


# Exploring leadership as catalyst for unlocking social capital in the survival of a state-owned company



## Authors:

Shirleen Titus<sup>1</sup> Crystal Hoole<sup>1</sup> 

## Affiliations:

<sup>1</sup>Department of Industrial Psychology and People Management, College of Business and Economics, University of Johannesburg, Johannesburg, South Africa

## Corresponding author:

Shirleen Titus,  
shirleent@discovery.co.za

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**Purpose:** Social capital (SC) has been studied in economics, politics and organisations. Understanding SC can help the leadership of state-owned companies (SOC) foster quality relationships with multiple stakeholders. By 2019 the cost of corrupt relationships had reached R1 trillion in South Africa. The study develops and validates a model for SC underpinned by cooperative behaviours required by leadership from the perspective of multiple stakeholders. No literature exists when evaluating SC from a multiple stakeholder perspective in an SOC. The leadership of SOCs desperately needs to turn around current ineffective performance through mutually cooperative behaviours. SC found in quality relationships can contribute to SOC effectiveness.

**Design/methodology/approach:** A sequential exploratory qualitative approach. Phase 1 collected data through focus groups and interviews for a deeper understanding and to develop a model. In phase 2 a Delphi survey determined the level of consensus by experts and reach validation. Responses were solicited by using purposive sampling from five stakeholder perspectives. Adapted grounded theory and qualitative content analysis provided the foundation for the strategy of enquiry.

**Findings/results:** Multiple stakeholders want qualities such as trust to be present in their relationships with the SOC for SC to have value impact.

**Practical implications:** The validated model of behaviours to adopt will significantly help the SOC leadership, who are the main catalyst for the success of the SOC.

**Originality/value:** This study addresses a gap in literature and contributes to the scientific body of knowledge applicable to an SOC.

**Keywords:** trust; communication; decision-making; commitment; culture; collaboration and social capital; leadership; corruption.

## Background and introduction

Social capital (SC) and its importance in achieving organisational strategic intent in state-owned companies (SOCs) is an important consideration in this article. Key attributes relevant to building SC in the workplace include shared values, trust, cooperation, communication, sharing of information, reciprocity and resilience (Buta, 2016; Read, 2013). According to Leenders (2014) SC exists when multiple stakeholders cooperate and coordinate action towards the success of an organisation, and everyone benefits.

The awareness of the impact of SC and the role it plays in the organisational effectiveness of SOCs has been underestimated. Social capital is found in the quality of relationships that exist amongst multiple stakeholders of an organisation (Read, 2013; Svenson et al., 2016; Zavyalova et al., 2016). Putnam (1995) asserted that SC has a collective value that arises from trust, norms and reciprocity, which can also improve the efficiency of a society. In addition, Leenders (2014) affirms that SC is a source of non-financial capital and is predominantly present in positive human relationships and as a result of it, there is mutual benefit for all stakeholders.

State-owned companies, as defined by the *Companies Act* (PricewaterhouseCoopers [PWC], 2012), and mandated by government, are accountable to provide public services such as electricity, water and transport. State-owned companies in South Africa have been in the spotlight over the last decade for being captured by corrupt relationships, and the leadership of these SOCs have been at the centre of these events (Madonsela, 2019; Commission of Inquiry, 2020). The reputation of SOCs in South Africa, including that of the top leadership, is viewed by the public as extremely

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poor (Makoni, 2015). The South African government expects SOC's to provide efficient infrastructure and services to society and enable socio-economic advancement (Sithomola, 2019). Unhappy stakeholders of SOC's have been negatively affected by poor service delivery associated with poor leadership who were appointed into political office rather than being selected for their effectiveness and taking responsibility for the management and care of state resources (Sebake & Sebola, 2014). What is missing is echoed by Zavyalova et al. (2016) that trust is developed in the presence of quality relationships, which is the core ingredient of SC, and this leads to developing and sustaining a good reputation with all stakeholders.

According to Makoni (2015) multiple stakeholders, all taxpayers, which include employees, customers and suppliers, contribute to the sustainability of SOC's. These stakeholders have lost confidence in the leadership of SOC's because of constant negative perception and constant bailouts from the government. Establishing practical solutions that will help to turn SOC's around is critical (Kumalo & Scheepers, 2020) and may contribute to stakeholders overlooking existing challenges and beginning to regain confidence, which can serve as a key intangible resource (Zavyalova et al., 2016). However, a solid foundation of trust developed in the presence of quality relationships (SC) also leads to having a positive perception with stakeholders. Intangible strategic assets significantly contribute to increasing SC within the SOC, and it is deemed to be critical for effective future actions and decisions in organisations (Baka, 2016; Zavyalova et al., 2016).

Research suggests that quality relationships consist of high levels of trust, which leads to positive SC (Uslaner, 2012). Similarly, where there is negative SC, there have been low levels of trust, high levels of corruption and poor public service delivery (Bjørnskov, 2011; Uslaner, 2012). The expectation from the government is that SOC's provide services reliably and avoid poor service delivery (Makoni, 2015; Sebake & Sebola, 2014). If the leadership of SOC's can achieve reliable service delivery, it could lead to the public being happy and restore trust and satisfaction in the SOC and its leadership.

Whilst most research is focussed on the value gained from the presence of positive SC (Buta, 2016; Read, 2013), SC has a dark side, which destroys trust and does not serve the greater good of people (Leenders, 2014). This comes in the form of relationships that foster corruption and diminish the value of SC. This 'dark side of social capital' means that together with political interference, poor leadership in SOC's may lead to 'social liability' (Gabbay & Leenders, 2001).

Current evidence led by the Zondo Commission of Inquiry reveals that this dark side and the negative impact it has had on public confidence in SOC's are largely brought about by dysfunctional leadership and corrupt relationships amongst various stakeholders (<https://www.statecapture.org.za/site/hearings/date>). The relational contracts with chief

executive officers appointed by political leaders are a main source of the challenges being experienced within SOC's in South Africa (Makoni, 2015). Hence, the proposal by Manyaka and Sebola (2013) that only training will solve the problems facing the public and politicians in public offices has relevance (cited in Sebake & Sebola, 2014, p. 747). Although corrupt relationships are a grave concern that needs to be addressed in SOC's, this article focusses on the importance of SC and how leadership can serve as a catalyst to leverage this important intangible asset and extract value through rebuilding quality relationships amongst key stakeholders.

The effect of the relationships in SOC's involving corruption, mistrust and poor governance has led to multiple economic, social and politically complex challenges resulting in leadership ineffectiveness, which will take SOC's decades to recover from. Authors have written about the use of SC, which enables a few to personally benefit and others to be deprived (Leenders, 2014; Song, 2013). Currently, there is a bleak outlook for SOC's and there still appears to be no answers for leadership regarding the role they could be playing in changing the context for stakeholders away from fear and hopelessness towards future optimism. Those who have attempted to challenge the status quo and bring about change have been fearful of reprimand by SOC and the government-appointed executives, who are expected to remain loyal to their political sponsor. Leaders seeking to initiate and lead change within SOC's find it difficult to break through the power structures and egos of top executives and political leaders (Gabbay & Leenders, 2001). Executives seeking to maintain the status quo are fearful of blame or getting fired, and instead they act to guard their reputation, career and social status, which means this level of self-interest results in them not always serving other key stakeholders very well (Makoni, 2015).

A government interference in SOC's has been a key barrier to positive change, resulting in senior leadership feeling disempowered to make decisions that will help to turn the SOC's around. There is too much political interference (Makoni, 2015). Rumours spread rapidly in an SOC and have been the cause of unhappiness in employees and external stakeholders alike. Decisions made by the leadership, usually leaked days before official announcements, can have adverse effects on employee well-being, resilience and productivity. The leadership responsible for redesigning SOC processes frequently experience barriers against the power structures that exist. As such, several attempts to redesign processes have failed or can only be executed after long and intolerable scuffles between senior leadership and the employees. Unlike financial capital, SC erodes when it is not used. Social capital has durability into which other resources can be advanced or complemented, with the expectation of future benefits (Leenders, 2014).

Social capital falls within a broad scope of resources, such as quality relationships, and it demonstrates how society can achieve success together. However, it does require genuine

investment by multiple stakeholders and for everyone to prosper (Kwon & Adler, 2014). According to Coleman (1998) the main task for researchers is to advance analytically sound measures of SC such as a framework or model that is useful to develop SC. Furthermore, researchers should be mindful of the shifting nature of social relations, the current context and how it is affected by the micro-, meso- and macro-environment. The discourse of SC research is important to multiple stakeholders who are involved in cooperative behaviours. It addresses questions related to interpersonal trust and quality relationships, which has consequences for equality and inequality in society (Leenders, 2014).

## Orientation

Multiple stakeholders referred to in this study include executives, management, non-management, suppliers and customers. Given the complex, multifaceted environment within which an SOC operates, multiple stakeholders have differing expectations. For example, the government expects them to deliver a service to the public, executives expect huge bonuses, employees expect job security, customers expect fair prices and reliable service and suppliers expect opportunities for collaboration. Meeting these differing expectations remains the responsibility of the SOC's leadership, who are entrusted with safeguarding the SOC and its sustainability efforts, as well as with maintaining a good reputation with the public. The SOC also has expectations from employees, suppliers and customers. These reciprocal expectations are inherent in how stakeholders perceive a quality relationship. No study has yet been undertaken to articulate what the factors are that would increase SC that would lead to gains for the SOC and multiple stakeholders.

## Research purpose and objectives

The research purpose was to understand which factors constitute a quality relationship that could contribute to SC from a multiple stakeholder perspective in a single case. The first objective was to hear the views of multiple stakeholders on a quality relationship and to develop a model. The second objective was to have the model validated by a group of experts. The goal of this article is to provide insight to leaders, who are a catalyst in growing SC to gain value for the SOC. The validated model for SC was established as part of a bigger research project. This article also highlights the underlying needs that would trigger the cooperative behaviours.

## Literature review

A 21st-century perspective of SC refers to the *accessibility to resources and opportunities*. As a non-tangible asset, research indicates that SC contributes to economic growth within and outside of an organisation. Akrofi (2016) asserts that SC gives competitive advantage from the relational dynamics that cannot easily be imitated, and it is a capability that requires focus.

The concept of SC has gained greater focus since the 1990s, being studied by academics across multiple disciplines. Social capital has broad definitions, and multiple stakeholders have different perspectives for creating value from the relational dynamics that exists within the asset (Adler & Kwon, 2002; Nahapiet & Ghoshal, 1998). The commonalities of most definitions of SC are that they focus on social relations that have productive benefits (Leenders, 2014, p. 1764). Multiple stakeholders place trust in the leadership of an organisation, which facilitates willingness to cooperate in an organisational context. It is important to note that trust as a concept and key ingredient of a quality relationship has been studied at both an individual and collective level.

## Social capital

The literature highlights several SC dimensions, such as structural, cultural (Udayaadithya & Gurtoo, 2014; Zadeh, Feizi, & Alipour, 2013), relational and cognitive dimensions (Nahapiet & Ghoshal, 1998). Hanifan (1916, as cited by Read, 2013, p. 998) coined the term 'social capital' to describe 'goodwill, fellowship, mutual sympathy and social intercourse among a group of individuals and families who make up a social unit'. Hanifan proposed that these intangibles make life worthwhile to people in their everyday lives. He claims, 'social capital is a kind of social investment created by getting people in the community to socialise and work together' (Read, 2013, p. 998). Putnam (1995) raised the importance of SC as a theoretical concept and simplified it for the understanding of the political and general public. Leenders (2014) encourages other academics to advance Putnam's research by introducing new models or interventions (Leenders, 2014).

Social capital has been discussed in terms of trust, cooperative networks, values and norms of reciprocity and access to resources and opportunities. *Trust* is the belief that one party gives to the other to promote cooperation and coordination of action that leads to mutual value. When an individual is found to be trustworthy, it ultimately affects how willing others in the group will be to reciprocate trust (Fu et al., 2004; Udayaadithya & Gurtoo, 2014). Similarly, SC has been found in unique attributes necessary in *cooperative networks*. The unique attributes bind the participants of networks and communities that make cooperative action possible. The total amount of actual and potential resources derived from the intangibles equates to SC, and it can manifest from strong or weak social bonds within an organisational setting. Furthermore, SC was found to manifest in the living and fulfilment of *values and norms of reciprocity* shared by a group of individuals in the organisation and leads to mutual benefit. Norms are those subtle expectations and unwritten rules of behaviour that reside within groups in terms of how they treat each other (Cohen & Prusak, 2001; Fu et al., 2004; Nahapiet & Ghoshal, 1998; Young, 2014).

The opportunity for increased social connection and collaboration is derived from the ability of organisations to understand the complexity and to learn how to replicate it (Gholami & Salimi, 2014). Each of the four SC themes has

unique features, underpinned by varying theoretical approaches and how the authors have defined them. However, it is only through the reciprocal value of SC and the qualities found in the exchange process that SC evolves into capital (Bourdieu, 1986; Coleman, 1988; Fukuyama, 2001; Nahapiet & Goshal, 1998; Putnam, 1995; Read, 2013; Udayaadhithya & Gurtoo, 2014; Young, 2014).

Coleman (1998) claims that SC is created by rational, purposeful individuals who attempt to maximise their individual opportunities and build networks to further their self-interest. Coleman views SC as a social contract and suggests that individuals must have trust that others will reciprocate their actions and will feel some sort of social obligation to do so (Coleman, 1998; Leenders, 2014). On the contrary, Putnam (1995) argues that SC is a key component to building and maintaining consensus. The author states that there was a noticeable decline in SC when there are lower levels of trust in government. Additionally, there was a decline in SC when lower levels of public participation and effective action could not be leveraged in pursuit of shared objectives. Similarly, SC is a cause as well as an outcome that leads to positive outcomes, such as economic development and a decrease in criminal activity, and its existence is contingent upon the same positive outcomes (Portes, 1998).

According to Zak (2006), trust depends on the social, legal and economic environment and empirically trust is amongst the most important constructs to promote economic growth. Given the social engagement, increasingly stakeholders hold each other more accountable to behave in ways that will lead to higher levels of collaboration and improved decision-making. In understanding trust, Zak (2006) introduced an experiment to test the trustworthiness amongst participants. The author found, despite sacrifices made at an individual level by the participants, there was no guarantee that others would be trustworthy enough to reciprocate cooperative and collaborative behaviours. Therefore, there must be conditions that permit increased levels of trust and cooperation that will be observable in the attributes displayed by leaders, which will in turn improve the quality of the relationships required for SOC to be effective (Zak, 2006).

Kwon and Adler (2014) emphasise that the positive effects of SC flow from information, influence and solidarity available, which requires the deployment of the individual's social resources in purposive actions (Leenders, 2014; Lin, 2001). Obstacles for cooperative behaviours are triggered by the unethical behaviour of leadership. According to Pastoriza et al. (2013), top leaders who behave with honesty and integrity and make ethical decisions have a greater chance of influencing stakeholders positively, thus contributing to the stock of SC. Similarly, Van Lange et al. (2011) assert that people are more likely to cooperate when they believe there is possible reward, now and into the future.

A review of the literature shows the differences and similarities multiple stakeholders need from leadership to find mutual satisfaction (Akins et al., 2013; Fu et al., 2004;

Metcalf & Benn, 2013). Multiple stakeholders will hold a view about the organisation based on the universal desirable or undesirable judgements of self and others, thereby evaluating the organisational reputation (Baka, 2016). These judgements are often observed by the desirable and undesirable attributes of leadership (House et al., 2004; House et al., 2014).

However, the presence of SC exists within the goodwill associated with 'less harsh judgements' from stakeholders towards leadership. Goodwill has been found to serve as a buffer for an organisation, specifically following a negative event. Zavyalova et al. (2016) assert that the SC earned from receiving goodwill is often accrued by an organisation with a high reputation as perceived by stakeholders. Given this advantage, organisations can filter unnecessary information and create essential access to knowledge entrenched in the social networks. The authors define reputation as 'the public recognition and perceived social approval of an organisation that, at high levels, can serve as a key intangible resource' (Zavyalova et al., 2016, p. 255). Given the evidence from the state inquiry, an extraordinary effort placed on regaining public recognition and social approval can rebuild the trust found in SC that will resolve current and future organisational challenges.

Sustainability can be achieved with the right mix of SC (Buta, 2016) that places importance on the uniqueness of the social, environmental, political and financial contexts (Kwon & Adler, 2014). Therefore, an organisation must evaluate whether it has the ability to meet the needs of multiple stakeholders, thus acquiring vital resources for sustainability. Harnessing the latent potential and positive impact that leadership can have on SC can no longer be delayed, as it will impact the organisation undesirably (Uhl-Bien & Arena, 2016). Akrofi (2016) confirms that leaders with access to critical knowledge, who can acquire it swiftly before their rivals, can establish a competitive edge for themselves. Core to the creation and maintenance of SC through building quality relationships and confidence with multiple stakeholders are leaders who have a role to play (Kumalo & Scheepers, 2020; Makoni, 2015).

For the purpose of this article, the opportunity for leaders to invest in SC exists and can contribute to gains for the SOC. This will be discussed in more detail next.

## Leadership

Leaders act as a catalyst for effectiveness made possible through purpose, prioritisation, alignment, communication and gaining the commitment of people. This requires them to understand the social context of all stakeholders. According to Stoughton and Ludema (2012), the advent of new insights for organisational effectiveness empowers senior leaders to establish an inclusive culture by addressing initiatives for sustainability. Most importantly, stakeholders want effectiveness across all dimensions of social (people), economic (profit), environmental (planet)



and technical (innovation) environments as an outcome. For example, *customers want reliable product and service, suppliers need opportunities for growth, employees need career advancement and reward and organisations want loyalty and productivity.*

## The importance of leadership for the state-owned company

State-owned company leaders are expected to turn around the poor state of SOCs in an ever increasingly complex environment (Kumalo & Scheepers, 2020). State-owned company leaders are mandated by the government to deliver on infrastructure development that can provide citizens with public goods and services in a reliable manner and to uplift the economic and well-being of society. Senior leaders are often appointed through political cadres in the hope that political agendas and self-interest can be achieved (Makoni, 2015).

Given that leaders are held accountable, they are required to have a deep understanding of the social context, the grounds for decision-making and the conflict they will experience when faced with difficult choices and doing something for the greater good. Inherent in the tangible and intangible resources, more specifically touched by human nature, there are features which are difficult to observe and to measure. However, the research has established that there are specific variables that are integral to the quality relationships the leadership has with its stakeholders. To support the mandate of the SOC, leadership can benefit from a model for investing in SC, which can also be tested and validated for future use (Svenson et al., 2016). Further theory will allow for a deeper grasp of what conditions stakeholders are asking of them to observe, and how SC then creates value for multiple stakeholders and therefore the organisation. According to research, leadership attributes can be learnt and developed for a specific impact, for example SC, which is discussed in the following section (Akrofi, 2016; Avolio et al., 2009). Validating a model will enable leadership to develop the right qualities for their relationships, so that the SOC can benefit from having invested in SC. It is expected that responses will emerge for SOC leadership from answering the research problem: *Exploring leadership as a catalyst for unlocking social capital in the survival of a state-owned company.*

## Research design

### Research approach

A sequential, qualitative and two-phased study was used to collect data from multiple stakeholders, by using an adapted grounded theory and focus groups and interviews, followed by a Delphi Survey. An adapted grounded theory allowed the researchers to implement flexible strategies to find answers to the phenomena (Willig, 2013). The new ideas obtained from multiple stakeholder experiences are critical in contextualising the phenomena under enquiry (Pearse & Kanyangale, 2009).

## Research strategy

The strategy of enquiry and multiple events were scheduled to collect raw data and to analyse it qualitatively. A process of inductive reasoning allows the researcher to merge the data and insights from the analysis during the two phases. Creswell (2009) claims that researchers do not always have to depend on pre-existing theories or categories, constructs or variables from the past to answer the research question.

## Research method

The goal in phase 1 was to analyse data collected from the focus groups and interviews towards building a model regarding SC in an organisational setting. The goal of phase 2 was to validate the model by using a Delphi survey technique. As an extension of the validated model, the aim of this article is to introduce opportunities for the development of the SOC leadership.

## Research setting

The research setting was in a large SOC that employs diverse internal staff and transacts with multiple external stakeholders. The political, environmental and social contexts of the SOC play an important part in South Africa. This was part of a bigger project that provided important context for the findings of this study. This study investigated the relationship between perceived leadership attributes by multiple stakeholders, SC and organisational effectiveness in an SOC.

## Entrée and establishing researcher roles

According to Avella (2016), the role of the researcher is to plan and facilitate the process of the design where the primary objective is to schedule the events and invite and communicate with participants. Creswell (2014) concurs and says that the use of modern technology and being innovative in research design is important to keep participants encouraged and to keep seeking responses from multiple stakeholders. Including multiple stakeholders in this study and using controlled feedback in Delphi helped minimise researcher bias (Grisham, 2009). The role of the researcher was to help strike a balance for all views to be heard and paying specific attention to all the dynamics of the participants in both phases (Pratt & Bonaccio, 2016). Maintaining anonymity and having an openness to hear expert opinions without judgement, being cognisant of personal biases and reflecting on their own knowledge claims, theoretical perspectives and the strategy of inquiry are important (Creswell, 2014). Credibility was maintained by involving peers to provide their opinions regarding the findings throughout the analysis process.

The researchers needed to remain open to feedback throughout the iterative process. Given that the adapted grounded theory allows the researchers to apply flexible strategies for the research, it was necessary to keep an audit trail and maintain clear analytical focus throughout the field

work. Furthermore, it was necessary for the researchers to spend time critically reflecting on what was being discovered whilst exploring the phenomena, by using qualitative research.

## Research participants and sampling methods

The sample selected for this study was purposive, and the multiple stakeholder groupings consisted of employees, managers, executives, suppliers and customers. The use of purposive sampling met the terms of selecting a diverse sample as proposed when using qualitative research (Henning et al., 2010). A minimum sample size of five participants per focus group for each stakeholder group was selected for the qualitative data collection, phase 1. To start phase 2, 30 experts, 6 from each stakeholder group, who did not participate in phase 1, were invited. The details of the internal and external experts who participated in phase 2 are provided in Appendix Table 1-A1 and Table 2-A1, respectively.

## Data collection methods

The purpose of the qualitative phase 1 was to explore the phenomenon by collecting data during focus groups and semi-structured interviews from multiple stakeholders at an SOC. To answer the research question in phase 1, open-ended questions regarding the quality of relationship were consistently asked to all stakeholders. Broadly, *what constitutes a quality relationship found in SC, for each of the stakeholder groups and the organisation from the perspective of both parties? What does each stakeholder want from the other?* All five stakeholder groups were asked the same set of questions as follows:

- **Q1:** What do employees want from the organisation?
- **Q2:** What does the organisation want from employees?
- **Q3:** What do customers want from the organisation?
- **Q4:** What does the organisation want from customers?
- **Q5:** What do suppliers want from the organisation?
- **Q6:** What does the organisation want from suppliers?

A Delphi technique using a self-administered survey design, based on a seven-point Likert scale to validate the model, was implemented in phase 2. Experts were provided with clear instructions and they had an opportunity to provide comments to inform their ranking. In addition, experts were asked to provide the researchers with specific biographical data that illustrate the diversity of the sample. The biographical data are provided in Appendix 1.

## Data recording

During the focus groups and interviews, participants recorded their perceptions on multicoloured cards. The Delphi survey was developed in Microsoft Excel and the send and return process was online. Data were transcribed and recorded by using Microsoft Excel during both phases. All the data met with the standards of data storage in

qualitative research on a computer that used an encrypted password.

## Strategies employed to ensure data quality and integrity

Good qualitative research ensures trustworthiness and rigour (Treharne & Riggs, 2014). The most frequently cited quality criteria, including five key concepts, namely credibility, transferability, dependability, confirmability and authenticity developed by Guba, Lincoln and colleagues (as cited in Treharne & Riggs, 2014, p. 57), were adapted for this study, as summarised next.

### Credibility: Do findings represent the views and feelings of all participants?

Focus groups were homogeneous in nature and the topic solicited the personal perceptions about SC. The researchers had to look out for possible friendship groups, uncooperative participants, private conversations and sudden experts to ensure all voices are heard. The rules of engagement were shared during each phase, and participants had to sign an informed consent form, which provided information regarding confidentiality and conditions of participation. Asking the right questions, namely open-ended questions consistently, improves the validity of the findings (Willig, 2013).

### Transferability: Are the findings applicable in other contexts?

A diverse sample of three internal and two external stakeholder groups provided in-depth results, which indicated the differences and similarities amongst stakeholders. The context of the SOC reflects a unique social reality for which appreciation was necessary by the researchers. A single case study that provided significant amounts of data and provided a deep contextual understanding helped make sense of the phenomena (Flyvbjerg, 2006; Stake, 2005; Van Reenen, 2015; Yin, 2017). The rationale for including internal employees and external stakeholders offered the opportunity to gather data from multiple sources and ensured validity of the findings as proposed by Yin (2017). Generalisability was never the intent of this study; however, given the challenges faced across SOC, it is possible that the findings will be useful in other SOC.

### Dependability: Would similar findings be produced if another researcher conducted the same study?

Focus groups were planned and executed at the outset. Face-to-face interviews were conducted when it became necessary because of customers and suppliers who could not meet the minimum number of five participants. The interviews garnered the same results as the focus groups. Memos and written notes were recorded, and the content was analysed, which assisted and controlled any bias that may have appeared in one technique. Transparency of the results

allowed the researcher to engage experts in phase 2. Although Delphi does not lend itself to precise analytical techniques, studies using the Delphi to reach consensus from a group of experts have demonstrated the validity and accuracy of the technique (Grisham, 2009). Records have been kept and are available should any questions or challenges arise in future studies.

### **Confirmability: Are the findings a product of the participants' responses or are they influenced by the researchers' biases, motivations and interests?**

According to Babbie et al. (2008) the findings must reflect the view of the respondents and not that of the researchers. The two-phased qualitative approach was adopted to achieve the following: (1) develop a model taking into consideration multiple stakeholder views and (2) validate the model by using a Delphi technique. The measure of integrity is when others believe that there are no fabrications of the data (Anney, 2014). Concrete, context-dependent knowledge is, therefore, more valuable than the vain search for predictive theories (Flyvbjerg, 2006, p. 224). Yin (2017) confirms that researchers can use a single case if they believe that the data collected will provide them with answers to the phenomenon under investigation. Different strategies were used to control for researcher bias, and in both phases academic peers were asked to provide feedback on the meaning and interpretation regarding the themes and descriptions found.

### **Authenticity: Do the findings represent differing viewpoints and have transformative potential and are they useful for further action?**

Like grounded theory, adapted grounded theory is not very prescriptive. Therefore, to mitigate risk, the researchers applied specified steps and continuously gauged the study progress, with an ultimate goal of delivering a legitimate research report. It was advisable for the researchers to develop a blueprint (Willig, 2013) and to reflect on pertinent questions (Treharne & Riggs, 2014) to increase the degree of transparency when writing up the qualitative findings. A rigorously designed, fit-for-purpose survey combined with controlled feedback allowed the researcher to identify the priorities and to validate a recognisable model (Creswell, 2014). The intention of the researchers was never to generalise beyond the case of the SOC, but to understand the complexity of the SOC and to provide a solution that could help to fix it. Makoni (2015) and others who have studied SOC's have found similar challenges; however, they did not address the concept of SC and the impact of leaders and the quality of their relationships with multiple stakeholders. State-owned companies are all struggling with mismanagement, maladministration corruption, poor financial status and instability (Kumalo & Scheepers, 2020; Makoni, 2015; Sithomola, 2019), and there is opportunity to provide guidance. Creswell et al. (2007) claim that these generalisations have often been included in the training and development of the wider group.

Ethical adherence as per the Health Professions Council of South Africa and the American Psychological Association was maintained. Ethical clearance was obtained from the organisation in which the study was conducted, as well as the academic institution. All participants were requested to give their approval by signing an informed consent form and were assured that participation was voluntary and they could withdraw from the research at any stage. Because of the sensitivity of the research, an element of adherence to confidentiality needed to be maintained when asking peers to comment on the rigour of the process thus far. Primarily, during both techniques (focus groups and interviews), the researcher ensures the safety of participants, is aware of the sensitivity of information shared and considers the ethical factors throughout the engagement process (Willig, 2013).

## **Data analysis**

The data were analysed inductively and until a point of saturation of the data collection phase was reached. The inductive approach was used to capture the essence of each discussion at the end of the focus group or interview participants assisted the researcher to make logical associations from the data. An inductive approach means that the researcher goes back and forth between data collection and analysis to help clarify the recurring themes. During phase 1, the interpretation of the codes, categories and emerging themes led to the initial stages of theory generation. The researcher took written memos at the end of each discussion, which assisted with the interpretation of all the data sources. Content analysis employing relevance and frequency of the theme, whilst maintaining the meaning of what participants expressed, was used to draw conclusions about the perceptions of multiple stakeholders regarding SC. The final themes and descriptions were presented to the experts for their level of agreement, asking them to rank each theme and to comment on the description provided.

A Delphi technique was used to validate the model in phase 2. Delphi is a multistage cooperative process of ranking, designed to collect individual expert opinions and consolidate it into group consensus, namely the analysis (Grisham, 2009). Managing the data was an integral part of field work and analysis. With insights from authors, two rounds of Delphi were introduced, and data were analysed by using mean scores, percentage consensus, capturing qualitative responses, refining the survey items and developing a unique feedback report presented to each expert and to initiate round 2. At the end of round 2 the analysis approach was interpreted from a multiple stakeholder perspective, which represents the collective results. The analysis was concluded based on consensus regarding the relevance of the theme, the description provided and reaching stability for each survey item, which determined the stopping of rounds. Authors suggest a consensus of 60% after two rounds (Von der Gracht, 2012) and the stopping criteria for stability, which meant a less than 15% change in the mean score of two distributions of results (Habibi et al., 2014) is adequate.



## Reporting style

This qualitative report demonstrates the richness of the findings by writing up the perceptions of multiple stakeholders by using tables and narratives. Information about the experts is provided to demonstrate the purposive selection of internal and external stakeholders. Consensus scores are provided in percentages and the criteria for stability are shown. The most important purpose is to contribute to the scientific body of knowledge by the introduction of a validated model for the role of SC with leadership as a catalyst in the effectiveness of an SOC.

## Ethical considerations

Ethical clearance was obtained from the research committee of the University of Johannesburg, of the primary research institution.

## Results

There were two research objectives in this study: firstly, to develop a model for SC in the context of an SOC and secondly, to validate the model. A multiple stakeholder perspective using a sequential qualitative approach led to the new theory building. The results for SC and associated cooperative behaviours by leadership that would make them effective are discussed for phases 1 and 2.

### Phase 1

To set up the focus groups and interviews the researcher introduced the concept of SC as a quality relationship that happens between two stakeholders. For the purpose of understanding a quality relationship, the participants were asked to list the various stakeholders that the organisation needs to build a quality relationship with. Responses included the following stakeholders: *employees, customers, suppliers, communities, the government, regulators, agencies and political influencers*.

Five stakeholder levels included in this study were executives (S1), managers (S2), non-management (S3), suppliers (S4) and customers (S5). It was important to gather perspectives from both internal and external stakeholders, namely customers and suppliers, to gain insight into the micro- and macro-levels. Table 1 indicates the number of participants who participated in phase 1, the focus groups and interviews.

**TABLE 1:** Qualitative sample for phase 1.

Stakeholder group	Pilot focus groups	Number	Stakeholder group	Pilot focus groups	Number
Executives (S1)	1	5	3	20	0
Middle managers (S2)	1	7	4	25	0
Non-management (S3)	1	5	3	15	0
Suppliers (S4)	0	0	2	10	1
Customers (S5)	0	0	1	4	3
<b>Total</b>	<b>3</b>	<b>17</b>	<b>13</b>	<b>74</b>	<b>4</b>

Note: In one customer interview, two participants, both taxpayers, responded to the questions. The abbreviation for stakeholder is depicted by the letter S. The total number of participants = 79.

## Results from the focus groups and interviews

The researcher unpacked the concept of SC by inviting participants to share experiences and give meaning for what constitutes a 'quality relationship' between the two parties. The transcriptions for focus groups and interviews were captured in Microsoft Excel, which were a genuine reflection of participants' personal experiences and interpretation of SC in the organisation. The consolidated list of SC attributes that constitute a quality relationship for employees, customers and suppliers is illustrated in Table 2.

As shown in Table 2, multiple stakeholders shared their experiences and unique wants/needs that would lay the conditions for a quality relationship with the SOC. During the discussion, the themes framed negatively were referred to as barriers, for example 'mistrust' or 'lack of communication' that currently existed between them and leadership of the SOC. However, should these be present, they can obtain social approval to rebuild attributes such as trust, commitment and communication found in SC and underpinned by doing the right thing that would contribute to a possible turnaround of the SOC. As shown in Table 2, all stakeholders deem trust to be important, and it emerged as a frequency of 6 as illustrated in the far-right column. Collaboration, communication, commitment and decision-making appeared four times as being important to a quality relationship.

Many other leadership attributes and factors that would make the SOC effective emerged from the focus groups and interviews. However, these were not specific to the question regarding 'quality relationships' in SC. Table 3 shows the complexity and contextual depth of the data collected and analysed, which also explains the conditions required for the kind of cooperative behaviours required for a mutually beneficial relationship.

In the qualitative conversations, the researchers discovered that the following conditions ultimately relate to the validated themes, given that the themes derived in Table 2 are complex. For example, mistrust exists as a result of unethical behaviours such as corruption. Similarly, lack of communication exists as a result of leadership not sharing information first-hand, before stakeholders hear it via the media. Table 3 shows the differences and similarities embedded in the attributes for SC as described by participants. Examples of the differences and similarities in the wants per stakeholder are discussed next.

## Differences in what stakeholders want from each other

What employees want from the SOC:

- Leaders who have vision and are strategic: Employees refer to this only happening 'in pockets' in the SOC; however, overall, this is lacking and in particular emphasis on leadership not being strategic has been made.
- Growth and opportunities, recognition and talent management: The sentiment of employees differs in



**TABLE 2:** Analysis of social capital themes, as perceived by internal employees (S1, S2, S3) and external (S4, S5) stakeholders.

Social capital	What employees want from the organisation	What the organisation wants from employees	What customers want from the organisation	What the organisation wants from customers	What suppliers want the organisation	What the organisation wants from suppliers	Frequency and importance of the theme emerging
Common themes emerging across stakeholders for a quality relationship	Trust	Trust	Trust	Trust	Trust	Trust	6
	-	Collaboration	-	Collaboration	Collaboration	Collaboration	4
	Communication	-	Communication	Communication	Communication	-	4
	Commitment	Commitment	-	Commitment	-	Commitment	4
	Decision-making	Decision-making	Decision-making	-	Decision-making	-	4

**TABLE 3:** Conditions required for a quality relationship to exist both ways, which leads to mutual benefit.

Quality relationship	What employees want from the SOC	What the SOC wants from employees	What customers want from the SOC	What the SOC wants from customers	What suppliers want from the SOC	What the SOC wants from suppliers
Conditions for a quality relationship that would make SC possible for stakeholders, based on mutual expectations of each other. These attributes are what will make leadership effective, stakeholders cooperate and therefore what will make the SOC effective.	Ethical behaviour	Ethical behaviour	Ethical behaviour	-	-	Ethical behaviour
	-	-	-	Timeous payment	Timeous payment	-
	Innovation	-	Innovation	-	-	-
	Growth and opportunities	-	Social development	-	-	Supplier development
	-	Loyalty	Loyalty	Loyalty	-	-
	-	-	Quality	-	-	Quality
	-	-	Sustainability	-	Sustainability	Sustainability
	Safety	-	-	-	-	Safety
	Vision	-	-	Care and understanding	-	-
	Recognition	-	-	-	Procurement opportunities	-
	-	-	Affordable and reliable service	-	-	Reliability
	-	-	-	Usage and payment	-	-
	-	-	-	-	Shared risks	-
	-	Productivity	-	-	-	Value
	Security and stability	-	-	-	-	-
	Strategic	-	-	-	-	-
	Consistency	-	-	-	-	-
	Talent management	-	-	-	-	-
	-	Accountability	-	-	-	-
	Reputation	-	Reputation	-	Reputation	Reputation
	Good governance	Compliance	-	-	Good governance	-

SOC, state-owned company; SC, social capital.

these areas. Some do not believe that they have access to sufficient growth and development opportunities; however, they do believe and accept that funds are limited, and therefore it may not be possible. Regarding recognition and talent management, others believe that there is an overwhelming sense that appointments are not made fairly, and skilled resources have left as a result of lack of recognition. The resultant outcome has been a lack of managing talent and then retaining it.

- Consistency, security and stability in their jobs: Employees refer to areas of inconsistent leadership practices that lead to a lack of confidence and fear of job loss. This has been exacerbated by negative rumours of downsizing and restructuring communicated in the media.

What the SOC wants from employees:

- Loyalty and ethical behaviour from employees: Executives are asking for loyalty and ethical behaviour, which is contradictory to what they offer to their employees.

What customers want from the SOC:

- Social development: The need for social development concerns the element of 'theft' and 'damage' to

infrastructure, as well as customers who believe they want to understand where the SOC is going with regard to sustainable and renewable products and service.

- Affordable pricing accompanied by reliable services: There is a disconnect between high tariffs and service, and customers struggle to accept the ever-increasing price of the public good, which they believe should be subsidised much more.

What the SOC wants from customers:

- Understanding and care from customers: The organisation wants customers to understand why services are interrupted, and they want customers to care about their infrastructure, not cause damage to it.

What suppliers want from the SOC:

- Procurement opportunities: There is a lot of unfairness in how tenders are awarded, and suppliers would like to receive more opportunities to do business with the SOC.
- Supplier development: There needs to be more emphasis on supplier development to support them in accessing opportunities where the scope is huge.
- Shared risks: Suppliers believe they have to be selfless and give more than they receive from the organisation.

What the SOC want from suppliers:

- Value for money from suppliers: The organisation wants some suppliers to cooperate and provide better pricing and deliver within the scope of work.

### Similarities in what stakeholders want from the SOC

Customers and employees want:

- Innovation from the organisation: Concerns are raised about the lack of innovation in the organisation.

Suppliers and employees want:

- Good governance: Corrupt behaviours lead to poor governance and lack of compliance.

All stakeholders want:

- Ethical behaviour: Unethical behaviours are at the core of all the challenges the SOC faces, and there is a plea from all stakeholders to behave more ethically.
- A good reputation: For employees a good reputation will restore pride in them; for customers it is about confidence and for suppliers it is about protecting their own reputation, which is at risk when doing business with the SOC.
- Infrastructure that works and ensures sustainability: All stakeholders have a desire for an infrastructure that will last and be efficient and effective for future generations.
- The summary explains examples of the context in each of the relationships and more specifically how the SOC's needs versus the needs of other stakeholders are perceived, which does not contribute to a quality relationship found in SC.

Written memos were captured at the end of each focus group discussion and interview. The researcher reflected on these memos whilst making sense and meaning of what has been heard about the phenomena. An extract of the qualitative discussions captured in the written memos during phase 1 is elaborated on next.

Employee memos:

- The organisation wants cooperation from employees, expecting them to 'create a few miracles; do not challenge management or you will be victimised; add more value than what you are being rewarded for'.
- Employees are asking for a:

'[F]un, safe and clean environment to work, competent, visionary and ethical leadership, career growth and advancement, job security and stability; tell us first before we hear it from the media.'

Customer memos:

- The organisation wants customers to:

'[U]nderstand current challenges and trust the leadership to fix it; to use their product and pay for what they have used; pay higher than inflation tariff increases to support capital spend; do not steal from us.'

- Customers are asking for:

'[N]o corruption please; we need good governance and integrity in how the SOC is being managed; committed to and plan for growth of the infrastructure; better predictability of pricing; a need for being associated with an ethical brand and leaders with a good reputation; taking action against corruption to regain the respect of stakeholders.'

Supplier memos:

- The organisation wants suppliers to:

'[P]rovide quality and service; be selfless; give us value; we will pay you when it is convenient for us; working safely on their sites; support economic transformation; do more than what we pay you for; not to be corrupt and be ethical or be corrupt and collude on deals.'

- Suppliers are asking to:

'[W]in business for product and services; less bureaucracy; more fairness and live up to contractual agreements; clear scope of work; fix your reputation, in order for us to be associated with a reputable brand; help us with opportunities to tender for business in order for us to grow economically.'

Outcomes of phase 1 were derived by the focus groups, interviews and memos with the intention of capturing meaning as the multiple stakeholders shared their experiences. This led to a proposed model of themes and descriptions preserving meaning and interpretation by the researchers.

The next section discusses phase 2, which involves the validation of the model.

## Phase 2

A Delphi survey was developed giving clear descriptions for each of the five SC themes derived in phase 1. Experts had an opportunity to rate each theme based on a seven-point Likert scale, where 1 = strongly disagree and 7 = strongly agree. Qualitative comments were solicited to encourage debate for the next round. Twenty-five experts responded to round 1 and provided feedback for their ranking. An additional theme for SC was proposed by experts, namely culture. The culture in the organisation is 'problematic', one where 'everyone looks out for themselves' and does not feed into a 'collaborative environment' where SC exists. Culture, therefore, defeats collaboration and as a result leads to a decline in SC.

Experts assigned much of their feedback to the culture of the organisation and described it as a construct that has 'relational dynamics such as mistrust, low morale, poor productivity, no consequence management, dictatorial leadership and ongoing bad practices', which has been detrimental to the SOC. All of these factors created the 'dysfunction and crisis'. The perception is that the SOC culture has been influenced 'by micro-, meso- and macro-factors and an irritation of constant government presence in the engine room with a political agenda that pervades self-interest'. Evidence from the Zondo Commission indicates that the leadership of the

organisation has ruled by fear, often in the interest of corrupt deals. Over time, SOC has suffered dismally with poor financial performance, poor maintenance planning and corrupt social relations, and as a result stakeholders have become 'a little fearful' of leadership, with a sense of hopelessness too. The auditor-general's report cited in the Daily Maverick (Davis, 2018) indicates, 'for more than a decade, the auditor-general has highlighted not only irregular, fruitless and wasteful expenditure but also how laws are broken – without consequences'. In fact, there have been no consequences for 98% of misuse of public money in South Africa (Davis, 2018).

Currently, mutual benefit for all stakeholders seems a far stretch away. Young (2014) suggests that SC manifests differently depending on the culture and context of the organisation. Norms are those subtle expectations of behaviour that reside within groups in terms of how they treat each other. The norms are described as the unwritten rules that make the social interaction effective and mobilise the cooperation (Young, 2014). It appears that the unwritten rules are no longer existent, and leadership should ask how they can be catalysts in mobilising norms that will help them regain stakeholder commitment. Avery and Bergsteiner (2011) add the view that culture is embedded in quality, trust, care, development and decision-making, to name a few examples. Where culture is weak, the SOC will not reach a level of sustainability embedded in long-term planning and focussed on shared value, namely serving the greater good.

The round 2 Delphi Survey included the theme of culture, which was described by one expert as 'the perception is that diversity of stakeholders is important, but an organisation needs a common culture that underpins the social make-up of its existence'. Furthermore, experts explain, 'with all the historic corruption, lack of strategy, self-interest and lack of funds, these negativities are causing lack of focus and reduced productivity'.

The round 2 survey was prepared by using the principle of controlled feedback, where experts were asked to review the collective rankings, read the debate, consider their round 1 score with an opportunity to change it and add any further comments. At the end of round 2, 24 experts provided feedback where consensus was reached, which validated the five themes that would build SC and add value to the SOC. Collaboration reached a low percentage consensus score by experts; however, the importance of the qualitative debate, which includes the need for both parties to achieve mutual benefit, implies a win-win, which justifies the importance of cooperative behaviours and the decision to include the theme by the researchers. The six SC themes and descriptions, consensus and percentage rankings by experts are listed in Table 4.

Collaboration requires the will from multiple stakeholders to take action, which promotes shared value. Therefore, both leaders and stakeholders have to be aware of the conditions set and expect that others will set conditions for them

**TABLE 4:** Results from Delphi survey, round 2.

SC theme	Description	Ranking (%)
Trust	The overall perception is that the ability to engender trust is lacking at the individual, group and organisational levels, both internally and externally. <i>Examples of how mistrust is manifested in unethical behaviour of leadership, misinformation via the media and scepticism towards decisions made support this perception.</i>	92
Communication	The overall perception is that the lack of communication erodes the confidence and trust that stakeholders have in the organisational leadership. <i>Examples of job losses and restructures are heard in the news, instead of from the leadership.</i>	83
Decision-making	The overall perception is that decisions that are made have been ineffective and have impacted the people negatively. <i>Examples of exclusion in important strategic matters have been evident.</i>	83
Commitment	The overall perception is that stakeholders believe that the commitment of few individuals is insufficient to reach success. <i>Examples of political interference make cooperative action impossible, given the fear of victimisation, which has led to emotional strain.</i>	75
Culture	The perception is that diversity is important, but an organisation needs a common culture that underpins the social make-up of its existence. <i>Examples of a toxic culture and ongoing dysfunction have led to employees being present, but not engaged and therefore not productive.</i>	88
Collaboration	The overall perception is that collaborative efforts are in vain and do not always serve the mutual value sought from individuals. <i>Examples of self-interest and self-preservation, acting in greed, have been made public.</i>	25

SC, social capital.

(Suryani, Vijver, Poortinga, & Setiadi, 2012). Collaboration is built on relationship dynamics, and true execution happens when there is willingness for participation believing in a common purpose and aligned values, despite setbacks. To promote a culture of collaboration, the SOC must allow for healthy competition built on trust and cooperation to execute goals effectively (Buta, 2016). Given the insights from this study and scholarly understanding for the concept of collaboration, the researchers included this theme in the main SC themes to assist leaders when they are looking to mobilise multiple stakeholders through positive influence. The next section provides the discussion of the results.

## Discussion

### Outline of the results

The aim of this study was to understand whether leadership can be a catalyst for change, and what role they could play to unlock gains from SC in an SOC. Leadership achieves the goals for an organisation through influencing multiple stakeholders, which may come with overwhelming concerns for them. These concerns are inherent in the relational complexity with stakeholders as well as the uncertainty of the environment in which they function (Zoogah, Peng, & Waldu, 2015). The SOC environment over the last decade has been distressed around levels of product and services, corruption, poor reputation, illicit relationships and a total breakdown of public trust, which has led to unresolvable economic, political and social dilemmas. It is of uppermost importance that leaders raise their game by asking how they themselves may be a catalyst for change. Social capital can be transformed to and from other forms of capital, leading to outcomes that begin to show an incline in the relational dynamics with stakeholders. For example, SC can transform



material gain from the ability to deliver the product and services expected from stakeholders (Song, 2013).

The results of this study provide six essential qualities that will regain the willingness and buy-in for co-operative behaviours by multiple stakeholders. The actions required by leadership to generate SC will happen when they take the first step to show a genuine interest for rebuilding trust, demonstrating ethical behaviour, role-modelling commitment towards stakeholder needs, communicating truthfully, collaborating for mutual satisfaction and taking charge of the shaping a culture, which deliver shared value in the SOC. The model has been validated by a group of experts who have extensive knowledge about the organisation and refined by the researchers for scholarly and practical impact.

The research has shown that when leaders are willing to 'embrace the current challenges', 'introduce good governance processes', 'invest in technological advancement' and 'commit to uplifting rural communities', they stand a chance of building on the limited strengths 'shown by few who want to be effective'. The time has come to 'take accountability' for their actions and 'understand the fine line between self-interest and serving the greater good' and being alert to 'difference between expectations for business and expectations for politics'. According to the State Inquiry led by the Zondo Commission, SOC's have been at the heart of state capture and the leadership can no longer 'snub accountability'. Courageous leadership is now necessary, more than ever, as senior leaders continue to be in the spotlight with respect to their actions. Therefore, the timing of this study is critical and has practical implications for leadership.

## Practical implications

If the SOC is looking for *loyalty, timeous payment and value from suppliers*, it will be important for them to take the first step towards reconciliation with stakeholders. Many SOC's have brought the country into disrepute and economic recession, some of which have been shut down to bankruptcy as a consequence. In this instance, the less fortunate become even more less fortunate, with less and less access to products and services. With an openness to accept their wrongdoings and an appetite to learn, leadership can exhibit the qualities validated by the model. The potential to fix the current relational dynamics, which will have a positive spin-off for the SOC in the form of SC, exists. The benefits of investing in SC will positively impact relationships leadership have with employees, customers and suppliers over time and can change the current negative perceptions. To overcome the current corrupt behaviours, leadership can make the shift and choose to demonstrate ethical behaviours, reinforced as the golden thread for all cooperative behaviours by stakeholders and serve as a catalyst to restore the political, societal, environmental and economic health in our country. Song (2013), Buta (2016) and others confirm that the potential value of SC has positive spin-off for other forms of capital. The public at large offers social approval for the conscious

activities of an SOC, and it is often given in return for something called goodwill.

## Limitations and recommendations

The public has the right to know what has been found in the SOC. Given the academic standards and processes, it is not possible to make sensitive details explicit in this study. The recommendation is that given the right timing and communication channels, such as journal publications and social media platforms, as well as an opportunity to engage key stakeholders, awareness can be raised for the SC qualities that require deliberate investment and an elevation to higher levels of urgency.

There is no exact truth in qualitative findings, and the results are not necessarily generalisable (Anney, 2014). However, the results from this study could be used as a foundation to investigate how all SOC's and leadership can benefit in future. Furthermore, in order for the leadership to be proactive about finding an antidote for the negative impacts on stakeholders, future SC research in the context of SOC's should be explored. This is particularly important against the backdrop of the dark side of the relationship, which has pervaded SOC's and global relationships.

Kofi Annan puts it eloquently: 'If corruption is a disease, there can be no better cure than transparency'.

## Conclusion

The study had two objectives, firstly, to understand the phenomenon of SC and to develop a model, which can be understood, given the perspective of multiple stakeholders. This was made possible by the researchers hearing the voices of multiple stakeholders, internally and externally. Secondly, experts who have a deep understanding of the SOC, validated the model, which brings simplicity to a multidimensional concept such as SC. This is primarily because of its intangible nature and the uniqueness in which it is developed. However, the upside of the intangibles is that they provide competitive edge for organisational leadership when they are able to make sense of how they can be a true catalyst for the much-needed cure from corruption and decline. Leadership can achieve this when they take accountability for the change to consider SC as an important indicator that can be measured in terms of the actions taken and shifts made through observation and feedback. It may be predicted that ultimately, these cooperative actions will be visible in the tangible indicators.

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### Competing interests

The authors have declared that no competing interest exist.

### Authors' contributions

The study was conducted by S.T. (University of Johannesburg) as part of her PhD in Industrial Psychology at the University

of Johannesburg. C.H. (University of Johannesburg) was S.T.'s (University of Johannesburg) supervisor and edited the work for publication. Both authors contributed significantly to the conceptualisation and review of the study.

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## Data availability

The data that support the findings of this study are available from the corresponding author, S.T., upon reasonable request.

## Disclaimer

The views and opinions expressed in the article are those of the authors and do not represent the views of any affiliated institution of the authors.

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## Appendix 1

**TABLE 1-A1:** Biographical data of internal stakeholders in round 2.

Variable	Age	Race	Gender	Close relationship in years	Qualification
Biographical data	32	Mixed-race person	Male	6–10	Postgraduate Degree in Engineering
	38	Black person	Male	6–10	Graduate – Marketing and Communication
	45	Mixed-race person	Female	11–15	Honours in Industrial Psychology
Non-management	37	White person	Female	11–15	PhD – Industrial Psychologist
	56	White person	Male	20+	PhD – Industrial Psychologist
	55	Mixed-race person	Female	15–20	Postgraduate diploma and Professional Qualification
Management	50	White person	Female	20+	PhD – Leadership
	40	Mixed-race person	Female	11–15	Degree in Industrial Psychology
	44	Black person	Female	11–15	Honours in Accounting (CA)
	48	White person	Male	20+	Honours in Accounting (CA)
Executives	49	Indian person	Male	20+	MBA
	50	Mixed-race person	Male	20+	Postgraduate degree engineering
	50	White person	Female	20+	PhD – Leadership

PhD, Doctor of Philosophy; CA, Chartered Accountant; MBA, Masters in Business Administration.

**TABLE 2-A1:** Biographical data of external stakeholders in round 2.

Variable	Age	Race	Gender	Close relationship in years	Qualification
Biographical data	59	White person	Male	10–15	PhD – Psychologist
	34	White person	Male	0–5	MSc – Psychologist
	39	White person	Female	10–15	PhD – Psychologist
Suppliers	48	Mixed-race person	Male	20+	Postgraduate Degree in Engineering
	61	Mixed-race person	Male	20+	MCom
	40	Indian person	Male	15–20	Postgraduate Degree in Engineering
	49	White person	Female	15–20	Master's – Industrial Psychologist
Customers	45	White person	Male	15–20	MBA
	63	Mixed-race person	Male	20 +	Postgraduate Diploma and Professional Qualification
	62	Coloured person	Female	20 +	Postgraduate Diploma and Professional Qualification
	62	Coloured person	Male	20 +	MBChB

PhD, Doctor of Philosophy; MSc, Master of Science; MCom, Master of Commerce; MBA, Masters in Business Administration; MBChB, Bachelor of Medicine and Bachelor of Surgery.