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Critical competencies of leaders in the digital transformation of banking in South Africa

Rebecca Dubru
Student Number: 16392702

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ABSTRACT

Leaders in the banking sector are facing an array of bewildering new digital challenges and opportunities, yet despite the many frameworks that exist on leadership competencies, they are still in search of the critical competencies required for leading digital transformation. The purpose of this research is to report data showing competencies that are effective for leading digital transformation in the banking sector.

The research approach took the form of a qualitative, exploratory research design, which involved 15 face-to-face, semi-structured, in-depth interviews with banking leaders such as CEOs, CIOs, Managing Executives, Heads of Departments and Digital Consultants.

The literature on traditional leadership competency models indicated three critical skills that enable effective leadership, namely business, cognitive and influencing skills. The study confirmed that all three skills are key and equally important in leading digital transformation. However, an effective leader must integrate and adapt these competencies in each context. Furthermore, four additional competencies that are critical for leading digital transformation emerged through the study, i.e. an entrepreneurial mindset, experiential learning, futuristic thinking and integrator competencies. These are represented in the Digital Leadership Competencies Model. The findings from this study contribute to the extant literature in the field of leadership.

KEYWORDS

Digitisation

Digital transformation

Leadership

Competencies

DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Rebecca Dubru

6 November 2017

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CHAPTER 1: DEFINITION OF PROBLEM AND PURPOSE

1.1 Introduction and Description of the Problem

In the information age, where the majority of our lives are consumed by the exchange and analysis of digital information, the expectations formulated by consumers, from the companies they interact with, have increased exponentially over the last few years. Knowing the vast amounts of information that companies possess, consumers expect these companies to utilise this information in a value-adding way that makes customer interactions a lot more personalised and simpler.

Very little data these days are stored physically as paper-based versions; almost every piece of information and interaction with a company has a digital footprint. This 'digitisation' can be described as the process whereby information is converted from a physical form into an electronic form, with the use of technology and technological devices (Watson, 2001), which has resulted in the widespread availability and access to information, and forms the basis of what defines the digital world (Bennis, 2013). The conversion of information into a digitised medium does not bring much value to a consumer or organisation unless it is utilised in a meaningful way to extract greater value in the interactions. This transition to a digital era has forced both companies as well as their leaders to rethink the ways in which they operate, to the extent of redefining their core business models.

Examples of these radical changes to the corporate landscape are evident with companies such as Uber and their transformation of the taxi industry, Airbnb and their impact on the accommodation reservation space, as well as Amazon and their transformation of the retail marketplace into a digital online marketplace. Many industries have been disrupted by digitisation, and the challenge that a number of organisations now face is whether to transform or face potential obsolescence. The pace of change varies across industries impacted by digitisation, including banking. "The accelerating age of digital is impacting every business, and the banking industry is not exempt" (Dintrans, Bahl, & Anand, 2016, p. 3). The threat of new entrants with a completely digital service offering is a growing risk to older more traditional banks, which have not paid much attention to the digitisation of their businesses.

According to Sia, Soh and Weill (2016), digital reform in the banking industry is revolutionising the traditional concept of banking. Customers are increasingly relying on the internet, ecommerce, tablets, mobile phones and computers to interact and transact with banks, thereby reducing the face-to-face interactions in physical banking environments. Banks are attempting to respond to this changing phenomenon, but are finding it difficult to deal with the challenges of digital threats and opportunities, as well as the rapid changes in the increasingly competitive digital marketplace (Sia, Soh, & Weill, 2016). In large banking organisations, the move towards digitising banking services and operations has been a cumbersome journey, which has been further stifled by old and rigid legacy systems and processes.

There are numerous challenges that impede the transition to digitisation in the banking industry. These include developing digital operations that are able to fulfil the requirements of technologically advanced and digitally savvy clients, enhancing the digital experience of clients, developing digitally enhanced and upgradeable operating systems, and developing leaders with the competencies to facilitate and promote a digital framework (Sia et al., 2016). Successful organisations need to find an effective way to deal with these changes within the digitisation journey.

Even though technology adoption has been highlighted as the key initiator of digital transformation in various industries, strong leadership competencies are also critical to the successful transformation from traditional industries to a digital market place (Mohammad, 2009). The development of leadership competencies has already been a significant challenge in many companies across the globe (Deloitte, 2017), particularly in the banking industry, as the transition from a traditional banking industry to a digitalised industry has created “an even larger leadership gap” (Deloitte, 2017, p. 77). Some companies have made great advances in their digital transformation, whereas some have struggled to transform to deliver an enhanced experience to clients, owing to poor strategy and direction from leadership. It has thus become clear that traditional leadership competencies are not necessarily sufficient for leaders to transform their organisations into more digitised ones.

Another observation has been the pace at which different companies have transitioned through the digital landscape. Apple took approximately five years to change the music industry, while Uber and Airbnb profoundly disrupted the transportation and hospitality sectors in less than two years (Deloitte, 2017). Much of this was attributed to the leadership at the time and the competencies that they possessed. Some leaders can

adapt to the digital context and see it as an opportunity, whereas others find it challenging and are resistant to change. Bennis (2013) stated that leaders impacted by digitisation in their industry need to embrace it and develop the skills to understand the context of a digital environment in order to be effective. In an ever-growing competitive environment, the recruitment of the right individuals with the right competencies will be a differentiating factor between rapidly progressive organisations and laggards.

Over the years, many leadership models have sought to understand the leadership competencies that are required to become effective and efficient in managing and leading large and difficult organisations. According to Goethals, Sorenson and Burns (2014, p. 1), “Different epochs produce different kinds of leadership – with different patterns of hierarchical authority and different skill sets and attitudes”. There are numerous examples of industries and companies that have transitioned through many eras, and the different competencies of the leaders were evidenced as the key contributors to either the success or failure of their transitions (Klemp, 2008). General Electric, Apple and Procter & Gamble are just some of the companies that have been impacted (Bartlett, Hall, & Bennett, 2012; Brown et al., 2011; Yoffie & Kim, 2011).

Whilst there are a number of leadership competency models, most of them have concentrated on traditional corporate management and leadership during times where digitisation was not a key focus (Bennis, 2013; Westerman, Tannou, Bonnet, Ferraris, & McAfee, 2012). The forward-looking leadership competency models need to consider more than just the traditional competencies, and must define the unique competencies that will drive successful digital transformation within banking institutions. This research seeks to understand these traditional leadership competency models and contrast them with the competencies required for leading digitisation in the banking sector.

1.2 Purpose of the Research

The traditional leadership competencies are no longer sufficient, thus leaders who are hoping to drive digitisation in their organisations require a new range of competencies in order to build the right capabilities that will ensure the sustainability of their organisations in the ever- changing information age. The competencies of these digital leaders play an important part in equipping organisations to navigate effectively through their digitisation journey.

The banking sector is tasked with keeping abreast of the evolving needs of its clients to ensure sustainability and to remain relevant. According to (Dintrans et al., 2016), banks and financial services companies that do not leverage digital will “leave large portions of their businesses vulnerable to ever increasing competition” (p. 10). Two of the key contributors to digital transformation in these institutions are leadership and their ability to steer their digitalisation journey to effectively respond to market demands (Deloitte, 2017).

The purpose of this research was to evaluate the competencies of those digital leaders who are critical to effectively driving digitisation in the banking sector.

1.3 Research Problem

The aim of this research was to gain a deeper understanding of the competencies of leaders that are critical to driving digital transformation in the banking sector, in order to gain an improved understanding of these competencies and their effectiveness in the digitisation journey.

The literature review in Chapter 2 focuses on the competencies that are key to leadership in the digitalisation of their organisations. This research aims to be of benefit to leaders by providing a leadership competency model for digital transformation, gathered through a combination of the existing theories on leadership and the new insights gained through the interviews held with business leaders.

1.4 Research Scope

The scope of this research was to evaluate the competencies of leaders that are critical to the digital transformation of banks within a South African context, using the theory of leadership in combination with leadership competency frameworks as the lens through which the evaluation was conducted. Leadership theory is complex and can be approached from many perspectives, however, for the purposes of this study, the focus was on behavioural theories of leadership (Bartram, 2005; Boyatzis & Ratti, 2009; M. D. Mumford, Todd, Higgs, & McIntosh, 2017), which were key in evaluating the competencies of leaders. The research will incorporate the evaluation of the competencies of leaders obtained across four of the major banks in South Africa, which will be referred to as Bank A, B, C and D, in the remainder of the document.

1.5 Research Definitions

For the purposes of this research:

Digitisation can be described as the process whereby information is converted from a physical form into an electronic format, with the use of technology and technological devices (Watson, 2001).

Digital transformation refers to the effect or, changes that occur as a result of the application of digital technologies (Parviainen & Teppola, 2017).

Leadership can be articulated as defining a vision for the future, translating vision into reality, the ability to influence and align people's decisions to the broader objectives, inspiring others, encouraging change, transparency and adaptivity (Bennis, 2009; Kotter, 2013; Maxwell, 2012; Mumford, Campion, & Morgeson, 2007)

Competencies can be defined as key behavioural indicators (Behrendt, Matz, & Goritz, 2017), that can be observed in the successful performance of one's job (Sturm, Vera, & Crossan, 2017), and those behavioural indicators can be linked to a competency (Jahrami, Marnoch, & Gray, 2008).

1.6 Research Structure

To address the research problem identified, the structure of this research study is set out as follows:

- Chapter Two provides an argument, using current academic literature, to demonstrate the need for this study.
- Chapter Three describes the purpose of this study and outlines the research propositions to be answered.
- Chapter Four defines and explains the research methodology used in this study.
- Chapter Five presents the results of the research conducted.
- Chapter Six discusses and analyses the results displayed in Chapter Five, in relation to the literature review conducted in Chapter Two.
- Chapter Seven presents the main findings of the research, and provides recommendations for stakeholders and for future research.

CHAPTER 2: THEORY AND LITERATURE REVIEW

2.1 Introduction

This chapter provides the theory to support the purpose of this study. The objective of this literature review is to discuss the major constructs in the research objectives, i.e. evaluating the competencies of leaders required for leading digital transformation in the South African banking sector.

The literature discusses the characteristics of digitisation, provides an understanding of the role of leaders in leading digital change, and evaluates the contemporary literature that exists on leadership skills and competencies. Furthermore, the literature reviewed focuses on whether these competencies apply in the context of leading digitisation. The constructs of the research are the skills and behaviours of leaders in the banking sector, with a focus on digital transformation in these organisations. This study discusses the competencies of leaders that are necessary to affect this transition, and the contribution of these leadership competencies in leading digitisation in the banking industry.

2.2 The Theory on Banking

In traditional banking, the bank branch is the centre of the client's banking experience and all interactions with the client originate within the bank (Adalarasu & Padmaavath, 2015). A physical bank exists, and customers have access to banks during specific working hours. A complement of staff is available to assist customers to effect payments, withdrawals and any other transaction or exchange of funds. There are multiple distribution channels used in traditional banking, the core channels being traditional teller counters, ATMs and internet banking. "The bank offers its product portfolio to its customers through available multiple distribution channels" (Zimmermann & Koerner, 1999, p. 116). In the traditional retail banking business, customers have a long-term relationship with their bank. Checking accounts have been known as the cornerstone of the traditional banking model, and the majority of client relationships were centred around this product (Zimmermann & Koerner, 1999).

The digital banking phenomena has placed the client at the centre of the banking experience; their interactions with their bank now take place via an electronic medium such as the internet, computers and/or mobile phones. The client chooses how they

interact with the bank and some may never physically enter the bank. Digital delivery is the centrepiece of services and product delivery, and the products and services are tailor-made to suit the client (Adalarasu & Padmaavath, 2015). The relationship between customers and banks are changing because of the digital environment in which both operate; banks are now implementing customer service through the use of analytics and even social media (Westerman et al., 2012). Due to digitisation, banks are shifting from a product-centric offering to a more client-centric focus, as customers are looking for a more personalised experience (Sia et al., 2016).

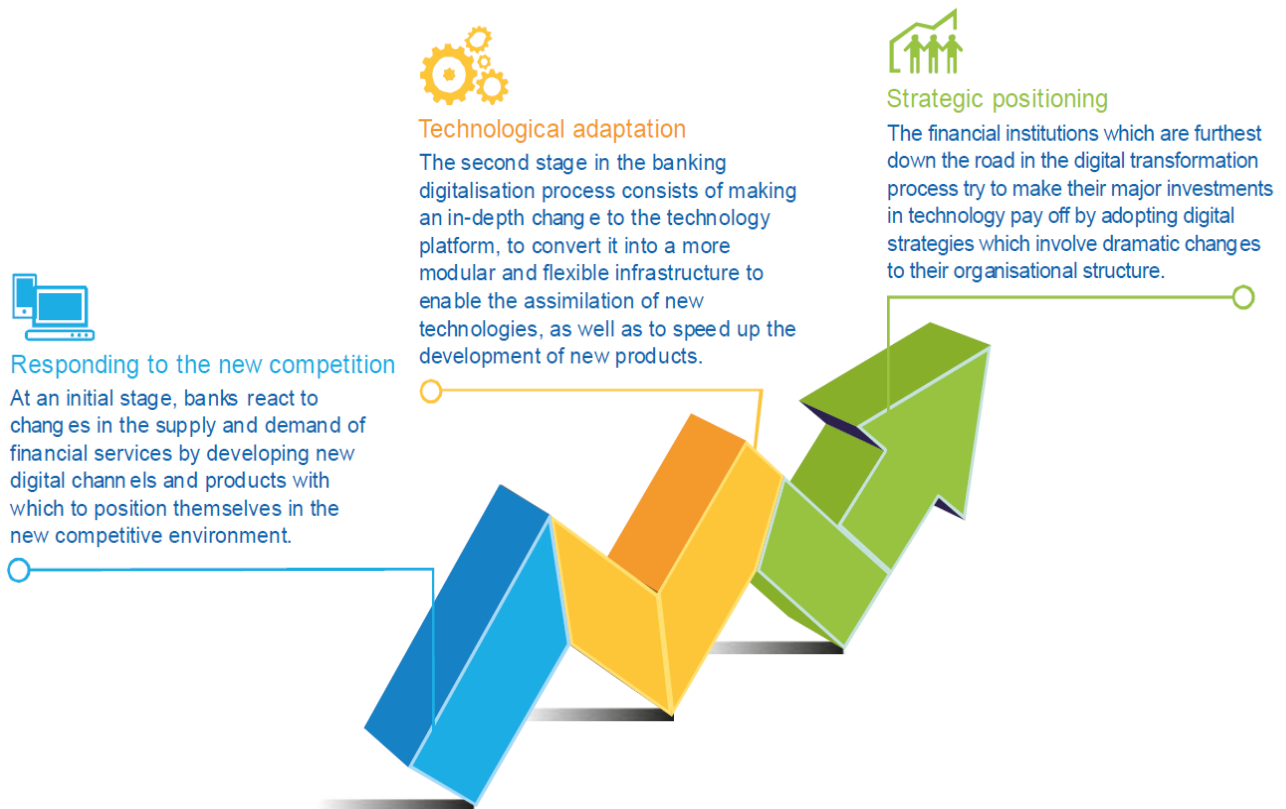
2.2.1 Digital Transformation in Banking

Digital transformation is top of the strategic agendas of many organisations, and the banking sector is no exception. To maintain competitiveness, sustainability, growth and relevance, digitisation has become the life blood of the banking sector through innovation and transformation (Kohli & Johnson, 2011). A customer centric digital transformation approach is key in ensuring customer relevance and sustainability in the banking sector (Ganguly, 2015). As the needs of society have been changing over the years, so too has the role of banks in order to meet their customers' needs (Bandara, 2016). As digitisation transforms industries across the world, changing operating models of both individuals and companies, banking is not immune to this wave of change. Digitisation has been prevalent in banking over many years, however with the ability to perform transactions using a mobile device, digitisation "has accelerated the pace of change" (Barty et al., 2015, p. 4) in the banking sector. Millions of people are now using their cell phones and applications to check their accounts and make payments every day, whereas in the past almost nobody performed banking via their phones.

Olanrewaju (2014) estimated that the digital transformation in European banks will increase their revenues by around 30%, as well as reduce running costs by as much as 20-25%. Added together, the efficiency and profitability of a digital bank will be far superior to that of a traditional counterpart, making it a necessary transition for all players in the industry.

Banks have different approaches to their digitalisation journey, however as per (Cuesta, Ruesta, Tuesta, & Urbiola, 2015), there are three main phases:

Figure 1: The Digital Transformation Process in Banking



Source: (Cuesta et al., 2015)

I. Reaction to the new competition

In addition to internet banking and the modernisation of technological platforms, new access and distribution channels have been created in banking via the use of mobile devices and apps available on smartphones and tablets (Sia et al., 2016), as customers want quick and immediate ability to transact. Banks are also developing new digital products, mainly with regards to payment solutions and transfers of funds, in response to competition (Dapp, 2015), as similar type of services are being offered by Fintech companies (Cuesta et al., 2015). FinTech's are financial technology start-ups and are viewed as the new competitors to the banking sector (Omarini, 2017).

II. Technological adaptation

According to Cuesta et al. (2015), banks have traditionally been run using large complex and centralised technology infrastructure, whereby various "products and services operate in isolation" (p. 6). The process of digitisation in banking requires more technologically advanced platforms to allow for faster product development, integration

of technologies and flexible technological infrastructure. The transition from historical technology infrastructure to that of new technologies for digitalisation means that the large-scale technology platforms in banks need to be remodelled (Adalarasu & Padmaavath, 2015). Speedier automation of processes is required across all levels of the bank to improve efficiencies and speed up the whole system. Banks are thus making use of algorithms and other analytical tools to automate processes and develop customised products and personalised services for customers (Cuesta et al., 2015).

III. Strategic positioning

Digital transformation involves adopting strategies that support technology investments and changes to the organisational structure to affect the new strategies (Parviainen & Teppola, 2017). Technological investments are not enough for efficiency and productivity, but rather banks need to strategically position themselves to leverage the opportunities that digitisation brings, both from an internal organisational perspective and externally to build client loyalty (Cuesta et al., 2015).

As can be seen, the digital landscape is speedily transforming traditional banks, which brings with it both challenges and opportunities. The pressure from digitisation is growing, and banks need to respond by developing new strategies to cope in a competitive environment. This calls for strong effective leadership to help make the transition (Parviainen & Teppola, 2017), a smooth and beneficial one. The availability and access to information in the digital world provides an advantage to leaders, in that they are able to gauge market activity and feedback on products and customers speedily (Bennis, 2013). Leaders need to minimise the risks and take advantage of the opportunities that present themselves in a digital banking market, hence the objective of this study is to evaluate those critical competencies of leaders that will aid in the digital transformation journey of South African banks.

Leadership is a pre-requisite to successful digital transformation. The momentum to design and drive the digital transformation process is a critical role of the leader, and requires commitment, collaboration and shared goals with the rest of the organisation (Ganguly, 2015).

2.3 The Theory on Leadership

There is a plethora of information available on leadership, but as is the changing nature of human behaviour, so too is the aspect of leadership. Leadership is a complex and topical issue for many organisations, and contemporary literature provides numerous definitions, theories, explanations and classifications on the subject (Lord, Day, Zaccaro, Avolio, & Eagly, 2017; Nawaz & Khan, 2016).

To better understand what leadership is, the literature on the definition of leadership was reviewed. The experts in the field seem to agree on which elements encompass the fundamentals of leadership; their view is that leadership includes defining a vision for the future; translating vision into reality; being able to influence and align people's decisions to the broader objectives; inspiring others; and encouraging change, transparency and adaptivity (Bennis, 2009; Kotter, 2013; Maxwell, 2012; Mumford, Campion, & Morgeson, 2007). Each of these are based on a study of human personality and the patterns of behaviour one expresses (Derue, Nahrgang, Wellman, & Humphrey, 2011), which form the core of leadership and leadership ability.

In order to better understand leadership and human behaviour, many studies have been conducted to ascertain the traits and behaviours of successful leaders (Colbert, Judge, Choi, & Wang, 2012; Derue et al., 2011; T. V. Mumford et al., 2007; Parry, Mumford, Bowera, & Watts, 2014). Trait theory proposes that there is a relationship between a leader's personality and their effectiveness, with Colbert, Judge, Choi and Wang (2012) indicating that "personality traits refer to psychological qualities that contribute to an individual's enduring and distinctive patterns of feeling, thinking, and behaving" (p. 671). In a study that examined the relationships "between personality and leadership, it was found that extraversion, conscientiousness, emotional stability, and openness were positively related to leadership" (Colbert et al., 2012, p. 672).

The skills theory of leadership came about when researchers observed that the trait theory was flawed in that it did not consider cognitive or mental qualities, as the knowledge and skills of leaders are essential in influencing and persuading subordinates to perform their tasks effectively (R. Bolden, Gosling, Marturano, & Dennison, 2003). The trait theory of leadership alone was believed to be insufficient in determining leadership effectiveness, which resulted in scholars searching beyond leaders' traits to consider how their behaviours could predict effectiveness. Behavioural theory thus focuses on

studying the set of behaviours of leaders, and how their behaviours can affect their leadership influence (Derue et al., 2011).

There has been much historical development in these theories over the years, and as research progresses in this field, the concepts of skills theory and behavioural theory (Behrendt et al., 2017), have emerged and accounted for some of the limitations observed in trait theory (R. Bolden et al., 2003). In addition to understanding the theories on leadership which are applicable to this study, the concept of competencies also requires further understanding.

2.3.1 The Concept of Competencies

The concept of competencies originated in the 1970s from the work of psychologist David McClelland and the McBer consulting group (Richard Bolden & Gosling, 2006). According to McClelland, key behavioural indicators can be observed in the successful performance of one's job (Sturm et al., 2017), which can be linked to a competency (Jahrami et al., 2008). A competency can be defined as an ability, capability or a set of key behaviours that drive performance and results (Bartram, 2004; Boyatzis, 2008). According to Intagliata, Smallwood and Ulrich (2000), competencies, within the work context, can be described as the combination of behavioural patterns that drive excellence and performance.

This study focused on the critical competencies of leaders required in the digital transformation of banking, and having provided an overview of the myriad of definitions, the theory on leadership behaviours and competencies formed the theoretical base for the research as it describes aspects of both leadership and competencies.

2.3.2 Leadership Competencies Framework

Extensive research has been conducted on the competencies of leaders, and many models currently exist that can be applied both in an individual and an organisational capacity to help develop the skills of leaders. Hollenbeck, McCall and Silzer (2006) advocated that competencies help individuals by providing a toolkit of important leadership behaviours gained through the insights and experience of strong leaders, and provided a framework for understanding and developing effective leadership. These frameworks are useful to organisations as it outlines and communicates the important

leadership behaviours across different situations and positions in the organisation, and links these to the strategic vision and direction of the organisation.

The study endeavoured to perform an evaluation of the competencies of leaders that are key in the digital transformation journey. In order to do so, a literature review process was conducted. On reviewing the literature, three relevant leadership competency models were identified, namely the Great Eight Leadership Competencies Framework (Bartram, 2005), The Nine Critical Cognitive Skills for Leadership Performance Framework (M. D. Mumford et al., 2017), and the Intelligence Competencies Framework (Boyatzis & Ratti, 2009; Puranik, 2017). Each of these frameworks highlight critical leadership skills.

2.3.2.1 Great Eight Leadership Competencies Framework

Bartram (2005) formulated the Great Eight Leadership Competencies Framework, which the SHL Group later popularised. This framework is often referred to as a generic leadership competencies model. The Great Eight model “emerged from statistical analysis of manager and employee ratings of workplace performance” (p. 1185). Through the study, 112 specific competencies emerged. Bartram (2005) argued that researchers should develop a generic taxonomy of competencies to simplify the understanding of competencies that underpin leadership and job performance (Judge, Rodell, Klinger, Simon, & Crawford, 2013), hence the 112 competencies identified were divided into eight broader categories. The eight competencies are indicated as leading and deciding, supporting and cooperating, interacting and presenting, analysing and interpreting, creating and conceptualising, organising and executing, adapting and coping, enterprising and performing (Bartram, 2005).

Table 1: Tabulation of the Great Eight Leadership Competencies Framework

Factor	Competency Domain Title	Competency Domain Definition
1	Leading and deciding	Takes control and exercises leadership, initiates action, gives direction and takes responsibility.
2	Supporting and cooperating	Supports others and shows respect and positive regard for them in social situations.
3	Interacting and presenting	Communicates and networks effectively; relates to others in a confident and relaxed manner.
4	Analysing and interpreting	Shows evidence of clear analytical thinking. Gets to the heart of complex problems and issues. Applies own expertise effectively. Communicates well in writing.
5	Creating and conceptualising	Works well in situations requiring openness to new ideas and experiences. Seeks out learning opportunities. Handles situations and problems with innovation and creativity. Thinks broadly and strategically. Supports and drives organisational change.
6	Organising and executing	Plans and works in a systematic and organised way. Follows directions and procedures. Focuses on customer satisfaction and delivers a quality service or product to the agreed standards.
7	Adapting and coping	Adapts and responds well to change. Manages pressure effectively and copes well with setbacks.
8	Enterprising and performing	Focuses on results and achieving personal work objectives. Works best when work is related closely to results and the impact of personal efforts is obvious. Shows an understanding of business, commerce, and finance. Seeks opportunities for self-development and career advancement.

Source: (Bartram, 2005, p. 1187)

The study by Bartram (2005) suggested that there were links between these competencies and the performance and ability of leaders. Leading and deciding, organising and executing, and enterprising and performing relate to the skills of managing and running an organisation. These competencies involve decision making, direction, planning, execution and delivery, customer satisfaction, results and commercial understanding.

Analysing and interpreting, and creating and conceptualising are primarily associated with intelligence, problem solving, analytical ability, innovation, openness to ideas, eagerness to learn (Heslin & Keating, 2017), managing complexity and driving organisational change (Bartram, 2005). Building on this, Boyatzis (2008) stated that the ability to analyse information and situations is a cognitive intelligence competency that could result in, or cause, effective and outstanding performance.

Supporting and cooperating, interacting and presenting, and adapting and coping relate to the behavioural abilities of supporting and empowering staff (Chen, Zhu, & Zhou,

2015), communicating, networking, engaging, adapting to change (Battilana, Gilmartin, Sengul, Pache, & Alexander, 2010) and managing pressures. Supporting and cooperating and adapting and coping are linked to contextual settings, whereas the other five skills are more related to ability on the task level of performance (Bartram, 2005). Yukl and Mahsud (2010), reinforced this and described the behaviour of adapting as adaptive leadership, which involves the ability of a leader to accurately assess a situation and vary their behaviour in ways that are appropriate to the situation.

2.3.2.2 The Nine Critical Cognitive Skills for Leadership Performance Framework

Yukl and Mahsud (2010) suggested that leaders require a higher level of cognitive skills as they are responsible for strategic decision making. According to Boyatzis (2011), outstanding leaders exhibit three clusters of competencies, which include expertise and experience, knowledge, and a range of basic cognitive competencies relating to deductive reasoning, systems thinking and pattern recognition. M.D. Mumford et al., (2017) reinforced this theory and suggested that the most powerful predictors of a leader's ability, is the leader's cognitive ability, arguing that these skills are more powerful than general traditional leadership skills. According to M.D. Mumford et al., (2017, p. 35), "leader cognitive skills count, and count big time, in accounting for leader performance".

Mumford, Todd, Higgs and McIntosh (2017) identified nine distinct key skills that contribute to the performance of leaders. These are tabulated below.

Table 2: Tabulation of the Nine Critical Skills Framework for Leadership Performance

No.	Key Competency	Competency Definition
1	Problem definition	Ability to define noteworthy issues and significant problems.
2	Cause/goal analysis	Analyses goals and objectives that are important for the organisation
3	Constraint analysis	Identify constraints that may influence a situation
4	Planning	Organise activities to achieve the goals
5	Forecasting	Ability to anticipate the downstream implications of executing plans and strategy
6	Creative thinking	Formulate new ideas and alternate approaches.
7	Idea evaluation	Evaluate new ideas and alternate approaches for risks, feasibility and execution
8	Wisdom	Evaluate ideas and decisions within context or setting
9	Sense/Making/Visioning	Articulate a vision which is understandable and makes sense to followers

In summary, this framework suggests that a leader should possess the ability to identify and define a problem, through the use of information, which they gather through scanning the internal and external environments. Feedback received from customers, suppliers, technology sources, market research and competitors are viewed as information sources to be used in solving customer problems and the development of new products. The skill of cause and goal analysis and linkages is the ability of the leader to identify legitimate and potentially viable goals for the organisation to pursue. Constraints analysis is the ability to understand and identify the constraints and threats within the context of which the leader is operating. Planning is the mental simulation of future actions, which is linked to the ability to forecast the outcomes of executing certain plans. The leader's ability to generate new ideas and to appraise and select ideas or subsets of ideas from others is a critical skill. Wisdom is the ability of the leader to appraise the workability of ideas in each context or setting, while sense making and visioning is the critical skill of articulating the vision and communicating the vision and plan of execution to the organisation (M. D. Mumford et al., 2017).

In the research that demonstrated the nine critical skills of a leader, cognitive ability was categorised as knowledge, skills and technical expertise, which include deep, well organised knowledge in certain domains, obtained through experience and reflection whilst working on tasks.

Ultimately, the growth and survival of an organisation impacted by digital change (Battilana et al., 2010) depends on the competency and speed of the executive leadership to interpret, understand, analyse and drive the transformation of processes, systems, services and products to deliver higher productivity, profitability and customer satisfaction (Ganguly, 2015).

Merisalo (2016) suggested that digitisation has impacted leadership to the extent that some competencies have become more desirable, whilst other competencies have become less valuable. According to M.D. Mumford et al., (2017), it is clear, that certain turbulent and unpredictable environments call for certain types of knowledge, processes and strategies, which are critical to leading in such contexts (Merisalo, 2016).

2.3.2.3 The Intelligence Competencies Framework

A summary of research on leadership over the past 30 years shows that outstanding leaders possess three clusters of competencies: (1) expertise and experience; (2)

knowledge; (3) an assortment of basic cognitive skills which include memory and deductive reasoning (Boyatzis & Ratti, 2009).

In a study conducted by Boyatzis and Ratti (2009) to determine the competencies of effective leaders, social, emotional and cognitive intelligence was demonstrated to predict effectiveness in management and performance in leaders. The study produced what is known as the Intelligence Competencies Framework, indicating that there are various levels of intelligence that humans possess, which are utilised in different positions and scenarios (Nawaz & Khan, 2016; Winston & Patterson, 2006). Executives who scored the highest in the emotional intelligence cluster were found to show more initiative, and emotional intelligence was found to have a positive correlation to leadership, creativity of teams and organisational outcomes (Boyatzis & Ratti, 2009; Puranik, 2017).

Emotional intelligence was suggested to consist of five domains: self-awareness, self-management, self-motivation, empathy and social skills. Self-awareness involves the ability of a leader to understand self (Boyatzis & Ratti, 2009; Connelly & Gooty, 2015; Puranik, 2017); self-management involves the ability of a leader to use his/her own emotions to enhance a positive outcome in any given situation; self-motivation involves the ability to pursue a goal even when dealing with negative emotions; empathy was described as the ability to understand and be sensitive to other's emotions (Kunnanatt, 2008) and social skills involve the ability to interact and communicate in social situations in such a way so as to influence the way others act and feel. Furthermore, Boyatzis and Ratti (2009) and Puranik (2017), suggested that the five domains are made up of 18 leadership competencies: "self-confidence, self-management, emotional self-control, transparency, adaptability, achievement, initiative, optimism, empathy, organisational awareness, service, inspirational leadership, influence, developing others, change catalyst, conflict management, building bonds and self-awareness" (p. 4).

Self-awareness, self-management and self-motivation relate to the leader's self, while the other two domains of empathy and social skills relate to the ability to influence and guide others (Boyatzis & Ratti, 2009). According to Maxwell (2007), "leadership is influence, nothing more, nothing less" (p. 17). This ideology was endorsed by Yukl, (2012), who stated that leadership in organisations is the art of influencing individual, team and collective efforts to achieve a shared vision. The tactics leaders use to influence are linked to the emotional sincerity (Smollan & Parry, 2011), of the leader as viewed by the followers, and cognitively drive inferences of trust in the followership

(Connelly & Gooty, 2015). According to Ganguly (2015), the key to success in digital transformation processes is collaboration, but to facilitate collaboration, leaders will need to make changes to organisational structures.

Cognitive skills relate to the ability to think and analyse situations and scenarios which contribute to superior and effective performance (Boyatzis & Ratti, 2009; Kunnanatt, 2008; T. V. Mumford et al., 2007). Table 3 summarises the Intelligence Competencies Framework.

Table 3: The Intelligence Competencies Framework

Competencies	Characteristics
Emotional intelligence competencies	Attention to detail Efficiency orientation Flexibility Initiative Planning
Social intelligence competencies	Developing others Empathy Negotiating Networking Oral communications Persuasiveness Self confidence Social objectivity
Cognitive intelligence competencies	Pattern recognition Quantitative analysis Systems thinking Use of concepts

Emotional intelligence competencies were described as the ability to use emotional information about oneself to influence superior performance; the social intelligence cluster addresses more assertiveness and influencing types of skills, such as persuasiveness, networking, communication and negotiating (Carter, DeChurch, Braun, & Contractor, 2015; Friedrich, Grif, & Mumford, 2016); while cognitive intelligence relates to deductive reasoning and problem-solving capabilities. The detailed discussion on cognitive intelligence competencies also highlighted systems thinking and pattern recognition as important skills. Systems thinking was described as the ability to observe multiple causal relationships, which require the use of concepts that can be applied to an entire system, while pattern recognition relates to the ability to observe perceived themes in seemingly unrelated data, which applies to observing the market, trends,

competitors, customers' behaviour and the regulatory environment (M. D. Mumford et al., 2017).

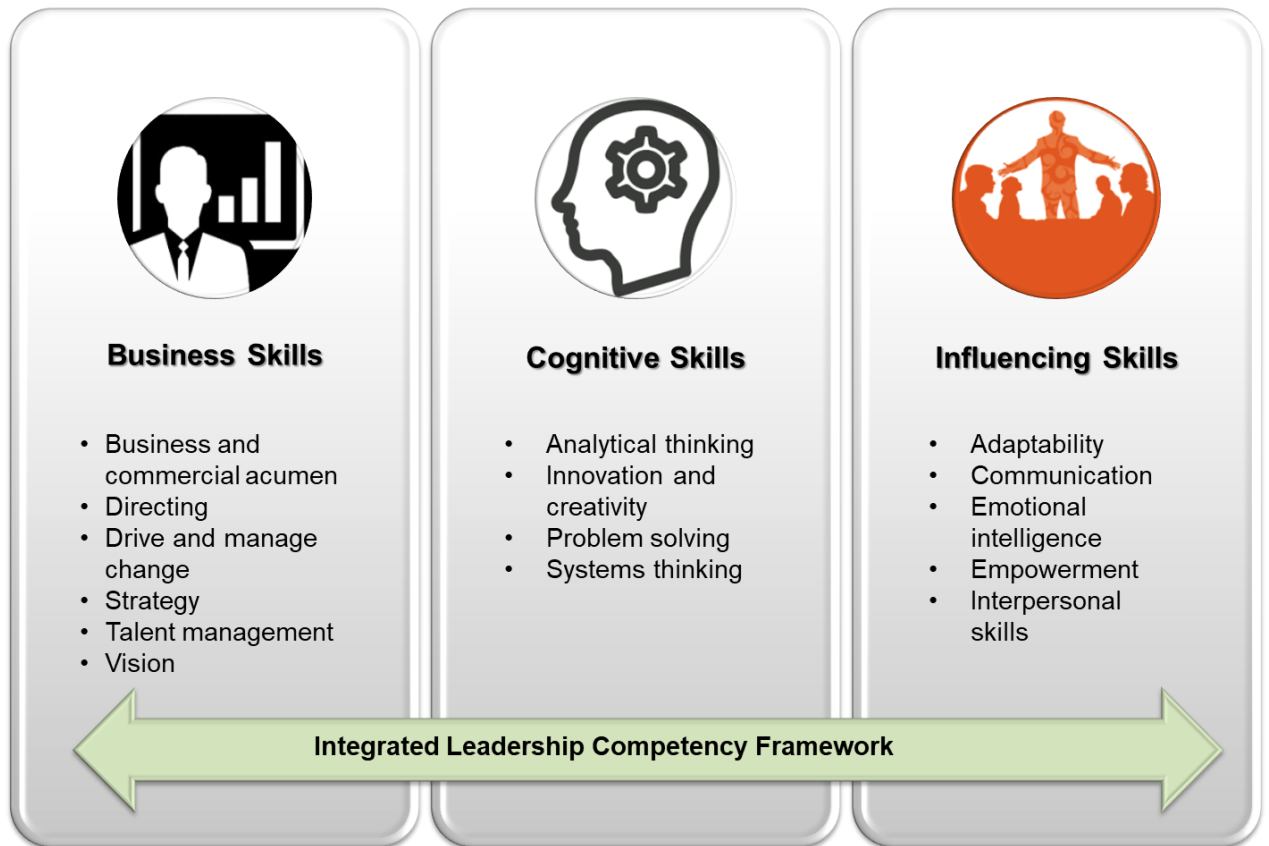
A leader has the ability to influence their followers to achieve organisational goals by clearly defining and communicating a vision of the future through the use of critical thinking skills, persuasive rhetoric and interpersonal communication (Winston & Patterson, 2006).

2.3.2.4 Theoretical Framework

Future trends for leadership and management can be revealed through reviewing competency frameworks, which provide insights into current conceptualisations of leadership competencies (Bolden & Gosling, 2006). Mumford et al. (2017) suggested that different meta-models can be used to understand leadership and leadership competencies related to performance. Integrated concepts which combine different skills and intelligences, like cognitive, emotional and social competencies, offer convenient frameworks and theoretical structures that can be used to understand human dispositions and their link to job-related performance (Boyatzis, 2008).

After reviewing the frameworks obtained through a review of the literature on leadership and leadership skills and competencies, certain commonalities and themes emerged from the three models mentioned above. These competencies were grouped into business, cognitive or influencing skills, and were evaluated across each of these three categories. These three categories of competencies, extracted from the literature reviewed, have been used to formulate "The Integrated Leadership Competency Framework" as indicated in Figure 2, below. It was also important to note which sets of skills surfaced as being more critical, and which underlying competencies in those groups appeared to be more beneficial for effective digital transformation in the banking sector. This framework formed the basis of the theoretical framework, which was evaluated during the interview process with leaders in the banking sector, with a focus on the competencies needed for leading digitisation in the banking sector.

Figure 2: The Integrated Leadership Competency Framework



Source: Synthesised from (Bartram, 2005; Boyatzis & Ratti, 2009; M. D. Mumford et al., 2017; Puranik, 2017)

2.4 The Impact of Digital Leadership Competencies in the Banking Sector

El Sawy, Amsinck, Kræmmergaard and Vinther (2016) stated that fostering the critical competencies in leaders in a digital business allows for the integration of “strategy, business models, the IT function, enterprise platforms, mindsets and skill sets, and the workplace” (p. 141). It is imperative for leaders to educate themselves and the organisation on digital transformation, and to continuously and consistently educate themselves through digital training (Ganguly, 2015).

These leaders also exhibit the capacity for change, resilience and adaptivity, which have resulted in their ability to “understand the potential and challenges of digitalization and that having a shared vision of digitalization is central to the growth of the business” (Sia et al., 2016, p. 6).

It has been further evidenced that the digital and collaboration skill sets that are possessed by some leaders can be deployed across porous boundaries, and that these competencies impact the “mindset and skills that make people comfortable with changing tasks and assignments quickly and flexibly” (El Sawy, Amsinck, Kræmmegaard, & Vinther, 2016, (p. 159), in a digital environment.

The leader’s ability to understand, collaborate and embrace digital technologies and incorporate them into their strategies to deliver on clients’ needs, has resulted in banks becoming more client-centric (Adalarasu & Padmaavath, 2015). Leaders are also becoming more tech-savvy and inclusive, and are fundamentally changing to deliver optimal results.

2.5 Conclusion

The literature review discussed how the banking sector is evolving through digital transformation, and evaluated the competencies that are viewed as key to leadership.

It is clear that banks have been impacted by digitisation which could pose many challenges, however if CEOs and the wider organisation can address these challenges and position themselves strategically, these could turn into opportunities and a competitive advantage to capture long term growth (Bandara, 2016).

With this context, the study aimed to firstly evaluate the business, cognitive and influencing competencies of leaders derived from the literature review, and then to determine their applicability to leading digital transformation in banking. This was done by creating an integrated framework from the many competency leadership frameworks discussed in the literature, and testing this framework during the interview process. Thereafter, of the critical competencies that were identified, the study aimed to understand which were the most important competencies, and if additional competencies were required for digital transformation other than those highlighted in the literature review.

CHAPTER 3: RESEARCH PROPOSITIONS

This research aims to answer two specific research propositions. There is a huge volume of literature on leadership theories, styles and competencies, and a myriad of perspectives on each of these from different scholars, however very little literature exists on the competencies of leaders required for digitisation and in the context of banking. Management consultants have sought to understand this area, but have reached conflicting or insufficiently supported views, thus this research will help to address the gap in the literature. The research propositions were formulated by identifying the gaps in the literature review.

3.1 Research Proposition 1

The propositions were informed by literature reviewed and the integrated framework that was synthesised from the various competency frameworks indicated in the reviewed literature (Bartram, 2005; Boyatzis & Ratti, 2009; M. D. Mumford et al., 2017; Puranik, 2017).

Research Proposition 1: Business, Influencing and Cognitive skills are key leadership competencies that are critical to leaders in the digitization of banking in South Africa.

Business, influencing and cognitive skills have been identified as the critical skills of leaders, based on a review of traditional leadership theory and more specifically, the Great Eight Competencies Framework for Leadership Performance, the Nine Critical Cognitive Skills for Leadership Performance Framework, and the Intelligence Competencies Framework (Bartram, 2005; Boyatzis & Ratti, 2009; M. D. Mumford et al., 2017; Puranik, 2017), which formed the foundation for this proposition. These frameworks have been amalgamated into a theoretical framework referred to as The Integrated Leadership Competency Framework, and these competencies will be evaluated for appropriateness in leading digital transformation.

3.2 Research Proposition 2

Research Proposition 2: Cognitive competencies are considered more important for digital transformation as opposed to Business and Influencing Competencies.

Previous studies posit that the cognitive competencies of a leader is what enable effective leadership (Boyatzis & Ratti, 2009; T. V. Mumford et al., 2007). M.D Mumford et al., (2017), reinforced this theory and suggested that the most powerful predictors of a leader's ability, is the leader's cognitive ability, arguing that these skills are more powerful than traditional leadership skills. This proposition is aimed at evaluating whether cognitive competencies, are considered to be critical for leading digital transformation.

These propositions have been derived through the evaluation of the literature on leadership competencies and will allow for a deep exploration and understanding of the critical competencies of leaders in the digital transformation of banking in South Africa.

CHAPTER 4: RESEARCH METHODOLOGY AND DESIGN

4.1 Introduction

This chapter discusses the research methodology and design that was used to conduct the research study. The research evaluates the critical competencies of leaders in the digital transformation of banking in South Africa. The literature reviewed in Chapter 2 formed the basis for the design, methodology and interview questions that were used to evaluate the research propositions described in Chapter 3. The study adopted a qualitative, exploratory design and data were collected through in-depth, semi-structured, face-to-face interviews. The process of collecting and analysing the data was guided by the research methodology to ensure that biases were prevented when addressing the research problem (Agee, 2009; Marshall, 2017; Zikmund, Babin, Carr, & Griffin, 2013).

The chapter begins with a description of the research methodology and design, as well as an explanation of its appropriateness for this study. This is followed by a detailed description of the population, unit of analysis, sample selected, and the measurement instrument utilised in the study. The data gathering, and analysis process is then discussed. The chapter ends by providing an overview of the limitations of the study and highlights how reliability and validity were achieved through the research process.

4.2 Research Methodology and Design

The choice of methodology employed is critical to the outcomes and conclusions derived in a study (Ritchie & Lewis, 2014). Qualitative research is appropriate where little information exists on a topic or a population, and probing and listening techniques are used as tools to explore participants' understanding of the phenomenon (Leedy & Ormrod, 2010; Creswell, 2013). Qualitative research methods are used to understand and explain complex social phenomena and their contexts (Ritchie & Lewis, 2014), and are therefore suitable for studying the complexity of leadership. According to Parry, Mumford, Bowera and Watts (2014), qualitative research has increasingly contributed to the field of leadership studies, enabling an understanding of social influences and leadership phenomena which quantitative research has often failed to do.

As discussed in Chapter 2, the digital debate is an intense discussion, with varying views on how best to navigate the disruption that digitisation poses to the banking sector and its contribution to the possible disintermediation of the banking sector (Deloitte, 2017). Golafshani (2003) suggested that qualitative research seeks to explore context-specific phenomena and provides findings of real-world settings in which there is a natural unfolding of the phenomenon. Given the nature of digitisation, how it has impacted the context of banking specifically and the role that leadership plays in digital transformation, a qualitative and exploratory approach was used to gain insights into the critical competencies of leaders required for leading digital transformation in the banking industry. Furthermore, considering the intangible and unquantifiable elements that emerged in this research, the qualitative method was best suited to gather the data required. Strauss and Corbin (1990) defined qualitative research as any type of research that does not make use of statistical procedures and quantification to produce findings. For the purposes of this research, the qualitative and exploratory research design approach was deemed most suitable for this study (Creswell, 2013).

Deductive studies are useful when testing a previous theory in a different context (Vaismoradi, Turunen, & Bondas, 2013). The aim of the research was to evaluate previous theories on leadership competencies and to assess their applicability and usefulness in the context of digitisation, specific to the banking industry, given that the banking industry is currently undergoing massive changes due to digitisation. The study commenced with a deductive approach and Chapter 2 outlined the leadership theory that was tested during the research process. However, as the research progressed and the data were analysed, there were instances when the elements of an inductive research approach were used as new insights emerged from the data (Elo et al., 2014).

Due to the qualitative and exploratory nature of the research study, a mono-method, cross-sectional research design (Zikmund, Babin, Carr, & Griffin, 2013; Saunders & Lewis, 2014) was chosen. The cross-sectional research design was deemed suitable as data were collected through interactions with participants at a point in time (Saunders & Lewis, 2012). Fifteen interviews were conducted during a period of three months with leaders involved in digitisation in the major South African banks.

4.3 Population

The target population refers to a collection of individuals that usually share common characteristics (Zikmund et al., 2013). For the purposes of this research study, the

population was comprised of business leaders in the South African banking sector. South Africa is one of the largest economies in the African continent and has five big banks that dominate the market by assets and customers (Business Tech, 2017). The details of the five large banks have been anonymised for the purposes of this research and will be referred to as Bank A, Bank B, Bank C, Bank D and Bank E. Digital consultants who provide services to the banking sector were also included in the population as they work closely with banking leaders and are enablers of driving digital transformation in the banking sector. However, one of the banks, Bank E, did not agree to participate in the study. Requests were made via emails to selected potential interviewees, including the Chief Information Officer, who responded that Bank E would not participate in the study as it was against company policy to discuss strategy or any confidential information other than what is published in their annual results and company website.

The population that was sampled for this study included Chief Executive Officers (CEO's), Chief Information Officers (CIO's), Managing Executives, Heads of Departments, Senior Managers and Digital Consultants from across the four major banks in South Africa, who are responsible for leading and influencing digital transformation in the banking sector based on their expertise in digitisation. The head offices of all the banks that participated in the study are in Johannesburg, therefore all the interviewees came from Johannesburg and the surrounding areas.

4.4 Unit of Analysis

The unit of analysis refers to the level at which the study is performed and the objects that are researched (Saunders and Lewis, 2012). The selection of the unit of analysis took place at the preparation phase of the research, and was pivotal to the research design as it determined the key area of focus during the data gathering process. According to Elo and Kyngäs (2008), whole interviews or observations are the most suitable units of analysis as they are large enough to be considered as a whole but small enough to be considered as a unit. The focus of qualitative research is to understand a phenomenon from the perspective of those being studied as they encounter, engage and live through certain contexts and situations (Qazi, 2011). In the context of this study, the unit of analysis were the perceptions and experiences of the individuals who were interviewed and considered leaders of digital transformation within the South African banking sector. These included Chief Executive Officers, Chief Information Officers, Managing Executives, Heads of Department, senior managers and digital consultants.

4.5 Sampling Size and Sampling method

Sampling is an important part of the research process, and the sampling methodology is critical to the validity of the research findings (Acharya, Prakash, Saxena, & Nigam, 2013). When the researcher is not able to obtain a complete list of the population, non-probability sampling can be used as the sampling technique for selecting a sample (Marshall, 2017; Saunders & Lewis 2012). Under the range of non-probability sampling techniques, a two-layered approach was used for this study, which made use of purposive and snowball sampling techniques. According to Marshall (2017), purposive sampling is a common sampling technique that allows active selection of the most productive sample to address the research proposition. The initial respondents were chosen through non-probability sampling (Acharya et al., 2013). The purposive technique was utilised by applying judgement in selecting the individuals from the five major banks in South Africa, who were viewed as being knowledgeable and experienced due to their positions in their organisations and the experience they had gained in leading digitisation during their careers in the banking sector.

The researcher made use of her networks and relationships with employees in the top four banks to get access to the initial respondents, who were responsible for leading digital transformation in these organisations. The researcher also made use of the professional media platform, LinkedIn, to obtain names of the senior leadership in some of these banks, by searching for titles that contained “Digital”, “Chief Information Officer” or “Chief Digital Officer” as the search criteria, and “Banking” as a sub search category. The initial respondents provided information on additional respondents who were able to provide insights into the study (Acharya et al., 2013). In this way, the snowball sampling technique was useful in obtaining access to other key leaders in these banks who were experts on the topic of digitisation in banking.

Samples for qualitative research tend to be small (Marshall, 2017). The sample of 15 participants for this research was taken from across the four major banks in South Africa, as well as digital consultants, who were introduced as part of the sample to get a well-rounded view on the leadership competencies required for digital transformation. All the respondents had high levels of authority, and held the position of Chief Executive Officer, Chief Information Officer, Head of Department or Digital Consultant within their respective organisations.

The details of the respondents are tabled below and will be discussed further in Chapter 5.

Table 4: List of respondents and current positions of employment

No.	Interviewee	Organisation	Position
1.	Thabo Mkhize	Bank A	Head of Digital Banking and E-Commerce
2.	Jennifer Rose	Bank A	Executive of Platform Management and Customer Experience
3.	Ebrahim Mohammed	Bank D	Head of Digital Enablement for Wealth Investments Management and Insurance
4.	Susan Graham	Bank D	Head of Open Innovation Platform
5.	Johannes Van De Merwe	Bank C	Managing Executive of Client Engagement
6.	Andries Breytenbach	Bank A	Head of Group Digital Platforms
7.	Carlo Armando	Bank A	Executive Head: Digital Banking
8.	Sizwe Zulu	Bank C	Head of Digital for Wealth Investments
9.	Dieter Du Plessis	Digital Company A	Digital Consultant: Co-Founder and Managing Director of Digital Marketing Co.
10.	Mariam Sanders	Bank D	Head of Digital Enablement
11.	William Stevenson	Bank B	CIO: Online Banking
12.	Willem Van Ravesteyn	Digital Company C	Digital Consultant: Founder of Software Development Co.
13.	Daniella Corrier	Digital Company B	Senior Investment Executive and Digital Management Consultant
14.	Harry Miller	Bank B	CIO and Chief Data Officer
15.	Mario Christiano	Bank B	Chief Executive Officer of Digital Banking

4.6 Research Instrument

The research instrument employed in this study was a semi-structured interview schedule, which was used as a guide for the in-depth, open-ended, face-to-face interviews (McCracken, 1988). Interview questions were designed for the interviews with the leaders in digitisation in the four major banks, as well as with the digital consultants. The objective of the research study was to evaluate the competencies of leaders who are critical in driving digital transformation in the banking sector, hence 10 interview

questions were derived in conjunction with the research objectives in Chapter 1, the literature reviewed in Chapter 2, and the research propositions posed in Chapter 3. Qualitative research is shaped by the development of the initial research propositions and the process through which the interview questions are generated and refined are critical to the study (Agee, 2009; McCracken, 1988). The interview schedule is attached in Appendix 3.

The design of the questions sought to explore and extract salient themes that may not have necessarily emerged in a structured interview. The interview questions were composed in relation to the findings in the literature review and were intended to evaluate the competencies of leaders that were perceived to be critical in driving digital transformation in the banking sector. For this reason, the interview questions did not contain any closed questions, as the interviews were intended to be open and flexible to allow for any relevant additional information to emerge.

4.7 Data Collection

According to Ritchie and Lewis (2014), the use of individual interviews is a common method used to collect data in qualitative research, as they provide an undiluted focus on the participants and their personal perspectives, contexts and understanding (Strauss & Corbin, 1990; Zikmund et al., 2013) of the research phenomena. Interviewing experts and analysing academic literature is thus a common way of performing research (Ritchie & Lewis, 2014; Saunders & Lewis, 2014).

The details of potential interviewees were sourced either through networks and contacts that the researcher had with employees in the banking sector, or through the professional media platform LinkedIn. The selected interviewees were contacted via email to request their participation in the study, with a brief high-level overview of the research topic and scope included in the email. Once the participants agreed to participate in the study, a formal email was sent at least two weeks prior to the actual interviews, in which they were briefed on the purpose and scope of the interviews. An invitation to participate, a consent form and the interview guide were provided to each interviewee via email, requesting their agreement and willingness to participate in the interviews and to assure them that the data obtained would be used in an ethical manner. These documents can be referred to in Appendices 1, 2 and 3.

The interviews were conducted in person by the researcher at the participants' place of employment during the period of July to September 2017, except for two individuals. One individual requested that the interview be held at a coffee shop due to his availability at the time, while the other requested to meet at the researcher's business school as it was more convenient for him based on his accessibility.

The interviewees were all requested to sign a consent form prior to the commencement of the interviews. The interviews took on average 45 minutes; the longest interview took one hour, and the shortest interview took 23 minutes. Prior to commencing the interviews, permission to record the interviews was requested from each interviewee and no objections were put forth. The interviews were recorded using a voice-recording device, and detailed handwritten notes were taken by the researcher during the interview process. The recordings were thereafter word processed and transcribed by the researcher as well as outsourced to two other transcribers. The data gathered from the voice-recordings, transcriptions and handwritten notes formed the basis of the data that were analysed (Saunders & Lewis, 2012).

4.8 Data Analysis

Qualitative data analysis is used for understanding complex phenomena and requires the analyst to think clearly (Strauss & Corbin, 1990), thus ensuring the correct data analysis approach is vital to achieve a precise interpretation of the data (Ibrahim, 2012; Zikmund et al., 2013). The feedback from the in-depth interviews with respondents were voice-recorded, transcribed, analysed and coded for them to be studied in more detail. Partial analysis of the data took place during the interview process through additional probing questions to gain further insights around the study and to explore any new findings, however most of the analysis took place after the interviews were completed. Themes, ideas, evidence and constructs were extracted from the data provided by respondents by analysing the information per research proposition and interview question. The table below is an indication of how the interview questions were mapped to the research propositions to ensure consistency.

Table 5: Consistency Matrix: Mapping of Research Propositions and Interview Questions

Research Propositions	Interview Questions
	1. In your view, what is digitisation in banking? 2. How important is digitisation to banks? 3. From your experience, how vital is leadership in the digitisation of banking?
Research Proposition 1: Business, influencing and cognitive skills are key leadership competencies that are critical to leaders in the digitisation of banking in South Africa.	4. What in your perspective is the difference between the following skill types: Business, Influencing and Cognitive? 5. What competencies in your view are required by leadership for digitisation?
Research Proposition 2: Cognitive competencies are considered more important for digital transformation than business and influencing competencies.	6. Which of these competencies do you consider to be of most importance? 7. Why do you consider these to be more important? 8. What skill do you believe has been a key skill for you in driving the digital transformation of your organisation? 9. In your view, what additional competencies should leaders develop to be effective in leading digital transformation in banks? 10. How is your organisation preparing senior leaders to lead digital integration and transformation across the organisation?

Common themes were identified and then grouped to identify the validity of the research questions (Ritchie & Lewis, 2014), before the computer-aided software, Atlas.ti, was used to perform coding and other data analysis. The data were compared and contrasted back to the theory discussed in the literature.

The voice-recordings of each interview were transcribed, and the researcher reviewed the recordings and transcriptions and compared them to the handwritten key notes that were taken during the interviews to ensure the completeness, reliability and accuracy of the data transcribed. Thereafter each word-processed transcription was uploaded into Atlas.ti to prepare the documents for the coding process.

Researchers engaged in qualitative analysis are confronted with varying challenges, which mostly have to do with the data analysis process (Daley, 2004). Thematic analysis is the process of identifying patterns of meaning in the data and interpreting the story about the data in relation to the research propositions derived through the literature reviewed (Braun & Clarke, 2006; Nowell, Norris, White, & Moules, 2017). Qualitative research is complex, yet valuable and methodical, and rigorous methods need to be applied in order to obtain useful insights from the results (Ibrahim, 2012).

Thematic analysis can be applied across various epistemologies and research objectives, and is commonly used in qualitative research (Nowell et al., 2017). The data obtained from the interviews were analysed using thematic analysis, as this method was best suited to identify, organise, describe, group, analyse and report the themes (Braun & Clarke, 2006; Ibrahim, 2012; Nowell et al., 2017; Zikmund et al., 2013) that were found in the data set derived from the 15 recorded and transcribed interviews. The thematic analysis made use of the six-phase approach formulated by Braun and Clarke (2006).

Six-phase approach of Thematic Analysis (Braun & Clarke, 2006, p. 87)

1) *Familiarising yourself with the data and identifying items of potential interest*

To familiarise herself with the data, the researcher listened to and reviewed the voice-recorded interviews numerous times. The researcher also read through the transcribed recordings a few times once it was obtained from the outsourced transcribers, and highlighted important points and quotations that were detected in the data. These formed the basis of the codes that were later generated to identify and analyse key patterns and insights from the data (Nowell et al., 2017).

2) *Generating initial codes*

Atlas.ti was used as the tool to assist with coding of the data. It took the researcher about a day to get an understanding of how to use Atlas.ti version 8 effectively for coding. This was done through watching YouTube videos on Atlas.ti (Friese, 2016) and by referring to notes obtained during the research workshops provided by the business school. Thereafter it took the researcher approximately five days to code the data in Atlas.ti, and on average three transcribed interviews were coded per day. As this was a deductive study, a top-down approach was used to code the data in Atlas.ti. This was done by generating initial, high-level codes obtained by reading

through the interviews, supplemented with insights obtained from the literature reviewed in Chapter 2, and in conjunction with the objectives of the research propositions detailed in Chapter 3. Each transcribed interview was read from beginning to end and interesting details were matched to the initial codes generated.

3) *Searching for themes*

Patterns of meaning in the data emerged through the coding process, and data that were relevant to potential constructs and the research propositions were collated and categorised to form code groups in Atlas.ti (Braun & Clarke, 2006; Saunders & Lewis, 2012; Zikmund et al., 2013). These later became themes, which were in turn comprised of sub-themes. These have been listed in Table 6.

4) *Reviewing potential themes*

On reviewing the transcriptions, it was found that more codes needed to be created other than the initial high-level codes, as more themes began to emerge through the data and more granularity was required for an in-depth analysis. An iterative, bottom-up approach to coding in Atlas.ti became useful when the codes were being reviewed; this was done through using the open coding tool in Atlas.ti to supplement the initial codes.

5) *Defining and naming themes*

Where respondents made mention of similar or interesting facts and perceptions, defining and naming these as themes were done in conjunction with the terminology, constructs and ideas obtained through the theories on leadership and digitisation discussed in Chapter 2, and referring to the objectives of the research propositions set out in Chapter 3.

6) *Producing the report*

Final analysis of the data was performed per research proposition, and the insights from the data were analysed and reported by linking back to the literature in Chapter 2 and the research propositions discussed in Chapter 3. Direct quotations and compelling extracts from the respondents were used to analyse interconnections and

themes in the data, interpret the story of the data, and present the final findings (Novak, 2010; Nowell et al., 2017; Saunders & Lewis, 2012).

As the interviews progressed, the majority of the insights and thoughts from the interviewees became repetitive and no substantially new ideas emerged (Braun & Clarke, 2006; Saunders & Lewis, 2012). Fusch and Ness (2015) suggested that data saturation is reached when enough information is gathered for the study to be replicated, and when no additional information can be attained. Being a qualitative research, the sample size used for the study was fairly small, and studies with smaller sample sizes usually reach saturation faster than those with larger sample sizes (Marshall, 2017). Data saturation took place after 14 interviews were conducted; one additional interview was conducted to confirm that data saturation had been reached. To eliminate bias from the researcher, the respondents were asked to provide any additional information they thought would be beneficial to the study and to discuss any relevant questions they had (Saunders & Lewis, 2012). Reaching data saturation reaffirms the quality and validity of the content obtained through qualitative research (Fusch & Ness, 2015).

4.9 Limitations of the Study

This research provides valuable insights into the critical competencies required for leading digital transformation, however, by its nature, qualitative research is subjective and sometimes affected by many biases which limits the generalisability of the study (Mays & Pope, 2000; Zikmund et al., 2013). These limitations include:

- The researcher had no formal training or experience in conducting social interviews for research purposes (Agee, 2009; McCracken, 1988).
- The research was conducted on a small, designated sample group (Marshall, 2017).
- The findings of this study are not generalisable to other organisations, as the sample size was limited to 15 interviews (Mays & Pope, 2000).
- Respondents were sourced only from the Johannesburg region, as most of the banking sector's head offices are based in Johannesburg, however this could be viewed as geographical bias. Research conducted over longer periods of time could negate this limitation as time may allow for a wider sample of respondents to be sourced from other regions.
- The interviewees comprised of individuals from the senior and executive leadership levels; middle and junior managers may have provided different views.

- The findings of the study are dependent on the design of the research propositions, interview questions and quality and length of time of the discussions with respondents.

4.10 Reliability and Validity

Achieving reliability and validity in the research process are important criteria to ensure its rigour and credibility (Morse, Barrett, Mayan, Olson, & Spiers, 2002). Reliability measures the extent to which the chosen research design and analysis produces a consistent set of findings, and validity is concerned with the degree to which the research methods measure the expected phenomena (Golafshani, 2003; Saunders & Lewis, 2012).

It is important for trustworthiness to be established at each stage of the analysis process, such as preparation, organisation and reporting of results (Nowell et al., 2017). To demonstrate the trustworthiness of the study, provision was made for the four criteria of credibility, transferability, dependability and confirmability through the adoption of appropriate research methods (Shenton, 2004).

To provide for credibility, iterative questioning was used to collect data during the interview dialogue process (Marshall, 2017). Furthermore, the research process entailed obtaining an understanding and familiarity of the culture of the participating organisations. An understanding of the context of the study using background data and the phenomena of the study around digitisation and transformation was obtained through the academic literature, which aided in providing transferability and comparisons. Dependability and confirmability were provided for through an in-depth description of the methodology used in the study, to allow for scrutiny of the research results and for the study to be repeated (Shenton, 2004).

Semi-structured interview questions were used as the means through which data were collected. To ensure that the data collected were valid and reliable, an interview guide with standardised questions was used in the interview process, as per Table 5. Open-ended, non-leading questions were designed to help reduce biases from the interviewer (Agee, 2009; McCracken, 1988).

CHAPTER 5: RESULTS

5.1 Introduction

This chapter presents the results relating to the research propositions set out in Chapter 3. The results are based on the findings from the analysis of the data that were collected during in-depth, semi-structured, face-to-face interviews. A consistency matrix (see Table 5) ensured consistency between the research propositions, data collected, the literature reviewed and the method of analysis.

5.2 Description of the Sample

A total of 15 respondents were interviewed during this research. A list of respondents and their respective details have been provided in Table 4. Purposive judgemental sampling and snowball sampling were used to select the 15 individuals, nine of whom were chosen from four of the major banks in South Africa. These individuals were perceived as having the necessary knowledge and experience for this study, given their positions in their organisations or their previous leadership experience. Banks often consult with external digital agencies to assist with their digital transformation initiatives, therefore in addition to the critical leadership resources from within the banking sector, three digital consultants who provide services to banking entities were also selected to be interviewed for this research. This enabled the researcher to gain an external perspective of leaders who are involved in digital transformation in the banking sector. The sample consisted of 11 males and 4 females, all of whom held Executive, CIO, Heads of Department or Digital Consultant positions within their respective organisations, and had direct involvement in leading digitisation programmes. All the interviews were conducted face-to-face in a boardroom environment, except for two interviews, one which took place in a coffee shop and the other which took place at the researcher's business school, due to the availability and preference of the interviewees.

5.3 Presentation of Results

The results are presented as per the themes that were obtained through the data, in conjunction with the corresponding interview questions mapped to each research proposition as indicated in Table 5. The data were collected using the methodology outlined in Chapter 4.

5.4 Digitisation of Banking

The first two interview questions framed the discussion around the context of digitisation and were respectively aimed at obtaining a view on what the individuals perceived to be digitisation in banking, and how important leadership is in the digital transformation of banking.

Digitisation is a broad and complex phenomenon; therefore, it was important to establish what the individuals' understandings of digitisation were and to establish a common base on which to proceed with the discussion on digitisation, specifically regarding the leadership competencies required for digitisation.

All the interviewees expressed their views on digitisation and there were many consistencies in their articulation of the concept, however there were also a few unique insights that were explained based on the individual experiences of some of the participants.

Many individuals articulated that digitisation began a few years ago and historically the focus was around automation, cost reduction and efficiencies through the use and implementation of technologies. Another important element highlighted by participants was that the banking industry has seen a substantial acceleration in the tempo of digitisation in the past few years, which is continuing at a rapid pace. These fundamental shifts started with the social mobile era, and one of the fundamental changes that banks had to recognise was that customer behaviour and preferences began to change. This was emphasised by the following comment from a participant: "...the whole client experience is the guiding force when it comes to digital" (P6, 3:3). Digitisation in the banking sector was described by a Head of Department as a disruptive transformation that is not being driven by the financial services industry, but instead by "...a societal change based on the technological advancement we are seeing which is getting faster and faster and faster" (P4, 38:38). One executive had a contrasting perspective on digitisation however, and expressed this by saying, "I think of digital as any other transformation in most companies" (P1, 1:1).

Many participants indicated that digitisation in banking involves a two-pronged approach, one being the external facing, digitally-enabled customer experience, and the other being the internal facing digital business and staff experience. A Head of Department explained that, "Digitisation is on two fronts, one is the customer's interaction and experience with

the bank as well as the staff members” (P2, 1:1), while another of the participants reinforced the customer view around digitisation by stating that, “Digital is not IT. Digital solutions are client facing front-end solutions and IT is not always client facing” (P8, 1:1). There was a consistent view from the participants that banking has shifted from being product-centric to client-centric. This is influenced by customers’ increased accessibility to information through, amongst others, the internet, mobile phones and other technologies, as well as social media engagements, which has resulted in clients dictating their preferences and expectations. One of the executives expressed this view as, “...the client is the centre of our universe” (P15, 9:9). Another executive stated that digitisation involves many different components coming together, from flow of information to product design, customer service and an amalgamation of all the different touchpoints from the various functions across the organisation. An executive commented in this regard by stating, “...it's finding the right product for the right customer on the right channel” (P3, 13:13).

The majority of the participants reinforced this by describing digitisation in banking as the re-design of the entire banking experience, front to back. A statement from one of the Heads of Department was that “...if digital is not end-to-end, it eventually catches up to you. And because it moves so fast it catches up a whole lot quicker with you” (P3, 7:7). Another Head of Department remarked, “...it’s effectively building a one touch way of engagement across multiple channels” (P4, 1:1), while another executive gave a succinct but comprehensive summary of digitisation:

It is to straight through process engineer all the work to get a better experience, easier to use, such that more people take up self-servicing or apply online and that whole process can be done with as little physical intervention as possible.
(P5, 4:4)

In a nutshell, digitisation is redesigning the whole organisation, front to back and everything in between, such as business processes, technology, infrastructure, people and the way people work in this new set-up. According to one executive, “...digitisation is in real-time, it’s paperless, it’s one-click, it’s information, all this is digitisation. It’s very big, in one word you can understand that it is very big, it impacts every key part of the bank” (P7, 5:5).

There were a few interesting yet individualistic views on digitisation. A Head of Department stated that there is a link between digital and customer emotions, remarking

that, “Because if you want to sell something you sell it through emotion, and that's where digital is played. It's right there in your emotions” (P3, 1:1). Another interesting and slightly different view was raised by one of the participants who viewed digitisation as being data driven, including people, insights from data and the value that can be created out of a digital asset such as data. Yet another participant viewed digitisation as the demolisher of industry borders. A participant commented that, “So, no matter what business you're in, you can cross-over into these long-established industries and you can actually do a better job or get your product to the customer or your service to the customer much quicker” (P3, 4:4). Many executives raised the point that their competitors are no longer just other banks or even in the financial services sector, but instead competition is across industries. This was emphasised by a participant as, “...customers want what they are seeing via Airbnb or via Facebook or Google or the likes, so your standards are set actually by external players not necessarily banks” (P5, 5:5). Many of the participants indicated that clients are comparing their banking experiences to those services they receive from other industries, reinforcing the need for banks to digitise, as many different industries are now being viewed as competitors to banks and the financial services industry.

The organisational and staff impact of digitisation was discussed by many participants as the need to re-engineer processes and systems deep within the organisation, by going into the process level and evaluating older legacy systems that constrain the ability to provide a great digital experience to customers. One executive remarked, “...digital is more than just creating mobile apps and creating web front-ends, it's actually about changing the nature of the organisation, so that many different parts of the organisation can buy into and participate in this transformation” (P6, 15:15). The participants agreed that digitisation plays a vital role in communication. A consultant stated that “digitisation is the implementation of technology to help the organisation to communicate better internally and externally” (P9, 1:1). It was also viewed as a collaboration tool to help connect the bank internally as well as with customers, externally.

A few individuals echoed that digitisation in the banking sector is a customer dictated concept; a statement from a Head of Department encapsulated the participants' shared perspective:

...digitisation in banking is a process that allows us to serve our customers across every single channel, in ways they liked to be served, in whatever time they like

to be served, in a way that is consistent across branch, mobile and internet. (P4, 1:1)

Customers, more than anything else, want simplicity when transacting and dealing with products and services, and digital is an enabler to providing that simplicity; "...it's about allowing people to access everything that we do simpler and easier" (P3, 12:12). Another executive remarked that "...digitization is an opportunity to make your client experience substantially simpler and easier, and in so doing, will make your staff engagements with clients easier" (P5, 2:2). "Digitisation and banking is around the experience. To reach the customer in a way they want to be reached when they want to be reached, to enable them to do what it is they want to do across any channel" (P4, 1:1).

5.4.1 Importance of Digitisation for Banks

The second interview question requested the participants to provide a view on how important digitisation is for banks and the reasons why they believed it was important. Every single participant agreed that digitisation is important for banks. The types of words used to express the extent of the importance included: "critical", "essential", "fundamental", "imperative", "a priority" and "a matter of survival".

All 15 of the participants emphasised that digitisation is important for the future of banking, as banks face a massive threat and the possibility of extinction and disintermediation if they do not fast-track their digital transformation initiatives. One of the participants stated that banks must either "adapt or die" (P9, 5:5), when it comes to digitisation. Many participants expressed the view that the failure of banks to acknowledge the urgency of effective digitisation of their organisations could result in many challenges for the industry, such as loss of opportunities in the market, a barrier to entry if digital solutions are not available and relevant, and the inability of banks to service customers' needs in the future.

There appears to be a common terminology used in the banking industry which was quoted by many of the participants, i.e. the "Uberisation of banking". This was explained as being the massive disruption that has impacted the banking sector through revolutionary technologies, innovative platforms and new entrants, not only in the banking sector but from other industries as well.

Another interesting view that was raised by many participants was that customers in general are no longer as loyal to banks as they have been in the past, which appears to be driven by a change in customer expectations. This was supported by the individuals' responses, which emphasised that customers are leaving the branches and are more concerned with simplicity, time, cost-effectiveness and being lean and fast. One of the executives further substantiated this concept by stating that "...clients view the relationship with their bank as a transactional relationship and not a loyalty relationship" (P7, 9:9).

5.5 Results per Theme

High level themes were derived from the literature reviewed in Chapter 2 regarding leadership competencies. The framework created indicated that there are three critical skill sets that leaders should possess - business skills, influencing skills and cognitive skills – each of which have a sub-set of competencies. Business skills were found to include business acumen, strategy and direction, ability to drive and manage change, and vision as key. Cognitive skills included high levels of analytical and problem-solving capabilities as well as curiosity and systems thinking. Influencing skills included adaptability, effective communication skills, emotional intelligence, and interpersonal skills. The aim of the study was to test the framework developed through the reviewed literature and to confirm which set of skills were deemed to be most effective for leading digital transformation. Interview questions 3 and 4 were set up to provide an understanding of the concepts of business, influence and cognitive skills from the perspectives of the participants, as well as their importance as leadership skills in the context of leading digitisation in the banking sector. Interview question 5 was a leading question to ascertain whether the participants viewed any other skills as being important for digitisation.

Themes, ideas, evidence and constructs were extracted from the data provided by the respondents. Common themes were identified and then grouped to identify the validity of the research questions (Ritchie & Lewis, 2014), using Atlas.ti to perform the coding and other data analysis. Below is a list of themes and codes per theme that were derived through analysis of the feedback provided by the respondents. Four key themes and 20 codes were derived in total; 16 codes were derived through a deductive, top down approach, and the other four emerged inductively through the insights provided. These four have been marked with an asterisk. The themes as stipulated in Table 6 were used to report on the results of the analysis.

Table 6: List of Themes and Codes derived through the Data

Themes (Code Categories)	Sub Themes (Codes)
Business Skills	Business and Financial Acumen Ability to drive and manage change Recruitment and talent management Providing strategy, direction and execution Contextual intelligence Understanding technology Ability to share a vision
Cognitive Skills	Analysis and problem-solving capabilities Ability to connect the dots Curiosity
Influencing Skills	Adaptability Communication Interpersonal Skills Resilience Emotional intelligence Selling and persuading
Competencies which enable digitization	*Entrepreneurial Mindset *Experiential Learning *Futuristic Thinking *Integrator

*Code determined inductively

5.5.1 Theme 1: Participants' Perceptions of Business Skills

5.5.1.1 Business and financial acumen

Many individuals expressed business skills to be the cornerstone of banking, and expressed these skills primarily as business and financial acumen. Business acumen was articulated as being the ability to understand a business, how it operates, the concept of customer value propositions, business models, strategy formulation and the roadmap to how the organisation will execute on the strategy. "Business savviness" and "having a commercial mindset" were some of the words used by participants to explain their understanding of business acumen. One of the respondents commented as follows: "...so I think that it really is important that you have got a commercial mindset when they think about digital" (P6, 6:29). Business acumen was viewed by many participants as being an important competency in leading digitisation, as it allows for the ability to create solid business cases. One of the individuals commented:

So, business skills, I would say, it's just business savviness or the difficulty that we struggle with in the digital space. You need to be able to have that business savviness to be able to build that solid case for that thing that you want to build otherwise you can't get them off the ground. (P8, 8:11)

Profitability and the ability to grow a business was also highlighted by many participants as an important business skill. One participant stated, "one of the core things of business is building and making money" (P12, 10:10).

5.5.1.2 Ability to drive and manage change

Digitisation is a massive disruptor in the banking sector. The participants were unanimous in their views about leaders being change agents in themselves, and their ability to drive, manage and embrace the changes that digitisation brings is an imperative for business success. A Head of Department stated that, "...our leadership needs to develop the competency to drive that change" (P4, 32:32). Another executive emphasised that, "Banks need to change fast to stay relevant with what the market is and where the clients are demanding it should be going, and managing that change is the biggest challenge for leaders" (P5, 11:11).

Various participants referred to resistance to change as a major challenge when it comes to digital transformation. Their views mostly indicated that employees feel threatened by digitisation, as they often believe that their roles may be replaced by technology and the efficiencies that digitisation brings into the organisation. There is thus a requirement for leaders to be able to minimise this belief while being agents of change. One of the executives made a positive statement regarding this point, stating that, "So we are an organisation that is used to change. I think that a change agent is the most important component here" (P15, 15:15).

5.5.1.3 Recruitment and talent management

Talent management has always been a major part of leadership. The participants mentioned that digitisation has induced the need for a different type of leadership and even a different way to recruit employees. Many participants spoke about leaders having to ensure that they can attract the right talent to help move the organisation forward in terms of digitising the bank. Several individuals stated that they are trying to attract and build teams that can do just that. An executive stated in the context of digitisation that

“...you also have to think about it in the context of the skill type you’re getting” (P1, 12:12). This has resulted in most of the banks setting up digital academies and digital training centres to attract and recruit the type of employees who will enable the digital transformation process.

With both millennials and earlier generations in the workplace, leaders need to have the ability to manage across generations. Many individuals mentioned millennials and their ability to aid in driving digitisation, however when it came to the management and leadership of these employees, a few participants stated that they alter their management styles when managing millennials. The view was that millennials are highly energetic, passionate, buy into the digital journey very easily and are quite instrumental in driving digital initiatives, however they tend to lose focus along the way and at times do not see tasks through to completion, especially if another exciting initiative comes along. A Head of Department remarked that “...these guys can get distracted so quickly, it is scary. Especially your younger, I’m talking about your millennials, right” (P3, 28:28).

Leaders play the vital role of ensuring that their teams are set up with the right skills and that the organisation is structured for sustainability and continuity. With the landscape now becoming more and more digital, hiring and growing the right type of skills are becoming traits that leaders cannot ignore.

An interesting view raised by one of the participants was that as a leader, when she is hiring skills she is aware that millennials may not stay in the company for long periods of time, as their nature is such that they prefer shorter project-based roles, and then move on to explore other options either inside or outside of the organisation. This sort of change and generational differences in employee behaviour requires leaders to be very in tune with the recruitment and management of their employees, and to build and exercise this competence through engaging and observing the talent market.

5.5.1.4 Providing strategy, direction and execution

A number of participants had an interesting yet common view around strategy in the context of digitisation. Even though strategic thinking has been an age-old leadership competency, many of the participants believed that leaders need to adapt their approach to strategy formulation, given the nature of digitisation. Different participants indicated that banks require a very well defined and articulated strategy around digitisation; long term strategies are not feasible and will most likely not follow the planned course of

execution in the digital environment. Digitisation is fast paced; thus, strategies need to be adaptable to rapidly changing contexts. For this reason, providing strategic direction as well as executing on strategy was seen as quite a challenge if leaders are not able to navigate through the changing environment. One of the individuals mentioned that, “You can’t have a five-year strategy in digital. I literally said I will do an 18-month strategy and I said even that’s pushing it. Pretty much by October this year that strategy needs to change for next year” (P3, 21:21). This was further supported by another executive who remarked that “...you may find that people have great capacity, in terms of ability, in terms of strategic thinking, but they are not able to adapt and shape that strategy quickly. I think that digital executives must have those two things together” (P7, 60:60).

Another interesting insight raised by participants was regarding the leader’s ability to connect business strategy and digital strategy, and to understand how digital can influence all aspects of the business. A few participants mentioned that digital is often erroneously interpreted as technology, and that that is one of the challenges banks are still dealing with; technology was articulated as being an enabler to digitisation and not digitisation in itself, hence the need for leaders to develop digital strategies and to closely align these to their business strategies, and not leave it up to the technology department to handle digitisation initiatives. One of the consultants re-iterated this by stating, “Technology without strategy is just technology” (P12, 5:5).

5.5.1.5 Contextual intelligence

The participants highlighted that it is an important skill to understand the context in which they operate and the realities of the world around them. A Head of Department indicated that, “...another critical competency is that, you need to be very engaged and you need to be very well read, ‘cos the world is changing so fast, you need to be up to speed with things all the time” (P13, 30:30). Scanning the environment was seen to be a very important point as it was raised throughout the interviews, as was the ability to pivot and respond to the changing context. A number of individuals articulated contextual intelligence to be two-fold; on the one hand it is the ability of leaders to be aware of what is going on around them and to continuously scan the environment for trends that impact their business, and on the other hand it is about understanding client requirements. One of the consultants mentioned that, “...you have to be relevant and that requires you to be socially switched on. In today’s interconnected world and digital world, that is absolutely critical” (P13, 26:26). Another Head of Department commented that:

...being an African bank, a skill that is quite important is to think global but act local. And we saw this a lot with our partnership with Bank X, just because something works in the UK, doesn't mean that it is going to work in South Africa. (P10, 46:46)

5.5.1.6 Understanding technology

One of the interesting views about technology was that a clear majority of the participants view the ability to understand technology as being a critical business skill when it comes to digitisation. The collective interpretation around this was that leaders do not necessarily require any formal technology qualifications, but rather an affinity and appreciation of technology and its possibilities. One of the consultants remarked that, "...you don't need to be an expert in it, but you need to immerse yourself in a little bit of what technology is" (P9, 35:35). This was further substantiated by a CIO's comment, that "...you don't necessarily have to have formal education for it but just being in touch with what's happening in the technology world" (P11, 27:27). Another CEO in digital reiterated this by stating, "The whole thing around digitisation is the technology and how do you use it, but I don't think they need technical degrees or whatever, they just need to understand it. They mustn't be scared of technology" (P14, 19:19).

One of the participants who is a digital technology consultant provided a contrasting view. In his experience with some clients who are leaders in the banking sector, he observed that they lack an understanding of technology and do not understand the possibilities or limitations of it. He commented that, "I believe that the leadership should also have a good understanding of the technology. And not just of its benefits but also a realistic understanding of its limitations to make good calls" (P12, 18:18). A lack of understanding makes it difficult at times for consultants to provide the best technology solutions for an organisation. This further substantiates that the ability to understand technology and keep abreast of the latest technologies and how it can be harnessed to improve and grow the business, is becoming a critical business leadership skill; there is a requirement for leaders to embrace technology and make it part of the organisation's DNA. Upon further inquiry, the participants indicated that this competency is gained through informal learning and by immersing oneself in technologies to gain experience.

An interesting observation was that majority of the participants mentioned that it was not a key requirement for a leader in digital to have a technology background as a skill. However, of the four banks that were represented in the sample, the bank which is seen

as currently leading the industry in the digital arena in South Africa is run by leaders with a technology background and years of experience in the technology profession. All three of the leaders interviewed from that specific bank have technology degrees or started off as developers or in IT.

5.5.1.7 Ability to share a vision

Many executives believed that digitisation starts with the ability to create a vision, and that the ability to create and share that vision is a crucial skill when it comes to digital transformation. The participants further noted that the job of the leader should be to set the vision, set the objectives, and provide a clear scope in terms of what needs to be done, and then to mobilise the organisation behind that vision. A Head of Department made the following comment based on her experiences and involvement in digital initiatives:

I would like to add, the only other competency and its slightly different to influencing, is the ability to share a vision. I have found that good leadership have this ability to share a vision and to get people excited about it. When people are excited about your vision, they will do pretty much anything. (P4, 17:17)

Creating the vision and sharing it with the organisation was seen as a frame of reference for the organisation as they endeavour a digital journey. An executive further confirmed this by stating that, “Fifty percent of my time or more is to get the colleagues to have a common understanding, a common vision, so we agree that digital is that and the vision around digital is the same across the board” (P7, 16:16).

Without a clear vision around digital the organisation could easily lose focus and direction, as the digital journey is fast-paced and is seen as going against the status quo of how the organisation usually operates. The participants also mentioned that employees are usually excited about digital but often lose focus or energy if there isn't a clear vision and roadmap of how it can be achieved, and thus revert to following legacy processes. One of the CIOs provided an example of how the CEO of his organisation provides the vision, saying that this has been a contributor to their successes in the digital transformation process; “He has given us a vision, this is where he wants to be and then he calls his leaders and says okay so how do we get there...” (P14, 31:31).

5.5.2 Theme 2: Participants' Perceptions of Cognitive Skills

The cognitive skill was clearly understood by all participants and was highlighted as a key competence that is vital in the decision-making process of an executive. As opposed to the hard business skills, cognitive skills were seen as the next step in the decision-making process, allowing the leader to absorb all the facts, rationalise them and thereafter form a viable solution or approach, taking into consideration all the various factors that may be at play.

5.5.2.1 Analytical and problem-solving capabilities

The majority of the executives supported and agreed about the importance of analytical and problem-solving skills on the digitisation journey. Many participants described analytical and problem-solving abilities as the skill required for dealing with complexity. An executive remarked, "So cognitive to me in this context, I think is the ability to be comfortable in the world where there is an overload of information and there is a very, very fast changing landscape" (P6, 37:37). With new technologies and solutions constantly emerging, and given their limited resources, leaders need to understand and make choices about which opportunities to consider and which to hold back on, with a view of the opportunity that would advance the bank's strategy. This was evident in an executive's view, where he stated that:

...and then I think that there is also ambiguity that you need to deal with and you have to be able to construct a mental model about how all these different parts all fit together and obviously relate that back to what happens and what the realities are for an organisation. (P6, 37:37)

Whilst all the respondents concurred that analysis and problem solving is a key weapon in their artillery, the effectiveness of this process is only as strong as a leader's experience, insight and understanding of the factors that are at play in their environment, their industry and globally. These skills are critical in deciding where organisations should be focusing their efforts and budget, i.e. on the elements that will deliver value. A CIO supported this by stating, "it's about how you process information, how you reason about certain elements" (P11, 18:18).

It was observed that all executives have their own unique styles and approaches to analysis and problem solving, however what was interesting was that everyone relies on

information from their subject matter experts to make a decision. Most also rely on their teams to provide them with options, which aids their analysis process, with the eventual aim of building the analysis and problem-solving competencies within each of their teams. This allows the final decision-making to take place through a well informed and shorter process. It is also worth mentioning that whilst the analysis and problem-solving skills can be performed by most leaders, the speed and effectiveness of this process is not something that can be suddenly learned; it comes from years of experience and insight in areas across an industry and beyond, backed by an analytical background.

5.5.2.2 Ability to connect the dots

The ability to connect the dots from a leadership perspective has more far-reaching benefits than just a common digital strategy across the organisation; it has a positive impact on the efficient utilisation of resources as well as prudent capital expenditure on digitisation initiatives. This was emphasised by a Head of Department who commented,

Everyone is running their own agendas, their own strategies, increase their own P&L and from a digitization point of view, you have to bring that all together, join all the dots, get everyone to buy into one single customer experience. (P2, 31:31)

Connecting the dots, as agreed by all the respondents, is a skill that is vitally important to leaders on their digitisation journeys. The respondents advised that their digitisation journeys were not a single path from A to B with a defined number of tasks to be completed in order to fulfil the journey, but rather a long-winded journey with a number of initiatives in different areas of the bank, based on varying technologies and solutions, each moving at a different pace, but all aimed at the same client. Thus, digital leaders need to be able to craft a strategy that takes into account all these moving parts and delivers them in a way that adds value to clients and the bank. This was supported by the following statement from a respondent:

So, I think that you need to be conceptually strong, I think that your ability to connect all those dots and create kind of a holistic view and a framework to be able to then craft a strategy that is actually broad enough and flexible enough is really key. (P6, 39:39)

The benefits of being effective in connecting the dots benefits the organisation in terms of eliminating duplicated efforts, as well as decreasing wasted project costs by rationalising teams with a common focus. The respondent from Bank D noted that:

We are funnelling investments into digital integration and that includes all the components that you need for digital integration which is the pure digital piece, but it is also data, and it is also design, and it is also innovation and it's how those monster pieces in the organisation come together to really service this as a whole. (P10, 58:58)

This is further supported by the increasing investments that banks have been making in working with FinTech's to develop or purchase components that fit into their ecosystems. This was confirmed by the Executive, who said that a large portion of her portfolio is involved with identifying and incubating FinTech's that could add value to their banking ecosystem. The ability to connect the dots was seen as a key skill at leading digitisation and that it would be very challenging for a leader who did not possess this ability. An Executive reinforced this by stating, "but the ability really at leadership level is to see how you can join the dots" (P5, 42:42).

5.5.2.3 Curiosity

Curiosity was highlighted as a skill by many of the participants. It was explained as being explorative, inquisitive, wanting to know why, asking pertinent questions and linked to wanting to learn. One of the consultants stated that, "You need to be curious as well. What is big data, how does it apply, what is AI? What does it actually mean? Research it" (P9, 36:36). Another example on curiosity given by one of the CEOs was as follows:

So, every time you get into an Uber, have a chat to the Uber driver, try and understand what his life is like, or if you go to a restaurant, have a chat to the waitress and ask questions, you know, so for me that is one of the best sources. (P13, 31:31)

The participants described curiosity as a form of informal learning when it comes to digitisation. It is important to be curious about what is happening in the digital world, not only in the banking sector but also across industries. This comes from inquiry, exploring, questioning, engaging with people and building knowledge from your surroundings and interactions with people. It's a way of understanding customers' expectations.

5.5.3 Theme 3: Participants' Perceptions of Influencing Skills

5.5.3.1 Adaptability

The participants described the ability of a leader to be “adaptable” and “agile” as crucial for leading digitisation. Adaptability refers to the ability of a leader to pivot and change in response to the changing circumstances, contexts and trends that are impacting the industry, while “agility” refers to the speed and ease with which a leader is able to think, understand and adapt. Leaders should not be entrenched in their old ways of working, as this was viewed as a factor that hinders digital transformation. Even with regards to strategy, the view was that leaders need to be able to adapt their strategies quickly to adapt to the changing contexts. An executive noted the following with regards to adaptability, “Maybe another key piece is you need to be comfortable with being uncomfortable cause that’s just the pace of change and the pace of change you’re dealing with” (P5, 44:44). Since digitisation is currently at the cutting edge of the banking sector, a number of participants indicated that a leader’s ability to adapt and move quickly gives a bank a competitive advantage in the market. One of the CIOs proudly described his organisation and leadership’s ability to adapt:

We used to change, we used to adapt. With most of the things over time, we are also considered the most innovative bank, for a long time, and this is the way we lead the industry in many different things, we improve on other things that we sort of see. So, change is constant to us, change is almost part of our DNA. (P15, 16:16)

Adaptability was viewed as being a personal skill which relates very much to a leader’s behaviour on an individual level as opposed to an organisational level. One of the executives stated that, “When asked which skills are important, I go back to adaptability. This is important in terms of managerial skills, you have to be like bi-polar” (P7, 42:42). A CIO re-iterated this by stating, “And a big thing is hey, you must be willing to change. If you can’t change then you not going to make it” (P14, 26:26).

Adaptability was also discussed in the context of a leader adapting their leadership style when dealing with different people and different levels across the organisation. Some individuals mentioned that they need to adapt their leadership style to deal with millennials in informal, laid-back organisational settings that are conducive to innovation,

while dealing with older, more serious executives in boardroom settings. One of the Heads of Department reinforced this with the following statement:

I am quite comfortable, you know, I can put on a suit and know how to pitch things there and you can put me in a start-up and I can wear jeans and a T-shirt and speak the language that they can understand. (P13, 17:17)

As can be seen from the participants' responses, a leader's ability to be adaptable is viewed as a key competency in leading digital transformation in the banking sector, both from an organisational and a market perspective.

5.5.3.2 Communication

The skill of communicating effectively to any audience is a fundamental skill required by any leader. However, based on the feedback from most of the respondents, this skill requires a whole lot more effort when communicating to different audiences around digitisation and getting them to 'buy in' and support the strategy of something that is quite radical with potential changes that may not be predictable. The approach involved in communicating to different audiences is also key, and requires not just a one-sided communication effort but demands that a leader is receptive to feedback, whether it be positive or negative. Being receptive to feedback and utilising it constructively allows a leader to adapt their communication strategy accordingly, thus enabling a deeper connection. These sentiments were echoed by an executive, who said, "And if you sit and listen to them, they will talk about this conversation, it's like sitting and listening to 20-year olds, it's that kind of passion which is infectious, and it just drives everybody" (P15, 30;30). Only a leader who has mastered the art of effective communication will be able to connect with audiences in a deeper and more value-adding way; many respondents were able to identify successful leaders within their organisations who were effective in their communication. Those leaders who were not, tended to have a shorter tenure in their roles within the organisations.

The respondents went on to say that in addition to communicating effectively, consistency and reinforcement are also key in ensuring success; "Constant reinforcing of why we need to approach things a bit differently, reinforcing your belief that it will turn out successful, I think that's been key too" (P11, 38:38). Reinforcement is also a sign to people, of the leader's commitment, as to what they believe in and their passion and drive to ensure success. Leaders should be cautious in their efforts to reinforce certain

critical strategies, as they could run the risk of sounding like a “broken record”. It is thus critical that reinforcement is strategic and purposeful in ensuring constant buy-in to strategies, as opposed to frustrating their audiences causing a detrimental impact.

When leaders communicate effectively with people, it is more than just a message that is conveyed; it is a buy-in that goes beyond just an approval and becomes a passion and motivating factor that drives people. “When people are excited about your vision, they will do pretty much anything. Sub-set of which, is influence. And ultimately as a leader, that is where you want to be” (P4, 19:19).

5.5.3.3 Interpersonal skills

The respondents were quite articulate of leaders’ interpersonal skills, which are a key element in the day-to-day management of large corporates, which have various levels of stakeholders with varying personalities. Interpersonal skills are not something that can be acquired through theory, and requires a genuine interaction between a leader and their audiences. The key elements of being an authentic, interpersonal leader are, “Being prepared to learn, being humble and saying, okay, I don’t know...” (P12, 44:44). These skills require a genuine exchange between the leader and his team, as well as stakeholders, and one that grows stronger with each interaction.

As described by one of the senior executives at one of the leading innovative banks, “So what I found useful is that I like to see the team and everyone that we are working with as a flat structure, there is no rank, open office policy, round table type of scenario and conversation around ideas” (P15, 24:24). Having this approach has created an environment where everyone’s opinion is constantly taken into consideration, giving everyone a sense of value within the team and the organisation. This approach also allows leaders to share their passion within smaller teams, and harness a closer, stronger and more authentic connection with their teams.

When leaders create this closer interpersonal connection with their team, they become more in tune with them from an empathetic perspective, allowing them to craft the culture that is best for the organisation. An interesting insight from an evidently empathetic senior leader from Bank D was that, “I think on the culture side as well, there is a number of things happening to make leaders more comfortable to the fact, you are living in a servant leader leadership basis and less of a command and control world” (P6, 69:69). What was interesting was that his approach to leading a highly successful team was to

serve the team. He mentioned that they are highly competent people and he viewed his role as one where he was responsible for creating an environment that made his team comfortable and a pleasure to work in. He spends a lot of time listening to his team to understand what it takes to make them happy, motivated and successful in delivering the objectives of the organisation.

A deep, authentic connection with their teams allows leaders to understand and build on other interpersonal factors, which develops their people into all-round leaders. These factors include patience, which is critical in fostering a mutual relationship; “Patience! Because, I mean, you know, we all want things to be different tomorrow and that’s not just on digitisation, but sometimes it takes time, it’s large corporates” (P10, 44:44).

Humility also emerged as a strong interpersonal characteristic that is key to strengthen relationships with teams. Everybody wants a sense of value within a team, and a leader that “knows it all” can potentially negatively impact the team’s self-worth if they pre-empt all discussions and gain little or no input from others. A Managing Executive stated that, “You have to be very humble, that’s a very important characteristic, because you have to always believe that someone can always do it better, that you can learn” (P13, 40:40).

When leaders focus on building their interpersonal skills, this in turn has a positive impact on the team culture and dynamics, in that everyone is meant to feel like a valued member of the team with an increased sense of trust and respect for the leader. However, it is up to the leader to commit to investing a genuine effort in developing their interpersonal skills through deeper interactions with their teams.

5.5.3.4 Resilience

Resilience emerged as an important skill for leading digital transformation. With reference to interview question 5, one of the executives remarked, “What competencies are required for leadership in digitisation? Actually, one that you didn’t mention there specifically is ‘resilience’. So that is kind of the cornerstone right there” (P10, 19:19). Resilience was described by individuals as a leader’s tenacity, resolve, persistence, having a “thick-skin” and being able to stay the course. Another executive said “...it’s about having strong-self-control and not being easily dismayed by obstacle and distractions. Without resilience a leader could give up too easily. It’s about not taking no for an answer” (P4, 25:25). Digitisation was viewed as a journey and one that requires massive changes. Where change is involved there are always those who are resistant

to it. This puts strain and pressure on driving digitisation in an organisation, hence the need for resilience and tenacity. “So that was the one I mentioned earlier which is resilience. I think that is the cornerstone, if you have got that then you will keep on trying and trying things in a different way until you succeed” (P10, 31:31).

5.5.3.5 Emotional intelligence

The emotional intelligence skill was classified as a given across the respondents, and something that is utilised strategically by most executives. Most of the executives acknowledged that the digital transformation journey is a long and unpredictable one with a number of unknowns, and in order to ensure that leaders have the right buy-in from the various levels in an organisation, they need to create allies that will support them on every step of the journey. Emotional intelligence is a tool that assists them to connect with different stakeholders to create the much-needed support required in furthering the digitisation journey. The ability to connect emotionally with individuals at different levels is no easy task, and requires a different approach for each individual. Connecting at an emotional level and inspiring these audiences ensured the buy-in to proceed, which was nicely encapsulated by a comment from a senior executive:

You need to be able to paint that picture to the organisation that can inspire people and get the organisation to join. And a big part of that is the culture change, if you don't change the culture inside of the organisation, the people that work there are going to continue their own working habits and they are not going to embrace the new ways of working. (P6, 19:19)

Once leaders connect with people on an empathetic level, taking them on the journey is a lot easier. The impact of not doing this is evident in the response from an executive at Bank B, who said, “If you think people are playing a smaller role, in terms of your project, and therefore you don't take them with you, and you try to bulldoze or run short around them, the chances of success diminish” (P8, 16:16). This was echoed by the majority of respondents. The ability to influence the culture within an organisation is highly dependent on the emotional connection and relationships one can create with employees and stakeholders, and guarantees buy-in to the strategy right to the end.

5.5.3.6 Selling and persuading

One of the most surprising and unanimous insights that emerged from an influencing perspective was the ability of leaders to “sell”. “Selling strategy”, “selling ideas”, “selling dreams and possibilities” were some of the insights obtained from many of the participants. Whilst business leaders always require the skills to sell certain strategies to the board, this is straightforward based on the fact that a number of elements are predictable and backed by a financially viable business case. There has been a paradigm shift with regards to the digital space however, and with the ever evolving and changing landscape that occurs on a month-to-month basis, it is difficult for digital leaders to articulate a definite strategy with benefits that will be best for the organisation in the future. Leaders are left to articulate a potential direction they believe the organisation needs to be pursuing from a digital perspective with included value and financial benefits. With this in mind, they are left to sell this vision and direction to the board, which consists of the people who have invested in the organisation. Digital leaders thus need to be very convincing in their pitches to ensure that they secure the right amount of funding required for their digital journey. Two Heads of Department indicated that their selling skills have by far been their most valuable skill in driving digitisation across the organisation and to mobilise their teams around it.

5.5.4 Theme 4: Important Leadership Competencies that enable Digitisation

In addition to the three categories of skills deemed necessary for leadership, participants highlighted other behaviours and traits that they believed to be important competencies for leaders in digitisation. This feedback was triggered by interview question 5. Their insights have been summarised and grouped together, and will be discussed under the theme of additional competencies required for leading digital transformation. These include the sub-themes of entrepreneurial mindset, experiential learning, futuristic thinking and integrator. Each sub-theme is discussed in detail below and with reference to the participants’ feedback.

5.5.4.1 Entrepreneurial mindset

The participants mentioned the need for leaders to challenge conventional thinking, saying that this is an entrepreneurial trait. Entrepreneurs are viewed as those who question the world rather than conform to it, and the same applies in the context of

digitisation. Innovation, risk-taking, and open mindedness were viewed as being sub-sets of entrepreneurial thinking.

Digitisation is focussed around doing things differently, finding new way of working, and providing new or alternate solutions both from an organisational and a customer point of view. This involves innovation and creativity, being open to possibilities, taking risks and finding opportunities.

Much was mentioned about leaders' appetites for risk taking. Since digitisation is a process in which new solutions are used to solve complex problems, risk taking is a large part of digitisation. A consultant stated that, "Leaders should have the guts to say, 'Okay, well, let's try this new thing'" (P12, 34:34), while one of the CIOs said, "So there is risk taking and there is measured risk taking. So, we 'put our head out' to use before anybody in this company" (P15, 23:23). Another CIO responded by saying, "...you need to be bold in some of the decision-making to get traction. Sometimes it's one of those, 'Take a decision and this is the direction that we're going, we'll deal with the challenges and the risks as they come'" (P11, 10:10). One of the consultants made the following comment about her own skillset as a leader in digitisation: "...the skill that I have had is that I have always been able to bridge both worlds in terms of understanding the sort of entrepreneurial world and the corporate worlds" (P13, 36:36). There is an urgent need to move away from the traditional leadership mindset to a more entrepreneurial mindset when leading digital transformation.

The comments about leaders being open to possibilities were quite significant, as the participants elaborated on leaders driving their employees to share ideas and open up the organisations to explore and collaborate. Many participants shared the view that if ideas are worth exploring or prototyping, then leaders should adopt a venture capital type of model to provide funding for the ideas. Anyone in the organisation should be able to pitch their ideas, and in this way the organisation is invited to be part of the digital transformation journey and to innovate, evoking more of an entrepreneurial mindset.

5.5.4.2 Experiential learning

Another important element that was highlighted by some individuals was that of experiential learning. Different participants referred to the ability of a leader to learn through experience and hands-on involvement as being a vital competency for effective digitisation. Experiential learning was described as a leader's willingness to test and

experiment with new initiatives, and to build new products and services quickly and iteratively, which is not the norm in large organisations. It involves creating something new and testing it, and if it fails there should be an opportunity to have learnt a lesson out of the process of experimentation. Many participants echoed the concepts of failing fast, failing forward, being able to recover quickly and trying again, which were seen as crucial to experiential learning; it was this type of leadership that was viewed as an enabler to digitisation. One participant mentioned that, "...when we started our actual transformation, as a bank we decided that we were going to adopt that culture of fail fast, fail forward, it allowed people to actually make mistakes" (P10, 32:32). Another executive re-iterated this concept by stating,

...digital has no road, so you are inventing something, you have the view that there is nothing... it's like Christopher Columbus sailing off to the Americas. They didn't know what they were going to find, so you have to have that approach, that mindset, kind of exploratory when it comes to digitisation. (P7, 34:34).

The participants were adamant about this approach to learning; one CEO agreed that this is one of the concepts being adopted in his organisation, stating that, "It's in our nature to change and try all these different things, you going to find that these are the best qualities that senior management can have and the influences it can have on the business IP" (15, 17:17).

The ability of leaders to establish a framework that allows one to test, learn and fail, as well as to build products and services quickly and iteratively, is viewed as a competency according to the participants. The interviewees also addressed the need for leaders to change the paradigm of massive long-term projects that cost millions of Rand's and which take many years to complete. With experiential learning, initiatives around digitisation can be performed in small increments, and through experimenting and testing, value can be unlocked at shorter intervals. The reason why this is so vitally important is because of the nature of digitisation; if leaders are not willing to accept and engage in this manner, then the organisation may lose the ability to services its customers timeously and accurately.

5.5.4.3 Futuristic thinking

Similar responses were received from all the participants with regards to a leader's ability to create an environment for forward thinking and trying things first. They described

forward thinking as the ability of a leader to have foresight and to constantly be thinking about the future. Forward thinking has been highlighted by literature as a basic competency of a leader and has traditionally been linked with a leader's ability to set a vision. However, the participants indicated that this is not the type of forward thinking that they were referring to. Futuristic thinking, according to the interviewees, is the ability to see further into the future and to visualise new possibilities that can benefit both customers and the organisation. This was substantiated by a comment from one of the consultants: "...believing that the world is going to change, believing that there are much smarter people out there that are going to do things" (P13, 47:47), while a CIO stated that, "I think digitization is also, they always talk about the moon-shots. Where do we want to be?" (P14, 13:13), hence the term 'futuristic thinking'.

Two consultants linked futuristic thinking with competitiveness, with one stating, "You can only invent and innovate in a competitive environment. Competitiveness would drive a leader to be better than our competitors and thus I'm going to look forward and see what can we do that no one else has done before" (P9, 39:39). One of the CIOs mentioned that their CEO possesses this quality, "If you look at Bank B, our CEO is the kind of leader that fosters an environment for forward thinking. And every other bank was seen to be the 'us too' bank. Bank B was the 'we first' bank, and that's leadership!" (P9, 9:9). Futuristic thinking thus includes the ability to predict changes faster than one's competitors.

One of the consultants remarked, "Forward thinking, what is that, that is not business or influencing or cognitive" (P9, 9:34), when asked which skills he believed were important for leading digitisation. As indicated by participants, leaders need the skill to think further into the future and explore opportunities in a timely manner, to remain competitive in a fast paced, digital landscape.

5.5.4.4 Integrator

Banks are large organisations that have been around for decades and have legacy systems, structures and processes. Traditional banks are viewed as complex organisations that have separate divisions and functions, which specialise their efforts around certain parts of the business, and this has led to silo-driven work environments and organisational structures. With the rapid rate of technological and market change, existing organisational forms are proving unsustainable; digitisation requires integration, as banks have to integrate across many platforms to make digital work, whether it is

digitising for their customers, their staff or via a channel. This was confirmed by one of the Heads of Department, who stated that, "...as a leader you need to get all four or five of those departments talking to each other where traditionally they have never spoken to each other and they don't care about each other" (P2, 30:30).

Many of the participants emphasised that integration is not an easy skill, as it requires strategic thinking, communication, decision-making and change management. One of the executives remarked that, "Integration is a key challenge, it comes first with understanding, change and politics" (P7, 51:51), while a Head of Department stated that, "...we are funnelling investments into digital integration and that includes all the components needed for digital integration such as data, design, innovation and it's how those monster pieces in the organisation come together to really service this as a whole" (P10, 58:58). One of the CIOs, whose role model is Steve Jobs, stated that Jobs had the ability of being able to integrate many different touchpoints to produce a simple, complete and convenient solution to customers. The CIO used the example of iTunes, noting how Jobs managed to strike a deal with artists, networks and other service providers to provide a one-click solution to customers. Digitisation was viewed by some participants in the same light; a key competency of a leader in digital is to know how to integrate all the various components and parts of the organisation to provide the best value to customers.

Added to this conversation was the idea about creating cross-functional teams. A number of participants mentioned that cross-functional teams are being set-up in the banks and include employees from the business side, the product team, the technology teams and designers who are responsible for delivery on digitisation initiatives, whether it be across products, channels or other customer requirements. The need for a leader to be an integrator and to have the capability of creating cross-functional teams was reinforced by one of the consultants, who stated that, "Developers don't care about look and feel, they care about functions. Marketers don't care about functions, they care about how it looks. A leader brings it all together and says how do we ensure that there is integration, digital integration" (P9, 54:54). A leader, as integrator was thus seen as a critical skill and as the glue that holds all these different components together.

5.6 Results for Ranking of the Importance of the Three Competencies

According to the literature reviewed (Boyatzis, 2008; M. D. Mumford et al., 2017; T. V. Mumford et al., 2007; Zaccaro, Kemp, & Bader, 2004), cognitive competencies are a key

competency when it comes to digitisation. The interview questions below were set-up to gather data through the individual interviews to address research proposition 2.

Interview question 6 was intended to address research proposition 2 by obtaining the participants' views on which of the three skillsets, i.e. business, cognitive or influencing skills, were considered to be of most importance for leading digitisation, while interview question 7 was meant to ascertain the reasons why the participants considered these skills to be more important.

5.6.1 Individual Perspectives on the Importance of each Skill

The general view of the participants was that business, influencing and cognitive skills are all critical skills, however as the research delved deeper into the interview questions, these were discussed in more detail.

5.6.1.1 Theme 1: Business skills

Only 1 of the 15 participants viewed business skills to be the most important skill. This participant was an executive in digital who is more senior in terms of age and experience than the other interviewees. He also mentioned that the business and influencing skills combined are even more critical.

There was a common view that business skills can be learnt. Some of the feedback around business skills included, "Business skills is probably the easiest one to pick up" (P13, 21:21). One of the digital consultants, who is also the founder and Managing Director of his own company, remarked, "When you need to, you go read a good management book on how to run a business. It's not hard to run a business" (P9, 46:46). Another consultant stated that "...sometimes you need to simplify the business savviness side of the work, so for me that's always a lower priority anyway" (P8, 27:27).

5.6.1.2 Theme 2: Cognitive skills

Six out of the 15 participants viewed cognitive skills as being the most important skills for leading digital transformation; many of them viewed cognitive skills as being the building block. Of significance were the comments around cognitive skills being a difficult skill to obtain. One of the consultants mentioned that, "Cognitive (skills) is usually not something that can be taught, that's inherent" (P13, 19:19), while another CIO stated,

“cognitive (skills) is not something you can just pass on from a leadership point of view. I think it's probably one of the most important but the most difficult to pass on. That's what I suppose makes leaders unique” (P11, 19:19). He also discussed the CEO of the bank, who he holds in high regard. He mentioned that there was a lot he intended to learn from the CEO and the way that the CEO thinks and processes information, but said that it's not a skill that can just be translated over to him. The CIO of a bank that has made much progress in digital commented, “...there's a lot of people that can influence but that cognitive element we've seen over the years, it's one leader that can often make or break a company. It's not something that you can emulate easily” (P11, 20:20). Meanwhile, a Head of Department stated that “...intelligence and the value that you bring is valued a lot more than the relationships that you build” (P2, 24:24), while another Head of Department remarked that “...cognitive skills are possibly the most lacking” (P4, 11:11).

One executive had a contrasting view from the others around cognitive skills, arguing that, “for me for example, cognitive skills among the three is the least important. Yes. I tell you why, because digital is changing so fast that what I knew five years ago, today is almost obsolete” (P7, 25:25).

5.6.1.3 Theme 3: Influencing skills

Five participants viewed influencing skills to be the most important skill for leading digitisation. One of the executives was of the view that influencing skills on their own are not enough, and have to be coupled with business skills for a leader to be effective. He also mentioned that cognitive skills for him were the least important, as one needs to keep learning as what you learnt previously may not be relevant in this new digital context.

One Head of Department stated that, “...influencing skills, are in my view, becoming more and more critical for digitisation” (P5, 7:7), while another said that, “...influencing skills are most critical where mandated authority is lacking” (P4, 16:16). She explained that one would only need to influence if they do not have formal legitimate authority by way of their position and title; her view was that in digital you must work across functions and divisions that do not necessarily have a direct reporting line into you, which is why influencing is such a critical skill for digitisation. By its mere nature, digitisation requires leaders to cross boundaries and get buy-in from all parts of the organisation in order to deliver and be effective.

A consultant remarked that the influencing skill is the most difficult skill to develop, stating that “...it’s not hard to be cognitive. Just sit down and read a textbook, but to influence, you can’t really, I mean you can, wow, influencing people is a different story all together” (P9, 46:46). Another participant stated, “Digitisation is an influencing game” (P10, 8:8).

5.6.1.4 Combined skills

Three participants indicated that they could not rank which skill is most important. In addition, seven other participants mentioned that all three skillsets are vitally important and relevant at different times, but if they were forced to choose, then they would rank the skills as mentioned under each of the three headings as indicated in Table 7 below. Below are some of the comments from these individuals explaining this view.

A Head of Department stated that, “...it would be nice if we had people that collectively had these three skills sets holistically combined, if we had more of them” (P4, 15:15), and also provided the example of how the Chief Digital Officer of the group in which she works possesses a combination of these leadership competencies. She commented, “He is quite inspirational. He is one of these leaders who has this wholistic balance of vision, versus business acumen harnessing skills, influencing skills. He is an interesting person with an informed view” (P4, 40:40). Another participant mentioned:

I don’t think that there is any one of them that is more important than any of the others, because it is like a triangle, right? Sometimes you might need less of the one and more of the other two and then in the next part of the cycle, you need more of the other one and less of the two you originally used more of before. (P10, 26:26)

The overall opinion from the participants was that a balance of the three skillsets is required over time; at any given point in time there will be one that is more important, but if you balance it out over a long time, they are equally important. This was re-iterated by one of the participants, who said, “For me they are equally important because digitisation is a holistic journey, so you can’t, you can’t see it in components” (P10, 26:26).

The table below is a representation of the opinions of the participants and how they ranked the importance of the different skillsets. Number 1 represents the competency that was deemed to be most important, with three being least important. The ‘x’ indicates the participants who believed that a combination of the three skillsets were most

important. Some individuals ranked the skills out of 3, and have an 'x' indicating their opinion, which means that the combination skillset was deemed to be the most important, but if they were forced to make a choice between the three skillsets then the order of the numbering as detailed in Table 7 below, would be the indicator.

Table 7: Ranking of the importance of the different competencies

Participant	Business	Influence	Cognitive	Combination of all 3 skill sets
1			1	X
2	3	2	1	
3	2	1	3	X
4	3	1	2	X
5	1	2	3	X
6	3	2	1	X
7	2	1	3	
8	3	2	1	X
9	3	1	2	
10				X
11	2	3	1	
12				X
13	3	2	1	X
14	2	1	3	
15				X

5.6.2 Organisational Perspectives on the Importance of each Competency

Three of the four participants from Bank A viewed cognitive skills as being the most critical, while the remaining participant viewed influence as being the most important. He stated that cognitive, in his opinion, is least important. One of the three, who was an executive, said that it is vital to bring all three together.

Bank B had two participants, who both said that it would be ideal for the leader to have all three skillsets and that each of the skillsets are important. However, if they were forced to choose, then influencing skills were viewed as being the second most important. A Head of Department felt that cognitive skills are the most important, and explained these as being both intelligence (IQ) and emotional intelligence (EQ). An executive said, business skills would rank as the most important competency.

The participants from Bank C each had different views on which skills are the most important. One CIO said that the influencer skill is key, while the other CIO said that cognitive skills are the most important, saying that they are what make a leader unique and that these skills cannot be learnt. He explained it as a way of being or an ability to process information which is different across leaders and people in general. The CEO of digital who is also the CIO of the bank said that he believes that it takes all three skillsets and more to lead digital.

Two of the three participants from Bank D deemed the influencing skillset to be the most important, while the third viewed all three skills as being equally important.

From the feedback obtained from the digital consultants, one of them viewed the influence skill as being the most important competency for leading digitisation, and the other two consultants were of the same opinion that all three skillsets are equally important.

5.7 Conclusion

The findings discussed the importance of business, influencing and cognitive skills as key skills in leading digitisation, as stipulated in research proposition 1 and was supported by the feedback and insights provided by the participants. Traditional leadership theories and competency frameworks still hold true, and can be applied to

achieve superior performance and productivity, however these competencies were also identified as not being sufficient in their entirety to lead digital transformation in the banking sector, as some new skills emerged through experience and observation. The skill of having an entrepreneurial mindset, being an integrator, futuristic thinking and experiential learning were all highlighted as additional competencies by participants, and were viewed as being crucial to leading digitisation through the day-to-day experiences of these leaders. Not many of these concepts appear in traditional leadership competency models.

The importance of the cognitive competency, as stipulated in research proposition 2, was not supported by the participants' insights, as many did not believe that cognitive skills are most important for leading digitisation. Their collective views were that a balance and integration of the business, cognitive and influencing skills needs to be attained in order to be effective, as the playing field has changed substantially with the impacts brought on by digitisation.

CHAPTER 6: DISCUSSION OF RESULTS

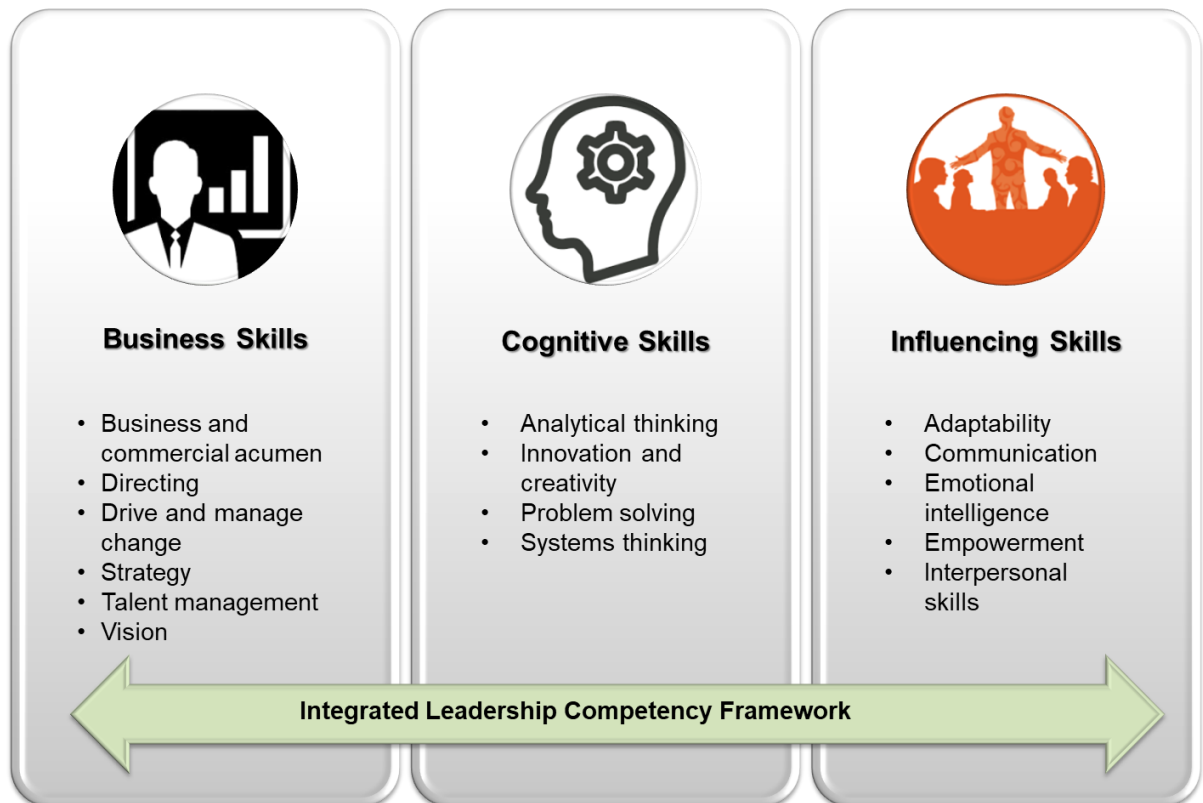
6.1 Introduction

Chapter 6 discusses the research findings in relation to the Integrated Leadership Competency Framework derived from the literature reviewed in Chapter 2, the Research Propositions derived in Chapter 3 from the literature reviewed, and the framework that was formulated together with the results produced in Chapter 5 from the in-depth, semi-structured interviews conducted with 15 executive leaders in the banking sector using the research methodology and design stipulated in Chapter 4. Furthermore, based on the respondents' experience of leadership in a digital context, the analysis sought to confirm whether Research Proposition 1 is supported by the individuals' views. This was done through comparing and contrasting the insights obtained from the interviewees with the constructs provided through the literature reviewed. The literature review process identified a gap in that digital leadership competencies have not been adequately addressed through academic literature, hence the debate around digital leadership continues (Deloitte, 2017). The research findings contribute to both practice and theory, as the study offers new insights from experienced banking leaders on the critical competencies required to lead the banking sector in a digital landscape.

6.2 Discussion of Results for Research Proposition 1

To address Research Proposition 1, the Integrated Leadership Competency Framework was used as the frame of reference. The aim of Research Proposition 1 was to evaluate the framework developed through the reviewed literature on leadership competencies. Interview questions 3, 4 and 5 were created to identify an understanding of the concepts of business, influencing and cognitive skills from the perspectives of the participants, and their importance as leadership skills in the context of leading digitisation in the banking sector.

Figure 2: The Integrated Leadership Competency Framework



Synthesised from: (Bartram, 2005; Boyatzis & Ratti, 2009; M. D. Mumford et al., 2017; Puranik, 2017)

Research Proposition 1: Business, influencing and cognitive skills are key leadership competencies that are critical to leaders in the digitisation of banking in South Africa.

6.2.1 Analysis of Business Skills

The Integrated Leadership Competency Framework derived from the literature by Bartram, (2005), Boyatzis and Ratti (2009), M. D. Mumford et al. (2017) and Puranik (2017) highlighted Business Acumen, Directing, Driving and Managing Change, Strategy, Talent Management and Vision as the key competencies of business leaders. Participants' overall view of business skills was articulated as the ability of the leader to: (1) possess business acumen; (2) drive change; (3) have contextual intelligence; (4) set the vision for the organisation; (5) provide strategic direction; (6) recruit and develop suitable talent; and (7) understand technology and how to incorporate it into the business strategy.

As can be seen, there is a very strong contrast between what the literature views as key business leadership skills and what the participants highlighted as key business skills for leading in the banking sector. Business acumen was described by the participants as a leader's ability to run and grow a sustainable and profitable business using the basic tools of business leadership, such as customer value propositions, business model design, strategy execution, planning, forecasting and strategising. Bartram (2005) articulated business skills as the leader's ability to plan and work in a systematic and organised way, focussing on customer satisfaction and the delivery of quality service or product offerings to the agreed standards. They further need to focus on results, achieve personal work objectives, and display an understanding of business, commerce and finance (Bartram, 2004). Boyatzis (2011) supported this and referred to a leader's business skills as initiative, planning, efficiency orientation and attention to detail. M.D. Mumford et al. (2017), meanwhile, described business acumen as sensemaking of an industry and organisation, and how things operate in this environment.

The data from the interviews revealed that the success of digital transformation requires a well-defined and articulated strategy, and that a leader needs to provide adequate direction and support on how the rest of the organisation can deliver on the strategy. The respondents emphasised that in the context of the digitisation of the banking sector, there is a need for a different approach to traditional strategy formulation, as the nature of digitisation is such that strategies need to be both long term and short term, as well as flexible, for business value to be derived, given the rapid pace and changing nature of digitisation. This was confirmed in a recent study by Giles (2016), where the ability of a leader to provide clear strategic direction whilst empowering their employees to self-organise, was identified as the second most important competence. The data also supported that it is important to closely align business strategies and digital strategies. With the quest for immediate digitisation of the banking system, the call is for leaders to use digitisation as an enabler to effect relevant and timeous business strategies. Ganguly (2015) suggested that successful transformations depend on how effectively the organisations strategy, technology and processes are aligned to react speedily to customers' changing needs.

The need for a leader to drive and manage change (Battilana et al., 2010) were emphasised in both the literature and through insights obtained from the data. This is of paramount importance in the digital transformation process, as digitisation is all about change. The participants strongly emphasised that a leader's role in banking requires

them to be change agents in themselves, and they are responsible for driving that change across the organisation. Sia et al. (2016) confirmed this need for leaders to drive change, and established that there are numerous challenges that impede the transition to digitisation in the banking industry. These include developing digital operations that are able to fulfil the requirements of technologically advanced and digitally savvy clients, enhancing the digital experience of clients, developing digitally enhanced and upgradeable operating systems, and developing leaders with the competencies to facilitate and promote a digital framework. Successful organisations need to find effective leadership to deal with these changes within the digitisation journey (Sia et al., 2016). Both Bartram (2005) and Kotter (2013) asserted that it is the leader's responsibility to support, drive and encourage organisational change.

The leadership experts, Bennis (2009), Kotter (2013), Maxwell (2012) and Mumford, Campion and Morgeson (2007), offered common views on leadership and vision. Their view is that leadership includes defining a vision for the future, translating that vision into reality, and mobilising the organisation around that vision to achieve remarkable results. The findings from the data supported this, as many participants highlighted that digitisation starts with the ability to create a vision. The participants viewed the job of the leader as being to set the vision, set the objectives, and provide a clear scope in terms of what needs to be done. Creating the vision and sharing it with the organisation was seen as a frame of reference for the organisation as they endeavour on their digital journey.

6.2.2 Analysis of Cognitive Skills

Analytical thinking, innovation and creativity, problem solving and systems thinking are the fundamental building blocks for cognitive skills, as established in the literature on leadership competencies (Boyatzis, 2011; Boyatzis & Ratti, 2009; M. D. Mumford et al., 2017; T. V. Mumford et al., 2007). The data supported these views and emphasised analytical and problem-solving capabilities, the ability to connect the dots and curiosity as key cognitive skills for leading digitisation.

Boyatzis and Ratti (2009) interpreted analytical thinking in leaders as those who show evidence of clear thinking and having the ability to get to the heart of complex problems and issues. Ganguly (2015) suggested that the growth and survival of an organisation impacted by digital change depends on the competency and speed of the executive leadership to interpret, understand and analyse the transformation of processes,

systems, services and products to deliver higher productivity, profitability and customer satisfaction (Ganguly, 2015). The participants were in agreement on the importance of analysis and problem-solving skills in the digitisation journey. They also shared the view that this is a skill, unique to an individual, and cannot be learned in a short space of time, but is rather a natural ability and means of processing information. Given the amount of data and information that has been circulating due to digitisation, processing high volumes of complex data and information requires high degrees of analytical thinking and problem-solving capabilities.

Systems thinking was described in the literature by Boyatzis and Ratti (2009) as the ability to observe multiple causal relationships, which require the use of concepts that can be applied to an entire system. Furthermore, pattern recognition related to the ability to observe perceived themes in seemingly unrelated data which applies to observing the market, observing trends, competitors, customers' behaviour and the regulatory environment (M. D. Mumford et al., 2017), thereby extracting useful data and insights from inter-related behaviours. Pattern recognition and systems thinking can be contrasted with the participants' insights on a leader's ability to connect the dots. The ability to connect the dots, as agreed by all respondents, is a skill that is vitally important to leaders in their digitisation journeys. Digitisation involves several initiatives in different areas of the bank, based on varying technologies and solutions, each moving at a different pace, and all aimed at the same client. Therefore, digital leaders need to be able to craft a strategy that considers all these moving parts and delivers them in a way that adds value to clients and the bank. Connecting the dots, from a leadership perspective, benefits the entire organisation, and has a positive impact on the efficient utilisation of resources as well as prudent capital expenditure on digitisation initiatives.

Curiosity was highlighted as a skill by many participants and is linked to innovation and creativity. The data revealed the need for a leader to be explorative, inquisitive, wanting to know why, asking pertinent questions and being open to new ideas, possibilities and solutions. Digitisation allows for industry borders to be crossed, and in order to understand its impact and value, leaders must possess curiosity about what is happening in the world at large and across industries to be better able to service customer needs and to keep at the forefront of innovation and cutting-edge technologies. This can be compared to the literature and competency models by Boyatzis and Ratti (2009), which interpret cognitive ability as the skill of handling situations with innovation and creativity. Formulating new ideas and alternate approaches ((Parry et al., 2014)) to solve problems

for both customers and the organisation can be contrasted with innovation and creativity, as highlighted by the participants.

6.2.3 Analysis of Influencing Skills

Digitisation involves change, openness to new ideas and a complete shift from legacy and traditional ways of working and engaging; the ability to get buy-in and support from customers and employees whilst on this journey is crucial to its success. As echoed by Maxwell (1988), “leadership is influence, nothing more, nothing less” (p. 17), hence the ability to influence is a critical leadership skill, especially when driving the digital agenda.

The literature reviewed in Chapter 2 and synthesised into the Integrated Leadership Competency Framework suggests that influencing skills are characterised by adaptability, communication, empowerment of others, networking, interpersonal skills and emotional intelligence (Friedrich et al., 2016). The data supported this and highlighted influencing skills to be adaptability, communication, interpersonal skills, resilience, emotional intelligence and selling and persuading as key influencing skills used by leaders. A comparison of theory and practice shows a strong contrast between the characteristics of influencing skills and its importance as a key leadership skill.

The data revealed adaptability, agility and the ability of the leader to pivot and change in response to the changing circumstances, contexts and trends that are impacting the industry as a crucial skill for leading digitisation. Adaptability was viewed as being a personal skill, which relates very much to the leader’s behaviour (Behrendt et al., 2017), on an individual level as opposed to an organisational level, and is critical in a complex and changing environment. Leaders who cannot adapt will not have the capacity to respond to disruption brought on by digitisation. Yukl and Mahsud (2010) reinforced this and described the behaviour of adapting as “adaptive leadership”. Adaptive leadership involves the ability of a leader to accurately assess a situation and vary their behaviour in ways that are appropriate to the situation (Yukl & Mahsud, 2010). Leaders need to be able to adapt strategies quickly and not remain fixated on any particular strategy given the changing nature and impact of digitisation. Being able to respond in as short a time as possible, and the leaders’ ability to adapt and move quickly, gives the bank a competitive advantage in the market. With the rapid pace of change brought upon by digitisation, innovation and technological change, the need for leaders to be flexible and adaptable is becoming more crucial (Yukl & Mahsud, 2010).

Communication was highlighted by Bartram (2005) as a means to effectively relate and network with others in a confident and relaxed manner. According to Winston (2006), a leader has the ability to influence his followers to achieve organisational goals by clearly communicating through the use of persuasive rhetoric and interpersonal communication (Winston & Patterson, 2006). The data collected through the interviews reinforced communication as being the key to connecting with audiences, be it clients, employees or the organisation at large. Communication was also viewed as a key change management component required for digitisation. Communication allows for the vision, strategy and execution to be relayed to the relevant stakeholders who are required to make it a success, while the ability of the leader to communicate at different levels and to different audiences is seen as a means to get buy-in and co-operation from others. On the other hand, a lack of communication or ineffective communication to the organisation on digital transformation initiatives can run the risk of pockets within the organisation venturing off on their own initiatives, without alignment to the digital strategy and overall vision.

Emotional intelligence, as per Bartram's (2005) framework, suggests that influence can be achieved by showing support, respect and positive regard for others. Gosling (2016) suggested that when leaders support, train and sponsor important projects, their teams feel inspired to give of their best efforts, knowing that the leader is advocating for them. Boyatzis and Ratti (2009) and Puranik (2017) asserted that executives who scored the highest in the emotional intelligence cluster research, showed more initiative, and emotional intelligence was found to have a positive correlation to leadership, creativity of teams and organisational outcomes. The data supported the literature as leaders discussed their ability to emotionally connect and build relationships with their employees and stakeholders as being a vital factor in ensuring success in digital transformation initiatives. Connelly and Gooty (2015) expressed a view that the tactics leaders use to influence are linked to the emotional sincerity of the leader. The data reflects this assertion in that leaders obtained buy-in from their staff through building rapport and establishing connections with their teams, as opposed to a command and control way of leading and delegating.

The data also highlighted empathy as one of the key aspects of emotional intelligence in a leader. The respondents were consistent in their view that when they connect with people on an empathetic level, taking them on the journey is a lot easier, with minimal objections and with people who have already bought into the larger strategy. Kunnanatt (2008) supported this theory, as he included empathy as one of the domains of emotional

intelligence and described empathy as the ability to understand and be sensitive to other's emotions, and in so doing be able to lead them on a journey which they feel they are a part of and can contribute towards.

The data emphasised the interpersonal skills of a leader as being important as a basic leadership skill, and more importantly as a key skill in influencing others when leading digital transformation. Boyatzis and Ratti (2009) supported this finding and referred to interpersonal skills as social skills, which involve the ability to interact in social situations in such a way so as to influence the way others act and feel. Getting along with others means having a good understanding of self-awareness, self-management and self-motivation, as highlighted in the literature, and forms part of a larger domain of interpersonal skills which includes humility. The data from the interviews support this theory, as leaders highlighted humility as a key interpersonal leadership skill needed for leading digital transformation. Digital transformation involves re-engineering of the entire organisation front to back to deliver digital solutions to digital savvy customers, whilst allowing employees to service these customers in the most efficient and simplistic manner. This challenges the status quo of how banks have been operating for the past few decades and calls for new ways of working and innovating.

Humility was viewed as an interpersonal skill that plays a huge part when it comes to digital; leaders who claim to "know it all" are usually not open to new ideas and new solutions, and can hinder the progress of digital transformation and valuable inputs from their employees. Humility allows leaders to learn and grow, which is significant when it comes to digitisation as many different skills sets and expertise are required from across the organisation in order to digitally transform processes, products and services. Many leaders are not subject matter experts and need to be willing to seek diverse inputs from those skilled in technology, coding, programming, design, digital marketing and other relevant skills to progress in their digital initiatives. This requires humility and self-awareness from a leader, to understand where their weaknesses lie and how to best fill the gaps using the skills of their team members.

This is also where empowerment and the development of team members comes into play (Chen et al., 2015), as leaders who are willing to do so can compensate for a lack of expertise by building stronger teams. This was echoed by (Konradt, 2014), who suggested that, in an environment of complexity, uncertainty, and dynamism fuelled by digitisation, there is a need for autonomous leadership, whose degree of influence does not come from positional leadership but rather from the ability to create a network of

interconnected relationships and self-empowerment amongst teams. The respondents supported this when they articulated that many of the people they hire are in fact smarter than they, and that they encourage employees to challenge their opinions and views, showing high degrees of humility and self-confidence. Digital savvy companies build a culture of collaboration which allows them to progress rapidly and effectively when compared to their competitors (Ganguly, 2015).

6.2.4 Fully Supported Findings for Research Proposition 1

Research Proposition 1 was aimed at establishing whether business, influencing and cognitive skills are key leadership competencies that are critical to leaders involved in the digitisation of banking in South Africa. The research sought to gain a deep understanding of the academic literature surrounding leadership competencies, thus leadership competency models and other literature on leadership were evaluated. Based on the similarity of competencies and skills as described by the literature, inter-related competencies were grouped to form the categories of business, influencing and cognitive skills. These were used to formulate an Integrated Leadership Competency Framework to provide a comprehensive view of the leadership competencies that exist as per the literature to date. These leadership competencies were then tested for applicability and effectiveness in the context of digital transformation in the banking sector in South Africa, through interviews with South African banking leadership representatives. The research findings fully supported research proposition 1 in that all three skills are indeed critical in leading digital transformation. These leaders in themselves possess many of these competencies, and are exercising them in order to lead digital transformation in the banking sector. Sub-themes emerged under each category of skill type. Business skills were found to include business acumen, strategy and direction, ability to drive and manage change, and vision as key. Cognitive skills included high levels of analytical and problem-solving capabilities as well as curiosity and systems thinking. Influencing skills included adaptability, effective communication skills, emotional intelligence, and interpersonal skills.

6.3 Discussion of Results for Research Proposition 2

Research Proposition 2: Cognitive competencies are considered more important for digital transformation than business and influencing competencies.

Research Proposition 2 was aimed at exploring whether cognitive skills are more important for leading digital transformation, given the complexity and ambiguity of the changes brought on by digitisation and as proposed in the literature review. According to Mumford et al. (2017, p. 35), “leader cognitive skills count, and count big time, in accounting for leader performance”.

Previous studies have proposed that the cognitive competencies of a leader is what enables effective leadership (Boyatzis & Ratti, 2009; M. D. Mumford et al., 2017; T. V. Mumford et al., 2007). This proposition was aimed at evaluating whether cognitive competencies are considered critical for leading digital transformation. Reinforcing this, Boyatzis (2008) stated that the ability to analyse information and situations is a cognitive intelligence competency that could result in or cause effective and outstanding performance.

Furthermore, Yukl and Mahsud (2010) suggested that leaders require a higher level of cognitive skills as they are responsible for strategic decision making. According to Boyatzis (2011), outstanding leaders exhibit three clusters of competencies that include expertise and experience, knowledge, and a range of basic cognitive competencies relating to deductive reasoning, systems thinking and pattern recognition. Mumford et al. (2017) reinforced this theory and suggested that the most powerful predictors of a leaders’ ability are in the leader’s cognitive ability, and these skills are more powerful than general traditional leadership skills.

The analysis of the data obtained through the interviews revealed different results. When comparing the literature to the insights from the respondents, the data revealed that cognitive skills are viewed as a building block in leading digitisation, albeit not pre-requisite skills in themselves. The interviewees also supported the view that cognitive skills are difficult to attain and cannot be taught; they are seen as a natural ability and raw talent that a leader possesses, and are therefore seen as a difficult skill to pass on or to develop as they involve a way of thinking and processing of information. Interesting views were obtained through the data in that a few respondents viewed cognitive skills to be the least important skill in the context of digitisation, out of the three skills tested in

Research Proposition 1. The reason for this is that the fast paced and changing nature of digitisation makes historic knowledge obsolete at times.

6.3.1 Partly Supported Findings for Research Proposition 2

The findings for Research Proposition 2 were only partly supported and could not be confirmed by the participants' insights, as they did not believe that cognitive skills were the most important skills for leading digitisation. Their collective views were that an integration and balance of the business, cognitive and influencing skill sets, together with some of the additional competencies highlighted for leading in a digital landscape, are needed to be attained in order to be effective, as the playing fields have changed substantially with the impacts brought on by digitisation. Furthermore, the insights from the data provided by the interviewees suggested that certain skills will be more applicable in certain situations and under certain circumstances, therefore no skill on its own was seen as contributing to the effectiveness of a digital leader. Knowing when to apply the correct skill and in the correct context was seen as the more important competency to possess when leading digitisation, due to the uncertainty and complexity of the digital landscape. This was supported by Zaccaro, Kemp and Bader (2004), who proposed that leaders' cognitive capabilities are critical for success in their role, however these are not sufficient or in isolation from their influencing or interacting skills and tacit knowledge or technical expertise. Neither is the application of interpersonal skills and influence sufficient on its own, without the problem solving and analytical competencies. The effectiveness as a leader comes from their joint application (Zaccaro et al., 2004). Yukl and Mahsud (2010) further demonstrated that leaders are consistently faced with decision-making, which involves competing values and difficult trade-offs. Effective leaders are able to find a balance between competing objectives by applying the skills that are appropriate and relevant to the situation. The overall findings from the analysis of the data was that a balance of the three skillsets is required over time. At any given point in time, there will be one that is more important, but if it is balanced out over a long time, they are equally important.

Given the findings obtained through the study research proposition 2 can be restated as follows:

Restated Research Proposition 2: Cognitive, business and influencing competencies are considered equally important for leading digital transformation and are effective when applied, relevant to the context.

6.4 Additional Competencies required for Leading Digital Transformation

The evaluation of the research propositions and analysis of the data revealed insights into additional competencies that are critical for leading digital transformation. Four common themes emerged through the discussions in the interviews, and were presented in Chapter 5. However, the competency models evaluated through the traditional leadership theory reviewed in Chapter 2 did not highlight any of these competencies as key leadership competencies. Practitioner articles and some management consultants have sought to understand some of the leadership skills critical for digitisation, but have reached conflicting or insufficiently supported views, hence these findings help address the gap in the literature.

In summary, the additional competencies that leaders provided insights on included the skills of: **(1) entrepreneurial mindset; (2) experiential learning; (3) futuristic thinking; (4) integrator.**

Entrepreneurial mindset: in the context of digitisation, an entrepreneurial mindset is the ability of the leader to see opportunity in a world of constant change and chaos, and is characterised by challenging the unknown through risk-taking, innovation, and drive; it is the leader's ability to see an opportunity and translate it into a vision and ultimately creative solutions as opposed to the corporate mindset of most traditional leaders.

Experiential learning: learning through experience and hands-on involvement was viewed as being an important competency for effective digitisation, as the digital landscape is volatile and uncertain; it is the leader's willingness to test and experiment with new initiatives, and to build new products and services quickly and iteratively. This results in creating something new, testing it, and tweaking the process or product. If the initiative fails, there should be an opportunity to have learnt a lesson through the process of experimentation. Experiential learning was described by many of the leaders as failing fast, failing forward and being able to recover quickly, and in so doing promote innovation and creativity in their employees. When a leader has the ability to be open to new ideas, is flexible in changing his options and creating a controlled environment for trial and error, learning is encouraged, and the organisation can innovate. Digitisation runs across the organisation and involves improving processes and systems and a change from legacy ways of working. This involves experimentation and willingness to work and think differently. From a customer perspective, inventing new products and solutions for digital savvy customers is an imperative for staying in business, especially in the banking

sector. A culture of risk-taking as enabled through an entrepreneurial mindset, which fosters learning by providing safety for small failures, feedback, rectification and recovery, be it in creating new products or providing new innovative solutions to customers.

Futuristic thinking: the world is changing faster than we can understand it thanks to technology and digitisation; futuristic thinking is the ability to predict changes long before one's competitors, and to implement these new ideas into strategies, processes, business models, products and services. It is an imperative for organisations and leaders to re-imagine the future expectations of customers. The ability of leaders to think and visualise solutions far into the future gives the organisation a competitive, first mover advantage, which is vital in a digital landscape.

Integrator: a key competency of the leader in digital is to know how to integrate all the various components and parts of an organisation to provide the best value to customers. Digitisation affects both the front end and back end of the organisation, and requires teams to work in collaboration and on multiple parts of the digitisation process simultaneously. The ability of the leader to develop and integrate cross-functional teams is a must when it comes to digital transformation. The integrator skillset was articulated by leaders as a new talent that they have come to observe as being crucial in leading digitisation, saying that it is a difficult skill to attain as it involves good networking, technical skills, business knowledge, and knowing how best to join those skills from the rest of the organisation. Digitisation is a process that involves the integration of people, processes and technology to enhance customer service delivery through the use of technology to drive business value.

6.5 Conclusion

Research Proposition 1 was aimed at establishing whether business, influencing and cognitive skills are key leadership competencies that are critical to leaders in the digitisation of banking in South Africa. The data collected and analysed through the research study confirmed that a combination of these three skills are critical to leading digital transformation in the banking sector.

Research Proposition 2 sought to confirm whether cognitive competencies are considered more important for digital transformation than business and influencing competencies. Cognitive skills, which were valued above the other skills in the traditional

leadership literature, were not found to be more important in this study, as the participants articulated that they did not believe that cognitive skills are most important for leading digitisation. The finding is that neither business skills, cognitive skills or influencing skills take preference over another, but rather that a balanced and integrated skillset is key for digital leadership; applying the appropriate range of skills in the correct context emerged as being critical for success.

In addition, other competencies emerged as being important for leading digitisation based on the experiences and insights of the executive leadership in the South African banking sector. These were: (1) entrepreneurial mindset; (2) experiential learning; (3) futuristic thinking; and (4) integrator. These insights indicate that the integration of the primary constructs of the study, namely business, cognitive and influencing skills, are all critical skills for leaders, together with the new skills identified in this research. These will be combined to form a Digital Leadership Competencies Model, which will be discussed in the next chapter.

CHAPTER 7: CONCLUSION AND RECOMMENDATIONS

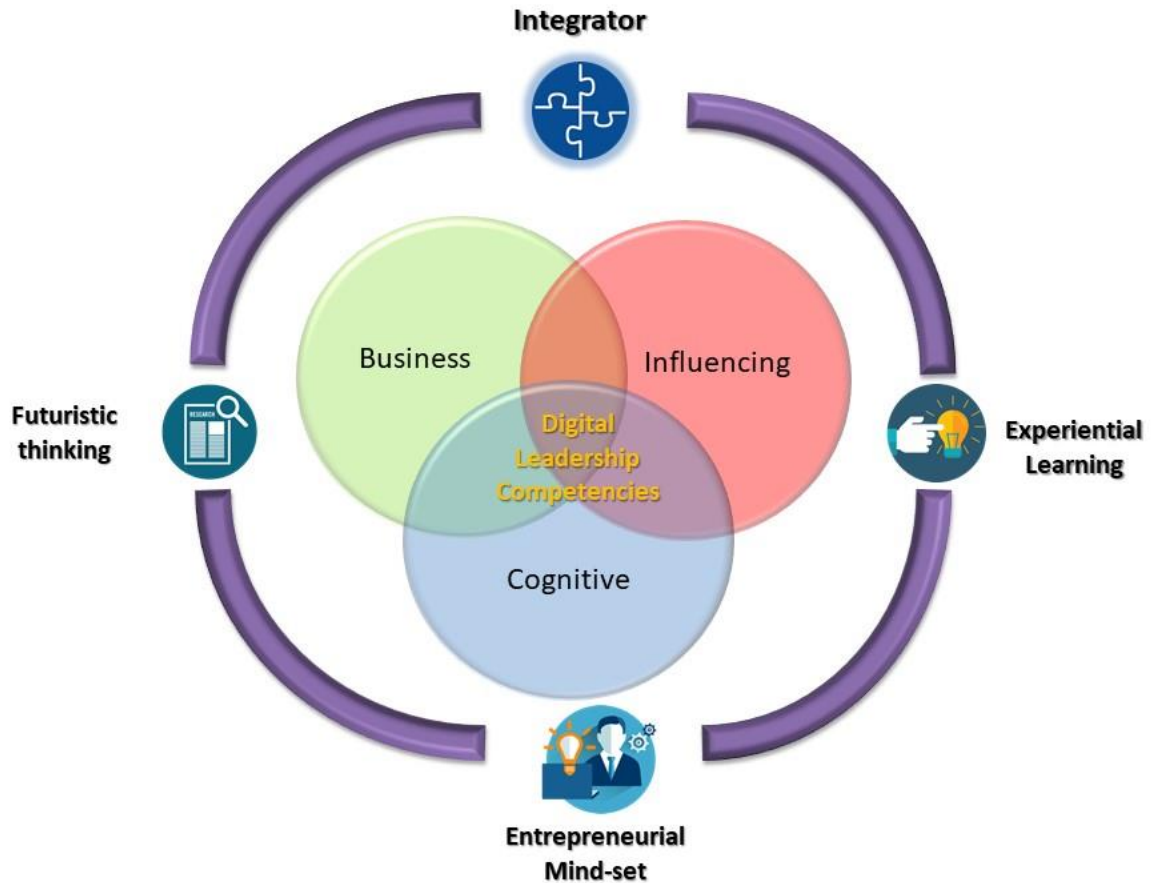
7.1 Introduction

In a time where the digitisation of banking services is revolutionising the industry across the world, with a critical impact on future sustainability, banks are faced with an immediate crisis to digitally transform their products, processes and services, or face potential disintermediation, in the near future. These bold moves within the sector require a different calibre of leaders with an additional range of competencies. This research sought to understand the importance of the leadership competencies that are critical to leaders involved in the digitisation of banking. Whilst much research has been conducted on traditional leadership competencies models, digital leaders require additional competencies that are vital to ensure a long term and sustainable digital vision for the organisation.

In this chapter, the Digital Leadership Competencies Model is derived from the data collected and analysed in this research study, and flows from the original Integrated Leadership Competency Framework identified and developed through the literature review in Chapter 2. The additional findings and further developments that emerged through Chapters 5 and 6, are also discussed and incorporated to formulate this model. Recommendations for leading in a digital context are presented and recommendations for future research are also suggested based on the findings and the developed model.

7.2 A Digital Leadership Competencies Model

Figure 3: The Digital Leadership Competencies Model



The Digital Leadership Competencies Model was developed through the careful integration of the constructs and themes identified through the data collected in Chapter 5 and analysed in Chapter 6, with reference to the supporting academic literature on traditional leadership competencies in Chapter 2. The core of the model is based on the evaluation of the Integrated Leadership Competency Framework informed by the literature and reflected in Figure 2.

7.2.1 An Explanation of the Digital Leadership Competencies Model

There are three traditional leadership competency sets that are critical for leadership namely, business skills, cognitive skills and influencing skills. These skillsets have been sought after and identified in leaders for many decades, and still form the foundation upon which further skills can be developed. The Integrated Leadership Competency

Framework as represented in Figure 2 and informed by the literature reviewed in Chapter 2, identified these three skills as being important in a leader. Furthermore, each of these competencies comprise of sub-sets of key skills. Business skills include business acumen, strategy and direction, ability to drive and manage change, and vision as key. cognitive skills include analytical and problem-solving capabilities, curiosity and systems thinking. Influencing skills include adaptability, effective communication skills, emotional intelligence, and interpersonal skills.

Through the data collection and analysis, it was found that the integration of these skillsets is important for leading in a digital landscape, as none of these skillsets on their own are sufficient to lead in the complex and uncertain environment brought on by digitisation. Hence, Figure 3 above, flows from the Integrated Leadership Competency Framework depicted in Figure 2 and reflects the overlap and equal importance of these three skillsets. The changing nature of digital, customer requirements and organisational requirements requires strong leaders who possess all of these competencies and who know when to apply the relevant skills in a given context.

Furthermore, the combination of these three skillsets was found to be insufficient for leading digital, as identified through the research. Encompassed in these three competencies, at a high level, are the traditional leadership skills of business and financial management, people management and analytical and problem-solving capabilities which form the foundational skills of any leader. The four additional competencies of an entrepreneurial mindset, experiential learning, futuristic thinking and integrator, as informed by this research do not form part of traditional leadership skills as these have emerged through participants experiences of leading through the challenges and opportunities, triggered by the digital landscape which is vastly different to leading in the traditional banking landscape, and have therefore been positioned on the outside ring of the model as shown in Figure 3. The model shows the overlay of these four additional competencies to supplement the critical skills that leaders require for leading digital transformation, as “different epochs produce different kinds of leadership – with different patterns of hierarchical authority and different skill sets and attitudes” (Goethals, Sorenson, & Burns, 2014, p. 1).

This research study has confirmed that this is true in the context of digitisation, hence a leader’s ability to apply an entrepreneurial mindset of innovation, risk taking, and creativity as opposed to the corporate mindset of traditional banking leaders, is critical. Experiential learning aids digitisation by creating and testing new ways of working and

developing new products and services for the market, while futuristic thinking is the ability to visualise and strategise over and above the usual forward looking and forecasting that has been the norm in traditional leadership models, as exponential growth requires exponential vision. The integrator leadership skill is the ability of the leader to pool together the different functions, skills and expertise from across the organisation in order to drive successful digital strategies and transformation, as siloed functions no longer suffice.

7.3 Recommendations for Management

The research study illustrated that traditional leadership competencies are not sufficient for leading in digital environments. Furthermore, the study highlighted the insights obtained from learned and experienced banking leaders who have had to battle and grapple with the changes brought on by digitisation in the banking sector.

- Management should utilise a combination of the skillsets as highlighted by the Digital Leadership Competencies Model when dealing with digital transformation initiatives to enhance their leadership effectiveness.
- When identifying future candidates for the leadership talent pipeline of a future digital banking landscape, consideration should be given to the competencies highlighted in this study.
- Management should consider incorporating the fundamental learnings from the research into their training and development programmes, to groom future banking leaders with the adequate competencies and skills to better lead in a digital era.

7.4 Future research considerations

Research into digital leadership competencies is in its early stages, and there is still limited empirical evidence on the topic. As the concept of digitisation sweeps across the continent, more research is needed to explore digital leadership competencies and how to build effective teams for a digital era. These findings are rather speculative and point to the need for further research on leadership competencies as the intensity and urgency of the digital world expands. This study has given rise to many considerations for future research. Suggestions for future research include:

- The research focussed on the banking sector and the respondents were all experienced leaders from the sector. Further research would be required to evaluate the applicability of the findings from this research to other industries facing digital transformation.
- Future research could be undertaken to evaluate the organisational competencies that are required for digitisation and to assess how these could assist digital leaders to structure their organisations.
- The findings from this research would require further research to explore how these competencies could be incorporated into the banking sector's talent strategies.
- Finally, there is a need to explore the concept of digital natives versus born digital leaders, given the discussions about millennials, to ascertain whether either of these groups of leaders possess the competencies to lead successful digitisation agendas, or if a hybrid strategy, using both groups is required to achieve successful digital transformation.

7.5 Conclusion

The literature shows that the fundamentals of traditional leadership competencies still hold true and are applicable to the context of digitisation. Despite this, banking leaders are facing a challenging time in transitioning from large, complex and legacy type structures and operations, to lean and agile digital banks. Furthermore, pressure is being added from a customer expectation point of view, in that they are becoming increasingly digital in their dealings with service providers, and are demanding similar and simpler digital services and products from the banking sector. This research set out to understand the critical competencies required of leaders in the digital transformation of banking. The findings of the research indicated a gap between the traditional leadership literature and the competencies that the 15 respondents in executive leadership positions viewed as being critical to leading in an era of digitisation. These findings resulted in the development of the Digital Leadership Competency Model, which integrates the traditional leadership competencies of business, cognitive and influencing skills together with the additional competencies of an entrepreneurial mindset, experiential learning, futuristic thinking and integrator that emerged as being critical to digitisation.

The knowledge contribution of this study is twofold, as the study confirms and reinforces the importance and applicability of the traditional leadership literature, while also

contributing to the literature on digital leadership through the empirical research conducted during this research, which highlighted the additional leadership skills required for a digital bank. Furthermore, it is suggested that this research will contribute to the practice of management through the application of the Digital Leadership Competencies Model, in that it highlights to management which competencies they should be hiring and developing to ensure the successful leadership of a banking sector that will be substantially different to the banking landscape of today.

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APPENDICES

Appendix 1: Invitation to Participate in Research Study

Dear _____

Further to our telephonic discussion earlier, I am in the process of completing an MBA at the Gordon Institute of Business Science and am currently undertaking the compulsory research component of the degree. The title of my research project is the 'Critical competencies of leaders in the digital transformation of banking on South Africa'.

I believe that you have the necessary experience and insight that will make an invaluable contribution to my research topic. I would appreciate your participation in this study by agreeing to be interviewed on the subject matter. The interview will be a semi-structured, in-depth interview which should last approximately an hour. I plan to conduct interviews during July and September 2017. I have attached a copy of the consent form which will be required to be completed prior to the commencement of the interview.

The data gathered during the interview will be solely for the purposes of my research and all information will remain confidential and anonymous.

The research propositions I aim to answer through this process are as follows:

Research Proposition 1: Business, Influencing and Cognitive skills are key leadership competencies that are critical to leaders in the digitization of banking in South Africa.

Research Proposition 2: Cognitive competencies are considered more important for digital transformation as opposed to Business and Influencing Competencies.

Please confirm your agreement to participate in this process and please indicate a convenient date during July and September 2017 to conduct the interview.

Yours sincerely

Rebecca Dubru

Email: 16392702@mygibs.co.za

Cell: 084 446 6943

Appendix 2: Participant Consent Form

INTERVIEW CONSENT FORM

CRITICAL COMPETENCIES OF LEADERS IN THE DIGITAL TRANSFORMATION OF BANKING IN SOUTH AFRICA

Researcher: Rebecca Dubru, MBA Student at Gordon Institute of Business Science (GIBS), University of Pretoria

I am conducting research on the critical competencies that are required by leaders in the digital transformation of the banking sector in South Africa. I am trying to find out more about which competencies are more important or which need to be developed for leaders in the banking sector to be effective when it comes to leading digital transformation in these organizations.

The interview is expected to last about an hour, your participation is voluntary, and you can withdraw at any time without penalty. The interview will be audio recorded for my benefit to ensure that I do not lose any key points, the recording is also voluntary, and you may choose not to be recorded. All data will be kept confidential and any references used will be kept anonymous.

If you have any concerns, please contact my supervisor or myself. Our details are provided below:

Rebecca Dubru
16392702@mygibs.co.za
084 446 6943

Professor Louise Whittaker
WhittakerL@gibs.co.za
011 771 4348

Participant's Name: _____
Signature: _____
Date: _____

Researcher's Name: _____
Signature: _____
Date: _____

Appendix 3: Interview Guide

No.	Question
1	In your view, what is digitization in banking?
2	How important is digitization to banks?
3	From your experience, how vital is leadership in the digitization of banking?
4	What in your perspective is the difference between the following skill types: Business, Influencing and Cognitive?
5	What competencies in your view are required by leadership for digitization?
6	Which of these competencies do you consider to be of most importance?
7	Why do you consider these to be more important?
8	What skill do you believe has been a key skill for you in driving the digital transformation of your organization?
9	In your view, what additional competencies should leaders develop to be effective in leading digital transformation in banks?
10	How is your organization preparing senior leaders to lead digital integration and transformation across the organization?

Appendix 4: Ethics Clearance

**Gordon
Institute
of Business
Science**
University
of Pretoria

13 July 2017

Rebecca Dubru

Dear Rebecca,

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

You are therefore allowed to continue collecting your data.

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

Kind Regards

GIBS MBA Research Ethical Clearance Committee