes. Hence the necessity for talent management.

Talent refers to specific knowledge and critical skills that a company requires to run optimally and includes abilities and aptitudes that can develop by gaining experiences and skills. Exposure and approaches contribute to talent, i.e., talent comprises human abilities, gifts, knowledge, intellect, views and character, assertiveness, and aptitude for learning and growth (Borisova, Silayeva, Saburova, Belokhvostova, & Sokolova, 2017). Talent management and leadership development initiatives are at the core of expediting career progression. The acceleration of black talent to top management or executive levels will greatly benefit from these initiatives. Talent programs often entail formal programs that focus on job rotation, self-development, and mentoring at the executive level (Wasylyshyn & Gupta, 2021).

Organizations must focus on developing diversity. Training and development policies need to be in place and ensure that legislative requirements are met (Vass, 2010). Organizations may have ended up focusing on numbers due to the scarcity of black talent within JSE-listed companies (Nzukuma & Bussin, 2011). It is, therefore, imperative that succession planning and internal career advancement become a critical aspect of efforts to ensure advancement (Vass, 2010). Leadership development, however, needs to be done in a manner that considers the social context (Cohen, 2017).

The review of the literature was conducted to determine 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 review focused on relevant literature from academic journals and textbooks covering a broad spectrum of leadership development programs and initiatives. This literature provided an understanding of the challenges of leadership development and black talent acceleration. Some of the attributes of leadership development initiatives include identifying potential talent early in a career,

providing a blended approach rather than one-size-fits-all, consistent and sustainable development, peer learning, and access to senior executive leadership.

3. RESEARCH METHODOLOGY

The research method used in this study was exploratory to explain the researched phenomena (David & Sutton, 2015). Qualitative research entails participants sharing their experiences and in-depth views and opinions, and also gaining insight into what the other may be experiencing (Austin & Sutton, 2014). Qualitative research was deemed appropriate for this study as it examines human experiences and perceptions and can highlight in-depth opinions (Corbin & Strauss, 2015). Other research methodologies that could have been suitable for this study are the mixed methods and quantitative research approaches. This was a qualitative research study where the aim was on obtaining in-depth views and opinions from participants. The focus is less on having a large sample, and it is not about generalizing. Interviews were conducted until we reached saturation. All participants had extensive and long corporate careers and provided high-quality input.

Purposive sampling was used to target knowledgeable and informed participants. Interviews for this study were conducted in 2017. However, the study itself was concluded in 2018 with continued iterations with the interview participants. These interviews were conducted with corporate executives of the JSE-listed companies which included directors, CEOs, and chairman of the board. To this date, all the interview participants continue to be part of the corporate landscape in the South African companies today. Their contribution to the study is still relevant since there has not been any fundamental change in South Africa's corporate landscape, especially in JSE-listed companies.

All the participants were carefully selected to represent the various business functions in different companies and were each considered experts in their fields. Interviews lasted, on average, 45 minutes and were conducted in the offices of the participants.

The findings from the 16 semi-structured interviews conducted with different business leaders employed by or served on the board of directors of JSE-listed companies were all captured. The quotes were grouped into different categories, from which broader themes emerged. The responses provided by the participants highlighted the challenges and potential solutions for how companies could use leadership development initiatives to accelerate black talent to executive or top management levels.

Ethical clearance approval was obtained after a gatekeeper letter was received. Participants completed informed consent forms before the interviews. They were assured that any information they provided would only be used for the research study and that confidentiality would be strictly maintained. An interview schedule was developed with a list of open-ended questions relating to the study's aim and objectives. Interviews were audio-recorded, and after that, transcribed, which facilitated credibility and trustworthiness.

Some of the interview questions asked include but are not limited to the following:

- *What are the challenges in advancing black talent in JSE-listed companies?*
- *What will it take to eliminate these challenges?*
- *What leadership development initiatives exist in your company that will assist in the acceleration of black talent in JSE-listed companies?*
- *What are the selection criteria for participation in leadership development initiatives in your company?*
- *How prevalent are the institutionalized biases in the acceleration of black talent in JSE-listed companies?*
- *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?*
- *What are the practical recommendations on how black talent can be accelerated in JSE-listed companies?*

Thematic analysis was employed to allow the participants' words, thoughts, and experiences to emerge and thus virtually ensured that patterns and themes surfaced rather than pre-determined ideas. The themes and sub-themes are presented in the following section.

4. RESULTS AND DISCUSSION

4.1. Coaching and mentoring

Coaching and mentoring were mentioned by almost all the participants in the research interviews. Most companies lack formal mentoring and coaching programs, leaving very few companies that have incorporated this form of initiative not taking advantage of it. There has been a moderate success rate in the acceleration of black talent by the companies that have adopted this leadership development initiative.

Respondents highlighted that coaching and mentoring are the initiatives that could impact the acceleration of black talent. Respondents also indicated that companies, particularly the JSE-listed ones, generally ensure that development programs are mostly populated by the black talent they are willing to invest in and provide proper support to ensure the maximum chance of success. These decisions require companies to be bold and be prepared to pay for their investment.

"Investing in the development of black talent gets challenged by the resources that the organization puts aside for that purpose. For instance, what you find is because there is not a big pool of black talent out there, sometimes you have to take people and put a mentorship program and other development assistance [in place] to enable them to be ready for the positions that you want to fill in the long term" (R1).

It makes sense for companies to make that investment since the benefits of executive coaching include enhancing confidence levels, interpersonal and decision-making skills, and gaining a new perspective (International Coaching Federation [ICF], 2020). This serves to positively impact individuals and organizations (de Haan, Duckworth, Birch, & Jones, 2013). Previous research also highlighted

how critical it is to be intentional as far as diversity management in the workplace is concerned (Motsoaledi & Cilliers, 2012).

It was stated that coaching and mentoring programs were significant in unlocking the career progression of black managers to top management or executive levels. However, it was indicated that many companies lack formal mentoring and coaching programs, as confirmed by 16 respondents. One of the respondents thus stated that mentoring and coaching needs to be formalized 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 assignments so that you can use your expertise to share and engage with the young people" (R11).

While coaching is an ideal tool for leadership development, various factors related to South Africa's past still prevent black executives from reaching top management (Myres, 2014). Respondents asserted that the youth dimension should also be taken into account. This was argued from the role model perspective and in terms of access to networks and building relationships with senior managers and executives within companies.

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

Previous research indicates that executive coaching plays a role in developing workplace transformation in South Africa (Booyesen & van Wyk, 2008; Booyesen & Nkomo, 2014; Myres, 2014). However, mentoring and coaching programs should consider the cultural context (Geber & Keane, 2013). The challenges associated with diversity within companies can be addressed by implementing coaching (Cilliers, 2005; Ting & Scisco, 2006). Companies can achieve a more durable competitive advantage through innovation and creativity to allow efficient performance (Eidzadeh, Salehzadeh, & Esfahani, 2017). It is, therefore, critical that organizations handle diversity management well (Motsoaledi & Cilliers, 2012). It is, however, strategy and human resource management are essential and the need to bear in mind that change management and leadership development programs could be challenging to implement due to challenges around diversity; therefore, support from the top is critical (Meyer & Xin, 2018).

4.2. Succession planning and retention

It was argued that succession planning could be insufficient or that there is a lack of succession planning in many companies. Participants viewed it as crucial in positioning black talent for future opportunities, as natural attrition occurs 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 (Mabuza & Proches, 2014).

One of the participants argued that black managers should ideally be considered as potential successors in all key positions within companies, especially at the executive level. However, most companies still have not factored this into their

succession plans. It was highlighted that assessments be taken into account to ensure that the leadership development interventions are customized and appropriate for the individual concerned.

The study highlighted that highly talented employees valued having opportunities for the development and advancement of their careers; thus, companies should ensure that they focus on development and succession planning processes. Furthermore, it was highlighted that talented employees who are kept appraised of their performance and areas of development tend to do better and take advantage of opportunities.

The study findings corroborate those of researchers such as Greer and Virick (2008), arguing that there should be a focus on gender and racial diversity in succession planning. Related to this is an awareness that talent could come from within by hiring those with the best talent and then nurturing them through efforts such as mentoring and coaching and providing opportunities linked to career development (Richards, 2016).

4.3. Career sponsorship

Respondents argued that a sponsor often backs individuals who reach executive positions. It was highlighted that a career sponsor takes an interest in an individual's career and unlocks opportunities related to career advancements, such as promotions, participation in business development programs, and various kinds of exposure. Almost all the respondents in this study who managed to get into top management or executive positions had sponsors.

"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 example, it became apparent that I was being fast-tracked. Moreover, I think the onus was on me to perform, so I was told, 'Look, you are being fast-tracked'. Furthermore, 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).

To unlock opportunities for sponsorship and exposure, individuals have to be allowed to present or interact with the broader business leadership or executives 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.

4.4. Institutionalised bias

Participants felt that bias was negatively impacting the advancement of black talent. One of the respondents argued that this might result from individuals feeling threatened or feeling that their career progress was at risk. It was argued that those close to retirement often appeared to be more comfortable with accelerating black talent.

"... like I know that I am close to retirement, and it is easier for me to assist in developing my successor because they do not threaten me. However, 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).

As highlighted in the study, the other stumbling block is the fear of dealing with inclusiveness or transformation.

"But the other problem that sometimes arises is that you find there is resistance within the organization. So particularly in a time where the companies are not growing, then people think, 'okay, if I assist this fellow, my job may be on the line, and I cannot see my career [developing]'" (R1).

The current study findings are supported by Blais (2017). The author indicated that organizations that can manage diversity correctly nurture and retain diverse talent by ensuring awareness of talent first. Others may negatively perceive individuals who cannot perform well in a role, may not be promoted, and may not even be included in future efforts to develop talent. This could lead to job dissatisfaction, individuals resigning, and ultimately negatively impact diversity programs (Bidwell, Briscoe, Fernandez-Mateo, & Sterling, 2013).

4.5. Stretch assignments and rotations

The study results revealed that most companies had unlocked opportunities for their highly talented employees to go to business schools. However, they also have to reduce some of their other roles, such as finance and additional operational responsibilities. As highlighted by respondents, these stretch assignments are instrumental in ensuring that the employee's experience is well rounded and that they have more exposure to the rest of the business.

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

This may be achieved by directing or encouraging leadership development participants to undertake "stretch" assignments that could challenge and expose them to unknown territories, thereby experiencing growth and development (Farr & Brazil, 2009). One of the respondents further explained that rotation in career terms means leaving one's 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.

Managers who change jobs, and move to different parts of the organization also gain experience, which assists them to be prepared for higher positions and responsibilities. Career exposure is crucial in accelerating talent (Akbari & Maniei, 2017). Further progress can be achieved in the acceleration of black talent in JSE-listed companies when opportunities for rotation are unlocked. It is essential to look at the critical roles that will be filled when considering talent management. Talented employees may be treated differently than most of the workforce (Collings et al., 2019).

4.6. Non-executive to executive conversion

The conversion of non-executive directors to executive directors was found to be valuable in developing talent. One of the respondents explained how this was executed in the company where he served as a non-executive director.

"... the deputy CEO, I will 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, 'I would like her to be the next CFO'. So we then transitioned her from being a non-executive to being an executive. Then she ran a Balance Sheet Management Unit, which focuses on managing capital for the group" (R1).

Board appointments usually are rigorous, and people are invited to join based on the strength of their business expertise and leadership track record. These directors invest enormous time in understanding companies' business to hold the executives accountable (Mthunzi, 2018). Directors-turned-CEOs bring an excellent combination of insider and outsider qualities (Larcker & Tayan, 2017).

4.7. Transformation targets and incentives

Respondents emphasized that a company's reward system should be perceived as competitive, differentiated, and fair to retain talented individuals. Furthermore, companies may consider paying differential remuneration across most reward elements to reduce competitors' chances of enticing their talented employees.

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

4.8. Networking

Networks were mentioned as one of the most potent mechanisms in career progression. These informal networks sometimes take interest groups when people participate in recreational activities or even just meet socially after hours. Black professionals could advance their careers if they participate in these networks.

However, one of the respondents highlighted how she felt that she was excluded from a social conversation because 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.

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

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 organizations and has ensured that their talents are noticed and utilized. One respondent argued that networks should, however, cut across racial lines, as black professionals will benefit from the power of other races in building and strengthening their own to benefit their career acceleration.

4.9. Credibility and professionalism

Respondents expressed the need to go beyond the call of duty and demonstrate professionalism and credibility in executing responsibilities. It was argued that black professionals themselves need to be role models and demonstrate credible track records. It was considered critical to take charge and display excellence. Respondents expressed a strong desire to extend black excellence.

“... I wish we could institutionalize black excellence, and black excellence is really about how 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 competently deliver to the expectations of all stakeholders. Moreover, 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).

One of the participants explained that black professionals themselves have to be organized, take accountability, be competitive and change the discourse, which should be about building globally competitive South African companies. Another respondent contended that black professionals need to empower themselves and be more confident based on their qualifications. She further argued that black professionals should think about the legacies they will leave behind as they execute their responsibilities.

4.10. Lifting as rising

The current study results indicate that black professionals generally have to carry the transformation agenda and represent their fellow black and women colleagues, who look up to them as professionals.

“...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).

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

It is clear from the study results that most companies have leadership development programs, and they are investing a lot in developing their employees, both black and white. However, there appeared to be more that could be done for black employees and women in general.

5. CONCLUSION

The research examined the impact of leadership development initiatives on the acceleration of black talent in JSE-listed companies. Different leadership development initiatives were highlighted. These include such activities as coaching and mentoring, succession planning and retention, career sponsorship, tackling institutionalised bias, non-executive to executive conversion, transformation targets and incentives, networking, “lifting as rising”, credibility and professionalism, executive assistance, stretch assignments, and job rotations. Most participants also confirmed that several companies have leadership development programs in place and invest in developing their employees. The acceleration of black talent by leveraging leadership development initiatives will require a transformational approach from leaders (Daft, 2018) who need to sponsor such outcomes.

The consideration of converting non-executive directors to executives should be explored as it could be strategically impactful. There is also a consistent narrative that there should 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 at the company level.

Stretch assignments and job rotations are recommended to provide managers with the opportunity to access skills and “know-how” quicker than in other development programs. Both of these leadership development initiatives provide adjacent roles or opportunities to accelerate expertise for talented employees.

An executive assistant initiative was considered the most impactful program, as it exposes highly talented managers to the duties of the CEOs or executives, thereby building confidence. The conclusion of such assignments very often resulted in those assistants being appointed to executive positions.

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 request sponsorship. Formalized career sponsorship as a leadership development initiative may assist black talent, which struggles to leap from middle to senior management, where most black talent is lost; part of this is attributed to organizational culture.

Respondents strongly recommended coaching and mentoring. It was perceived to be a reasonably relevant and useful leadership development initiative. However, such initiatives should be formalized in companies, emphasizing inclusiveness and diversity as critical drivers for the selection of managers to participate in such programs. Participants also highlighted the need for companies to focus on succession and retention of black talent, particularly in JSE-listed companies.

The research consisted of a relatively small sample which may not be representative of the population. The study also only employed the qualitative research approach. Future studies could thus be quantitative, with a larger sample, drawing on survey research to determine the attitudes of multiple stakeholders, critical to facilitating

leadership development in JSE-listed companies. It is also important to note that the participants may not necessarily be indicative of the demographics of management in South Africa, due to how things evolve. Future research could use quantitative and qualitative research methodologies to focus on the incentives and penalties regarding the acceleration of black talent in JSE-listed companies. A future study could also examine the perspectives of black candidates who benefited from participation in leadership development initiatives and the conversion of those in non-executive to executive director roles in accelerating black talent in JSE-listed companies.

The study aimed to build on existing knowledge in the critical area of how black talent in JSE-listed companies can be advanced through leadership development initiatives. This study established the significance of different leadership development programs and initiatives in the acceleration of black talent. The study also aimed to provide practical guidance to companies on accelerating black talent to executive levels in

JSE-listed companies. 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 uniquely South African challenge, ultimately ensuring that South African demographics are reflected in the top management of JSE-listed companies.

This study further contributes to providing sustainable socio-economic solutions that could improve race relations and workplace transformation towards normalizing and achieving the sustainable business performance of JSE-listed companies.

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.

REFERENCES

1. Akbari, A., & Maniei, R. (2017). Evaluating the effect of job rotation on employee motivation (Case study of dana insurance). *Scinzer Journal of Accounting and Management*, 3(1), 1-6. Retrieved from <https://vdocuments.mx/evaluating-the-effect-of-job-rotation-on-employ-motivation-3-2017no-11pdfjob.html>
2. Andreoni, A., Robb, N., & van Huellen, S. (2021). Profitability without investment: How financialization undermines structural transformation in South Africa. In A. Andreoni, P. Mondliwa, S. Roberts, & F. Tregenna (Eds.), *Structural transformation in South Africa: The challenges of inclusive industrial development in a middle-income country* (Chapter 10, pp. 213-236). Oxford Scholarship Online. <https://doi.org/10.1093/oso/9780192894311.003.0010>
3. Austin, Z., & Sutton, J. (2014). Qualitative research: Getting started. *The Canadian Journal of Hospital Pharmacy*, 67(6), 436. <https://doi.org/10.4212/cjhp.v67i6.1406>
4. Bidwell, M., Briscoe, F., Fernandez-Mateo, I., & Sterling, A. (2013). The employment relationship and inequality: How and why changes in employment practices are reshaping rewards in organisations. *Academy of Management Annals*, 7(1), 61-121. <https://doi.org/10.5465/19416520.2013.761403>
5. Blais, L. (2017, January 1). To get diversity right, get potential right — Why proper talent assessment is a powerful driver in creating diverse organisations. *Egon Zehnder*. Retrieved from <https://www.egonzehnder.com/insight/to-get-diversity-right-get-potential-right>
6. Bolden, R., Gosling, J., Marturano, A., & Dennison, P. (2003). *A review of leadership theory and competency frameworks*. Centre for Leadership Studies, University of Exeter. Retrieved from https://www.academia.edu/1004388/A_review_of_leadership_theory_and_competency_frameworks
7. Booyesen, L. A. E., & Nkomo, S. M. (2014). New developments in employment equity and diversity management in South Africa. In A. Klarsfeld, L. A. E. Booyesen, E. Ng, I. Roper, & A. Tatli (Eds.), *International handbook on diversity management at work, country perspectives on diversity and equal treatment* (2nd ed., Chapter 13, pp. 241-265). Edward Elgar. Retrieved from <https://ru.ua1lib.org/book/18187343/b154fb>
8. Booyesen, L. A. E., & van Wyk, M. W. (2008). Culture and leadership in South Africa. In J. S. Chhokar, F. C. Brodbeck, & R. J. House (Eds.), *Culture and leadership, across the world: The GLOBE book of in-depth studies of 25 societies* (1st ed., p. 433). England, the UK: Routledge.
9. Borisova, O. N., Silayeva, A. A., Saburova, L. N., Belokhvostova, N. V., & Sokolova, A. P. (2017). Talent management as an essential element in a corporate personnel development strategy. *Academy of Strategic Management Journal*, 16(1), 31-46. Retrieved from <https://www.proquest.com/openview/641ac855ca286ff94e50d498384521ee/1?pq-origsite=gscholar&cbl=38745>
10. Centre for Competition Regulation and Economic Development (CCRED). (2017, August 2). JSE listed firms characterise SA economy — CCRED. Retrieved from <https://www.competition.org.za/seminars/2017/8/2/jse-listed-firms-characterise-sa-economy-ccred?rq=JSE%20market%20capitalisation>
11. Cilliers, F. (2005). Executive coaching experiences: A systems psychodynamic perspective. *SA Journal of Industrial Psychology*, 31(3), 23-30. <https://doi.org/10.4102/sajip.v31i3.205>
12. Cohen, H. B. (2017). An inconvenient truth about leadership development. *Organizational Dynamics*, 48(1), 8-15. <https://doi.org/10.1016/j.orgdyn.2017.10.002>
13. Collings, D. G., Mellahi, K., & Cascio, W. F. (2019). Global talent management and performance in multinational enterprises: A multilevel perspective. *Journal of Management*, 45(2), 540-566. <https://doi.org/10.1177/0149206318757018>
14. Corbin, J., & Strauss, A. (2015). *Basics of qualitative research*. Thousand Oaks, CA: SAGE Publications.
15. Daft, R. L. (2018). *The leadership experience* (7th ed.). Toronto, Canada: Cengage Learning.
16. David, M., & Sutton, C. D. (2004). *Social research: The basics*. London, England: SAGE Publications.
17. de Haan, E., Duckworth, A., Birch, D., & Jones, C. (2013). Executive coaching outcome research: The contribution of common factors such as relationship, personality match, and self-efficacy. *Consulting Psychology Journal: Practice and Research*, 65(1), 40-57. <https://doi.org/10.1037/a0031635>

18. Dupper, O., & Garbers, C. (2009). *Equality in the workplace: Reflections from South Africa and beyond*. Cape Town, South Africa: Juta and Company Ltd.
19. Dzivhani, I. M. (2016). *The relationship between authentic leadership and ethnic identity in South Africa: Ethnic and gender differences* (Master's thesis, University of Pretoria). Retrieved from <http://hdl.handle.net/2263/53016>
20. Eidizadeh, R., Salehzadeh, R., & Esfahani, A. C. (2017). Analysing the role of business intelligence, knowledge sharing and organisational innovation on gaining competitive advantage. *Journal of Workplace Learning*, 29(4), 250-267. <https://doi.org/10.1108/JWL-07-2016-0070>
21. Farr, J. V., & Brazil, D. M. (2009). Leadership skills development for engineers. *Engineering Management Journal*, 21(1), 3-8. <https://doi.org/10.1080/10429247.2009.11431792>
22. Fernandes, C., & Awamleh, R. (2004). The impact of transformational and transactional leadership styles on employee's satisfaction and performance: An empirical test in a multicultural environment. *International Business and Economics Research Journal*, 3(8), 65-76. <https://doi.org/10.19030/iber.v3i8.3715>
23. Fin24. (2018, August 3). *Black ownership dropped in JSE-listed companies — report*. Retrieved from <https://www.news24.com/Fin24/black-ownership-dropped-in-jse-listed-companies-report-20180803>
24. Geber, H., & Keane, M. (2013). Extending the worldview of coaching research and practice in Southern Africa: The concept of Ubuntu. *International Journal of Evidence-Based Coaching & Mentoring*, 11(2), 8-18. Retrieved from https://www.researchgate.net/publication/291486092_Extending_the_worldview_of_coaching_research_and_practice_in_Southern_Africa_the_concept_of_Ubuntu
25. Greer, C. R., & Virick, M. (2008). Diverse succession planning: Lessons from the industry leaders. *Human Resource Management*, 47(2), 351-367. <https://doi.org/10.1002/hrm.20216>
26. Gupta, R. L., & Wasylshyn, K. M. (2009). Developing world-class leaders: The Rohm and Haas story. *People and Strategy*, 32(4), 36. Retrieved from <https://go.gale.com/ps/i.do?id=GALE%7CA218878484&sid=googleScholar&v=2.1&it=r&linkaccess=abs&issn=19464606&p=AONE&sw=w&userGroupName=anon%7Ed7bed814>
27. Hammer, J. (2015). *Finding the facts: South Africa's future leaders* (Jack Hammer Executive Report, Vol. 3). Retrieved from <http://www.jhammer.co.za/wp-content/uploads/2016/03/JackHammer-ER3.pdf>
28. Hammer, J. (2018). *Finding the facts: South Africa's future leaders*. Retrieved from <https://www.jhammerglobal.com/wp-content/uploads/2016/03/JackHammer-ER3.pdf>
29. International Coaching Federation (ICF). (2020). *International global coaching study: Coaching definition and the size and scope of executive coaching*. Retrieved from https://coachfederation.org/app/uploads/2020/09/FINAL_ICF_GCS2020_ExecutiveSummary.pdf
30. Khanyile, N., & Maponga, R. (2007). The rolling stones: Exploring the job-hopping amongst black professionals. *South African Journal of Marketing Research*, 4, 22-23. Retrieved from <https://ru.scribd.com/document/58877676/SAMRA-Paper-Rudo-Maponga-and-Nomsa-Khanyile-May-2007>
31. Larcker, D. F., & Tayan, B. (2017). *From boardroom to c-suite: Why would a company pick a current director as CEO?* (Stanford Graduate School of Business, Working Paper No. 3515). Retrieved from <https://www.gsb.stanford.edu/faculty-research/working-papers/boardroom-c-suite-why-would-company-pick-current-director-ceo>
32. Mabuza, P. F., & Proches, C. N. G. (2014). Retaining core, critical and scarce skills in the energy industry. *Indian Journal of Industrial Relations*, 49(4), 635-648. Retrieved from <https://www.jstor.org/stable/24546969>
33. Mariano, L. C., & Matthee, R. (2018, June). South African CFO route to the top. *Spencer Stuart*. Retrieved from <https://www.spencerstuart.com/research-and-insight/south-africa-cfo-route-to-the-top>
34. Meyer, K. E., & Xin, K. R. (2018). Managing talent in emerging economy multinationals: Integrating strategic management and human resource management. *The International Journal of Human Resource Management*, 29(11), 1827-1855. <https://doi.org/10.1080/09585192.2017.1336362>
35. Mofokeng, N. E. M., Giampiccoli, A., & Jugmohan, S. N. (2018). Black Economic Empowerment led transformation within the South African accommodation industry: The case of Clarens. *African Journal of Hospitality, Tourism and Leisure*, 7(11), 1-16. Retrieved from https://www.ajhtl.com/uploads/7/1/6/3/7163688/article_33_vol_7__1__2018.pdf
36. Motsoaledi, L., & Cilliers, F. (2012). Executive coaching in diversity from the systems psychodynamic perspective. *SA Journal of Industrial Psychology*, 38(2), 32-43. <https://doi.org/10.4102/sajip.v38i2.988>
37. Mthunzi, M. (2018, February 4). Take diversity and inclusion to the executive committee level. *Sunday Times*. Retrieved from <https://www.pressreader.com/south-africa/sunday-times/20180204/282385514960279>
38. Myres, H. (2014). *Factors in South Africa inhibiting the progression of black executives in their careers and the role of coaching in their development* (Doctoral dissertation, University of Witwatersrand). Retrieved from https://www.academia.edu/66499343/Factors_in_South_Africa_inhibiting_the_progression_of_black_executives_in_their_careers_and_the_role_of_coaching_in_their_development
39. Nzukuma, K. C., & Bussin, M. (2011). Job-hopping amongst African Black senior management in South Africa. *SA Journal of Human Resource Management*, 9(1), 1-12. <https://doi.org/10.4102/sajhrm.v9i1.360>
40. Ospina, S. M., Foldy, E. G., Fairhurst, G. T., & Jackson, B. (2020). Collective dimensions of leadership: Connecting theory and method. *Human Relations*, 73(4), 441-463. <https://doi.org/10.1177/0018726719899714>
41. Rhode, D. L., & Packer, A. K. (2014). Diversity on corporate boards: How much difference does difference make. *Delaware Journal of Corporate Law (DJCL)*, 39(2), 377-426.
42. Richards, R. C. (2016). *Succession planning in higher education: The influence of culture on the succession process in a community college* (Doctoral dissertation, Mercer University). Retrieved from https://ursa.mercer.edu/bitstream/handle/10898/11385/10103955_1.pdf?sequence=7
43. The B-BBEE Commission. (2019). *National status and trends on broad based black economic empowerment report*. Retrieved from <https://www.bbbee.commission.co.za/wp-content/uploads/2019/06/National-Status-Trends-on-Black-Economic-Empowerment-Report-31-March-2019-Approved-FINAL.pdf>
44. The Department of Employment and Labour. (2018). *Commission for Employment Equity annual report 2017-2018*. Retrieved from <https://www.abp.org.za/wp-content/uploads/2018/07/Commission-for-Employment-Equity-18th-Annual-Report.pdf>
45. Ting, S., & Scisco, P. (2006). *The CCL handbook of coaching: A guide for the leader coach*. Hoboken, NJ: Wiley.

46. Valodia, B., Sun, T., & Zachariah, T. (2018). Critical success factors that influence black leadership integration in companies listed on the Johannesburg Securities Exchange. *International Journal of Business and Management*, 13(5), 72-94. <https://doi.org/10.5539/ijbm.v13n5p72>
47. Vass, J. (2010). Are black professionals different?: Deconstructing the stereotype. *HSRC Review*, 8(1), 6-8. Retrieved from <http://repository.hsrc.ac.za/handle/20.500.11910/4322>
48. Viviers, S., Mans-Kemp, N., & Fawcett, R. (2017). Mechanisms to promote gender diversity in South Africa. *Acta Commercial*, 17(1), a489. <https://doi.org/10.4102/ac.v17i1.489>
49. Wasylshyn, K., & Gupta, R. (2021). Leadership development: A psychologically-informed process that spawned a generation of CEOs. *Management and Business Review*, 1(1). Retrieved from <https://mbrjournal.com/2021/01/26/leadership-development-a-psychologically-informed-process-that-spawned-a-generation-of-ceos/>
50. West, E. (2019, July 5). Only 2% of the companies listed on the JSE are under 100% black ownership. *IOL*. Retrieved from <https://www.iol.co.za/business-report/companies/only-2-of-the-companies-listed-on-the-jse-are-under-100-black-ownership-28713477>