Effective Strategic Organisational Transformation and Change Management for The South African Financial Services Sector

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ABSTRACT: As a result of the current volatile economic environment, the financial services sector is being subjected to an increasing number of stringent restrictions. In order to ensure that financial responsibility and compliance with regulatory standards are enforced, a significant amount of resources are allocated. The provision of the key resources that are necessary to handle the implementation of recently adopted laws and standards once they become operational is something that they are obligated to make sure happens in a timely manner.

A simple or generally valid association exists between affluence and belief, however this correlation is not straightforward. The process of acquiring material possessions is one that is extremely intuitive. The acquisition of such information is, without a doubt, a difficult undertaking that calls for a significant amount of dedication and unwavering determination. The approach, on the other hand, demonstrates that it is an extremely effective strategy for achieving goals and overcoming obstacles.

The issue that I would like to talk about is perpetrators who are in positions of authority and who forget about the well-being of other people by accident because they do not take preventative steps. When compared to the influence of verbal cues, the influence of nonverbal cues, which include movements, attitudes, and behaviours, is frequently larger. The acts of important individuals who are in direct contrast to their resolute assertions are one of the few things that exert a more profound influence on the possibility of change from occurring.

Overcoming each obstacle gives a one-of-a-kind opportunity for personal growth and advancement through the process of personal development. An individual's likelihood of achieving success and noteworthy accomplishments is significantly increased if they possess the necessary skills to successfully traverse difficult circumstances. Individuals who show a noteworthy capacity to endure and persevere in tough conditions are more apt to exhibit the courage and determination necessary to overcome customary limitations and reach extraordinary accomplishments.

Many people are of the opinion that the level of satisfaction that can be obtained from resolving a problem is directly proportional to the degree of difficulty that the problem presents.

1. INTRODUCTION

The Financial Services Board (FSB) was the regulatory organisation in charge of supervising South Africa's financial sector. The major goal of the institution was to ensure effective supervision and regulation of the nation's non-banking financial services sector. From 1990 to 2018, it held this rank. On April 1, 2018, the FSB underwent restructuring, leading to the creation of two new business entities, if you like.

The Financial Sector Conduct Authority (FSCA) is responsible for the financial sector's regulatory and supervisory activities. Regulation supervision and enforcement fall under the purview of the Prudential Authority (PA), the regulatory body.

The global financial crisis has brought to light several underlying issues in the region's financial, economic, and social sectors. Therefore, the government must respond appropriately. South Africa has escaped the immediate harmful
impacts of the financial crisis by leveraging a combination of historical, fundamental, and situational factors. Overall, the South African financial services business has had little experience with overseas structured finance instruments. Furthermore, despite maintaining sound macroeconomic policies, they have successfully established tight financial regulation and risk management protocols.

The National Treasury (2011) emphasises the importance of the financial services industry in the South African economy and its impact on the lives of all individuals. Individuals can use financial services to manage their normal financial activities while also protecting and accumulating their wealth in preparation for retirement and future ambitions. Furthermore, these services help individuals manage the risks linked with personal emergencies.

Despite the end of the financial crisis, the global economy still faces several challenges. The World Economic Outlook recognises the global improvement in economic conditions. However, it emphasises the uneven nature of the recovery, which is distinguished by a dual-speed pattern.

A slew of historic events have occurred in recent years, each with its impact on the global economy. The events in question include the late 1990s dot-com crisis, the 2007-2009 global financial crisis, the pandemic-induced economic downturn, the 2020 global economic recession, the 2021 commodity price and inflation surge, the Ukraine conflict, and the 2022 energy and food crises.

Furthermore, the globe is facing an increasingly serious climate catastrophe, owing mostly to the ongoing generation of significant amounts of greenhouse gases by human activities, a phenomenon that is hastening the rate of global warming. External factors caused several crises before economic policy adoption.

However, it is critical to acknowledge that economic and other crises can also be attributed to monetary policy blunders made by central banks and flawed fiscal and budgetary policies adopted by the government. Furthermore, recent events have led to a deterioration in the domestic situation. A succession of global events, including the COVID-19 pandemic in 2020 and the recent upheavals in July 2021, have compounded the challenges that have been faced throughout the years.

After experiencing a difficult two-year period touched by the COVID-19 epidemic, we are now confronted with further unexpected challenges. The previous year, severe floods ravaged KwaZulu-Natal and other parts of the country, causing widespread devastation and exacerbating underlying issues. One topic that raises concerns is if the awful events of July 2021 will occur again. Given the absence of significant changes, I believe it is viable. Furthermore, several flaws in the present regulatory structure persist from the financial crisis era, posing a hazard to the economy and financial system today.

2. Problem is to ensure that crisis-time actions encourage reorganisation rather than inhibit it.

Every individual possesses distinct aspirations and objectives, which are propelled by a profound desire to improve oneself, cultivate personal growth, and achieve a prosperous future. Unfortunately, the mere possession of ambitions and objectives does not suffice. It is critical to apply tangible and pragmatic measures and initiatives to increase our comprehension. These measures and initiatives must necessitate a particular set of competencies, expertise, and abilities to be successful.

The present epoch is characterised as the post-colonial age, on account of a substantial escalation in complexity and diversity, according to an analysis by Mbenbe from 2001 (Nussbaum, Paulse and Mkhize, 2010). Africa is renowned for its remarkable economic heterogeneity, characterised by substantial disparities in both economic and political circumstances among its numerous nations.

Despite the elapsed time since attaining independence in 1994, South Africa has failed to significantly advance in its efforts to ameliorate the present circumstances. There has been a significant decline from a previously advantageous state that we held with great satisfaction before attaining autonomy. Regrettably, our present standing stands at a dismal third place.

Several challenges must be surmounted to attain the intended results. To ensure that strategies are implemented effectively, the aligning strategy entails an important level of coordination and synchronisation. Furthermore, it requires senior officials’ sanctions to be obtained and maintained.

There remain unresolved concerns that necessitate attention concerning the appropriate configuration of the
financial system in the aftermath of the crisis. An essential factor to bear in mind is the evaluation of the degree to which markets and legislators will assist the entire nation, its local communities, and its populace.

Prominent sectors including financial services, telecommunications, healthcare, and the automotive industry have encountered substantial strategic transformations and confronted manifold obstacles, resulting in the prolonged failure of programme deliveries spanning multiple years. The program's operations, functionality, and overall performance are deficient as a result of specific factors.

These shortcomings frequently transpired as a result of ineffective coalition building, a dearth of robust leadership, and an absence of a well-defined vision, objective, and aim. The methodology employed prioritised the execution of change without providing robust leadership or explicit direction.

Additionally, striking a balance between what is feasible and what is essential is crucial. In conclusion, the procedure entails an assessment of the immediate as well as long-term advantages and goals. Organisations must formulate strategies that facilitate the smooth and efficient execution of projects, guaranteeing their suitability, timely completion, and adherence to the highest standards.

As mentioned earlier, the financial industry in South Africa, akin to industries worldwide, is governed by regulations. However, it is imperative to acknowledge that these regulations could potentially be perceived as excessively stringent, resulting in benefits for a minority while adversely affecting the majority of the populace. South Africa has significantly advanced since the establishment of democracy. However, there remain unfinished obligations that necessitate focus to accomplish a comprehensive transition. The World Bank Group (2018) found that specific social groups have been persistently marginalised in South Africa's capital and product markets, leading to substantial wealth inequality in the country's society.

Furthermore, the presence of dominant firms and South African cartels may be interpreted as an indication of this issue. To begin with, they present obstacles for individuals who have been historically marginalised and aspire to entrepreneurship and the establishment of their businesses. This hinders their ability to remain abreast of the advancement of corporate assets and the growth of their enterprises. Moreover, these obstacles lead to increased expenditures and restricted availability of products and services. Thus, both firms and consumers bear a portion of the cost of a costly economy.

3. SOUTH AFRICAN FINANCIAL SECTOR LEADERSHIP IMPERATIVE

According to PMI (2013), a clear and unambiguous vision for the future is critical to effective change management. It is critical for the creation of value-generating possibilities. Stakeholders must actively participate in the development and implementation of all aspects of the portfolio of programmes and initiatives aimed to achieve the strategic goal.

Involving stakeholders in the early stages of a project or effort promotes support and efficacy. This increases the chances of achieving the desired results. Participatory leadership, unlike traditional management approaches, provides an environment favourable to open communication and the unrestrained expression of employees' inventive abilities and ideas. This strategy highlights the value of cooperation and fosters a collaborative environment that promotes creativity. Stakeholder involvement has become a requirement for businesses, necessitating proactive planning of the timing and tactics to their contacts. Stakeholder participation is allowing individuals or groups who have an impact on an organization's aims to provide feedback and participate in decision-making processes. Although people in modern culture can provide input, it is rarely sought unless specifically requested.

Societal expectations place a sense of duty on many organisations to respond to crises, regardless of their initial involvement. As a result, in their interactions with stakeholders, businesses frequently use defensive and crisis management strategies, which may harm their reputation in the long run. In such settings, mistrust and antagonism are common.

It has been discovered that companies can maintain competitiveness even when their use of available resources is not optimal (Steyn and Semolic, 2017). At the moment, the group is fully reliant on its supporting partners to provide technology, commodities, services, and systems. Furthermore, innovation throughout the inter-organisational value chain is critical.

In today's dynamic corporate world, successful leadership necessitates a fresh perspective. In addition to
shareholders, the strategy should emphasise the development of value for customers, employees, partners, and society as a whole. Makina (2023) suggests that we should reflect on the past before making forecasts for the future.

In 1977, emeritus professor and renowned Oxford University academic RW Johnson wrote "How Long Will South Africa Survive?" The book's initial publication looked into the possibility of apartheid's continuation. Apartheid was officially declared to have ended in 1994. In 2000, RW Johnson updated his work following South Africa's democratic transition. Based on his expert review of policy making, he concluded that the government would demonstrate poor economic governance, causing it to seek assistance from Bretton Woods organisations. The nation's current state of affairs puts it in severe danger of rapidly approaching that point.

Despite this, it is possible that the administration may take a gradual approach to the current difficulties until the mid-2024 elections, similar to an interim resolution involving the filling of holes with sand. This method is widely regarded as the most effective way to address multiple difficulties concurrently and effectively.

4. PORTFOLIO MANAGEMENT

This segment underscores the criticality of portfolio management in guaranteeing triumph amidst periods of transition and variability. Portfolio management is crucial to the achievement of an organisation's strategic objectives. It guarantees that every endeavour is consistent with the vision, mission, strategy, and goals of the organisation. A structured framework for premeditating and carrying out actions in pursuit of objectives is furnished by the organisational strategy.

Managing the steer portfolio, strategic planning, and programme, project, and operations delivery effectively is of the utmost importance. By implementing this approach, both the potential value and the key performance indicators for change initiatives will be enhanced.

The application of portfolio management principles can effectively guarantee the triumphant execution of strategic transformation and change endeavours. Regrettably, the expertise necessary for the effective execution of a concept encompassing strategic change planning, analysis, and integration is absent among executives.

Therefore, it is of the utmost importance to prioritise the implementation of portfolio management principles in strategic transformation and change initiatives. Preventing prospective failures in the downstream value chain is of utmost importance. A portfolio is a collection of projects, programmes, subsidiary portfolios, and operations that are expertly managed and function as a unified entity to accomplish strategic objectives (PMI, 2017). To maintain accuracy, each element of the portfolio, encompassing its projects and programmes, undergoes a rigorous procedure involving identification, classification, assessment, prioritisation, and authorisation.

Whether interconnected or independent, these components remain unaffected by any objectives that are not directly associated with their intended function. A portfolio of projects and/or programmes that have been organised strategically to maximise an organisation's resources and accomplish its strategic objectives constitutes a project portfolio.

Regardless of their interdependence, every project and programme in the portfolio is designed to mitigate the risks associated with the portfolio. The execution may occur either on a broader organisational level, encompassing an entire division, or within a distinct sector of our business. A multitude of resources at our disposal can be employed efficiently to accomplish our strategic objectives (IPMA, 2015).

A portfolio is a meticulously curated assortment of programmes, projects, or operations that are coordinated to accomplish strategic objectives (PMI 2013:42). Interdependence or interconnectedness is not mandatory, and the constituents of this system are quantifiable, enabling their evaluation, ranking, and prioritisation.

5. ACQUIRING KNOWLEDGE

The strategy under discussion is intricately intertwined with the various components of behaviour, structural management, and operational leadership. An entity may opt to modify a singular facet of its operational plan while disregarding the remaining elements comprising the overarching strategy. This approach facilitates the establishment of modifications at the organisational level while systematically disseminating them.

It might be required in certain circumstances to modify the project's scope. Alterations in market conditions might
require modifications to be made to the product design or delivery schedule. Potential alterations to the project's scope may arise due to developments within the customer's executive team or financial circumstances. Changes implemented to the project schedule, financial resources, or standards of excellence will substantially influence the project blueprint. When a project progresses, costs typically increase, particularly when modifications are subsequently introduced.

The project manager must develop a change management system that records comprehensively all modifications implemented to the project scope. By adopting this methodology, it is guaranteed that the modifications receive approval from the relevant echelon of management within the client entity. When incorporating the customer's approved modifications into the project plan, the project leader meticulously evaluates the potential financial and time consequences. Total costs may be impacted by modifications to the project's scope.

Through the definition of a distinct vision, mission, and set of strategies, organisational strategy directs business transformation. By emphasising the value of trust, behavioural programmes seek to enhance the overall organisational culture. To facilitate change, it is critical to evaluate the suitable organisational framework and the potential advantages of endeavours.

For effectively addressing programme and portfolio management challenges, the Programme and Portfolio Body of Knowledge is an exhaustive compilation of fundamental principles. In addition to governance, benefit management, strategic alignment, and stakeholder management, the framework addresses a wide range of other subjects.

A highly effective approach to attaining strategic transformation and change within an organisation, according to Partington (2000:3), is the implementation of programme management structures and paradigms. Frequent progress evaluations are incorporated into the programme method to provide maximum flexibility and control. Team-oriented frameworks are renowned for their flexibility and comprise essential components including leadership, accountability, responsibility, proficiency, promptness, and collaboration.

Moreover, by collecting and disseminating knowledge in a manner that promotes a culture of ongoing education, the methodical approach to change facilitates growth. This option is highly suitable for strategic change initiatives.

Various strategies, such as thorough planning, transparent and candid communication, and active employee participation, can assist leaders in effectively managing change. To prosper amidst periods of substantial instability and unpredictability, institutions must foster a robust capacity for resilience. Their considerable expertise empowers them to effectively manage unforeseen circumstances, rebound from obstacles, and potentially cultivate subsequent achievements. Concern for organisational resilience has become a subject of considerable scholarly attention in recent years.

The financial supervision architecture is in a constant state of evolution, according to Goodhart (2006), who cites Masciandaro (2000). While some nations have opted for more moderate modifications to the regulatory framework, a considerable number of countries have substantially revised their financial supervision systems. Significant diversity has been introduced to the supervision landscape since the surge of reforms.

However, the precise definition and conceptual framework of resilience continue to be the subject of debate. It is necessary to acquire a more comprehensive comprehension of the organisational capacities that foster resilience and the circumstances that facilitate their growth.

6. ENGAGING IN AN ACTIVITY
Van der Berg, Steyn, and Semolic (2018:14) emphasise the importance of strategic benefits in programme management. They argue that programmes should be designed with the main objective of delivering benefits in mind, rather than considering any other objectives. The Office of Government Commerce (1999, as cited in Van der Berg et al., 2018:14) supports this viewpoint.

It is critical to avoid generating benefits solely to implement a specific project. A programme should only provide benefits with significant strategic value. Implementing initiatives that produce measurable results can help you reap the benefits mentioned earlier. These findings can be expanded into benefits through the implementation of programmes and portfolios (Serra and Kunc, 2015, as cited by Van der Berg et al, 2018:14). Portfolio management is a strategic approach for

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driving and supporting projects to achieve desired change and goals. When evaluating the benefits of PPM, two key factors must be considered.

A strategic plan can help organisations anticipate and prepare for likely future events (King, 2023). Strategic planning enables businesses to anticipate and mitigate potential negative events. The concepts discussed apply to organisational management and change (Van der Berg et al., 2018:14; Bradley, 2010). Within the company, two organisational systems can produce both positive and negative results. The rise of the Industry 4.0 economy necessitates a thorough evaluation and overhaul of strategies.

Furthermore, Lennick-Hall, Tammy, and Mark (2011) argue that organisations must be able to effectively manage unexpected events to succeed in uncertain situations and achieve long-term success. Organisations should focus on building a strong resilience capacity, which will allow them to effectively navigate unexpected challenges and capitalise on potential opportunities that could threaten their survival.

7. COEXISTING AND ACQUIRING KNOWLEDGE COLLECTIVELY

While it is critical to prioritise growth, it is worth noting that frequent changes can elicit feelings of anxiety and resistance, both internally and among others. Having a thorough understanding of your employees' emotions and the underlying motivations is critical during times of change. According to Bradley (2010), providing knowledgeable and compassionate assistance throughout the process increases the likelihood that people will embrace and support it.

This work is being created at a critical juncture marked by significant global events and conflicts in the Middle East, as well as increased tensions between Russia and Ukraine. Furthermore, the effects of global warming are causing major economic disruptions and rapid transitions on a global scale. Despite the multitude of global disruptions, it is becoming increasingly clear that the world operates as a highly interconnected and interdependent system, making it vulnerable to collapse.

8. DISCOVER FASTER

It is critical to recognise that no society or area is fundamentally more important than another. It appears that the era of colonialism, thought to be over, has resurfaced in recent times. I agree with the preceding statement, based on my convictions. The rate of global transition is accelerating. The spread of various diseases and pandemics and the effects of global warming have exacerbated humanity's challenges. These challenges transcend any distinctions of race, wealth, or religion. I believe that human nature, particularly psychological variables and a lack of accountability is at the root of humanity's challenges.

Hamel (2021) emphasises the importance of embracing innovation and disruptive developments to ensure future prosperity. This includes improvements to both products and processes, as well as the need to rethink entire company paradigms.

Following a notable event, a profound transformation, also known as metamorphosis or manifestation, may occur. The potential consequences of this can have a significant impact on clients' or customers' belief systems, with serious implications for them. Despite asserting a comprehensive implementation strategy, the Regulator's efforts have not resulted in the expected level of effectiveness. Disparities persist when conditions are out of balance.

According to Drucker (2006:123), an innovation's success depends on its clear and focused approach. To avoid confusion, focus on one task at a time. If it's simple, it will work. Each new endeavour brings its own set of challenges. When dealing with complexity, it can be difficult to rectify or mend. Truly impactful innovations are frequently surprisingly simple. Undoubtedly, the highest level of recognition for innovation occurs when others respond with, "This is evident." Why didn't I consider it?

South Africa's financial services industry is known for its high level of professionalism, which is heavily influenced by free market principles. Nonetheless, the country is constantly expanding and tends to favour centralised authority. This results in a common tension between policies that prioritise the free market and those that prioritise social concerns.

Complicating matters further is South Africa's constitution, which serves as a quasi-ethical framework for
discussions on these issues. Creating an environment in which individuals can pursue their version of a fulfilling life requires striking the right balance between government oversight and free market principles.

9. ORGANISATION CAPABILITIES

Managers in large organisations should be able to recognise and comprehend disruptive changes. They typically can do so. Furthermore, they have ample resources to effectively address these issues. Major corporations typically have highly skilled leaders and specialists, a diverse product portfolio, a strong understanding of cutting-edge technology, and significant financial resources.

Managers frequently overlook the importance of thoroughly evaluating their organisation's capabilities, failing to give it the same level of attention as they do when assessing individual employees’ skills, according to Christensen and Overdor (2000).

Though the financial sector appears to be effective in its operations and aligning the sector as needed, much more work remains to be done to reverse the sad state of affairs. Who controls the economy?

The sector still has numerous flaws. Yes, it does. But, inspired by these, it is working to level the playing field. I see it as a sculptor with a chisel, with the ability to sculpt or carve its own statue, making it more beautiful, pure, and smooth for the benefit of all, not just a select few.

10. THE CALL OF OUR TIME

The National Treasury (2019) asserts that South Africa’s current economic trajectory is not viable in the long run. The slow-paced expansion of the economy, increasing rates of unemployment, and the persistent problem of inequality can be attributed to these factors. The government should promptly implement measures to bolster South Africa’s economic expansion in the foreseeable future, while simultaneously establishing the foundation for more robust and sustainable long-term growth.

Human development involves making adjustments that enable individuals to improve their self-perception while also considering the well-being of others. Economists widely embrace the Pareto principle. Commentators are anticipated to exhibit a diverse array of responses to this issue.

Some present-day liberals place a high emphasis on equality, sometimes neglecting the overall welfare of individuals. Conversely, there are individuals who place greater importance on the power and impact of the government than on the well-being and concerns of regular citizens.

The Pareto principle, also known as the 80/20 rule, highlights the unequal distribution of benefits in a given situation. A small fraction of individuals usually reap the majority of the rewards, while the rest of the majority receive fewer or no benefits. This principle is widely considered to be the ultimate standard for assessing different situations.

Semolic and Steyn (2020), echoing Steyn and Schmil (2016), argue that the key to successful leadership is the ability to inspire others to reach their full potential and generate enthusiasm among followers. Leadership involves developing strong relationships with employees and creating a professional environment that values the distinct contributions of each person. Leadership is the aptitude for motivating and empowering individuals to exceed their own abilities and attain extraordinary levels of performance.

Acquiring a thorough understanding of and building strong relationships with the people you oversee, while also fostering unity within the organisation, are crucial elements of effective leadership. It recognises that all actions and decisions are executed by the individuals involved. The success of leaders is greatly impacted by the resolve and mindset of individuals.

Hamel (2000) contends that significant advancements within a company should be driven by the perspectives and enthusiasm of its employees, rather than relying on consultants or external specialists. Furthermore, he strongly maintains the conviction that achieving future success will necessitate significant innovation and revolution. This includes not only new products and procedures, but also substantial changes to entire organisational systems.

Prokopowicz and Matosek (2023) conducted a study that shows that numerous countries are currently dealing with a wide variety of ongoing crises. The factors mentioned above contribute to an intricate economic situation marked by high inflation rates, an energy crisis caused by expensive fuel and

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energy, limited energy self-reliance, slow progress in the adoption of renewable energy sources, and a climate crisis leading to food shortages in certain countries. These crises lead to increased temperatures, extended periods of drought, decreased agricultural production, increased energy consumption, and various other significant consequences.

11. THE IMPORTANCE OF LEADERSHIP IN STRATEGIC TRANSFORMATION AND CHANGE

Olisa (2020) highlights, referencing Rouse (2006:69), that organisations lack the ability to independently initiate change. Moreover, there is a prevalent notion that businesses are driven by individuals rather than systems. Effective leadership is essential for facilitating organisational transformation, a critical element that is often lacking in many companies.

Recently, there has been a significant increase in the number of transactional executives who are highly regarded for their proficiency in negotiating and effectively finalising significant business acquisitions. These chief executive officers exhibit their expertise in successfully consolidating companies, resulting in significant changes in employment.

However, it is important to recognise that this leadership style is not consistent with the classification of transformative leadership. Nevertheless, in the current era of rapid progress, numerous companies have experienced an increasing need for a unique type of leader. These organisations are looking for a skilled leader who can successfully navigate and lead a thorough and long-lasting organisational transformation.

The National Treasury (2011) asserts that the financial services sector exerts a significant impact on the entire South African population. Our primary goal is to foster economic growth, generate employment prospects, develop infrastructure, and promote the sustainable development of South Africa.

The sector's opacity, absence of competition, and inefficiency in terms of cost can be ascribed to the widespread presence of exorbitant and unclear fees. Moreover, a substantial segment of the populace in South Africa faces a dearth of financial services.

To achieve smooth transitions, it is crucial to embrace a fresh outlook and actively strive for intentional transformation. To effect change in the financial industry, it is imperative to establish a clearly defined strategy and a structured organisational framework. To attain a favourable result and guarantee a seamless execution of the alteration, it is crucial to obtain the requisite sponsorship, precisely delineate the project's extent, prioritise gradual advantages, actively engage clients and customers, and establish a direct correlation between the implementation and quantifiable business outcomes.

Change is an unavoidable and certain fact. This technique employs a holistic approach by supervising multiple interconnected yet independent projects, as opposed to the narrow focus of change management that concentrates on a few isolated modifications. The primary objective of transformation is to revitalise the company and establish a new or enhanced business model rooted in a progressive vision, rather than merely implementing a solitary modification.

This approach is renowned for its focus on thorough examination, continuous improvement, and unforeseen discoveries. The risk level is greatly elevated. Furthermore, despite the efficacy of change management and the execution of targeted transformative measures, there remains a potential for total failure in the process of transformation.

The extent of racial discrimination experienced a gradual decline in the later years of apartheid, primarily due to the economic constraints imposed by a scarcity of skilled labourers. The relaxation of racial constraints in the labour market facilitated the emergence of the previously marginalised middle class, even prior to the abolition of apartheid.

However, the presence of exclusion is clearly apparent in the modern era. Individuals in South Africa who have faced historical disadvantages often struggle to access resources, enhance their skills, and are at a greater risk of unemployment. The primary goal of transformation is to achieve a profound alteration in an organisation, typically entailing a transition from one extreme to another, resulting in a comprehensive restructuring referred to as organisational alchemy. Jick and Peiperl (2003) contend that the process of realigning an organisation necessitates a systematic approach that encompasses profound change.

12. FOURTH INDUSTRIAL REVOLUTION IN THE FINANCIAL SECTOR

South Africa's response to persistent structural issues can be likened to the evasive behaviour of an ostrich. Despite the long-standing recognition of the need for reform, no tangible actions...
have been taken. The occurrence of "State Capture" facilitated the uncontrolled proliferation of inadequate governance within crucial public institutions.

The enduring inflexibility of the labour market, an ongoing and unresolved problem since the inception of democracy, presently presents a substantial risk with potentially grave consequences. In today's rapidly evolving and dynamic technological landscape, it is crucial to emphasise the importance of fostering robust relationships, enhancing individual competencies, and nurturing a cohesive organisational environment. The causes for the frequent failure of transformation and change initiatives are apparent.

The common causes include lack of support, unclear vision and direction, insufficient commitment from top leadership, inadequate planning and scoping, ineffective resource coordination, and limited communication and stakeholder involvement. Errors occur when there is a lack of alignment between the skills required to lead change and the skills needed to oversee programmes.

In his work, Kotler (2000) examines market-oriented strategic planning as the managerial process of establishing and sustaining a strong alignment between an organisation's objectives, capabilities, resources, and the evolving market opportunities it faces. The purpose of strategic planning is to strategically shape the company's businesses and products in a way that leads to the desired profits and growth.

Steyn and Semolic (2020) argue that leaders in Industry 4.0 should cultivate 'phronetic intelligence' in order to attain the status of 'phronimo'. This involves the capacity to integrate "understanding the reason behind," "mastering the skills of," and "being knowledgeable about" in order to accomplish a shared benefit. In the context of the Industry 4.0 economy, leaders who promote collaboration must have a thorough comprehension of the underlying causes of events, the strategies to tackle them, and the essential actions to reduce risk and achieve optimal performance.

The authors of this study emphasise the significance of including discussions about the individuals responsible for executing the strategy and the optimal timing, as specified in Table 1. Thus, Industry 4.0 organisations necessitate collaborative leaders who possess profound phronetic intelligence.

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<th>Phronetic Leadership</th>
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<td>Strategic collaboratist leaders intuitively have to cope with the following</td>
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<td>- Why things are happening;</td>
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<tr>
<td>- How to proceed dealing with them;</td>
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<td>- What needs to be done;</td>
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And for strategy implementation
- Who should do it;
- When should it be done

Leaders in Industry 4.0 organisations need more than simply the previously listed competencies to succeed. These skills are crucial for modern organisations to thrive and stay ahead in the market. Collaborative leaders promote innovative governance, creative organisational structures, and synergistic mindsets, leading to enhanced collaboration and efficiency.

Experts in the field acknowledge that collaborative leadership is rooted in the concept of harnessing the collective wisdom to address intricate challenges and foster creativity. Collaborative leaders embrace a more inclusive approach to management, fostering a culture of knowledge sharing and empowering their team members to make decisions. This helps to dismantle barriers and cultivate a stronger workforce.

According to Steyn and Semolic (2020), who reference Steyn and Schmilki (2016), effective leadership involves igniting enthusiasm in team members and motivating them to surpass their individual capabilities. Leadership involves delving into the minds of those you lead and fostering a collective mindset, recognising that all actions stem from individuals.

In addition, effective leadership involves establishing clear goals, creating value for the organisation and its employees, and nurturing talent through education and training to optimise organisational performance (Schmilki, 2018:14). Leadership involves guiding, supporting, and offering strategic guidance to those under your supervision to enhance the organisation's experience curve.

12. EMBRACING CORE PRINCIPLES

The world is currently experiencing a fast-paced transformation, characterised by a growing focus on automated
processes, robotics, and artificial intelligence. This involves incorporating digital systems that enable financial institutions to offer self-service capabilities to their employees and customers with greater efficiency and effectiveness. In today's fast-paced world, it is crucial to stay ahead of the game to achieve success. In today's fast-paced world of ever-changing technology, it is crucial for individuals to continuously enhance their skills to stay competitive in the digital age.

Future success relies on embracing core principles such as design thinking and collaboration. The rise of the Fourth Industrial Revolution has brought about substantial shifts in how individuals engage in work, leading to a noteworthy transformation in their cognitive outlook.

According to Van der Berg, Steyn, and Semolic (2018:1), collaboration is crucial for enhancing competitiveness by harnessing resources from different organisations through virtual partner networks. This has resulted in a notable strategic transformation and a change in the organisational structure of contemporary businesses.

The establishment of horizontal supply and value chains is of utmost importance, and the efficient management of these chains is carried out by a Chief Portfolio Officer. This allows organisations to transform into more strategic, collaborative, and value-focused entities, providing them with a competitive edge by enhancing the effectiveness and efficiency of their strategic endeavours.

Emphasising the need to return to fundamental concepts and exemplifying the attributes of an outstanding leader is crucial in inspiring the team to achieve elevated levels of performance through effective leadership. Management should cultivate a cognitive orientation that embraces novel concepts and adjusts to dynamic circumstances. Moreover, management must emphasise the significance of proficiently communicating commitment to the achievement and welfare of the team. A proficient leader should be able to adeptly guide the team through difficult situations, exhibiting composure and determination in the presence of hurdles.

According to Steyn and Zovitsky (2018), who references Semolic and Steyn (September 2017), it is argued that the effective and efficient integration and coordination of governance in virtual networks of partner organisations within the Industry 4.0 economy should be carried out by the initiating organisation through the implementation of advanced programme management techniques.

13. CONCLUSION

Regulatory frameworks need to address significant challenges, including improving operational efficiency, navigating a complex and rapidly changing regulatory environment, and meeting evolving customer needs.

Truly, the financial services sector demonstrates strength, and our financial situation continues to be of utmost importance. Nevertheless, there remain several issues that demand attention and resolution.

For the regulatory system to operate at its highest level, it is crucial to improve the creation and implementation of a thorough strategy that emphasises Total Quality Management (TQM) practices. This will help to build trust and dependability in the financial services industry.

The current state of South Africa's financial services industry is quite promising, despite the prevailing negative perception, thanks to the growing demand. Industry 4.0 has the potential to completely transform workplaces, operations, and communities. It is undeniable that Industry 4.0 has been implemented, and executives must develop plans and strategies to successfully navigate this transition.

It is clear that traditional methods are no longer enough, and the South African Financial is required to make a significant difference so as to embrace all aspects of Industry 4.0 and the opportunities it presents. This will contribute to enhancing cultural competency and sensitivity by recognising and respecting the valuable contributions of present and past social and behavioural scientists.

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