BUILDING A SUSTAINABLE COMPETITIVE ORGANIZATION: THE CASE OF THE UNIVERSITY OF ZULULAND

By

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TO WHOM IT MAY CONCERN

RE: CONFIDENTIALITY CLAUSE

Due to the strategic importance of this research it would be appreciated if the contents remain confidential and not be circulated for a period of five years.

Yours sincerely

SS Nhlabathi

DECLARATION

This research has not been previously accepted for any degree and is not being currently submitted in candidature for any degree. This also serves to declare that this is my own original work.

Signed:.......................

Date :2007/03/28...............

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To my mother Julia Gcinwayini Nhlabathi

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ABSTRACT

This study explores strategies for building sustainable and competitive organizations with the University of Zululand (UZ) as a case of the study. The problem of the study is uncovering reason/s why the UZ has not developed into a sustainable and a competitive organization. In order to solve the identified problem, two activities were undertaken. These are a review of theory on building sustainable and competitive organizations and collection and analysis of data about the UZ. Systems thinking theory a discipline of a learning organization was used as a framework of the study. Systems thinking theory was used because conventional approaches to organizational development have not been able to offer lasting solutions to the problems that affect sustainability of organizations. Extensive reference was made to the work of Senge (1990, 1994, and 1999). Works of other scholars on this subject were widely consulted. According to Senge (1990) the most successful organizations are what he calls learning organizations. Learning organizations are distinguished by the following disciplines, viz., systems thinking, personal mastery, mental models, building shared vision, and team learning.

In as far as data is concerned, three sets of data were collected and analyzed, namely, in depth-one-on one interviews were conducted with people that are knowledgeable about the UZ; and with representatives of business of the city of Umhlathuze to find out how they view the UZ; and a survey was done to determine attitudes of employees of the UZ towards the institution. The analysis of data showed that the UZ did not meet the criteria of a learning organization, that helped to explain why this institution has not developed into a sustainable and a competitive organization. The study recommended that this institution adopt a living systems framework and thus becomes a learning organization, because it is only by becoming a learning organization that the UZ will be sustainable and competitive.

ABBREVIATIONS AND ACRONYMS

1. B Sc — Bachelor of Science
2. CEO — Chief Executive Officer
3. DIT — Durban Institute of Technology
4. DUT — Durban University of Technology
5. FTE — Full Time Equivalent
6. HDIs — Historically Disadvantaged Institutions
7. HR — Human Resources
8. HWIs — Historical White Institutions
9. ITS — Integrated Tertiary Software
10. NPO — National Ports Authority
11. NYPD — New York City Police Department
12. OPAC — Online Public Access System
13. PhD — Doctor of Philosophy
14. RBCT — Richards Bay Coal Terminal
15. RBM — Richards Bay Minerals
16. Richtek — Richards Bay Technical
17. SA — South Africa
18. SABINET — South African Bibliographic Network
19. SPSS — Statistical Package for Social Sciences
20. TICOR — Tiwest Iscor
21. UKZN — University of KwaZulu-Natal
22. UZ — University of Zululand
23. UZF — University of Zululand Foundation
24. ZCBF — Zululand Chamber of Business Foundation

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CHAPTER ONE
ORIENTATION TO THE STUDY

1.1   Introduction

The study is about strategies for building a sustainable competitive organization. The study uses the University of Zululand (UZ) as a case of study. The study is done at the most opportune moment, as institutions of higher learning in South Africa particularly the previously disadvantaged are going through major transformations, the objective being to render them responsive to the demands of both national and global economic and technological systems. This chapter serves as a road map of the whole study. It shows what the study is about and what the final product is expected to be.

1.2   Background to the Study

The post-apartheid era came with problems for the historically disadvantaged institutions (HDIs). There was a wide fluctuation in enrolment patterns as a result of unpredicted student choice enrolment behaviour. Students of all races and languages now had a wider variety of both public and private institutions open to them. Institutions that previously did not enroll large numbers of African students were now successfully doing so, most importantly the formerly white Afrikaner institutions and the technikon sector, both received significant increases in African students' enrolment since the late 1990s. Together with an emerging private higher education system, these institutions have succeeded in attracting African students away from HDIs. The end result is that student numbers at the HDIs have dropped by about 22 000 (Cloete and Bunting 2000:23). Most of the HDIs were in trouble in the 1990s as a result of the drop in student numbers and because of the inability to respond to the changed higher educational landscape.

In 1984 the method for financing universities based on budget was changed to a subsidy formula. The new subsidy formula was based on full-time equivalents (FETs). Owing to sustained economic pressures brought about by the decline in economic growth, disinvestment, inflationary pressures on the government by IMF for debt repayment, Stock Exchange crash in 1987, and the decline in gold price, the Department of National Treasury did not only fail to pay the full value of the formula but imposed cuts on the reduced amounts in 1988. The cuts in the subsidy varied from 25-29 percent this meant that the UZ subsidy dropped from 1.4 to 0.8671. The government university subsidy cuts which had been announced had left the UZ with a R3.5 million budget deficit for the 1988 fiscal year. The overall effect of the new developments in funding was that the UZ was forced to rationalize certain departments (Unizulu, 1990:2-4).

In 1991 it was noted that the inadequate provision of the subsidy by the National Treasury had caused serious strains and stresses in the student population at the UZ (Unizulu, 1991). The poor financial state of the UZ created the impression that the institution was sinking slowly but surely. Some of the questions that the UZ was grappling with included the following: "Will there be retrenchments? What about the long-term job security? Will the university eventually close-down?" (Viewpoint, November, 1991:1).

The UZ started the year 1995 with a budget deficit of R11 million. The university incurred another R2.6 million loss because of concessions to students to enable them to register. The student debt totaled R53.5 million in 1995. In order to alleviate the situation the UZ was forced to ask for a bank overdraft of R17 million so as to cover running costs (Bulletin, 1995:1).

Reduced government subsidies, heavy debt, and dwindling student numbers threatened continued existence of this institution. What the UZ experienced at this time was not new to this institution. Over the period of its existence, the UZ had gone through highs and lows. One of the notable turbulent periods that the

UZ experienced is the complete destruction of its administration building in a fire in 1976. The fire resulted from students' riots which were a feature throughout the country at the time (Unizulu, 1990: 8).

Juxtaposed against Historically White Institutions (HWIs), HDIs in general are not regarded as highly as the HWIs. This is also applicable to the UZ as a HDI. The UZ has a poor public image (Unleash Potential Unlimited, 2002). Because of this poor public image the UZ has lost out to other institutions of higher learning in several areas, some people do not regard this institution as a first choice institution. This has resulted in the UZ failing to reach the stature that it potentially has.

The Bantu Education Act of 1953 (http://africanhistory.about.com/library/bl/blsalaws.htm) provided a framework that shaped perceptions that some hold of the institutions such as the UZ. It has been difficult for the UZ to shed this image. On top of this certain incidents that occurred at this institution and the resulting negative media reporting that they have attracted have helped to entrench the poor perceptions of the UZ. Disturbances on the campus get front-page coverage. Press reporting such as *"UniZul's SRC accused of gross mismanagement of funds"* which appeared in the Zululand Observer (October, 11, 1996) perpetuates the poor image of this institution. Student riots which until recently were a common feature of this institution have also helped to portray a poor image of the UZ.

The 'fraudulent' degrees incident that broke out in 1996 received national media coverage. The Zululand Observer, 11, October, 1996, covered this incidence under the title *"Disastrous repercussions following 'fraudulent' Unizul degree"*. This newspaper reported on graduates who passed without attending a lecture. The Zululand Observer of the 2, August 1996 also reported on a boycott of lectures as a result of the incidence of the 'fraudulent' degrees. The Zululand

Observer covered the lecture boycott under the title *'Students demand external inquiry on 'fake degrees'.*

Subsequent to the "University of Zululand Degree scam" (Baqwa, 1997:4), on September the 2nd 1997, the Department of Education in Pretoria requested Baqwa the then Public Protector to investigate the irregularities of the issue of degree at the University of Zululand. Baqwa (1997) began with the formal investigation on the 4 November, 1996. He reported on his findings in May 1997 that there were indeed irregularities in the awarding of the degrees of the University of Zululand (Baqwa, 1997).

In March 2003, the Natal Witness carried a news item that stated that *'Zululand University makes popular list'.* This newspaper reported that the UZ features for the first time as a popular student campus among top matriculants in a media analysis report. Even though this newspaper carried such a positive story about matriculants' preferences of the UZ, there could be questions on whether the findings of this paper translate into actual reality. In May 2003, the UZ appointed a new rector. The Citizen of the 24, May 2003 carried a news item with the title *First female Rector for Zululand University.* The newspaper reported that the new rector was taking over at a time of transition, when all the universities were undergoing major restructuring. The newspaper continued that the UZ was no different, and it was attempting to break free from past political shackles and shake off historical negative perceptions. Attempts are being made at the moment to turn this institution around. "I have turned this university around in less than three years…" said Prof. Gumbi, the Rector of the University of Zululand (Zululand Observer, 11, November, 2005).

The study is born out the imperative to build the UZ into a sustainable competitive organization. A number of papers that have been written on how to build a sustainable competitive organization (Collis and Montgomery, 1995; Fahy and Smithee, 1999), one notable point about them is that they are all premised

on the resource-based view as a source of competitive advantage. Resource-based view to competitive advantage addresses half the story. Resource-based view gives conventional solutions to complex problems. In order to promote sustainable organizational competitiveness, there is a need to go beyond conventional theories and practices. This study offers that different perspective.

1.3   Statement of the Problem

Today all organizations – even the public service organizations – operate in competitive business environments. That increases the level and diversity of requirements for quality – the degree to which the organization and its products with their inherent characteristics should fulfil the requirements of its stakeholders. Fulfilling certain minimum requirements is not enough, neither operating at the average level of performance, because in those cases there are better organizations that win the competition. The sustainable competitive organization should strive for something more. That is expressed in the modern quality approaches by aiming at performance excellence (http://qiblog.blogspot.com/2005/03/sustainable-competitiveness-in.html).

Organizations have sustainable competitiveness when they consistently produce products and/or deliver systems with attributes which correspond to the buying criteria for the majority of the customers in their targeted market. These attributes will include factors such as price, specification, reliability, aesthetics, functionality, availability and image. Any organization/company which is making sales/services must logically enjoy an advantage in the eyes of customers who are buying from them. Sustainable competitiveness is enjoyed by those organizations/companies who are appealing to current, or emergent, majority of customers in their target market (Hall, 1993: 610).

In order to have sustainable competitiveness, Coyne (1986: 57) suggests that not only do product and/or delivery system attributes need to be significant to

customers, to be sustainable they also need to be the result of a capability differential which will endure.

The UZ has not developed into an institution of higher learning that commands confidence and respect of most members of the private/corporate and public sectors. The UZ has a poor public image (Unleash Potential Unlimited, 2002). This inability to command confidence has implications for both sustainability and viability of this institution. The study grows out of the need to address this issue. The study explores the reason/s why the UZ has not developed into a sustainable and a competitive organization, that is, a learning organization. Further the study explores strategies and processes for turning faltering organizations into sustainable and competitive organizations. This study uses Systems thinking and Learning Organization approach as a theoretical framework.

The reason why Systems thinking and Learning Organization approach is used as a theoretical framework of this study arises from the fact that reductionism, mechanistic or analytical thinking which have coloured how people look at the world have not been able to provide long-term, longer lasting solutions to present day problems. Because of this there is a need to think differently about problems that people face. Systems thinking and Learning Organization approach provides a different perspective to understanding world problems. This approach helps people see patterns in the world and identify specific leverage points that can be used to produce lasting, beneficial changes within systems (Haines *et al*, 2005: 40-46).

1.4   Objectives of the Study

The following are objectives of the study:
- Objective One: *"To uncover the reason/s why the UZ (an HDI) has not developed into a sustainable and a competitive organization".*

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- Objective Two: "*To understand how the Systems thinking approach explains underlying processes and patterns of faltering organizations?*"
- Objective Three: "*To provide strategies for turning a faltering organization like the UZ into a sustainable and a competitive organization, that is, a learning organization*"

1.5   Research Methodology

In order to reach the goals identified above two activities were conducted. Literature on the subject of building a learning organization was critically reviewed, that activity was followed by field work which involved collection of data.

1.5.1 Literature Research

The literature on strategies for building sustainable and competitive organizations provided a theoretical background and framework of the study (Chapter 2). In particular the work of Senge (1990, 1994, 1996, and 1999) was read extensively because Senge is credited with popularising the concept of Systems Thinking and that of a learning organization (Jackson, 2000:147). After completion of literature study it was possible to apply theoretical principles of Systems Thinking and a learning organization in a field work situation.

1.5.2   Collection and Analysis of Data

Since the study is exploratory in nature both qualitative and quantitative data was collected and analysed. For purposes of qualitative data interview schedules were constructed and interviews were held with representative of business of the city of Umhlathuze and with people who are knowledgeable about the UZ. In terms of qualitative data a survey was conducted amongst employees of the UZ to determine their attitudes towards this institution. The research wanted to

arrive at as valid and reliable results as possible. For the analysis of qualitative data a phenomenological approach was followed and for analysis of quantitative data the SPSS package was used.

1.6 Value of the Study

The study is important for the following reasons:

- The study gives an understanding of how faltering organizations can be turned around using the Systems Thinking approach and Learning Organization as an approach.
- It shows how Systems Thinking approach can be applied for better management of organizations.
- It makes a contribution to organizational development body of knowledge.

1.7 Limitations of the Study

The following are limitations of the study:

A study of this nature would require an extended period of time and a bigger budget. Because of limited time and limited financial resources it was not possible to get the views of all the stakeholders of the UZ. For example, the views of the general public, those of the government and those of international partners of the UZ could not be obtained, but attempts were made to cover the views of the immediate stakeholders as comprehensively as possible. Secondly, even though the rector of the UZ gave her blessings to the study but she could not be available for the study interview.

1.8 Organization of the Study

The study is organized in the following manner:

In <u>chapter one</u>, a general orientation of the study is provided with reference to aspects such as statement of the problem, objectives of the study, research methodology, etc.

<u>Chapter two</u> relates to the detailed theoretical explanation of strategies for building a learning organization.

<u>Chapter three</u> is an exposition of research methodology and well as procedures implemented in the study.

<u>Chapter four</u> is a presentation and an analysis of research findings.

<u>Chapter five</u> outlines the most important findings, concludes and makes recommendations.

1.9   Conclusion

This orientation chapter has shown what the study is about. Important aspects like the problem statement, research methodology and value of the study were discussed.   It was also pointed out that Systems Thinking and learning organization concept forms the theoretical basis of this study. The next chapter presents an extensive coverage of the relevant theory.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter reviews theoretical work on building sustainable and competitive organizations. The chapter opens by reviewing models of conventional change management practices. It is shown that conventional approaches to change management have not brought about sustainable competitiveness in organizations and by implication can not be relied upon to turn organizations into world class systems. Since conventional approaches to change offer limited solutions this chapter discusses approaches of sustainable organizational change. The chapter argues that organizations that will not change and adapt to their environments quickly become irrelevant. The highlight of the chapter is the discussion of Systems Thinking and Learning Organization approach, a theory that informs this study and a theory of transforming organizations into world class systems.

2.2 Conventional Approaches to Organizational Development

Studies show that most organizations have not been successful both in their turnaround strategies and in their general change efforts (Strebel, 1996; Beer *et al*, 1990; Garvin, 1993; Bridges and Mitchell, 2000; and Senge *et al*, 1999). Anecdotal evidence, decades of experience in the change field, smaller research studies, numerous conversations with other prominent consultants and writers suggest that approximately 75 percent of all major change initiatives fail to fully meet their initial objectives (Haines, *et al*, 2005: 20). Holbeche (2005: 6) reports that 75 percent of all transformation efforts fail, and re-engineering efforts fails are between 50 and 75 percent. This view is also supported by Wheatley (1997). Kotter (1995: 59) writes that a few corporate change efforts that have gone under many banners: total quality management, reengineering, right sizing, restructuring, cultural change, and turnaround have been successful. Many have

been utter failures. Kotter (1998) further elaborates on this point that according to most assessments fewer than fifteen of the hundred or more companies he has studied have successfully transformed themselves.

Studies further suggest reasons why change management strategies fail. Pascale, *et al* (1997: 127) attribute change programme failures to the fact that the whole burden of change tends to rests on a few people. They state that the number of people at every level who make committed and imaginative contributions to organizational success is simply too small. Bridges and Mitchell (2000) suggest that change management programmes fail because they tend to neglect the dynamics of personal and organizational transition that can determine the outcome of any change effort. Strebel (1996:86) points out that change fails because managers and employees view change differently. Few leaders recognize the ways in which individuals commit to change to bring it about. For many employees, including middle managers change is neither sought after nor welcomed. It is disruptive and intrusive. It upsets the balance.

Beer, *et al* (1990) add another dimension to lack of success in organizational change efforts by stating that revitalization fails because the idea often comes about through companywide change programmes sponsored by corporate staff. Beer *et al* call this "the fallacy of programmatic change".

Senge (1999) points out that most organizational change efforts fail because they are based on a premise of a definitive formula rather than an ongoing process. Some popular change strategies such as downsizing, re-engineering, and "slash and burn" retrenchments often fail to sustain themselves. Hartman (2004: 12) is also critical of slash-and-burn strategy pointing out that it is far too limited. He points out that slash-and-burn offers quick-fix solutions. On the slash-and-burn strategy, Holbeche (2005: 10) quotes Hammer (2001) who states that business re-engineering during the 1990s went too far, in some cases cutting into not just the "fat" of the organization but also its bones and sinews. This resulted in what

is called corporate "anorexia" which made organizations become too lean to be able to respond flexibly and innovatively in an increasingly competitive global market place.

The above exposition shows the weaknesses of conventional change management strategies. This suggests that in order to bring about sustainable organizational change it might be necessary to go beyond conventional approaches and provide fresh insights into the change management area of study. This is the gap that this study hopes to fill.

2.3 Processes and Strategies for a Sustainable Competitive Organization

Since conventional organizational change efforts do not succeed it is essential to conceptualize other strategies to sustainable organizational change. The question is, is there a model for sustainable organizational change? Models of sustainable organizational change are many and varied. The discussion below reviews them. As it will be shown below some models highlight the importance of dynamism in organizations, while others stress the importance of culture, some stress the importance of popular acceptance of the process of change, whilst others underline the importance of the role of visionary leadership.

2.3.1 Dynamism and Sustainable Competitiveness in Organizations

Most of the studies on sustainable organizational change agree that in order for organizations to stay competitive and relevant, they have to constantly change and adapt. Supporters of this view include Kotter (1998), Heifetz and Laurie (1997) and Foster and Kaplan (2001). Kotter (1998) points out that to cope with new technological, competitive and demographic forces, leaders in every sector have sought to fundamentally alter the way their organizations do business. Heifetz and Laurie (1997: 124) echo this view and they point out that organizations face adaptive challenges. They further add that changes in

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societies, markets, customers, competition and technology around the globe are forcing organizations to clarify their values, develop new strategies and learn new ways of operating.

The importance of a dynamic organization is also underscored by Jack Welch, as quoted by Haines, *et al* (2005: 18), who point out that if a CEO is still doing things now the same way they did them five years ago, they are doing something wrong. Foster and Kaplan (2001:30) emphasize the importance of organizational dynamism when they quote Schumpeter who wrote in 1938 on the process of creative destruction. Schumpeter wrote that sustainable success of a company depends on its ability to deal with the processes of creative destruction, the challenges of incessant renewal, generated by its market environment. Thus the capability to change, and to adapt, as well as to renew and to innovate become core aspects of a company's/organization's prospect for sustainable success. Beer *et al* (1990:158) support this view by adding that the key to competitive success in organizations is to transform the way they function.

Organizations that cannot embrace adaptive challenges face a shortened lifespan. One of the attributes of living and growing systems is that they change. This means that no matter what journey an organization is undertaking, every organization is constantly required to change or die (Haines, *et al,* 2005: 18). Few large corporations live even half as long as a person (Senge, 1990: 17). Senge goes on to point out that a Royal Dutch/Shell survey found that one third of the firms in the *Fortune "500"* industries listed in 1970 had vanished by 1983. Shell estimated that the average lifetime of the largest industrial enterprise is less than forty years. This view is also supported by de Geus (1988: 70) and by Foster and Kaplan (2001:18).

Since adaptive change in organizations is an imperative, the question arises as to how should organizations change for sustainability? Haines *et al* (2005), Foster and Kaplan (2001) and Anderson and Anderson (2001) identify three

types of organizational change, namely, evolutionary, transitional and transformational. The most prevalent type of change in organizations today is transformational (Anderson and Anderson, 2001: 4). Anderson and Anderson continue to state that transformational change occurs when an organization recognizes that its old way of operating, even if it were "improved", cannot achieve the business strategies required to succeed in its radically different environment. Transformational change, then, is the fundamental shift from one state of being (its old state) to another (its transformed state), a change so significant that it requires the organization to shift its culture and people's behaviour and mindsets to implement it successfully and so sustain it over time.

2.3.2 Culture of Organizations and Sustainable Organizational Change

The importance of culture for sustainable change is highlighted by Bernick (2001); and Hudson (2001). Bernick (2001: 53) suggests that organizational culture is an important component in change processes. With regards to culture some of the issues that stifle organizational development are non-competitive benefits, opaque policies and lack of family friendly policies. There are ten cultural imperatives for organizational transformation. These are honesty, ownership, trust, customer orientation, commitment, fun, innovation, risk taking, speed and urgency, and teamwork. Culture drives results. Winning organizations have a culture that is caring and not caretaking.

The issue of organizational culture for transformation is also suggested by Hudson (2001: 45). Hudson maintains that having fun as an integral part of an organization's culture has numerous benefits. It can break down jealously guarded turf boundaries. It can foster an *esprit de corps* throughout the company and greater camaraderie on teams. It can start the conversations that spark innovation and increase the likelihood that unpleasant tasks will be accomplished. It can help convey important corporate messages to employees

in memorable ways. It can also help relieve stress. Promoting fun in an organization can lead to an open, collaborative, and trusting can-do atmosphere.

Writing on changing company culture Jack Welch's (the former CEO of General Electric) view is that transforming an organization may be vital to improving performance. This cannot be achieved without changing company culture – the values and attitudes shared by the members of an organization. In order to do this it is essential to establish key company values, change the behaviour of the individuals, and abolish bureaucracy in favour of a creative, enterprising climate of best practice. Fundamental to changing the culture of an organization is altering people's behaviour. People's behaviour can be changed by developing a climate of trust; empowering people to improve their own performance; cut out wasted work, time, and cost; and establishing a new corporate culture of collaboration and sharing (Heller, P. 594).

Boundarylessness is one of the signature concepts of Welch (Krames, 2002: 41). To spark productivity and break down the walls that he felt were killing the company, Welch sought to topple every barrier. Welch believed that any wall was a bad one. In a boundaryless organization information flows easily. There is nothing to impede the seamless transfer of decisions, ideas and people.

Also Ashkenas *et al* (2002: 4) write on the concept of boundaryless organization and point out that twenty-first-century business needs to shift from rigid to permeable structures and processes and create something new: the *boundaryless organization*. Whereas the twentieth century organizational success was influenced by the factors of size, role clarity, specialization and control, the success factors for the twenty first century organization are speed, flexibility, integration and innovation. These success factors can only be operationalized in a boundaryless organization.

Kanter (1991) interviews Raymond Smith, the CEO of Bell Atlantic on managing change at Bell Atlantic. Smith tells how Bell Atlantic was transformed from being a monopolistic and bureaucratic corporation into one that is both efficient and entrepreneurial. Smith identifies the most important determinants of success in an organization being the effectiveness of day-to-day interactions between human beings. If those contacts are contentious, turf-oriented, and parochial, the company will flounder, bureaucracy will grow, and internal competition will be rampant. But when employees behave in accountable, team-oriented and collegial way, it dramatically improves group effectiveness.

In an organization that is undergoing transformation Smith stresses the importance of being upfront about the need for change. Also success in an organization that is undergoing transformation depends on making employees feel empowered, recognize them for what they do, and are made to understand the purposes of their jobs. The idea is to convert bureaucratic roadblocks in an organization into an entrepreneurial force. That is done through experiential training, exploring attitudes and making behavioural commitments.

2.3.3 The Importance of Popular Acceptance of the Process of Change

Most studies mention popular acceptance as an important factor in sustainable change management strategies. Writers who stress this factor include Strebel (1996); Bridges and Mitchell (2000); Kegan and Lahey (2001); Kanter (2003); and Holbeche (2005).

Bridges and Mitchell (2000) point out that the practice of regarding organizational change as a straightforward process, which involves establishing a task force to lay out what needs to be done, when, and by whom, then implement, is flawed. Bridges and Mitchell suggest that organizational change involves two processes, that is, change and transition. The change is external (the different policy, practice, or structure that the leader is trying to bring about), while transition is

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internal (psychological reorientations that people have to go through before the change can work).

Current organizational change models tend to focus on the process of external change thus neglecting transition. This omission occurs to the detriment of the process of change. Bridges and Mitchell (2000) point out that transition takes longer because it requires that people undergo three separate processes, namely saying goodbye, shifting into neutral, and moving forward. All of these processes are upsetting. Understanding the transition process is a requirement for almost any senior executive. Most executives tend to suffer from what Bridges and Mitchell call the marathon effect. The higher a leader sits in organization the more quickly he/she tends to move through the change process. Because they can see the intended destination before others even know the race has begun, senior managers tend to forget that others will take longer to make the transition: letting go of old ways, moving through the neutral zone, and, finally, making a new beginning.

Strebel (1996: 86) maintains that organizational change processes do not work because organizations have personal compacts with their employees. Strebel identifies three major dimensions shared by compacts in all companies. These dimensions are formal, psychological, and social. When change processes are introduced these personal compacts are left unchanged. This omission results in the process of organizational transformation being aborted. Unless managers define new terms and persuade employees to accept them, it is unrealistic for managers to expect employees fully to buy into changes that alter the status quo. As a result in most cases disaffected employees undermine their managers' credibility and well-designed plans. So according to Strebel, organizational change efforts will only succeed if the compacts between employees and employers are addressed.

Holbeche (2005: 6) suggests that organizational change is a human process. Successful organizational change requires people to change their behaviours. The most effective change occurs when employees commit to the change effort. Holbeche (P. 21) suggests a model for organizational change that embraces the following elements, developing organizational change-ability (which refers to how to develop flexibility, speed and learning); creating a knowledge rich context for innovation (or how to stimulate business breakthroughs and continuous improvement; creating a boundaryless organization (or how to maximize potential synergies); stimulating people to sustainable levels of high performance (or how to enable people willingly to release 'discretionary effort'); becoming a great place to work (or how to provide the right employee value proposition or 'deal'); and becoming a value-based organization (or how to connect with employees and other stakeholders at a deeper level of meaning).

Kegan and Lahey (2001: 85) write that resistance to organizational change sometimes is not a reflection of opposition, nor is it merely a result of inertia. Some people resist change because of a psychological dynamic called a "competing commitment". This condition may stall change efforts in what looks like resistance but it is in fact a kind of personal immunity to change. The condition of competing commitment manifests itself in a number of forms. An example of a case of competing commitments is when, for example, a project leader drags his/her feet in a project not wishing to successfully complete the project. He/she might have an unrecognizable competing commitment to avoid the even tougher assignment – one he/she fears he/she can't handle – that might come his/her way next if he/she delivers too successfully on the task at hand. Or one may find that the person who won't collaborate despite a passionate and sincere commitment to teamwork is equally dedicated to avoiding the conflict that naturally attends any ambitious team activity.

Kanter (2003:59) writes on the importance of the psychological turnaround in the process of bringing distressed organizations from the brink of failure. Kanter

maintains that almost all distressed organizations suffer from what is called organizational pathologies. Symptoms of organizational pathologies include secrecy, blame, isolation, avoidance, passivity and feelings of helplessness. If organizational pathologies are not attended to they reinforce one another in such a way that the organization enters a kind of death spiral.

In order to arrest this process Kanter (2003: 64-66) suggests three related activities be undertaken, these are, engendering respect, sparking collaboration and inspiring initiative. Turnaround leaders must move people toward respect, when colleagues respect one another's abilities they are more likely to collaborate in shaping a better future. Sparking collaboration involves promotion of collaboration across departments and divisions. And inspiring initiatives relates to empowering employees to initiate the actions that will improve the company's financial and strategic position. Kanter (2003: 67) points out that all turnaround leaders share the overarching task of restoring confidence through empowerment – replacing denial with dialogue, blame with respect, isolation with collaboration and helplessness with opportunities for initiative. Putting an organization on a positive path towards future success also requires that leaders energize their workforce, throughout the ranks. The small wins that newly empowered people create are the first signs that a turnaround is on track.

2.3.4   The Role of Visionary Leadership in Sustainable Change

The importance of visionary leadership is highlighted by such writers as Beer *et al* (1990); Kim and Mauborgne (1997); Rooke and Torbert (2005); Goleman, *et al* (2001); Henderson (1994); Kanter (1991); Kotter (1995, 1996 and 1998); Bowen, *at al* (1994); Heller (2001); Hesselbein (1998); Senge (1999); Knowling (2000); Blanchard and Stoner (2004); Hamel and Prahalad (1989); and Kim and Mauborgne (2003).

Defining leadership within the context of change projects, Senge (1999) states that it is the capacity of human community – people living and working together – to bring forth new realities. In a change context, the role of leadership is to energize. Leadership breathes life into an organization without which nothing truly new can emerge. According to Senge, the role of leadership in the change project is to inspire. Leadership has a responsibility to tap the energy to create – especially to create something that matters deeply.

Senge (1999) quotes Peter Drucker who once stated that leadership is vision. The role of leaders in a changing organization is to create vision. Once there is vision the force of creative tension is generated. Creative tension is the essence of leadership. Leaders energize through generating and sustaining creative tension, through fostering commitment to realizing a dream and telling the truth about what is. Tension always seeks resolution, that is, release. If the vision remains constant, creative tension can be resolved only when reality moves toward vision. Leadership is diminished whenever creative tension is undermined this is commonplace in organizations dominated by fear, stress, and powerlessness. The ideas of Senge suggest that the role of leadership in an organization is to create vision.

According to Knowling (2000) the absence of a vision will doom any strategy – especially a strategy for change, and a disciplined approach to vision and values helps employees understand what's important in a business. Successful change efforts follow these principles, namely, they start with the answers; set bold goals; supply resources; coach the team; know the business and how people make a difference; understand the human connection; and, never compromise on performance. Five warning signs that can undermine organizational change efforts are, underestimating the culture; declaring the victory early; letting people catch their breath; delegating the change process; and, believing your own press clips.

Blanchard and Stoner (2004) also stress the importance of a clear vision statement for an organization. They point out that without a clear vision an organization becomes a self-serving bureaucracy. A vision statement should be a picture of the future and it should be a picture of something that one actually wants to see. If an organization's vision is a compelling one, people will think their work is worthwhile and will become joyful.

Kotter (1995, 1996 and 1998) suggests that organizational transformation efforts fail because of eight reasons. The eight reasons are:

(i)   Allowing too much complacency;

(ii)   failing to create a sufficiently powerful guiding coalition;

(iii)   underestimating the power of vision;

(iv)   underestimating the vision by a factor of 10 (or 100 or even 1 000);

(v)   permitting obstacles to block the new vision;

(vi)   failing to create short-term wins;

(vii) declaring victory too soon; and,

(viii) neglecting to anchor changes firmly in the corporate culture.

Kotter (1998) then suggests eight steps to transform an organization. These are:

(i)   establish a sense of urgency;

(ii)   form a powerful guiding coalition;

(iii)   create vision;

(iv)   communicate the vision;

(v)   empower others to act on the vision;

(vi)   plan for and create short term wins;

(vii) consolidate and produce still more change; and

(viii) institutionalize new approaches.

Hesselbein (1998) maintains that organizations pass eight milestones to reach their destination that of being relevant, viable and effective organizations. The steps are scan the environment; revisit the mission; ban the hierarchy; challenge

the gospel; employ the power of the language; disperse leadership across the organization; lead from the front, and don't push from the rear and assess performance.

Beer *et al* (1990:161-165) identify six steps to effective organizational change, these steps they call the critical path. Their critical path has the following steps, mobilize commitment to change through joint diagnosis of business problems; develop shared vision of how to organize and manage for competitiveness; foster consensus for the new vision, competence to enact it, and cohesion to move it along; spread revitalization to all departments without pushing it from the top; institutionalize revitalization through formal policies, systems, and structures; and, monitor and adjust strategies in response to problems in the revitalization process. Three critical roles of management in this process are creating a market for change; use successfully revitalized units as organizational models for the entire company; and, develop career paths that encourage leadership development.

Hamel and Prahalad (1989: 64) are critical of the ability of conventional strategic planning to drive an organization to sustainable competitiveness. Instead they suggest what they term "strategic intent" to drive an organization. They point out that the concept of strategic intent encompasses an active management process that includes: focusing the organization's attention on the essence of winning; motivating people by communicating the value of the target; leaving room for individual and team contributions; sustaining enthusiasm by providing new operational definitions as circumstances change; and using intent consistently to guide resource allocations.

The importance of the role of leadership in organizational turnaround is also highlighted by Kim and Mauborgne (2003). Kim and Mauborgne (2003: 61) write on the successes of William Bratton (who was appointed police commissioner of New York City in 1994) in bringing ailing New York City Police Department

(NYPD) back to life. William Bratton's success with the NYPD shows that it is possible to transform an organization, which is wedded to the status quo, with limited resources, a demotivated staff, and with opposition from vested interests. William Bratton transformed NYPD by employing leadership strategy called tipping point leadership. The theory of tipping point leadership has its roots in epidemiology. This theory hinges on the insight that in an organization once the beliefs and energies of a critical mass of people are engaged, conversion to a new idea will spread like an epidemic, bringing about fundamental change very quickly.

The theory suggests that fundamental changes in an organization can be unleashed only by agents who make unforgettable and unarguable calls for change, who concentrate their resources on what really matters, who mobilize the commitment of the organization's key players, and who succeed in silencing the most vocal *naysayers*. William Bratton's successes show that tipping points leadership is learnable (Kim and Mauborgne, 2003: 62).

Heller (2001: 540) writes on the views of Jack Welch on leadership. According to Heller, Jack Welch distinguishes between leaders and managers and the driving necessity to transform managers into leaders. Leaders set the direction for the people and the organizations they lead, integrating new-style management skills with traditional demands. Managers today are expected to have mastered all traditional techniques of management – of implementation, maintenance, and watching the bottom line – but also have mastered the new style management skills. New style management skills are counseling groups, providing resources, encouraging new ideas and thinking processes.

According to Heller, (2001:541) Jack Welch's seven-point programme for management by leadership is:

(i)   develop a vision for the business;

(ii)   change the culture to achieve the vision

(iii)   flatten the organization;

(iv)   eliminate bureaucracy;

(v)   empower the individuals;

(vi)   raise quality; and,

(vii)   eliminate boundaries

Heller (2001) further quotes Jack Welsh who maintains that large organizations breed structure upon structure, layer upon layer, bureaucracy upon bureaucracy, rules upon rules. Welch, however, believed in minimalist form. As he cut layers, he doubled the "span of control". Most large organizations have superfluous layers, which in nearly all cases slow decision-making, blur responsibility and create undoable jobs.

Rooke and Torbert (2005: 67) also stress the importance of leadership in the performance of a company/organization. They identify seven ways of leadership, namely, Opportunist, Diplomat, Expert, Achiever, Individualist, Strategist and Alchemist. They maintain that the least effective forms of leadership are the Opportunist and Diplomat and the most effective being the Strategist and Alchemist. In an organization that is undergoing transformation, Strategist and Alchemist are the best forms of leadership. The most effective teams are those with a Strategist culture, in which the group sees business as opportunities for growth and learning on the part of both individuals and organizations.

Kim and Mauborgne (1997: 103-107) suggest that in order to become a high growth organization, the organization needs to look at the way it does business. They write that what separates high-growth companies from the pack is the way managers make sense of how they perform. Successful companies are not much concerned about matching or beating their rivals instead they seek to make their competitors irrelevant through strategic logic called value innovation.

Organizations that follow strategic logic called value innovation are differentiated by five attributes. They differ on industry assumptions – value innovators look for blockbuster ideas and quantum leaps in value; strategic focus – value innovators monitor competitors but do not use them as benchmarks, they allow a different logic; customer – value innovators follow a different logic. Instead of focusing on the differences among customers, value innovators build on the powerful commonalities in the features that customers value; asset and capabilities – value innovators not only have more insight into where value for buyers resides, and how it is changing, but also are much more likely to act on that insight; and, product and service offerings – value innovators are not constrained by boundaries, they think in terms of the total solution buyers seek, and they try to overcome the chief compromises their industry forces customers to make.

Goleman *et al* (2001) write on emotional intelligence as an important factor in leadership. They state that there is a link between an executive's emotional maturity and an organizational performance. Goleman *et al* define emotional intelligence in terms of emotional maturity, exemplified by such capabilities as self-awareness and empathy. They maintain that a leader's mood and behaviour drive the moods and behaviours of everyone else. A cranky and ruthless boss creates a toxic organization filled with negative underachievers who ignore opportunities; an inspirational, inclusive leader spawns acolytes for whom any challenge is surmountable. High levels of emotional intelligence create climates in which information sharing, trust, healthy risk-taking, and learning flourish. Low levels of emotional intelligence create climates rife with fear and anxiety. Because tense or terrified employees can be very productive in the short term, their organizations may post good results, but they never last.

Henderson (1994: 101) writes on the importance of good management for continued vitality of an organization. He points out that longevity of the pharmaceutical companies that he has studied attest to a unique managerial competency: the ability to foster a high level of specialized knowledge within an

organization, while preventing that information from becoming embedded in such a way that it permanently fixes the organization in the past, unable to respond to an ever-changing competitive environment.

Writing on the relationship between good management and the performance, Henderson states that it takes more than hiring the best possible people and giving them funds to be successful. Management plays a crucial role in the innovation process. The best managers do not merely administer a static system. Instead, they constantly challenge the company's conventional wisdom and stimulate the dynamic exchange of ideas. Amongst the things that managers of successful pharmaceuticals do that set them apart is that they use sophisticated resource-allocation procedures, hired the best people, and encouraged cross-functional and cross disciplinary communication. More importantly, they didn't view these innovations as quick fixes to a static system. Instead they focused on continuously refurbishing the innovative capabilities of the organization. They actively managed their companies' knowledge and resources.

The above discussion has stressed the importance of organizational dynamism; culture of an organization; popular acceptance of the process of change; and visionary leadership as some of the factors of sustainable organizational development. Even though these models provide answers to sustainable organizational change the study adopts Systems Thinking a concept for sustainable competitiveness that was popularized by Senge (1990) as a theoretical framework. The discussion that follows below gives a comprehensive understanding of this theory.

2.4 Systems Thinking Framework and Sustainable Competitiveness: Why an Interest in Systems Thinking?

The Industrial Revolution came with great changes in the way production was done. Managing the new forms of production created a need for some new methods for dealing with the management issues. One theory of management that had far reaching effect in the field of management is scientific management developed by Frederic Winslow Taylor (1856-1915). Taylor was one of the first to attempt to systematically analyze human behaviour at work (Wertheim, 1999). Through the principles of scientific management Frederick Taylor wanted to show that fundamental principles of scientific management are applicable to all kinds of human activities. The scientific method was employed to provide a logical, systematic and thorough analysis of shop-level problems. Efforts towards increased efficiency which would result in both increased profits and higher wages fostered the development of specific procedures within individual companies (Jackson, 2000: 199).

The ideas of Frederick Taylor later to be called Taylorism led to concepts of viewing organizations as smoothly running machines. Taylorism had profound results as it led to dramatic improvement in productivity (Wertheim, 1999). New departments arose such as industrial engineering, personnel, and quality control. Rational rules replaced trial and error; management became formalized and efficiency increased. Wertheim (1999) and Stephen and Decenzo (2001: 29) present the principles of Taylorism.

Taylorism did not go without criticisms. Simple models of maximizing behaviour were not enough to analyze business organizations critics stated. The relatively mechanical models apparent in the scientific management era gave way to theories represented by the human relations movement. Human relationists shifted some of the focus away from the man-machine system per se to motivation and interrelationships amongst individuals in the organization

(Johnson, *et al*, 1973: 12). Human relationists helped in showing that an organization is more than a formal arrangement of functions but is also a social system.

Scientific management, Fayol's administrative management theorists, micro-economics, and Weber's bureaucracy theory or public administration constitute what is commonly called traditional organizational theory. Human relations theory grew out of the critique of the traditional approach, particularly the alleged failure of traditional approach to take account of human needs. Gradually because of the weaknesses of traditional approaches and subsequently human relations thinking, systems thinking approach came to dominate management and organization theory (Jackson, 2000: 62).

The concept of viewing an organization from a Systems Thinking perspective is also highlighted by Wheatley (1997). She points out that in order to lead organizations it is essential that paradigms of the past be changed. She points out that the paradigm or worldview of regarding organizations in mechanistic terms, as collections of replaceable parts capable of being reengineered, expecting them to perform to specifications with machinelike obedience is flawed. Paradigms of the past have tended to view people as passive, unemotional, fragmented, incapable of self-motivation and uninterested in meaningful questions of good work. Wheatley adds that successful organizational management programmes start with the assumption that people, like all life, are creative and good at change. Wheatley (2001) maintains that successful organizational change programmes are those that have adopted the paradigm of living systems.

Von Bertallanffy (1998) as quoted by Haines *et al* (2005 68-78) lists twelve characteristics that form the standard and predictable systems behaviour that are always present in living systems. These twelve characteristics are imperative in

organizational development. The twelve characteristics are summarized and listed below as being:

(i)   The first characteristic of living systems is that of holism, living systems are whole entities with unique characteristics. Holism is the principle that says the whole is not just the sum of its parts, and conversely, that a system can be explained only as a totality. This principle suggests that in organizational development emphasis should be put on participation of the organization as a whole system.

(ii)   The second characteristic states that living systems are open systems. Organizations are open systems they exchange information, energy and material with the environment. Organizations need to be open to feedback and they are to constantly search for information from the environment that will help them thrive and lead.

(iii)   The third characteristic is that living systems have defined boundaries. This suggests that open systems maintain permeable boundaries between themselves and the broader supra-system. There should be no limits to the search for better ideas and practices. Closed boundaries tend to lead to fragmentation, internecine battles over turf, separation, and parochialism. The ideal is integration, collaboration, and harmony (Haines *et al*, P. 70).

(iv)   The fourth characteristic is that living systems transform inputs into outputs. Living systems are transformational in nature. They receive input from the environment, transform these inputs in some way via throughput processes, and then send outputs back into the environment. This produces feedback and begins the loop of new inputs one more time.

(v)   The fifth characteristic is that living systems require feedback to continue living. Information about outputs of the system in turn feeds back as input into the system, leading to changes in the transformation process and achieving more effective future output. Organizations

often receive little feedback on performance in relation to customers. Better and more regular customer and employee feedback makes for better data-based decision making.

(vi)   The sixth characteristic is that living systems pursue multiple outcomes. In terms of organizational development this characteristic demands that members agree on a detailed and common vision and marketplace positioning to focus and coordinate their actions towards a cohesive set of goals. The clash between individual and organizational goals can cause conflict and lost productivity for all concerned, a lose-lose situation.

(vii)   The seventh characteristic is that living systems display equifinality. This characteristic suggests that there are many ways to the same ends. Equifinality offers a basis for flexibility, agility and empowerment because it suggests that many roads can lead to the same destination.

(viii)   The eight characteristic is that living systems are subject to entropy. This suggests that living systems have a natural tendency to run down over time. They slowly break down, deteriorate, lose organization and eventually die. Entropy in systems can be arrested and be transformed into negative entropy – a process through which social and organizational systems can be more organized and enhance their ability to transform themselves. Through negative entropy organizations can transform themselves and sustain superior results.

(ix)   The ninth characteristic is that living systems are hierarchical. Any given system is composed of subsystems and is itself, part of a supra-system. The secret to successful organizational change is to simplify and flatten the hierarchy as much as possible without imposition of rigid, bureaucratic, complex, and artificial structures.

(x)   The tenth characteristic of living systems is that they have interrelated parts. Systems working optimally have their elements coordinated to maximize the power of the whole. If an organization is to succeed, it

needs to become a system in which departments work together to maximize the whole, not parts.

(xi) The eleventh characteristic of living systems states that they tend towards dynamic equilibrium. This suggests that they may attain a state in which a continuous inflow of materials, energy, information, and feedback produce a dynamic and yet steady state. Humans (as systems and parts of larger systems) tend to resist change and cling to their routine – the dynamic equilibrium – of the present state. In organizational development culture change requires breaking through the state of equilibrium and modifying behaviours of all employees and many aspects of an organization's internal working.

(xii) The twelfth and the final characteristic of living systems is that they produce internal elaboration. Open systems evolve and move in the direction of greater differentiation, complexity and higher levels of potential effectiveness. This process if not properly managed can lead to organizational complexity and bureaucracy, because of this organizational development demands vigilance against unnecessary proliferation of bureaucracy and the natural ossification that results from it.

The above comprise characteristics of livings systems which when adopted as frames of operation would help in turning organizations into sustainable and competitive entities.

2.5 The concept of a Learning Organization and Sustainable Change

Senge (1990) promoted and popularized the concept of the learning organization but people like de Geus (1988) made earlier contributions. Other important contributions on the concept of the learning organization were done by Argyris (1991); Garvin (1993); Argyris (1994); Senge (1994); Jack Welch in Kramer (2002).

According to de Geus (1988: 70) performance of an organization is linked to it being a learning organization or what he calls institutional learning. Institutional learning is defined as the process whereby management teams change their shared mental models of their company, their markets, and their competitors. Institutional learning begins with the calibration of existing mental models. High level, effective, and continuous institutional learning and ensuing corporate change are prerequisites for corporate success. Successful organizations recognize and react to environmental change before the pain of a crisis. The only competitive advantage the company of the future will have is its manager's ability to learn faster than their competitors this can only be done is a company becomes a learning organization.

The importance of organizational learning for success is also stressed by Argyris (1991: 99). Argyris understands learning in an organization in terms of double loop learning. Learning organization programmes should teach people how to reason about their behaviour in new and more effective ways this helps break down the defenses that block learning. According to Argyris (1994: 77) the ability of an organization to survive and flourish will depend on employees who have learned to take responsibility for their own behaviour, develop and share first rate information about their jobs, and make good use of genuine empowerment to shape lasting solutions to fundamental problems. Tough competition will require more effective learning, broader empowerment, and greater commitment from everyone in organizations, and moreover, better communication. Corporate communication programmes inhibit learning and communication. Better communication will be realized through what Argyris calls double-loop learning processes.

Garvin (1993: 80) defines a learning organization as an organization skilled at creating, acquiring, and transferring knowledge, and at modifying its behaviour to reflect new knowledge and insights. Learning organizations are skilled at five main activities, namely, systematic problem solving; experimentation with new

approaches; learning from their own experience and past history; learning from the experiences and best practice of others; and, transferring knowledge quickly and efficiently throughout the organization. New ideas are essential if learning is to take place. The new ideas are the trigger for organizational improvement. New ideas are to be accompanied by changes in the way that work gets done.

There are three identified indicators of organizational learning. The first is cognitive. Members of the organization are exposed to new ideas, expand their knowledge, and begin to think differently. The second step is behavioural. Employees begin to internalize new insights and alter their behaviour. And the third step is performance improvement which comes with changes in behaviour leading to measurable improvements in results: superior quality, better delivery, increased market share, or other tangible gains (Garvin, P. 90).

Welch understood the concept of organizational learning as a way of transforming old institutions into a learning culture in which ideas and intellect preside over tradition and hierarchy. In a learning organization employees are given access to important information, scope out new opportunities, and are expected to come up with creative solutions to problems. A learning organization is committed to boundarylessness and helps foster trust and a collaborative environment. Four qualities that distinguish a learning organization are, open sharing of information; emphasize in learning and invest in its future; do not punish mistakes or failure; and, expect people to learn constantly (Kramer, 2002: 127).

According to Senge (1990:3) a learning organization is an organization where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together. What distinguishes learning organizations from traditional organizations is the mastery of five "learning disciplines" or "component

technologies", namely, personal mastery, mental models, shared vision, team learning and systems approach. These five learning disciplines are necessary to create a learning organization and organizations become successful only by becoming learning organizations.

Senge (1990: 6-10; and 1999:32) explains what each of the five "learning disciplines" entails. Personal mastery is a discipline of aspiration. It involves clarifying and deepening personal vision, of focusing energies, of developing patience, and of seeing reality objectively. Learning to cultivate the tension between personal vision and reality can expand people's capacity to make better choices, and to achieve more of the results that they have chosen.

Mental models are deeply ingrained assumptions, generalizations, or pictures or images that influence how people understand the world and how they act. Mental models influence the way people behave. The discipline of mental models is a discipline of reflection and inquiry. It is focused around developing awareness of the attitudes and perceptions that influence thought and interaction. Through the "ladder of inference", a discipline of mental models researchers/inquirers are made aware that people in general behave and that they have a tendency of jumping to counterproductive conclusions and assumptions.

The discipline of shared vision involves a collective focusing on mutual purpose. People become committed to a group or organization if they are guided by shared images of the future they seek to create and have principles and guiding practices by which they hope to get there. The practice of shared vision involves the skills of uncovering a shared picture of the future that fosters genuine commitment and enrollment rather than compliance. In mastering the discipline of mental models leaders learn the counter-productiveness of trying to dictate vision, no matter how heartfelt that vision may be.

Team learning is a discipline of group interaction. It starts with what Senge calls a dialogue where team members suspend assumptions and enter into a genuine thinking together. Through team learning teams transform their collective thinking and learn to mobilize their energies and actions to achieve common goals. Teams learn to understand that the whole is more than the sum of individual members' talents. In modern organizations teams and not individuals are the fundamental learning units. Unless teams can learn the organization cannot learn.

The last and the most important learning discipline as identified by Senge is Systems Thinking. Systems Thinking is the discipline that integrates all the disciplines into a coherent body of theory and practice. This discipline enables people to better understand interdependency and change. Systems Thinking framework enables people to understand complexity of organizations/systems, the multiple feedback processes in organizations/systems, and the innate tendencies of organizations/ systems to grow or stabilize over time.

Senge (1990:340) argues that learning organizations require a new view of leadership style and not the traditional style. He points out that the traditional style of leadership is characterized by an individualistic and non-systemic world view. Traditional view of leadership assumes that people are powerless they lack personal vision and are not able to master the forces of change. Against this traditional view, he suggests a "new" view of leadership that centres on subtler and more important tasks. In terms of the new view of leadership, leaders are designers, stewards and teachers. They are responsible for building organizations where people continually expand their capabilities to understand complexity, clarify vision, and improve shared mental models. This is the essence of a learning organization. In a learning organization the leadership takes a stand and inspires the vision.

The learning organization is built upon an assumption of competence that is supported by four other qualities or characteristics: curiosity, forgiveness, trust and togetherness. The assumption of competence means that each individual can be expected to perform to the limit of his or her competence, with the minimum supervision. Organizations have operated on an assumption of incompetence. The characteristics of this assumption are controls and directives, rules and procedures, layers of management and pyramids of power – all very costly. By contrast, the assumption of competence promotes flat organizations, with fewer checkers checking checkers. Flat organizations are far more responsive, efficient and cost-effective. They put a high premium on early training, on acculturation in their ways and values and on some form of vetting or qualification before an individual is allowed to operate. In these organizations learning starts early (www.ourfuture.com/arts02.htm).

Senge (pp. 57-67) identifies what he calls the "laws of a learning organization". Through the laws of the learning organization, Senge wants to reverse the impression that the world is made up of separate and unrelated forces. The eleven laws are as follows:

(i)   "Today's problems come from yesterday's 'solutions'". People tend to provide solutions that shift the problem from one part of the system to another. This usually goes undetected because those who "solved" the first problem are different from those who inherit the new problem.

(ii)   "The harder you push the harder the system pushes back". Attempts to improve organizations often meet with "compensating feedback", when well intentioned interventions cause responses from the system that offset the benefits of the intervention. The tendency is to provide more of the same intervention.

(iii) "Behaviour grows better before it becomes worse". Low-leverage interventions work in the short term. Compensation feedback usually involves a "delay" a time lag between the short term benefit and the long term recurrence of the problem.

(iv) The easy way out usually leads back in". People find comfort in applying familiar solutions to problems. Using familiar solutions doesn't solve fundamental problems in the long run. What is needed is systemic thinking.

(v) "The cure can be worse than the disease". It is common for short term solutions to lead to long term problems. An example here is the problem of dependency which usually arises out of some interventions. Senge refers to this scenario as "Shifting the burden to the intervener".

(vi) "Faster is slower". Natural systems have optimal rates of growth. The optimal rate of growth is normally far less than the fastest possible growth. When growth becomes excessive, problems arise. The system seeks to compensate by slowing down – and this can put the whole system at risk of survival.

(vii) "Cause and effect are not closely related in time and space". The cause refers to interactions of the underlying system that is most responsible for generating symptoms. Effects refers to obvious symptoms that there is a problem. Human systems are complex. In order to correct problems it is important to bear in mind that cause and effect are not close in time and space.

(viii) "Small changes can produce big results – but the areas of highest leverage are often the least obvious". Obvious changes do not usually bring long-term benefits. Learning to see underlying structures rather than events is a starting point. It is important to think in terms of processes rather than snapshots.

(ix) "You can have your cake and eat it too – but not at once". Application of systems thinking makes it possible to solve what on the face appears to be a dilemma. Dilemmas arise when a snapshot view is taken.

(x) "Dividing an elephant does not produce two small elephants". Living systems have integrity. They can be best understood if taken as a

whole. The same applies to organizations. In order to understand challenging issues in organizations they are to be seen as a whole.

(xi)   "There is no blame". People tend to blame outside circumstances for their problems, Systems thinking shows that there is no outside, an agent and the problem are part of the system. In order to solve a problem it is essential to build a relationship between the agent and the problem.

These "laws of a learning organization" help to show that solutions to problems of organizations require not just the application of conventional approaches and symptomatic solutions to problems but solutions to organizational problems require an understanding of the entire systems of organizations and also their environment. In order to support that one may refer to Senge (P. 69-77) who points out that a learning organization is premised on a Systems thinking theory which is a prerequisite for sustainable competitiveness.

Systems thinking demands a shift of mind so that people in organizations are able to see "structures", that is, see wholes and are able to discern high leverage change from low leverage change. Systems thinking makes organizations understand that they are unable to solve problems because they think in linear, nonsystematic terms. Through thinking in systems terms organization begin to realize that events/phenomena interact to create a "system" a set of variables that influence one another, a dynamic complexity and not detail complexity. The essence of the discipline of systems thinking lies in seeing relationships rather than linear cause-effect chains, and seeing processes of change rather than snapshots.

Senge (P. 79-80) identifies three concepts which can be seen as building blocks of systems thinking and which enable leaders to understand how organizations function, these are, reinforcing (amplifying) feedback, balancing (stabilizing) feedback, and delay. In a reinforcing process or loop a small change builds on

itself. A small movement is amplified, producing more movement in the same direction. While some reinforcing processes are "vicious cycles" in which things start off badly and grow worse, some reinforcing processes are "virtuous cycles" – processes that reinforce in desired direction. The behaviour that results from reinforcing loops is either accelerated growth or accelerating decline. In order words feedback about the behaviour of an organization might reinforce accelerated growth or accelerated decline. Seeing an organization as a system allows leaders to influence the way it works.

A reinforcing loop, by definition, is incomplete. Vicious or virtuous cycle does not occur by itself. Pure accelerating growth or decline rarely continues unchecked in nature, eventually limits are encountered – which may slow growth, stop it, divert it, or even reverse it. These limits are balancing feedback or balancing loops. Balancing loops create processes of resistance, which eventually limit growth. They are also the mechanisms found in nature and all systems that fix problems, maintain stability, and achieve equilibrium. They ensure that every system never strays far from its "natural" operating range. Balancing loops are often found in situations which seem to be self-correcting, whether the participants like it or not (www.solonline.org/pra/tool/loops.html).

Balancing loops are always bound to a target – a constraint or goal which is often implicitly set by the forces of the system. Whenever current reality doesn't match the balancing loop's target, the gap (between the target and the system's actual performance) generates a kind of pressure which the system cannot ignore, the greater the gap the greater the pressure. It's as if the system itself has a single-minded awareness of "how things ought to be", and will do everything in its power to return to the state. Until organizations recognize the gap, and identify the goal or constraint which drives it, they won't understand the behaviour of the balancing loop (www.solonline.org/pra/tool/loops.html).

Balancing loops are more difficult to see than reinforcing loops because it looks like nothing is happening. Leaders who attempt organizational change often find themselves unwittingly caught in balancing processes. State controlled economies and corporate mergers often fail because these processes sever the multiple self-correcting or balancing processes that operate in a natural environment. Resistance to change also often arises because of balancing processes (Senge, PP. 86 and 88).

Delay is another feature of the systems. Delay is natural in systems. Delay refers to a time lag between the action and the intended consequence, when the effect of one variable on another takes time. Delays are often unappreciated and lead to instability, they are either unrecognized or not well understood. This can result in "overshoot" going further than needed to achieve a desired result. Unrecognized delays can also lead to instability and breakdown, especially when they are long. Aggressive action often produces exactly the opposite of what was intended. It produces instability and oscillation instead of moving towards a goal. Using the concepts of reinforcing (amplifying) feedback, balancing feedback and delay, managers in organizations begin to understand and are able to deal with dynamic complexity of systems.

Tools and techniques such as system archetypes or generic structures help people to see how to change systems more effectively and how to act more in tune with the larger processes of the natural and economic world. Systems archetypes aid managers to see structures that are at play in organizations and how to gain leverage in those structures. Although Senge (1990) identifies ten system archetypes the discussion below will confine itself to two archetypes that recur frequently, namely, limits to growth and shifting the burden.

The effect of limits to growth archetype manifests itself in plateauing or declining development. The natural response to this is that managers tend to push even harder trying to arrest or reverse the plateau or decline. According to Senge this

does not usually yield the desired results. He suggests that the best solution would be to "identify and change the limiting factor". He adds that this may require actions one may not yet have considered, choices they never have noticed, or difficult changes in rewards and norms.

Shifting the burden refers to applying symptomatic solutions to problems while leaving the problem intact. Symptomatic solutions to problems are "quick fixes" they solve the problem temporarily. Most managers inadvertently adopt this approach when faced with organizational problems. Senge (P. 108) gives a special case of shifting the burden that of "eroding goals". When there is a gap between goals and current state people normally lower their goals. Organizations commonly erode goals in the areas of quality, goals for innovation, goals for personal growth of employees, and goals for organizational improvement.

Senge points out that shifting the burden structures is responsible for a recurrence of one and the same problem and the same symptomatic solution being administered. He warns that shifting the burden structures often underlie unintended drift in the health of an organization, this is reflected in drifts in strategic direction and erosion in competitive position. The longer the drift goes unaddressed fundamentally, the more difficult it becomes to reverse the situation.

Dealing effectively with shifting the burden structures requires a combination of strengthening the fundamental response and weakening the symptomatic response. Strengthening fundamental responses requires a long-term orientation and a sense of shared vision and weakening the symptomatic response requires telling the truth about "looking good" solutions (Senge, P. 111). Senge adds that at times it may be necessary to adopt symptomatic solutions but they need to be acknowledged as such and be combined with strategies for fundamentally solving the problem.

Central to the concept of systems thinking is the principle of leverage – seeing where actions and change in structures can lead to significant, enduring improvements (Senge, P. 114). Through the principle of leverage managers in organizations are empowered to go beyond event and see underlying structures. The tendency is that managers attribute organizational failure to events and in the process fail to understand that failure in most organizations is caused by systemic problems. Managers ignore dynamic complexity and subtle structures which are at play in most organizational problems. Systems archetypes are an answer to most organizational problems they enable managers to see the forest as well as the trees. The tendency is that when people are confronted with problematic situations they pick on elements of a system and focus on those elements thus neglecting the whole system. From systems archetypes managers learn that in order to understand a problematic situation focus should be on all parts of a system as well as on the whole system.

2.6 Conclusion

The chapter has shown that building sustainable and competitive organizations requires leaders to go beyond conventional strategies to organizational development. Gains from downsizing, re-engineering, and "slash and burn" retrenchments often fail to sustain organizations. Sustainable organizational change is transformational in nature. Transformational organizational change requires a reorientation of the entire organization as a system in terms of its culture, and people's behaviour and mindset. Such change is driven by visionary leadership who understand that in order for an organization to succeed it has to become a learning organization. A learning organization is distinguished by five critical component technologies, namely, systems thinking, personal mastery, mental models, shared vision, and team learning. The concept of a learning organization is very important for this study as it provides a theoretical framework on strategies for building sustainable and competitive organizations. The next

chapter explores the research method that was be used in the collection, analysis and interpretation of data.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

In order to achieve objectives as identified in the first chapter the study performed two activities, namely, literature review and fieldwork.

3.2 Literature Review

Both secondary and tertiary sources of literature were used in the study. Secondary sources of literature used include journals and books; and tertiary sources of literature that were used are mostly internet based and they include sources of information such as OPAC, Sabinet and Google based internet searches. All literature reviewed informed the study on the theory of Systems Thinking and Learning Organization.

3.3 Data Collection Strategy during Fieldwork

Since this study is exploratory in nature it did not rely on one source of data but on three sources during fieldwork. The objective behind using three sources of data was to enhance validity and reliability of findings and to get better insight into the case of study which is the UZ.

Both qualitative and quantitative research methods were used in collection of data. Qualitative research method, however, is the dominant approach in this study. Qualitative methods are most suitable when the objectives of the study demand in-depth insight into a phenomenon (Ghuari, *et al,* 1995:86). Also a review of studies done elsewhere which use Systems Thinking and Learning Organization approach as framework of study just like this one does (Blignaut, 1997; Acton, 1998; Jaroslawski, 1998; van den Berg, 1999; Makatsela, 2000;

Watkins, 2000; Backeberg, 2002) reveals a bias towards qualitative research methodology, however, Wolfaardt, (2001) used quantitative methodology.

There are two strategies that were adopted in order to collect both qualitative and quantitative data during fieldwork. The first method involved in-depth one-on-one interviews and the second method involved a survey. For purposes of an in-depth one-on-one interview an open ended interview schedule was constructed. In-depth face-to-face interviews were then conducted with four people who are knowledgeable about the UZ, and with seven representatives of business of the city of uMhlathuze. Of the four people who are knowledgeable about the UZ, two are still with the UZ and the other two are no longer with the institution. Of the four people interviewed one is a former Rector of the UZ, one is a former Vice-rector (he is now professor of Recreation and Tourism at the UZ), one is presently a Dean of Faculty of Education, and the fourth one is a former Assistant Registrar who was in charge of Student Housing and presently holds a position of Chief Executive Officer of Uthungulu Foundation.

Uthungulu Foundation is a non-governmental organization funded by business of the city of Umhlathuze. Its mission is to promote social and economic development within the Uthungulu District Municipality, the UZ is located within Uthungulu Region.

The former Rector, former Vice-rector and the Dean have held positions of professors. With the exception of the former Assistant Registrar for Student Housing (he served the UZ for 15 years) all the other have served the UZ for more than twenty five years. The objective of these interviews was to gain a better insight into the processes that are shaping and that have shaped this institution.

Also in-depth one-on-one interviews were done with senior managers of seven businesses of the city of Umhlathuze. The UZ is located within the local

municipality of Umhlathuze which was formed through the amalgamation of the towns of Empangeni and Richards Bay. The objective of these interviews was to have an understanding on how this group of stakeholders views this institution and how what they would expect out of this institution. Representatives that were interviewed held positions of Public Relations Officers, Training Managers, Learning Facilitators, Transformational Managers or Human Resource Managers.

In order to facilitate collecting of accurate data all the interviews with people knowledgeable about the UZ and interviews with representatives of business of the city of Umhlathuze were recorded using a micro-cassette recorder. In this form of interview the respondents were given maximum freedom to respond to questions within the bounds of the topic. In all cases the interviews cases lasted for about an hour on average.

In as far as the survey method is concerned a structured questionnaire was constructed and was administered to a sample of sixty five respondents drawn from staff members of the UZ. Simple random sampling technique was used in this study. Simple random sampling technique was used. Some might argue that the sampling strategy that would have been appropriate for this study is stratified random sampling in which respondents would be stratified according to how long staff members have been employed at the UZ. Notwithstanding this, the study adopted simple random sampling as the most appropriate strategy because it gives every member of the population equal probability of being selected. Through simple random sampling strategy the factor of bias is minimized. Employees of the UZ are an important stakeholder in the process of building the UZ into a sustainable and a competitive organization.

3.4 Data Analysis Strategy

There are two strategies that were employed in order to analyze both qualitative and quantitative. Qualitative data responses obtained through an in-depth one-on-one interview were classified according to each question on the interview schedule and then presented. The researcher took a view that individual responses were meaningful in their own right and it was not necessary to have data quantified in any way. So a phenomenological approach was adopted in the analysis and presentation of the findings.

Quantitative primary data obtained through the survey was analyzed using the SPSS software package. In this analysis it was possible to determine attitudes of employees of the UZ towards this institution. Frequencies and cross-tabulations were run on the data.

3.5 Ethical Considerations

Interviewees and respondents who participated in the survey did so voluntarily and they also signed a letter of consent. Proper channels were followed in accessing of all the data used in the study. The rector of the UZ also gave permission that this study be conducted. Questions for both the survey and for the interview schedule were phrased such that they did not compromise the respondents. Overzealousness during the face-to-face interviews was avoided. Interviewees from business of the City of Umhlathuze requested anonymity, the study has respected that. Also ethics were taken into consideration in the use of information taken from Internet.

3.6 Conclusion

In order to arrive at valid conclusions about why the UZ has not developed into a learning organization both qualitative and quantitative data was collected and analyzed. This chapter has shown how that was done. The next chapter presents and analyzes findings of the study.

CHAPTER FOUR
PRESENTATION OF RESEARCH FINDINGS,
ANALYSIS AND INTERPRETATION

4.1   Introduction

This chapter presents and analyzes findings of the study. Findings of the study provide insight into the research problem as identified in Chapter One (Cf. 1.3). The chapter opens by presenting and analyzing findings of in-depth one-on-one interviews that were conducted with four people who are knowledgeable about the UZ that is followed by a presentation and an analysis of findings of in-depth one-on-one interviews with representatives of business of the City of uMhlathuze. The chapter ends by presenting and analyzing findings of the survey conducted with the staff of the UZ.

4.2   Presentation of Research Findings

4.2.1   Findings on Interviews with People Knowledgeable about the UZ

The findings that are presented below are based on primary data collected through one-on-one interviews with four people who are knowledgeable about the UZ.

4.2.1.1   The UZ and the perception that it is of poor quality

Interviewees were asked if they subscribed to the perception that HDIs like the UZ were of poor quality in terms of standards and their offerings compared to HWIs. All the interviewees indicated that they did not necessarily subscribe to that view but pointed out that these institutions had challenges that compromised their standing and development.

The former Rector of the UZ stated categorically that he had never subscribed to that view otherwise he would not have been willing to be the Vice-chancellor and Rector of the UZ and it would have been inconsistent for him to take the position of Rector. He pointed out that what he believed in was that even the universities that were regarded as being of good quality did not start there they had started somewhere at the bottom. He mentioned that his approach as a Rector was that if the UZ did not have a culture of excellence the institution had to start working on it.

The former Vice-rector, who is now professor of Recreation and Tourism stated that the position of regarding institutions like the UZ as being of poor quality was a relative position. He pointed out that if one was referring to programmes, there were programmes which were known to be good at the UZ. There were also programmes which were known to be weak. The UZ had also programmes which were similar to those done at other universities. Other programmes were unique to the UZ. He pointed out that one area that compromised development of the UZ and thus adding to the perception that it was of poor quality was lack of infrastructure and amenities. He pointed out that the UZ did not have all the kinds of infrastructure that it would have wished to have. He added that the UZ had a 20 to 30 year backlog in terms of funding and the government would have been expected to make up for that, so that the institutions like the UZ were made to be on par with HWIs in terms of funding and resources.

The Dean of Faculty of Education pointed out that the view that HDIs were of poor quality was a self fulfilling prophecy because when institutions were dubbed HDIs people tended to shun those institutions as a result some of the good material that these institutions would have drawn ended up avoiding being associated with institutions that were branded as disadvantaged. He pointed out that there was no institution that was 100% percent excellent. Although he did not subscribe to that view but he conceded that he did agree that certain institutions including some HDIs might reflect elements of poor quality but those

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elements of poor quality needed to be identified and rectified. He added that some of the issues that created the impression that HDIs were of poor quality were deliberate because some people came to work at HDIs without a sense of association with these institutions.

The Dean of Education pointed out that some people came to HDIs and derived benefits which far exceed their input. Those people did not perform to the level of their capacity because they lacked commitment and did not identify with these institutions, that resulted in problems for HDIs. He added that there was a need to unpack the concept in terms of characterization of quality. There had to be a clear understanding of what it was that was regarded as poor in these institutions. There was also a need to look at the causative factors. He pointed out that it was improper to summarily brand institutions as historical disadvantaged. The concept of HDIs needed to be interrogated. He added that the concept of HDIs suggested that something had happened historically to disadvantage these institutions. He pointed out that HDIs were a creation of apartheid and were used by people who did not identify themselves with the communities which these institutions served.

The reason why HDIs were called disadvantaged was because they lacked a definitive identity in terms of who got employed in these institutions and to what extent did these people identified with the surrounding community which these institutions were supposed to serve. The Dean of Education suggests that Black universities were referred to as HDIs because they lack identity. However, he pointed out that HDIs were not necessarily of poor quality. These institutions had produced very influential people for South Africa and for the international community.

He stressed the factor of identity as a major impediment in the advancement of HDIs. He questioned identify and images of the individuals that worked in the HDIs in relation to the larger context of HDIs' community. He explained that

some people who worked at the HDIs had their loyalties somewhere else. He also mentioned that HDIs did not have a history that grounded them. He went on to give a historical account of what was commonly called reputable institution in South Africa. He explained that the University of Witwatersrand was originally meant to serve Jewish Community in South Africa. He pointed out that there were also Afrikaner universities of Pretoria, of Stellenbosch etc. He pointed that these institutions had a sense of identity which sustained them through time. The same cannot be said of HDIs.

The CEO of Uthungulu Community Foundation pointed out that he did not agree with the perception that the UZ and other HDIs were of poor quality. He added that those perceptions would remain perceptions unless one did research and came to a conclusion based on the findings of that research. He pointed out that perceptions that HDIs were of poor quality were wrong, malicious and unnecessary.

From the above responses it can be read that although the interviewees did not subscribe to the view that the HDIs were of poor quality, but they did understand that there was that perception. Some of the interviewees attributed that perception to the following factors, namely, lack of resources at these institutions, the history of these institutions, lack of commitment by some staff members that worked at these institutions, inability of those who worked at HDIs to identify with the environment of these institutions, and the fact that HDIs lacked identity.

4.2.1.2 Was there a justification to the view held by both private and public sector that HDIs were of poor quality?

The interviewees were further asked it they believed that there was a justification to the perception held by the private and the public sectors that the UZ was of poor quality. The former Rector of the UZ and the CEO of Uthungulu Community

Foundation stated that they believed that both the private and public sectors had no justification to hold that view.

The former Rector of the UZ stated that he had approached business of the city of Umhlathuze with a view to working with them and dealing with the negative perceptions. He pointed out that the problem which he came to understand was that business of the city of Umhlathuze were white controlled and that whites in such businesses were not interested in the UZ some of them did not even know there was a university right at their door steps. The reason for that he believed was racial prejudice. Since the UZ was an HDI to most of the business community of the city of Umhlathuze the UZ did not exist.

Racial prejudice persisted even if the UZ had whites who were working there both in the academic and in administrative sections. He found it inconsistent that people perceived standards of the UZ as being poor since most of the white members of staff who were working there were produced by HWIs and not by the UZ. He wanted to know if white workers had come to UZ to perpetuate mediocrity and then claim that the UZ was of poor quality. He pointed out that that needed to change. The prejudice was there largely because of the element of race. He added that it was white business people who were saying the UZ was of poor quality even though some companies had their employ former graduate of the UZ who were holding high positions.

Another problem as seen by the former Rector of the UZ was that the majority of people who worked in local companies were people who held qualifications in mining and engineering. The UZ did not offer mining and engineering qualifications. He pointed out that that situation caused companies of the city of Umhlathuze to have working agreements with such institutions as the University of Johannesburg which would produce students who would be useful to the companies around the area. He also pointed out that in some instances businesses of the area would rather work with the University of Cape Town which

was far away than work with the UZ. That was prejudice which was racial and also historical because the people who were working in the businesses of the city of Umhlathuze were educated in those universities. Some of them wanted to support their alma maters and they had committed themselves to those institutions and it had become extremely difficult for them to change and support the UZ at their door steps. They would rather support Universities such as Pretoria and the University of Johannesburg and they would justify why they still did that.

The former Vice-rector of the UZ, and the Dean of Education did not come out with a definite answer to the question whether they believed there was a justification to the view held by both private and public sector that HDIs were of poor quality. The former Vice-rector pointed out that the UZ had some operational problems. He pointed out that if the UZ wanted resources and support from the outside community it had to be well regarded. The university was not to be seen to be embarking on strikes day in and day out (at the time of the interview sounds of people singing could be heard). He remarked that no one knew why there was such singing and noise. He also pointed out that the media got to know about those things quickly and they easily blew them out. Such things gave a negative image of the institution. He further added that in other instances there were good programmes at the UZ which were doing fairly well and were equal to programmes offered in other universities. As a result there was no cut and dried answer to the question.

The former Vice-rector was further probed if he believed that such views were unfair to the UZ. He pointed out that such perceptions were not necessarily unfair because there were certain things that were done at the UZ of which the institution was responsible and those things generated negative publicity, apart from the problem of frequent student strikes he also quoted the problems of ITS (Integrated Tertiary Software) and student's registration which the UZ had not

been able to handle properly for a long time. Such issues were likely to perpetuate negative perceptions about the UZ.

The Dean of Education stated that he did not want to protect HDIs per se and it was for that reason that his explication was trying to probe into the issues that surround description of what was called historically disadvantaged or poor quality. He conceded that there were a number of problems that had to be understood in HDIs. He added that HDIs were deliberately disadvantaged in terms of resources and location. They were put out there on the country side so that they would suffer the consequences of poor transport, poor delivery of resources, and poor accommodation. They were completely cut off from the site of economic and industrial development.

HDIs were created to serve the needs of a racially constructed system of education. They were located and were meant to serve disadvantaged communities who had a disadvantaged schooling system, from that disadvantaged schooling system they would draw disadvantaged students who would go back to their disadvantaged communities after having gone through the disadvantaged university system. He pointed out that that situation amounted to a revolving door syndrome. But he was quick to point out that his statements needed to be qualified in that human beings were not constant they were variable. He pointed out that individuals could defy odd circumstances in which they had been placed and emerge as different persons. He pointed out that holding the perceptions that HDIs were of poor quality was tantamount to judging the victim and a survivor of disadvantaged environment. He added that such perceptions were held by people who really did not understand issues and were merely mimicking those whom they thought were telling the truth about HDIs.

The interviewees attributed the view of poor quality of the UZ to racial prejudice. Business of the City of Umhlathuze was prejudiced against the UZ. The UZ also had to carry responsibility for the image of poor quality. The UZ did not offer

programmes, like geology and engineering that the industry of the area required. Regular students' strikes at that institution were doing damage to the image of the institution. The UZ had recurring operational problems. Another problem that was identified was that of location of the UZ. It was cut out from the site of economic development. Finally, HDIs like the UZ were seen to be perpetuating disadvantage.

4.2.1.3 Processes that have determined perceptions of both corporate/private and public sectors about the UZ

Interviewees presented different views in terms of processes and issues that have determined perceptions of both corporate and public sectors towards the UZ. The former Vice-rector attributed perceptions that were held by both public and private sectors about the UZ to not only the problem of resources but also to some the programmes on offer at the UZ. He pointed out some programmes needed attention.

The Dean of Education stated that the situation was complex. He pointed out that institutions that lacked resources ended up putting a poor show and a poor show would be attractive only to the people who turned to it as a last resort. He further added that HDIs sometimes didn't recruit what might be called the cream of the crop in terms of student cohorts. HDIs took what was available from the high school system. What was available might not necessarily be poor quality sometimes there were disadvantaged geniuses. Those geniuses had been disadvantaged by poor schooling and it was very difficult to change an individual who had gone through a long period of poor schooling to become a pebble on the academic show.

The CEO of Uthungulu Community Foundation stated that the UZ had to carry some of the blame. The UZ, he stated, had not been able to interact with its immediate outside communities. He pointed out that he expected the UZ to

invite representatives from local industries and local institutions to give talks to students and to members of staff. Some people believed that the UZ was just an ivory tower and there was nothing they could discuss with anybody at the UZ. This idea was even carried over to a situation where a person who had worked or had graduated at the UZ was doubted by the local industry whether he/she would be able to deliver. That was a wrong perception. The CEO of Uthungulu Community Foundation as a former employee of the UZ pointed out that he had experienced that himself.

In addition to what has been discussed above some of the factors that perpetuated low regard of institutions like the UZ included, programmes some of which needed attention, and the inability of the UZ to interact with business of the area. The problem of lack of resources at HDIs kept on being mentioned. Because of poor resources at HDIs, these institutions were not able to attract quality students. HDIs tended to attract people who came to them as a last resort.

4.2.1.4 Developing HDIs such as the UZ into highly regarded institutions, that is, first class institutions

Interviewees were asked if HDIs such as the UZ could be developed into highly regarded institutions, that is, first class institutions. In answering this question the Dean of Education used a metaphor of putting up a new building. He pointed out that this question suggested constructing a new edifice after demolishing the existing one. He stated that people could create a new structure, a new physical structure using the rubble of the old physical structure, but humans were not amenable to that reconstruction process without having been properly moulded from the rubble of the old structure. He pointed out that unlike the physical structure that one created new human organizations tended to be the product of the material and rubble that was destroyed to create the new structure. He added that even if one used a brick of the old structure to create a new structure

one had to remove all the mortar that was used in the old structure in order to make sure that it was useful.

The Dean of Education pointed out that what he meant was that one had to think hard to figure out what it was that one was going to use in order to create a first class university. Some of the questions a re-constructor of a world class university would have to face were: Where was he/she going to get a first class rector, a first class registrar, a first class dean and so on. They would have to ask how they would get those people. Do they make them? If there were people in these positions do they re-mould (remodel) them? Do they have some kind of personality reengineering process to recreate those people? Do they have a culture at those institutions which reproduces disadvantages in one way or another? What do they do with people who had their own private agendas? What do they do with people who put their individual needs ahead of that of the institution? What do they do with lack of relevant skill, wrong ideological orientation and a lot of other things?

The Dean of Education added that the HDIs like the UZ had gone through a few bouts of organizational development without achieving anything because when management of these institutions thought of development they thought it was other individuals who had to change and not themselves, they thought that with the skill or whatever they had they were adequate and if they perceived any problems about the institution they looked away from themselves and started recounting who was doing what wrong.

The Dean of Education pointed out that HDIs did not have structures and processes of training management, re-orientating management and actually finding the management wanting. There was no school for the registrars or rectors. There were no programmes for training Heads of Departments some did not even know that there was a document called Standing Orders which had been in existence for a long time. Some people got appointed to senior positions

without having had the necessary experience. Some got appointed to positions where they didn't even have a defined job description. Some people occupied positions where there was no clearly defined purpose.

He added that when one created an organization one had to have a conceptual map. One had to have a vision. One had to make use of resources that were available. One had to turn energies around. He pointed out that management of HDIs didn't want to learn from people who had been there and who might be resourceful. They regarded these people a threat. If management of HDIs considered people who were resourceful a threat, these institutions could not change to excellence but could only deteriorate instead of developing.

The Dean of Education was also critical of the way the system has been created as it tended to shelter management of institutions of higher learning and thus giving them room to maneuver and allocate resources the way they thought fit. If a manager of institutions of higher learning wished to create a position they just created it and took the matter to Council which acceded. If they wanted to allocate resources, money they just went to Council and they got the stamp of approval. He pointed out that if in any organization there was a group of persons that had access to resources and power to allocate those resources without checks and balances one had a recipe for disaster. There was a problem with internal autonomy of institution of higher learning. This autonomy meant that institutions of higher learning were sheltered from interventions from outside. That internal autonomy had been created in a situation where people had neither developed capacity no expertise to lead.

The CEO of Uthungulu Foundation stated that it all depended on what the HDIs offered in terms of curriculum. He pointed out that there were structural issues that would need to be addressed before HDIs such as the UZ could safely say that they had transformed. There were important areas that would have to be developed such the area of natural sciences, the field of Information Technology,

and Business Management field. The same thing applied to Development Models. He stated that the United Nations was talking about millennium goals for development. Institutions such as the UZ needed to ask how they fitted into that scheme of things. He pointed out that the UZ also needed to determine marketability of the products that it offered. The UZ like most of HDIs was not aligning itself quickly enough with national and international developments. He stated that the UZ needed to operate within a global framework.

From the above it can be deduced that interviewees believed it would be difficult to develop HDIs into what was regarded as first class institutions under the present circumstances. There were problems of capacity at these institutions. Some members of staff had their private agendas they put their interests ahead of those of the institutions. There was a problem of infighting. There was a problem of abuse of power. There was a problem with the system of education itself. The system of education gave universities internal autonomy which some people in management of these institutions used for their own motives. There was a problem with University Councils which were sometimes used to rubber stamp decisions of senior management. There were problems of ideological orientation. Also, sometimes HDIs were not aligned with what was happening in the global environment.

4.2.1.5 Uncertainty about the future of the UZ between 1990 and early 2000

The interviewees were asked to what they attributed the uncertainty that prevailed at the UZ between about 1990 and early 2000. The former Rector of the UZ stated that there was never any uncertainty about the future of the UZ while he was still a rector except that he had to preside over retrenchments of a few members of staff. The problem he had was that of having to deal with a hostile UZ Council. The Council was not cooperative. It had a problem in distinguishing management and policy issues. The former Rector pointed out that there were Council members who were influenced by academic staff. There

was also the attitude of the need to transform the university based not on substantive facts. The former Rector had also to deal with the problem of what came to be referred to as the "degree scam" in 1996. The "degree scam" together with yet another problem which came to be referred to as the "curtains scam", affected the stability and integrity of the university. That problem together with another problem which came to be referred as the "curtains scam" affected the stability and the integrity of the university. The former Rector pointed out that investigations into the "curtain scam" were problematic and there were also racial undertones to them.

The CEO of Uthungulu Community Foundation attributed the uncertainty of the period to the people who were managing the UZ at the time. He pointed out that they were not trained or oriented in the area of organizational development and how change manifested itself in organizations. He pointed out that there was no unanimity and no common understanding among managers at the UZ at the time. That included him. Management did not know how to deal with the situation. He himself could not deal with the situation because he was a middle manager. If top management at the time did not see anything wrong no one else would have turned the UZ into something better at the time. He pointed out that tensions intensified between 1996 and 2001 at the UZ. Another subject that brought about tensions at the time revolved around the subject of transformation. He pointed out that the years between 1994 and 2001 were the most difficult years at the UZ. He added that some people were primarily concerned about what would become of them.

The former Vice-rector attributed the uncertainty to restructuring and the way restructuring had been carried out. The government expected the UZ to become a comprehensive institution but the UZ was not given a blueprint as to what a comprehensive institution had to be like. Another problem that the former Vice-rector identified was that of capacity of the people who were charged with planning the new envisaged institution. He pointed out that the UZ institutional

planner was not someone who had experience in the field or someone from an organization that had undergone restructuring relating to planning a comprehensive institution but it was someone who was just promoted into the position having not acquired any experience in institutional planning. That presented problems for the UZ.

From the above it can be deduced that interviewees attributed problems that the UZ had between the years 1990 and 2000 to lack of leadership as a result no common vision, hostilities of the UZ Council to senior management, the UZ Council moving out of the parameters of its mandate, inability to manage transformation and problems of corruption that broke out that tarnished the image of that institution.

4.2.1.6 The UZ and its inability to attract the so-called good students

The interviewees were asked what they thought were the reasons for the inability of HDIs to attract the so-called good students. The former Vice-rector explained that over the years there had been qualifications which were highly regarded and were sought after by students from all over the country. He added that at one stage in the 70s the Law Programme was very strong at the UZ and many students would come from all over the country to study there. They came there because of certain individuals for example there was a professor of Law whose name was Prof. Kemp who had established good reputation for the Law Faculty of the UZ. Because of people like him the UZ Law programme did very and was known throughout the country. But over the years the UZ Law programme had gone down and people with experience and knowledge had left. That programme had not been able to sustain itself. For a programme to stay sustainable there had to be a good supply of academics and a good supply of students.

The former Vice-rector also mentioned the challenge of aggressive advertising. He stated that if one looked at Sunday Newspapers. The Sunday Times Newspaper always had not less than one article advertising the Wits Business School. He wanted to know why that school would always be advertised if it was a top business school in the country. He answered that that school had to be advertised all the time because of serious competition. He pointed out that all he knew about the UZ was that it advertised positions and not programmes. He mentioned that unless the UZ advertised its programmes it would be difficult for this institution to attract good students.

The CEO of Uthungulu Community Foundation attributed the inability of the UZ to attract good students to negative perceptions that people hold of the UZ. He added that the UZ at times seemed invite the negative image. He explained that it was not uncommon to find students at the UZ engaging in strikes for a week or even two weeks. He wanted to know the types of message that those extended strikes were sending to potential employers and sponsors. He pointed out that students at some HDIs could afford not to do anything for the whole year and then be given a pass mark at the end of the year.

The conclusion which can be drawn from the above is that interviewees attributed the inability of the UZ to attract the so-called good students to inability of the institution to attract and keep quality human resources. Also the institution was not engaging in a continuous process of self-renewal. There was also the factor of stiff competition amongst the institutions of higher learning for quality students, lack of advertising and negative perceptions from prolonged students' protests also presented problems for the institution.

4.2.1.7 The UZ and the ability to adapt to technological, economic, social and political environments

The interviewees were asked if they thought HDIs and the UZ had been able to adapt to the challenges that were posed by technological, economic, social and political environments. The responses ranged from it was lacking to it was getting there. The former Vice-rector stated that the university was getting there although it had not fully and successfully applied itself in achieving those goals the main problem being lack of capacity. A problem that stood out is that of Information Technology (IT) Division. The university IT had never operated efficiently and that problem had been there since the 1990s.

The Dean of Education stated that despite limited resources the university was getting there. The UZ was part of the network when it came to procurement of materials. There were interlibrary loans and the internet facility. The institution was creating knowledge that was competitive. Where the UZ was lagging behind was in the development of technological knowledge and in the area of applied sciences particularly natural sciences. The UZ was situated in a community that needed people with expertise in engineering, and various areas of medicine particularly in the area of subtropical diseases. Also the institution fell within an area of HIV/Aids pandemic. The institution was not part of the researching community in these areas.

The UZ was located in an area with high levels of poverty and malnutrition. The institution did not have scientists who were specialized in food technology. There was controversy around genetically engineered foods. The UZ was not part of the research community around these areas. The UZ like most HDIs were stuck with traditional sciences such as physics and chemistry which might not be very useful in solving some of the problems that the country had. The institution did have biochemistry but it had not expanded into becoming a training ground for scientists who would contribute in the improvement of human lives.

The UZ had a Department of Hydrology. The question was what it was doing to improve lives of the people of the area. There was the Department of Agriculture which amongst other things would be expected to be doing research into common animal disease but did not do that. There were other departments which were not well oriented. The Dean of Education pointed out that there was very little that would typify HDIs as institutions that were moving with the times, institutions that were sites of research, institutions that were generating knowledge in the field of science and technology. Some of the degree programmes that these institutions offered did not have a well thought out direction. Some graduates from biochemistry and microbiology wanted to become teachers. These institutions did not know what they were producing biochemistry and microbiology students for and what these students would ultimately become. Development of HDIs had been skewed.

There were good programmes at the UZ like the fitness programme of Human Movement Science. The problem was that most of its laboratories are centred in town and not on UZ campus. This inadvertently betrays where some UZ employees were indebted. Some UZ staffers came from their "enclaves" to the UZ in order to reap the benefits of employment and they went back to plant those benefits in their own backyards.

The CEO of Uthungulu Community Foundation pointed out that the UZ was lacking in the area of technology. Another problem was that when one wanted to do business with the UZ one did not know whom to talk to. Some people sometimes agreed to collaborate but before they could take a decision and finalize any matter they had to go through a number of layers. That delay presented opportunity for competitors.

From the above it can be deduced that although interviewees believed the UZ was part of the international knowledge network there were areas where the institution was lacking. There were questions about the orientation and relevance

of some of the programmes that the institution offered. The institution was stuck in traditional sciences, the institution had not moved into research areas that were needed to solve present day problems. There was also the negative effect of bureaucracy which was impacting negatively.

4.2.1.8 The vision of the UZ for the next 10 years

Interviewees were asked where they would wish to see the UZ in the next ten years. The former Rector stated that he could not say anything about that as he was not part of the UZ anymore and he even did not want to be associated with it anymore but added that some of the things that people visualized were not easy to attain. As a rector he was prepared to work hard but some people had their own attitudes.

The CEO of Uthungulu Community Foundation stated that the institution had a challenge of being the best. South Africa had a Black government which was competing with other governments in the world. This government depended on the leaders produced by such institutions as the UZ so the UZ has to be one of the leading universities in South Africa. There had to be something unique that would identify the UZ as being better than the other universities. That institution was a rural university, as a rural university there were aspects that gave that university competitive advantage, it is those areas that gave that institution competitive advantage that had to be exploited.

The former Vice-rector stated that he would like to see the UZ doing well in the region particularly since it was the only university in the north of the Thukela River and had a catchment which stretches right up to Mozambique and reaching inland as far as the Drakensburg. The UZ has potential for the future but that required that it be nurtured and be well resourced. The UZ would do well if it did not only focus on physical infrastructure but also on human resources.

He added that HDIs as institutions that were born out of apartheid needed to be changed and transformed very consciously. He pointed out that it would be good to take stock of what was bad about the UZ and what needed to be changed. That would results in a situation where the university was given a new kind of image, a new kind of vision and a new kind of ethos. Transforming programmes and infrastructure was not enough there was also a need to transform the thinking and frame of minds of many of the people at these institutions. Also there was a need to transform perceptions of people who had been at these institutions also those who had never been there but had known these institutions through the media. He added that change had not to be forced on people but people had to be willing to change.

The Dean of Education stated that as far as he was concerned the vision of this institution was blurred. There was no programme of institutional integration. There was no culture of developing expertise to take over and not plan of succession. There was a lot of infighting going on. And in the process vision was lost. The institution did not have a strategic plan.

From the above it can be deduced that it was difficult for institutions like the UZ to move towards a common vision because people had their own agendas. There was also a challenge of changing the culture of that institution. There was a need to re-brand that institution. As an institution of higher learning the UZ has a challenge of developing into a unique university and its location was an advantage. However, the institution needed to be well resourced to attain that vision.

4.2.1.9 Constraints or limiting factors to the attainment of vision

The interviewees were asked what they considered to be constraints to the attainment of the vision. The CEO of Uthungulu identified lack of resources as a problem. He mentioned that there was also a problem of not monitoring

implementation of ideals of vision. There was also no assessment of what had been achieved on annual basis and even on quarterly basis. Even if academic staff did not honour their classes on a daily basis at some HDIs nobody cared. He pointed out that most of HDIs like the UZ were not run on sound management principles. He added that perhaps that could be attributed to the culture of academic institutions, but he pointed out that there had to be something to monitor progress.

The CEO of Uthungulu Community Foundation added that some problems of HDIs started right at the point of student's entry. If HDIs recruited students of poor background they would be expected to take a longer time to complete their degrees, an expended period of about four to five years. But there was a dilemma to that because if students took longer to graduate the university would not get its subsidy from the government. Some of the problems that HDIs had could be attributed to the Education Policy the present Subsidy Formula was an example, he pointed out. The subsidy formula rewarded institutions who produced large quantities of graduate. It encouraged massive production without due regard to quality. Some of the students the system of education produced were illiterate. He added that even the Minister of Education had stated that some of the matriculants that are produced are functionally illiterate particularly when it comes to Mathematics. The CEO added that there were complex problems in the education sector.

The CEO pointed out that the UZ had an important role to play. If the UZ was not doing what it was doing, there would be problems for the entire country and people would rise against the education system, against the state and against everything. But unless the state came in and provided more funding to historically disadvantaged universities, these universities were definitely not going to make it. Things would not happen for them. The government was not to leave HDI to solve their problems because the problems that they had were not of their creation, most of the problems that the HDIs had emanated from

elsewhere. If one wanted to solve a problem one had to tackle the cause of the problem and not the symptoms. The CEO also identified lack of commitment as also one of the constraints to the attainment of the vision. He pointed out that some people were not committed to the UZ.

Constraints to the attainment of vision of the UZ which the above discussion identified include, lack of resources, problem of quality of leadership, perception that students were of poor quality and lack of commitment and laziness amongst certain members of staff. The whole education system also created problem for HDI, the way government funding was structured such that it promoted mass production sometimes quality was compromised.

4.2.1.10 Competitiveness and Sustainability of the UZ

The former Rector was asked if he thought the UZ was competitive and sustainable. He pointed out that he could not comment about that since he had been out of the university for more than four years. He added that he had tried to make the institution competitive but politics had determined the course of events at the UZ. There was a perception that it was controlled by Inkatha Freedom Party. As the rector of the UZ he had tried to follow principle-centred leadership otherwise he would not have survived. He added that it was very difficult to lead a university that came about out of a political agenda. The UZ was foisted upon people. People did not like it, although things have changed but there were still remnants of that. People would prefer a historically white university to a historically black institution. This he attributed to lack of self esteem on the part of Black people.

From the above it can be deduced that competitiveness and sustainability of institutions like the UZ is constrained by history of these institutions, politics that is inherent in the system, and general lack of pride towards the institution.

4.2.1.11 Major challenges faced as Rector

The former Rector was asked what he considered as a major challenge while he was rector of the UZ. He mentioned that the major challenge that he faced was that of changing the culture of the institution to a culture of excellence. There was also a challenge of dealing with issues of corruption and degree "scams", another major challenge is that of raising finances for the university so that it would not have to depend on the government subsidy and students' fees for income. He pointed out that it was a major challenge to raise funds for a university that was not well known. He also pointed that Black people in general had a problem of looking down upon their own institutions. There was no attitude that said the UZ was theirs, the attitude that one would expect especially amongst Black people. He pointed that some Black academic staff would influence the UZ Council which would then adopt a hostile stance towards him. He, however, added that that could be a common problem amongst all historically black universities.

The former Rector stated that another problem that he came to realize was that people were generally lazy. Some people wanted to do as little as possible. He pointed out that some universities like the UZ had a tradition where some staff members knocked off at 1 o'clock and went to play golf. He wanted to know the message that tradition was sending to the private sector. He explained that he had tried to change that culture but some of the staff members would liaise with some UZ Council members who would support them and that would generate a lot of resistance. So he found it difficult to sell an institution to the private sector where members of staff knocked off at 1 o'clock.

He pointed out that some of the challenges that the UZ had could be overcome by teaching effectively and producing publishable articles so that the UZ could use income generated to buy needed resources such as computers. If the UZ produced good students they would become ambassadors. But there was also a

problem with that because once some of the students had graduated they did not want to be associated with the university any longer. They did not want to look back at the UZ, largely because of what some of the people were doing at university. But if the UZ had a larger pool of good people its image might change.

Major challenges that faced the former Rector that can be deduced from the above included corruption and publicity that it received, the challenge of changing culture of doing as little as possible, and lack of ownership of this institution by the majority of staff members.

4.2.1.12 Turning the UZ into a Sustainable and Competitive Institution

The interviewees were asked it was possible to run the UZ as a sustainable and a competitive institution. The Dean of Education stated that as long as there were students coming to institutions like the UZ and paying their student fees and as long as the government recognized its financial obligations by paying the subsidy these institutions would limp along. He also pointed out that the fate of these institutions would largely be determined by upturns and downturns in the economy. He identified internal politics as a major factor that would make it difficult for people to move along and identify themselves with the vision of institutions like the UZ. The problem of scarcity of resources would exacerbate competition and internal conflict. Where resources are inadequate people not only fought over scarce resources but they also tended to eliminate competitors.

Other problems he believed hampered development of the UZ included resistance to change, the policy of education which is open to abuse and many more which have been mentioned earlier in the interview.

It would not be easy to turn the UZ around mainly because of internal politics and infighting. Also the future of institutions such as the UZ would basically be determined by economic performance of the country.

4.2.2 Analysis of Findings from Interviews with People Knowledgeable about the UZ in terms of Systems Thinking Framework

Based on the above interviews if one looked at institutions like the UZ from the Systems Thinking and Learning Organization point of view there are a number of areas that would need attention if they were to become learning organizations. The discussion below focuses on those areas:

- Do the employees of institutions like the UZ view them as more than places of employment, but as places they can identify with? What is the extent of their commitment to these institutions? Do they have a coherent picture of the future which they share with these institutions? Based on the findings of the interviews there is very little to suggest that the above questions would be answered in the affirmative. Findings of the study show that some employees of these institutions lack commitment and loyalty. Laziness was also identified as a problem at these institutions that being the case HDIs like the UZ lack some of the important cornerstones of a learning organization.

- How do employees of the UZ perceive one another? What mental models do they hold of each other? Is there mutual trust or is the UZ characterized by mistrust and suspicions? The findings seem to suggest a prevalence of counterproductive conclusions and assumptions to the detriment of the success of this institution. This hampers the UZ from becoming a learning organization.

- Do employees of HDIs like the UZ hold a shared picture of the future they seek to create? Do they have a mutual sense of purpose of the future they seek to create? Findings of the study show that institutions like the UZ are lacking in this aspect. Some members of staff are driven by

private agendas. Some employees tend to put personal interests ahead of the institutions' interests. Findings of the study also show that members of the UZ community lack shared vision for that reason the UZ cannot become a sustainable and a competitive organization.

- Do employees of these institutions "think together" as teams? Findings of the study show that institutions like the UZ lack in this area. Where there is lack of trust and where people put their interests ahead of those of their organizations' the possibility of team work is reduced.

- Do the different elements that comprise the HDIs like the UZ operate as a system sharing ideas and information? Is there interdependence of those with interest at institutions like the UZ? Does the UZ regard itself as part of a subsystem within a bigger system? Although the idea of sharing information is not overtly addressed in findings, but there is very little to suggest that sharing is happening. Findings of the study, however, do show that sometimes the UZ disregards the bigger system of which it is part, sometimes an impression is created that it is an ivory tower. The surrounding environment of the UZ also tends not to be receptive of the UZ even if the UZ wishes to interact with its surrounding.

4.2.3 Interview with the Business Community of the city of Umhlathuze

4.2.3.1 Interactions between the UZ and Business Community of the city of Umhlathuze

There had been attempts to establish a working relationship between the UZ and the Business Community of the city of Umhlathuze. According to interviewees from Bell and Richards Bay Coal Terminal (RBCT) the CEO's Forum of the city of Umhlathuze (made of CEOs from Bell, Mondi Business Paper, RBM, etc) mandated a Committee of Training Managers to get together and work with the UZ to determine the best direction that the UZ needed to take so that the UZ became relevant to the needs of the local industry. That initiative was started

towards the end of 2004, but had fizzled out into nothing because people from the UZ did not show commitment to the process by taking the initiative. The Committee of Training Managers ended up losing interest and the initiative had collapsed. Dr John Boughey (Academic Development, UZ) had paid visits to the business of Umhlathuze with a view to establish working relationships but nothing had come out of those initiatives.

4.2.3.2 Business Confidence towards the UZ

There was a general sense that the city of Umhlathuze business community's confidence towards the UZ was below average. This view was derived from responses of representatives of National Ports Authority (NPO), Richards Bay Coal Terminal (RBCT), Bell, Richards Bay Minerals (RBM), and Mondi Business Paper. The interviewee from TICOR indicated that they had full confidence in the UZ. The company did not subscribe to the view that the UZ was of poor quality. Although the interviewees from NPO, and Mondi Business Paper indicated a lack of confidence in the UZ, they also pointed out that the picture was not as bad as some people portrayed it, but the situation could be better. From Mondi Business Paper the researcher learned that there was a perception that UZ standards were poor. Even though there was that perception, the experience that the company has had with graduates from the UZ was mixed. Although there were bad graduates from the UZ, there were also good ones.

The interviewees from RBCT, RBM and Bell indicated in strong terms that they did not have confidence in the UZ. RBCT indicated that their lack of confidence in the UZ arose out of the experience they have had when dealing with this institution. For example, RBCT had employees who were studying at the UZ, but when RBCT contacted the UZ with a view to settle their employees' student fees RBCT was told that the UZ did not have their students in their database even though such students had UZ student cards. Also RBCT funds some of its employees' children who study at the UZ, when RBCT wants results for those

funded students the UZ sometimes would be unable to make them available. Sometimes when RBCT phoned the UZ they would get passed from one person to the next and they would end up not getting anywhere. This had led to RBCT adopting a negative picture of the UZ.

Bell's lack of confidence in the UZ arose out of the experience the company has had with Human Resource Interns. HR Interns who were at their final year of study did not even have basic knowledge which students at their level would be expected to have. For example HR Interns did not know what the Basic Conditions of Employment were.

RBM's lack of confidence in the UZ also arose out of the experience that the company has had with some of the graduates of the UZ. RBM has employed finance graduates from UZ and from Wits. Graduates from the UZ have been found to be weak. According to the interviewee from RBM graduates from the UZ become competitive only after they have furthered their studies at other universities. According to the interviewee from RBM graduates from the UZ needed mentoring and coaching.

Moreover, according to RBM there were concerns about UZ academic standards in general. Sometimes work that other universities offered at undergraduate Level Three the UZ offered the very same work at an Honours Level. This raised questions about standards. RBM, however, conceded that the lack of competitiveness of graduates from the UZ could be as a result of environmental factors. Since the UZ was a rural university, this could be a contributory factor in making the UZ graduates not be as assertive as graduates from other universities, for example, the University of Witwatersrand.

4.2.3.3 Relevance of the UZ to the needs of the Local Industry

Although TICOR believed the UZ was on track, there could be areas of improvement especially in the area of engineering. In terms of engineering TICOR would require graduates who had metallurgical skills. They would also require people with skills in the field of geology, surveying, industrial psychology and business strategy. They saw the role of the UZ in the area of engineering as that of providing a foundation which could take the form of a one year (first year) period of study thereafter a student would further his/her studies at a university which had an established engineering faculty. According to TICOR, companies did not really have a big demand for engineers but that of artisans, technicians and operators. The UZ would be relevant if it produced people with those skills. This view was also shared by NPO.

The interviewee from Bell was forthright in stating that most of what the UZ offered was of little relevance to the core business of Bell. Bell was a technical based industry and most of their core business was mechanical engineering oriented, the UZ did not offer any mechanical qualifications. To be relevant to the needs of Bell the UZ would have to offer top notch mechanical engineers. Bell battles to attract engineers to Zululand (City of Umhlathuze). The UZ has to make itself relevant to the industry by offering engineering. The City of Umhlathuze is an industrial based city. If Bell were to offer bursaries, it would have to be students who were in the field of mechanical engineering. The only interaction that Bell had with the UZ was through Human Resources and Psychologist Interns that did their training at Bell.

The view that the UZ was not relevant to the needs of the local industry was also shared by RBM who maintain that the UZ did not produce what the company requires. Companies like RBM would require people with qualifications in the field of metallurgy, mechanical engineering, electrical engineering, etc. The UZ did not offer these areas of study. A company like RBM did not need graduates

who qualify in humanities in large numbers but it needs science and engineering graduates. The interviewee from Alusaf stated that the engineering degree that the UZ offers was not relevant to the needs of Alusaf.

The interviewee from Mondi Business Paper also doubted if the UZ was relevant to the needs of the local industry. The interviewee from Mondi Business Paper felt that there was a need to improve in the area of relevance. When Prof. Dlamini, the former rector of the UZ, was still the rector there were discussions that were held with a view to establish a relationship and improve the image of the UZ. Prof. Dlamini even visited the company to get first hand knowledge on what the company was about. Unfortunately, nothing came out of those interactions as Prof. Dlamini's term as a rector ended. When the present rector of the UZ took over she also came to visit the company and the need for closer co-operation was discussed. This closer working relationship was meant to be with the rest of the business community of Umhlathuze, but nothing seemed to have developed out of those interactions.

The interviewee from Mondi Business Paper pointed out that the business community of Umhlathuze was affiliated to the Zululand Chamber of Business Foundation (ZCBF), the question he wanted to get answer to was, why the UZ was not part of ZCBF. At the ZCBF the UZ would get to know what the business needs of the area were and adjust its programmes accordingly. Although the UZ did not necessarily have to be driven by the needs of organizations like BHP Billiton, Mondi, RBM, etc, but the interviewee from Mondi Business Paper stated that it would be expected that the UZ would be sensitive to the needs of the local business.

Since the UZ had a Science Faculty and the Zululand Coastal area has huge forestry plantations, the interviewee from Mondi wanted to know why the UZ was not investigating the possibility of a B Sc Forestry Degree. For a Forestry qualification students sometimes had to go the universities like Witwatersrand or

Cape Town University. The interviewee from Mondi wanted to know why the UZ was not filling that gap. The interviewee from Mondi also pointed out that there was a demand for engineering and for chemistry graduates but the UZ appeared not to be addressing that demand.

The interviewee from NPO, however, raised another perspective on the subject of relevance of the UZ when he pointed out that the business community of Umhlathuze insisted that it could not attract people with an engineering training, but NPO has a pile of applications from students who apply to do in-service training with the company so that they could graduate to be engineers but could not do so because most of the industry of Umhlathuze seems not willing to offer them opportunities for in-service training. NPO did have a scheme to provide in-service training for students who had completed electrical engineering and civil engineering but the limited space constrains the number the company can take. The interviewee from NPO pointed out that one tended to get a sense that private companies still subscribed to the old concepts of apartheid as black students were still excluded on the ground of their being black. There were also students who had completed their engineering courses but could not get employment. The interviewee pointed that it was difficult to understand why companies say they could not get engineering graduates.

Although the interviewee from NPO sounded positive about the UZ and its subject offerings he did raise some issues that related to their relevance. The NPO interviewee also wanted to know about the project of UZ Qualifications Restructuring. The same issue of the UZ Reconfiguration was also raised by RBCT. The question asked was, was the project continuing? When the concept of the UZ reconfiguration was first announced an impression was created that the UZ would be offering technikon courses and expectations were raised. But those expectations appeared not to have been addressed. It was pointed out that the UZ still had a responsibility to address the issue of offering technikon oriented courses. Course offerings had to address the needs of the surrounding business

community. Courses were not to be too theoretical as it the case at the moment but had to include a big practical component which was what the industry desired.

4.2.3.4 The extent to which the Industry does Business with other Institutions of Higher Learning

Universities like Pretoria, Stellenbosch and the Durban Institute of Technology (DIT) (renamed Durban University of Technology (DUT)) sometimes did work for NPO. A tender for a "Women and Management Development Programme" was won by DUT. According to the interviewee from NPO it was strange that institutions that were distant such as DUT had to do Management Development Programmes for NPO when UZ was just across the road. The interviewee from NPO pointed out that when he first met Prof. Smith the former Dean of Commerce Faculty at UZ, he was hoping that the UZ would offer business management skills for them. His vision was that of the UZ becoming a service provider to the company. NPO was also hoping for short courses in business management. But when Prof. Smith departed from the UZ all the efforts that had been started stalled. The only interaction that NPO presently had with the UZ was that NPO made its lecture rooms and other facilities available for the Richards Bay UZ Campus evening classes without any charge. That was not the type of interaction that was envisaged when NPO first met the Dean of the Faculty of Commerce and Administration. The first interaction between the NPO and the UZ occurred when the Faculties of Commerce and Administration and that of Science and Agriculture visited the NPO offices. But the Faculty of Science and Agriculture were to later discontinue their participation.

NPO and the DUT were presently working on a new programme. The DUT offered Maritime and Port Infrastructure Studies to the employee learners of NPO. This exercise has been very expensive to NPO as the company has to send its employee learners to DUT classes in Durban. Apart from paying for

tuition fees for learners the company also had to pay for accommodation which tends to be very expensive as employee learners were accommodated in hotels. According to a new arrangement NPO would no longer have to send its employee learners for classes in Durban because DUT would offer similar classes in Richards Bay in sessions of blocks with each block lasting for about a week. Technical Universities like DUT were presenting university courses. The question the interviewee from NPO wanted an answer to was why similarly the UZ was not offering technical courses. The interviewee from NPO also pointed out that there was also a move to change the name of DIT to Durban University of Technology (DUT). He wanted to know if the UZ was aware of this and the competitive situation that was developing.

In terms of doing business with the UZ, according to the interviewee from RBM, the UZ management had approached RBM with a request that the company help the UZ fund a new building to accommodate students. RBM had been reluctant to commit itself to such a project because the UZ offered programmes which were mostly irrelevant to the needs of RBM. RBM would consider a request for funding for an engineering building. The company needed engineers not humanities' graduates.

Still according to the interviewee from RBM, the company had a Rehabilitation Programme which was presently dominated by students from the Universities of Pretoria and from the North-West (formerly, Potchefstroom University). Most of those students did their Masters degree or PhDs researching the RBM Rehabilitation programme. That the Rehabilitation area did not have students from the UZ was a matter that puzzled RBM.

On the question of Mondi Business Paper requiring other institutions of higher learning to do business for the company, the interviewee from Mondi stated that Mondi had never had to outsource anything to a private institution. But Mondi did

have a working relationship with the University of KwaZulu-Natal (UKZN) for the reason that UKZN has a Paper and Pulp Faculty/Department.

According to the interviewee from RBCT, the company did contract other institutions of higher learning to do consulting work for them especially in the area of Environmental Impact Assessment, but definitely not the UZ.

4.2.3.5   The Investment that Business does in Higher Education

With regards to investing in higher education RBCT funded the Umfolozi College (formally Richtek) because Umfolozi College offered skills that were relevant to their needs. On the issue of investment at the UZ, KUMBA the company that owns TICOR had invested at the UZ through the establishment of the Chair in Rural Development. In as far as Bell was concerned the interviewee indicated that the company could not be expected to invest in irrelevant qualifications. Bell was involved in Umfolozi College (Richtek) because the college was relevant to needs of the company. Bell could not be expected to invest in what was not their core business. The interviewee from Bell added that the long term vision of the UZ did not seem to make an allowance for shifting from the fine arts into the mechanical fields. RBM has made substantial investment over the years at the UZ Science Centre at the ZCBF. According to Mondi Business Paper, Umfolozi College was the only institution that had responded to the needs of the industry and as a result the College offered a Diploma qualification in the Paper and Pulp field. In this way Umfolozi College was able to draw funds from the industry.

According to the interviewee from Mondi Business Paper, Mondi used to invest in UZ but not anymore the reason being that there was no contact with the UZ anymore. There was no continuous interaction. Mr. Howard Midwood the former Chairman of the UZ Foundation (UZF) used to visit Mondi and would always update Mondi on what was happening at the UZ. That was the kind of interaction that the industry required. When Mr. Midwood retired his successor never came

to visit Mondi this resulted in the interaction that had been established by Mr. Midwood coming to an end. There hadn't been any interaction since. It was pointed out that Mondi had a Training Department the UZ would be finding out where the training interests of Mondi lied and be able to respond accordingly. Mondi used to put money into the UZF but that was no longer the case as there wasn't any formal interaction anymore. Building the relationships with the industry was very important and Mr. Midwood would always try to do that.

4.2.3.6 Recruitment of Employees for the Business

According to the interviewee from RBCT, the company would be concerned about recruits from the UZ because of the reputation and the general perception that standards were different compared to other universities. RBCT has had an experience of a bursary student from the UZ with a good Information Technology qualification but who was unable to perform like someone with that kind of a qualification. The company had concerns that bursary students from the UZ were not at the same level as other students from other institutions. Bell recruited from all over the country, of the approximately 1500 employees that Bell had not a single one came out of the UZ.

RBM had not been able to fill a vacancy that they have had for some time which was created when an engineer they had emigrated to Australia, according to RBM that highlighted the severity of the shortage of engineers. Also in 2005 year RBM commissioned a Durban company to establish the skills base of the Province of KwaZulu-Natal in the field of the engineering. The findings of that study were that the province did not only have a shortage of engineers but it also had a big shortage of people with artisan skills.

Mondi Business Paper recruited from all over the country. Mondi had employed good graduates from the UZ. There were both good products and bad products

from the UZ.   Mondi would be prepared to help the UZ on condition that what the UZ did was relevant to the needs of the company.

4.2.3.7   The Advice that Business would offer to the UZ

All the interviewees seemed to agree on two items of advice that they would give to the UZ and that was marketing and being responsive to the needs of the surrounding environment. According to the interviewee from NPO, the UZ had to come out and market itself. It was not easy to help the UZ as the company did not know what the needs of the UZ were. Most of the people at the higher institutions of learning did not want to change maintaining that they had done things that way. When the UZ announced that they were moving towards technikon oriented courses expectations were created and there was excitement but nothing seems to have come out of that exercise.   Universities like Stellenbosch maintain constant contact with NPO. They always send NPO their brochures on what they offer. The interviewee from NPO stated that he had just received a brochure from the University of Stellenbosch through internet. The University of Stellenbosch had a variety of short courses. The UZ did not have short course that were relevant to the local needs.

NPO did have confidence in the UZ although some industries of the City of Umhlathuze did have problems with the UZ. According to NPO the main problem with the UZ was that it did not market itself. In about October or November 2005, Prof. Goba of DUT came down to the city of Umhlathuze to market his institution, Prof. Goba talked on DUT partnership with industry of the city of Umhlathuze. NPO had been involved with DUT for a very long time, they used the NPO facilities for their classes before moving to ZCBF. The UZ had to market itself to the industry and also work with the community. The UZ had to be part of the community.   It was also important to establish the relevance of what the UZ offered for the needs of the community.

According to the interviewee from RBCT, in order to improve the UZ needed to talk to the local industry and find out what their needs were, and offer more technikon aligned subjects. RBCT had heard that that was to happen whether that has actually happened was another story. RBCT has had expectation which seemed not to have been fulfilled, it was better not to create any expectation. The UZ was just one of those institutions, if it was not up the road RBCT would not know anything about it. If the UZ provided services to the local industry it would then be taken seriously. According to RBCT another problem which the UZ might have was that they could be doing things but not communicating it.

According to the interviewee from RBM there was a negative perception about the UZ. UZ needed to be packaged to be a palatable brand. Industry like RBM did not need students who qualified in humanities, but science and engineering graduates. There was a critical shortage of science and engineering graduates. UZ would have to change and listen to what industry had to say and repackage and re-brand itself.

The interviewee from Mondi Business Paper also agreed with the sentiments expressed above about the need of UZ to market itself. The UZ had not been able to market itself properly in this local area. The UZ might have succeeded to market itself properly internationally, but the same could not be said about local marketing. In order to improve the UZ would have to market itself better. People needed to know more about the UZ. Some time in the past the industry of the city of Umhlathuze used to get invited to the UZ in order to do presentations on what they did and scholarships they offered. This used to happen round about July/August each year. The UZ could still do that. They could still invite industry to address students so that students became aware of opportunities. This would give the student time to know about opportunities that were there in the industry and what the needs of the industry were. People needed to know what the UZ offered. The UZ might even do presentations at the ZCBF which meets on monthly or on quarterly basis. It was important to expose the UZ and change the

negative image. There had to be positive news coming out of the UZ. There was a lot good that was happening at UZ, a lot of national leaders came out of the UZ, these were the things that the UZ should be boasting about.

According to the interviewee from TICOR the UZ did not have to change much. Location of the UZ was not a problem. Those who complain about the location of UZ were only concerned about their wellbeing as these suited them as individuals. The successful private school at Mphosa, the Grantleigh, which was located right out of town, was a classic example that location might not always be a factor.

From the information obtained from interviewees it is apparent that there are several issues that helped to give a bad image of the UZ. The UZ had not been able to sustain initiatives that were meant to bring the business community and the UZ together. The UZ was not responding to the needs of local business in terms of the programmes that the UZ offered. Local business required graduates in the field of engineering and geology and in other related fields which the UZ was not offering.   This had resulted in local business building working relationships with institutions that are outside the region.   Local business believed that the UZ was not taking advantage of available opportunities in the area. Relevance of most of what the UZ was offering was questioned. The UZ had created an impression that it was to have a technikon orientation in its offerings but nothing had developed towards that direction.   One interviewee maintained that sometimes local business was perceived to be racial prejudiced against the UZ. There were many black unemployed engineering graduates who were unable to get positions in the local industry. This he attributed to racial discrimination.

Although some of the members of business were happy with the UZ standards, there were concerns.   Some UZ graduates did not perform according to expectations. The UZ itself as an institution of higher learning sometimes did not

live up to that high level of expectation. Sometimes systems did not function at the UZ. The institution would fail to respond to the requests of business. People from business would be sent from one person to the next. Interviewees believe that the UZ needed to market itself more vigorously. There was a need for the institution to re-brand itself. The institution needed to shed the image of ethnic university.

4.2.4   Analysis of Findings of Interviews with the Business Community of the City of Umhlathuze in terms of Systems Thinking Framework

The questions that follow below based on the living systems framework interrogate the UZ if it operates as a living system. A living system orientation is a prerequisite for sustainable competitiveness as it was shown above. The questions are as follows:

- Does the UZ operate as an open system? Does it exchange, information, energy and material with its environment. Is the UZ open to feedback in terms of information from its environment? The findings of the study suggest that there is room for improvement in this respect. The UZ is not open to feedback from its environment. Business of the City of Umhlathuze would wish to see the UZ offering programmes that are responsive to their needs but the UZ does not seem to be doing that.

- Does the UZ maintain permeable boundary between itself and the bigger system? Does the UZ constantly search for better ideas and practices from the environment? While the UZ might be maintaining interaction with the other parts of its bigger system, the immediate system of local business feels that the UZ is not doing enough to address this mutual dependence. Findings of the study also show that the UZ does not adequately engage in a process of constantly self-renewal by constantly looking for better ideas and better practices.

- Is the UZ transformational in nature? Is the input that the UZ receives from its environment transformed into the output that meets expectations

of the surrounding environment? If the expectations of business of the area of Umhlathuze are used as criteria to determine success in this transformational process, then the UZ has room for improvement.

- Does the UZ receive regular feedback from its surrounding and from its employees? If the UZ does receive feedback, does it use that information for better data-based decision making? Based on the findings of the study there is very little to suggest that the UZ gets feedback from its environment and from its employees and it appears that not much is done about feedback if it is received.

This final part of the chapter is a presentation and analysis of findings of a survey done with the employees of the UZ. With Systems Thinking and learning organization theory (discussed in chapter 2, section 2.5 above) as a backdrop, findings of the survey would also explain why the UZ has not developed into a sustainable and a competitive organization.

4.2.5 Findings of a Survey with UZ Employees

In order to analyze survey data cross-tabulations were run. The purpose of running cross-tabulations was to determine the relationship (or lack thereof) between different variables. Gender and race would be expected to be important variables in understanding the attitudes of the UZ employees towards this institution.

4.2.5.1 The Quality of the UZ Products

Employees of a sustainable and a competitive organization (Cf. 2.5 above) would be expected to regard the quality of their offering highly. In order to determine if that is the case with the UZ employees the statement, "The quality of the UZ products and services is superb" was presented to them. Thirty six percent as against 61 percent of respondents agreed with the statement, and 3 percent did

not know. If this question is analyzed in terms of gender, 56.3 percent as against 40.7 percent male respondents agreed with the statement and 3.1 percent respondents did not know.   On the female respondents, 27.4 percent as against 66.7 percent agreed with the statement, and 6.1 percent respondents did not know. If 36 percent of employees of an organization would state that what the organization offered was of superb quality it would be questionable if that organization would be moving towards being a learning organization.

4.2.5.2   The UZ Corporate Values

Corporate values drive an organization and in a learning organization employees would be expected to know them and internalize them. In order to determine if employees of the UZ knew corporate values of this organization, the following statement "I know the UZ corporate values" was presented to them.   Forty seven percent as against 33.3 percent of the respondents agreed with the statement and 19.7 percent of the respondents did not know.   When this statement is analyzed in terms of race, 44.9 percent as against 38.8 percent of Africans agreed with the statement, 16.3 percent did not know.   In terms of White respondents 55.5 percent as against 11.1 percent agreed with the statement, 33.3 percent did not know. In terms of Indian respondents 50 percent as against 16.7 percent agreed with the statement, 33.3 percent did not know. Although the majority of respondents (47%) indicated that they knew the corporate values of the UZ but there is room for improvement if the UZ is to be regarded as a learning organization.

4.2.5.3   Improvement on the Quality of UZ Products

High level, effective, and continuous institutional learning and ensuing corporate change are prerequisites of a learning organization. In order to determine if the UZ meets this attribute the following statement was presented to the employees of this institution "The quality of the UZ products has been improving steadily".

Thirty nine percent as a 55 percent of respondents agreed, 4.5 percent did not know and 1.5 percent did not respond. If this question is analyzed in terms of gender, 45.5 percent as against 45.5 percent male respondents agreed with the statement and 9.1 percent did not know. In terms of female respondents 34.4 percent agreed as against 65.7 percent who disagreed. When this statement is analyzed in terms of race, 34.7 percent as against 61.2 percent African respondents agreed with the statement, 4.1 percent did not know. Whites who agreed with the statement constituted 66.6 percent of respondents and 33.3 of respondents disagreed with the statement. In terms of the Indian employees, 50 percent agreed and 50 percent disagreed. Table 4.1 below summarizes the findings of the study.

Table 4.1 Race versus Product Improvement Cross-tabulation

			Product Improvement					Total
			Disagree Strongly	Disagree	Agree	Agree Strongly	Don't know	
Race	African	Count	20	10	9	8	2	49
		% within Race	40.8%	20.4%	18.4%	16.3%	4.1%	100.0%
	White	Count	1	2	4	2	0	9
		% within Race	11.1%	22.2%	44.4%	22.2%	.0%	100.0%
	Indian	Count	0	3	2	1	0	6
		% within Race	.0%	50.0%	33.3%	16.7%	.0%	100.0%
	Coloured	Count	0	0	0	0	1	1
		% within Race	.0%	.0%	.0%	.0%	100.0%	100.0%
Total		Count	21	15	15	11	3	65
		% within Race	32.3%	23.1%	23.1%	16.9%	4.6%	100.0%

From Table 4.1 it can be seen that African employees are generally not convinced that what the UZ offers has been improving. This also shows that there is room for improvement.

4.2.5.4 The UZ and Innovation

Linked to the last attribute of a learning organization is that of continuous improvement (Cf. 2.5 above). Employees of the UZ were presented with the statement "The UZ has consistently introduced breakthrough innovations in its products/services". Fifty percent of the respondents agreed with this statement. A fifty percentage that agrees with the statement is an indication that there is room for improvement if the UZ is to become a learning organization.

4.2.5.5 Knowledge and Training that the UZ Staff has

Garvin (1993: 80) defines a learning organization as an organization skilled at creating, acquiring, and transferring knowledge, and at modifying its behaviour to reflect new knowledge and insights. With this attribute of a learning organization in mind, employees of the UZ were presented with the statement "The UZ employees are knowledgeable and well trained for their jobs". Fifty eight percent as against 38 percent of respondents agreed with the statement and 3 percent did not know, 1.5 percent did not respond. If this statement is analyzed in terms of gender 59.4 percent as against 34.4 percent of male respondents agreed with the statement and 6.2 percent did not know. 57.5 percent as against 42.5 percent of female respondents agreed with the statement. If this statement is analyzed in terms of race 59.1 percent as against 38.8 percent of African respondents agreed with the statement and 2 percent did not respond. 62.5 percent as against 25 percent of White respondents agreed with the statement, and 12.5 percent did not know. 50 percent of the Indian respondents agreed with the statement and 50 percent disagreed. Although respondents generally agreed that the UZ staff is quite knowledgeable and well trained but the 38 percent of respondents who disagreed with this statement shows that there is room for improvement.

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4.2.5.6 The UZ Products/Services in relation to its Competitors

It was stated above that the only competitive advantage the company of the future will have is its manager's ability to learn faster than their competitors and that could be done if an organization becomes a learning organization. With that in mind employees of the UZ were presented with the statement "The UZ products/services are one step ahead of what the competitors offer". Thirty six percent as against 60.6 percent of respondents agree with the statement, 3 percent of respondents did not respond. If this statement is analyzed according to race the picture that is shown in Table 4.2 below emerges.

Table 4.2 Race versus UZ Products Ahead Cross-tabulation

			UZ Products Ahead					Total
			Disagree Strongly	Disagree	Agree	Agree Strongly	Don't know	
Race	African	Count	17	13	15	4	0	49
		% within Race	34.7%	26.5%	30.6%	8.2%	.0%	100.0%
	White	Count	5	1	2	0	1	9
		% within Race	55.6%	11.1%	22.2%	.0%	11.1%	100.0%
	Indian	Count	1	2	2	0	1	6
		% within Race	16.7%	33.3%	33.3%	.0%	16.7%	100.0%
	Coloured	Count	0	0	1	0	0	1
		% within Race	.0%	.0%	100.0%	.0%	.0%	100.0%
Total		Count	23	16	20	4	2	65
		% within Race	35.4%	24.6%	30.8%	6.2%	3.1%	100.0%

From the above table it emerges that 38.8 percent as against 61.2 percent of African respondents agree with the statement. Twenty two comma two percent as against 66.7 percent of White respondents agree with the statement, 11.1 percent did not know. Thirty three and a third percent as against 50 percent Indian respondents agree with the statement, 16.7 percent did not know. The general picture that emerges is that UZ employees perceive the UZ as being behind other institutions in terms of its products and services and this would not qualify this institution as a learning organization.

4.2.5.7 The UZ and the Value of Employees

Employees of a learning organization would feel valued. With that in mind employees of the UZ were presented with the statement "The UZ values its employees". Thirty five percent as against 59.1 percent of respondents agreed with the statement and 6.1 percent did not respond. If this statement is analyzed in terms of gender, 24.3 percent as against 69.7 percent of male respondents agreed with the statement and 6.1 percent did not know. Forty five and a half percent as against 48.5 percent of female respondents agreed with the statement and 6.1 percent did not know. If this statement is analyzed in terms of race, 36.7 percent as against 55.1 percent of African respondents agreed with the statement and 8.2 percent did not know, 100 percent of White respondents disagreed with the statement, 50 percent Indian respondents disagreed with the statement and 50 percent agreed with the statement. Based on this statistics one may safely conclude that most employees of the UZ do not feel valued by this institution and this would compromise this institution in terms of a learning organization.

4.2.5.8 Part of the Process that moves the UZ into the Future

It was shown above that a learning organization is an organization where collective aspiration is set free, and where people are continually learning to see the whole together (Cf. 2.5 above). With this attribute of a learning organization employees of the UZ were presented with the statement "I consider myself to be part of the structure that provides energy and direction to move the UZ into the future". Sixty four percent as against 33.4 percent of respondents agreed with the statement, 3 percent did not know. If this statement is analyzed in terms of race 65.3 percent as against 30.6 percent Africans agreed with the statement, 4.1 did not know. In terms of White responses 66.6 percent as against 33.3 percent agreed with the statement. In terms of Indian responses 50 percent as against another 50 percent agreed with the statement. The results show that

even though most employees of this institution do not regards it as innovative and creative but they still identified with this institution.

4.2.5.9 UZ an Ideal Place to generate New Ideas

The only competitive advantage the company of the future will have is its manager's ability to learn faster than their competitors this can only be done if a company becomes a learning organization (de Geus, 1988: 70). With this attribute of a learning organization in mind employees of the UZ were presented with the following statement "The UZ is an ideal place to generate new ideas". Forty three percent as against 49 percent of respondents agreed with the statement, 6.1 percent did not know and 3 percent did not respond. When this statement is analyzed according to race the picture as shown in Table 4.3 below emerges.

Table 4.3 Race versus UZ Good for New Ideas Cross-tabulation

			UZ Good For New Ideas					Total
			Disagree Strongly	Disagree	Agree	Agree Strongly	Don't know	
Race	African	Count	11	15	11	8	3	48
		% within Race	22.9%	31.3%	22.9%	16.7%	6.3%	100.0%
	White	Count	2	2	3	2	0	9
		% within Race	22.2%	22.2%	33.3%	22.2%	.0%	100.0%
	Indian	Count	1	1	3	0	1	6
		% within Race	16.7%	16.7%	50.0%	.0%	16.7%	100.0%
	Coloured	Count	0	0	1	0	0	1
		% within Race	.0%	.0%	100.0%	.0%	.0%	100.0%
Total		Count	14	18	18	10	4	64
		% within Race	21.9%	28.1%	28.1%	15.6%	6.3%	100.0%

According to Table 4.3 39.6 percent as against 54.2 percent of African respondents agreed with the statement, 6.3 percent did not know. In terms of White respondents 55.5 percent as against 44.4 percent agreed with the statement. And 50 percent as against 33.4 of Indian respondents agreed with

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the statement, 16.7 percent did not know. The overall inference that can be made from the above statistics is that the majority of the employees of the UZ do not regard this institution as an ideal place for generating new ideas. That being the case the UZ would not be regarded as a learning organization.

4.2.5.10   Communication of Vision Statement

People of a learning organization act as a collective being guided by a shared vision and they focus on mutual purpose. It would be expected of people of a learning organization that they understand the vision of that organization and it is well communicated. Against this backdrop of a learning organization, employees of the UZ were presented with the following statement "The UZ vision is well communicated". Fifty percent as against 44 percent of respondents agreed with the statement, 3 percent did not know and another 3 percent did not respond. In terms of race 48.9 percent as against 51.1 percent of African respondents agreed with the statement. In terms of White respondents 66.6 percent as against 33.3 percent agreed with the statement. In terms of Indian responses 50 percent as against 33.4 percent agreed with the statement, 16.7 percent did not know. Because just half of the respondents agreed with the statement that indicates that there is room for improvement for the UZ to be regarded as learning organization based on these findings.

4.2.5.11   UZ and Bureaucracy

According to Kramer (2002: 127) Jack Welch, the former CEO of General Electric understood the concept of organizational learning as a way of transforming old institutions into a learning culture in which ideas and intellect preside over tradition and hierarchy. With that as a backdrop, employees of the UZ were presented with the statement "The UZ is bureaucratic". Fifty eight percent as against 39.4 percent of respondents agreed with the statement 1.5 percent did not know and another 1.5 percent did not respond. If the statement is analyzed

in terms of gender 60.4 percent as against 37.5 percent of African respondents agreed with the statement, 2.1 percent did not know. In terms of White respondents 77.7 percent as against 22.2 percent agreed with the statement. In terms of Indian respondents 33.3 percent as against 66.7 agreed with the statement. Since fifty eight percent of respondents agreed with the statement one could infer from these findings that the UZ would not be regarded as a learning organization.

4.2.5.12   UZ and Employee Empowerment

In a learning organization employees are given access to important information, scope out new opportunities, and are expected to come up with creative solutions to problems. Argyris (1994: 77) as it was shown above points out that the ability of an organization to survive and flourish will depend on employees who have learned to take responsibility for their own behaviour, develop and share first rate information about their jobs, and make good use of genuine empowerment to shape lasting solutions to fundamental problems. Tough competition will require more effective learning and broader empowerment. With this as a criterion of a learning organization, employees of the UZ were presented with the following statement "The UZ empowers its employees". Fifty percent as against 41 percent respondents agreed with the statement, 3 percent did not know and 6.1 percent did not respond. If this statement is analyzed in terms of gender 45.5 percent as against 54.6 percent male respondents agreed with the statement. 62 percent as against 31 percent female respondents agreed with the statement, 6.9 percent did not know. In terms of race Table 4.4 summarizes the findings.

Table 4.4 Race versus UZ Empowers Cross-tabulation

			UZ Empowers					Total
			Disagree Strongly	Disagree	Agree	Agree Strongly	Don't know	
Race	African	Count	6	12	13	13	2	46
		% within Race	13.0%	26.1%	28.3%	28.3%	4.3%	100.0%
	White	Count	3	2	3	1	0	9
		% within Race	33.3%	22.2%	33.3%	11.1%	.0%	100.0%
	Indian	Count	1	2	3	0	0	6
		% within Race	16.7%	33.3%	50.0%	.0%	.0%	100.0%
	Coloured	Count	0	1	0	0	0	1
		% within Race	.0%	100.0%	.0%	.0%	.0%	100.0%
Total		Count	10	17	19	14	2	62
		% within Race	16.1%	27.4%	30.6%	22.6%	3.2%	100.0%

Table 4.4 shows that 56.6 percent as against 39.1 percent of African respondents agree with the statement, 4.3 percent did not know, 44.4 percent as against 55.5 percent White respondents agreed with the statement. In terms of Indian respondents 50 percent as against another 50 percent agree with the statement. Since only 50 percent of respondents agreed with the statement one could infer from these findings that there is scope for improvement if the UZ would qualify to be called a learning organization.

4.2.5.13 UZ Culture and Collaborative Work

According to Kramer (2002: 127) Jack Welch, the former CEO of General Electric also viewed a learning organization as an organization that is committed to boundarylessness and helps foster trust and a collaborative environment. Against this criterion of a learning organization, employees of the UZ were presented with the following statement "The UZ culture facilitates collaborative work". The findings were, 42.4 percent as against 45.5 percent of respondents agreed with the statement, 10.6 percent did not know and 1.5 percent did not respond. If this statement is analyzed in terms of gender, 40.6 percent as

against 53.2 percent of male respondents agreed with the statement, 6.3 percent did not know, 45.5 percent as against 39.4 percent of female respondents agreed with the statement, 15.2 did not know. Table 4.5 below shows the results if this statement is analyzed in terms of race.

Table 4.5 Race versus Collaborative Culture Cross-tabulation

			Collaborative Culture					Total
			Disagree Strongly	Disagree	Agree	Agree Strongly	Don't know	
Race	African	Count	4	20	14	5	5	48
		% within Race	8.3%	41.7%	29.2%	10.4%	10.4%	100.0%
	White	Count	2	2	4	1	0	9
		% within Race	22.2%	22.2%	44.4%	11.1%	.0%	100.0%
	Indian	Count	0	2	2	0	2	6
		% within Race	.0%	33.3%	33.3%	.0%	33.3%	100.0%
	Coloured	Count	0	0	1	0	0	1
		% within Race	.0%	.0%	100.0%	.0%	.0%	100.0%
Total		Count	6	24	21	6	7	64
		% within Race	9.4%	37.5%	32.8%	9.4%	10.9%	100.0%

From Table 4.5 it can be read that 39.6 percent as against 50 percent of African respondents agreed with the statement, 10.4 percent did not know, 55.5 percent as against 44.4 percent of White respondents agreed with the statement. In terms of Indian respondents 33.3 percent as against another 33.3 percent agreed with the statement, and 33.3 percent did not know. Since the majority of the respondents do not agree with the statement one could infer that there is for change in the culture of the UZ for it to become a learning organization.

4.2.5.14   Commitment to the UZ

Commitment is a feature that sets a learning organization apart from the rest. Individuals committed to vision beyond their self-interest find they have energy not available when pursuing narrower goals, as will organizations that tap this level of commitment (Senge, 1990: 171). With this as a backdrop, employees of

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the UZ were presented with the statement "I am now more committed to the UZ than I was before". The findings showed that 62.1 percent as against 33.3 percent of respondents indicated that they were committed to the UZ, 4.5 percent did not know. If this statement is analyzed in terms of race, the picture as represented by Table 4.6 emerges.

Table 4.6 Race versus Committed to UZ Cross-tabulation

			Committed to UZ					Total
			Disagree Strongly	Disagree	Agree	Agree Strongly	Don't know	
Race	African	Count	7	11	19	11	1	49
		% within Race	14.3%	22.4%	38.8%	22.4%	2.0%	100.0%
	White	Count	1	2	3	2	1	9
		% within Race	11.1%	22.2%	33.3%	22.2%	11.1%	100.0%
	Indian	Count	1	0	3	1	1	6
		% within Race	16.7%	.0%	50.0%	16.7%	16.7%	100.0%
	Coloured	Count	0	0	1	0	0	1
		% within Race	.0%	.0%	100.0%	.0%	.0%	100.0%
Total		Count	9	13	26	14	3	65
		% within Race	13.8%	20.0%	40.0%	21.5%	4.6%	100.0%

Table 4.6 shows that 61.2 percent Africans agree with the statement, 55.5 percent Whites agreed with the statement, and 66.7 percent Indian employees agreed with the statement. The findings of the study show that the majority of employees of the UZ are committed regardless of how they perceive this institution.

4.2.5.15 Rating of the UZ in relation to other Universities

Members of a learning organization would be expected to have high regard of their organization and they would rate it high. Employees of the UZ were asked to rate their institution in relation to other institutions of higher learning in South Africa. The results are depicted in Table 4.7 below.

Table 4.7 Respondent's Gender versus Rate of UZ Cross-tabulation

				Ranking of UZ				Total
			Worst	Bad	Neither Bad No Good	Better	Best	
Respondent's Gender	Male	Count	2	11	14	4	1	32
		% within Respondent's Gender	6.3%	34.4%	43.8%	12.5%	3.1%	100.0%
	Female	Count	5	9	13	4	1	32
		% within Respondent's Gender	15.6%	28.1%	40.6%	12.5%	3.1%	100.0%
Total		Count	7	20	27	8	2	64
	% within Respondent's Gender		10.9%	31.3%	42.2%	12.5%	3.1%	100.0%

If the rating is analyzed in terms of gender, 6.3 percent of male respondents see the UZ as the worst, 34.4 percent view it as bad, 43.8 percent view it as neither good nor bad, 12.5 view it as better, and 3.1 percent view it as the best. In terms of females respondents 15.6 percent view the UZ as worst, 28.1 percent view it as bad, 40.6 percent view it as neither good nor bad, 12.5 view it as better and 3.1 percent view it as the best university. Females are generally more critical in the rating of the UZ than male employees. Table 4.8 summarizes the picture in terms of race.

Table 4.8 Race versus Rating of UZ Cross-tabulation

				Ranking of UZ				Total
			Worst	Bad	Neither Bad No Good	Better	Best	
Race	African	Count	5	14	21	6	1	47
		% within Race	10.6%	29.8%	44.7%	12.8%	2.1%	100.0%
	White	Count	1	5	2	1	0	9
		% within Race	11.1%	55.6%	22.2%	11.1%	.0%	100.0%
	Indian	Count	1	1	3	1	0	6
		% within Race	16.7%	16.7%	50.0%	16.7%	.0%	100.0%
	Coloured	Count	0	0	1	0	0	1
		% within Race	.0%	.0%	100.0%	.0%	.0%	100.0%
Total		Count	7	20	27	8	1	63
	% within Race		11.1%	31.7%	42.9%	12.7%	1.6%	100.0%

If the rating is analyzed in terms of race, the following picture emerges 40.4 Africans rate the UZ from bad to worst, 44.7 percent rate the UZ as neither good nor bad, and 14.9 rate the UZ from better to best. 66.7 percent of Whites rate the UZ from bad to worst, 22.2 percent rate the UZ as neither good nor bad, 11.1 percent rate the UZ as better. In as far as Indian respondents is concerned, 33.4 percent rate the UZ from bad to worst, 50 percent view the UZ as neither good nor bad, and 16.7 percent rate the UZ as better.

The general picture that emerges is that 42.2 percent of respondents give this institution a rating of worse and bad and only 15.6 percent of respondents give this institution a rating of better to best. Based on this, there is a general sense that employees of this institution do not regard it highly.

4.3 Interpretation of Research Findings

It emerges from one-on-one interviews that there are a number of reasons why the UZ has not developed into a sustainable and a competitive organization, these include lack of resources both physical and human; the tendency to blame the next person for problems of this institution (If people perceived any problems about the institution they looked away from themselves and started recounting who was doing what wrong); the history of institutions like the UZ; lack of commitment by some staff members; poor public image partly because of negative publicity as result of regular students' strikes and other related factors; operational problems; putting personal interests ahead of those of the institutions'; and resistance to change.

Other reasons which explain why the UZ has developed into a sustainable and a competitive organization relate to the system of national education of the country. National higher educational policy gives autonomy to institutions of higher learning this autonomy as it was shown above is open to abuse. There are other problems which hamper development of the UZ such lack of defined common

vision; inability of this institution to engage in continuous processes of self-renewal; poor orientation of some programmes offered; internal politics and political environment of this institution; lack of pride in this institution by members of staff; and the inability of the UZ to interact with its surrounding environment, business environment in particular. However, these are also positive findings for example, people that are knowledgeable indicated that the view that the UZ is of poor quality is not a reflection of reality.

From the survey with the employees of the UZ it emerged that employees of this institution in general do not have a high regard of this institution. The following was established about employees of the UZ (These figures have been rounded off). Thirty six percent of respondents agree that UZ products are superb; 47 percent know UZ corporate values; 39 percent agree that the quality of UZ products has been improving; 50 percent agree that the UZ is innovative; 36 percent of respondents agree that the UZ products are ahead of those of competitors; 43 percent agree that the UZ is an ideal place to generate new ideas; 50 percent agree that the UZ vision is well communicated; 58 percent agree that the UZ is bureaucratic; 42 percent agree that the UZ culture promotes collaborative work; and only 15 percent of respondents give the UZ a better to best rating in relation to other institutions of higher learning.

However, there are also positive findings such as the findings that 62 percent of respondents indicated that they are committed to the UZ also 58 percent agreed that the UZ staff possessed good knowledge and training.

4.4 Conclusion

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This chapter has presented findings of the study. This chapter has shown why the UZ has not developed into a sustainable and a competitive organization, that is, a learning organization. Conclusion reached is that the UZ would not be a sustainable and a competitive is because it does not comply with the criteria of a

sustainable and a competitive organization. Findings of the study show that (Cf. 4.3). The next chapter concludes the study.

CHAPTER FIVE
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The previous chapter presented and interpreted the findings of the study. This final chapter tackles three issues, namely, summarizes the study, draws conclusions from the findings and makes recommendations. This chapter opens by presenting the summary of the study.

5.2 Summary of the Study

The study explored strategies for building learning organizations with the UZ being used as a case of the study. Chapter one of this provided an introduction to this study. This chapter presented the problem of the study. It was stated that the problem statement of the study was exploring the reasons why the UZ has not developed into a sustainable and a competitive organization, that is, a learning organization. The study used Systems Thinking and a Learning Organization as a framework because analytical thinking has not been able to provide long lasting solutions to problems. With the problem statement as a basis this chapter presented objectives of the study. In order to solve the stated problem and thereby reach objectives literature review and fieldwork was done.

Chapter two presented theory on building sustainable and competitive organizations. The concept of Systems Thinking Approach and Learning Organization was comprehensively covered in this chapter. This chapter discovered that unless organizations become learning organizations they cannot be sustainable.

Chapter three presented research methodology. This chapter explained how literature search was conducted also the chapter explained how fieldwork was

conducted. In terms of fieldwork the study used both quantitative and qualitative research methods. For quantitative research the study conducted a survey and for qualitative research the study relied on in-depth one-on-one interviews with people who are knowledgeable about the UZ, also in-depth one-on-one interviews were conducted with representatives of business community of the City of Umhlathuze. For analysis of quantitative data the SPSS package was used and for analysis of qualitative data phenomenological method was followed.

Chapter four of this work presented findings of the study. The chapter showed that the inability of the UZ to operate as a unit or a system with one common purpose prevented this institution from becoming a learning organization.

Chapter five, the last chapter provided conclusions and recommendations of the study.

5.3 Conclusions with regards to Objectives

Three objectives of the study were identified in the first chapter (Cf. paragraph 1.4). Conclusions reached about each objective are discussed below:

- Objective One: *"To uncover the reason/s why the UZ (an HDI) has not developed into a sustainable and a competitive organization".*

According to the findings of the study the UZ has not developed into a sustainable and a competitive organization because of the following reasons (Cf. Chapter 4):
  - Lack of infrastructure and resources (Cf. 4.2.1.1 and 4.2.1.9)
  - Difficulty of raising finances for the university so that it would not have to depend on the government subsidy and students' fees for income (Cf. 4.2.1.11)

- Dubbing institutions like the UZ as an HDI inadvertently perpetuates disadvantage (Cf. 4.2.1.1)
- Lack of association with the UZ by some people who work at this institution (Cf. 4.2.1.1)
- Lack of commitment to this institution by some people who work at this institution (Cf. 4.2.1.1)
- Poor identity and negative perceptions about the UZ (Cf. 4.2.1.1)
- Poor history and poor grounding which would sustain this institution through time (Cf. 4.2.1.1)
- Racial prejudice against this institution (Cf. 4.2.1.2)
- Inability by the UZ to offer certain qualifications, e.g. geology and engineering which industry of UZ area required (Cf. 4.2.1.2, 4.2.3.3. and 4.2.3.6)
- Frequent students' strikes at the UZ (Cf. 4.2.1.2 and 4.2.1.6)
- Operational problems, e.g. ITS which perpetuated negative perceptions (Cf. 4.2.1.2 and 4.2.3.2)
- Inability of the UZ to draw what is referred to as quality students (Cf. 4.2.1.3)
- Inability of the UZ to interact with the surrounding business community (Cf. 4.2.1.3)
- Inability of the UZ to attract quality personnel for both academic and managerial positions (Cf. 4.2.1.3)
- Some people put their interests ahead of those of the institutions' (UZs) (Cf. 4.2.1.3)
- Poor ideological orientation by some people (Cf. 4.2.1.3)
- Belief by some people especially in management positions that in order to change the UZ someone else but themselves should change (Cf. 4.2.1.4)
- The tendency to blame the next person for problems of the UZ (Cf. 4.2.1.4)

- Lack of capacity building programmes for people in leadership positions (Cf. 4.2.1.4)
- Lack of clearly defined common vision (Cf. 4.2.1.4 and 4.2.1.8)
- Inability to use all available resources by people in management positions. Some personnel feel sidelined (Cf. 4.2.1.4)
- Internal autonomy of institutions of higher learning which was open to abuse (Cf. 4.2.1.4)
- Poor alignment of institutions like the UZ with national and international developments (Cf. 4.2.1.4)
- Some members of Council of institutions like the UZ tend not to be certain about the roles they should play, for example, some are unable to distinguish management issues from policy issues thus ending up interfering in management (Cf. 4.2.1.5)
- Hostilities between top management and staff, particularly academic personnel (Cf. 4.2.1.11)
- Poor marketing of the institution (Cf. 4.2.1.6 and 4.2.3.7)
- The tendency of the UZ to stick to traditional sciences, e.g. physics, chemistry and failure to move into applied sciences, e.g. HIV/AIDS research (Cf. 4.2.1.7)
- Poor orientation of some of the programmes offered (Cf. 4.2.1.7)
- Bureaucracy which leads to ineffective communication (Cf. 4.2.1.7)
- Failure to exploit the unique position of the UZ (Cf. 4.2.1.8)
- Failure to implement transformational change (Cf. 4.2.1.8 and 4.2.3.7)
- The way government university funding (subsidy formula) was structured tended to promote mass production at the expense of quality (Cf. 4.2.1.9)
- Secondary school education system sometimes produced students who are functional illiterate particularly in mathematics (Cf. 4.2.1.9)
- Political interference (Cf. 4.2.1.10)
- Lack of pride by Black people in their own institutions (Cf. 4.2.1.10)

- Laziness amongst some members of staff (Cf. 4.2.1.11)
- Corruption and incidents like what came to be known as "degree scam" (Cf. 4.2.1.11)
- Failure by UZ graduates to perform according to their qualifications (Cf. 4.2.3.2)
- Poor rating of this institution by some members of staff (Cf. 4.2.5)

- Objective Two: *"To understand how Systems Thinking approach explains underlying processes and patterns of faltering organizations?"*

According to Senge (1990: 72) (Cf. chapter 2: 2.5 above) leaders of weak organizations can gain leverage over the processes that contribute to making weak organizations to falter by understanding dynamic complexity and not detail complexity as is the norm in most management situations. This means that problems of weak organizations can be addressed not by adopting symptomatic solutions which is a common and an easy intervention in most situations but by addressing the core of problems. Writing within the framework of Systems Thinking Senge points out that in order to solve faltering organizational problems there is a need to see processes "anew". This involves a shift of mind not thinking in a linear fashion but understanding circles of causality and understanding that every influence in an organization is both cause and effect.

According to Systems Thinking all organizations are characterized by two types of feedback processes, namely, reinforcing feedback processes and balancing feedback processes. Reinforcing processes promote growth. Balancing processes stabilize. They act against reinforcing processes, they hold an organization back. Some reinforcing processes are vicious cycles – a situation where things become worse in an organization, while others are virtuous cycles – which is a situation that promotes change towards desired direction (Senge, PP 79-88).

In an organization that is looking for change balancing processes frustrate change efforts they resist change. It is important to understand this lest a leader gets frustrated in their change endeavour. The solution in most situations does not lie in pushing harder for change in order to overcome resistance but in identifying the sources of resistance and focus energy on it. This can be done only if what Senge calls (Cf. 2.5 above) the "Laws of a Learning Organization or Laws of the Fifth Discipline" are used as the basis of leadership.

What does this mean for the UZ in practical terms? For example, lack of resources and infrastructure (Cf. 4.2.1.1 and 4.2.1.9) and difficulty in raising funds (Cf. 4.2.1.11) were identified as some of the problems that hamper development of this institution. The question is what does one do with this situation? The conventional solution would be to go out and look for more resources, more funding (pushing harder) or to apply budgetary cuts. According to Systems Thinking that strategy would not bring about a lasting solution as it addresses symptoms of a problem and not the problem itself.

Systems Thinking approach states that the answer lies in addressing those processes that prevent organizations like the UZ from being able to generate their own resources. Leverage can be obtained by identifying and changing the limiting factors to resource acquisition. This can be done through the development of what Senge (1999: 9) calls learning capabilities. This involves activating the self-energizing commitment and energy of people around changes they deeply care about. This is the key to building a learning organization.

Another example is that of reinforcing vicious cycles which seem to prevail over reinforcing virtuous cycles at the UZ. Findings of the study showed the UZ has a problem of being poorly perceived (Cf. 4.2.1.1). Incidents like regular students' strikes or any negative event about the institution receives

big coverage in the media. This then provides a justification to those who regard this institution poorly that they have a reason to do that. Negativity about the UZ then gets positively reinforced and perpetuated. A lasting solution to this problem does not lie in strategies for image building such as a massive advertising campaign but in addressing what is at the root of poor image of the institution. This would mean addressing causes of regular students' strikes.

- Objective Three: "*To provide strategies for turning a faltering organization like the UZ into a sustainable and a competitive organization, that is, a learning organization*"

Systems Thinking suggests that sustainability and competitiveness in organizations can be achieved only if an organization becomes a Learning Organization (Cf. Chapter Two: section 2.5). It follows that unless organizations are comprised of individuals with well articulated personal vision, are aware of their attitudes and perceptions, are driven by shared vision and are working as a team they cannot become learning organizations this is missing in an organization like the UZ (Cf. Objective 1 in this chapter).

Leaders of a learning organization perform a subtler role that focuses on important tasks that of being designers, stewards, and teachers (Senge, 1990) (Cf. Chapter 2: 2.5 above). This is missing at the UZ an indication of this are hostilities that prevail between management and academic personnel in particular (Cf. 4.2.1.11 and Objective 1 above).

Leaders in a Learning Organization develop strategies for building a sustainable competitive advantage this they do by creating an environment in which people are open to new ideas, responsive to change, and eager to develop new skills and capabilities. A learning organization is a prerequisite for sustainability and competitiveness (de Geus, 1988).

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5.4   Recommendations of the Study

This chapter (Cf. Section 5.3) has show why the UZ has not developed into a sustainable and a competitive organization. The researcher believes the solution lies in adopting a living systems orientation. Living systems are comprised of elements that work together in relationships for the overall good and objective (or vision) of the whole. The focus of all systems elements (i.e. departments) in an organization should be the relationships with each other that assist attainment of an organization-wide shared vision and values of customer satisfaction (within today's complex and changing environment). Living systems are open systems with a continuous inflow of materials, energy, information, and feedback from their surrounding environment. Living systems continuously interact with their environment and actively adapt to fit into that environment.

Living systems look for multiple outcomes or goals but are driven by a well articulated shared vision based on participation and involvement in teams. The UZ needs to promote a well articulated ambitious and a shared vision. Team work needs to be promoted. The concept of a boundaryless organization needs to be incorporated. Vision and team work should be informed by the ABCs of Systems Thinking. HDIs will become sustainable and competitive only they become   Learning Organizations.

5.5   Conclusion

This chapter concludes the study. The chapter has shown that the Living Systems and Learning Organization approach is an important framework for building sustainable competitive organizations.   The study therefore recommended a reorientation of the UZ for sustainable competitiveness.

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APPENDIX I

VOLUNTARY INTERVIEW FOR SUSTAINABILITY OF HISTORICAL
DISADVANTAGED UNIVERSITIES

Researcher: **SS Nhlabathi**

Supervisor: **Dr. M Dent**

School / Programme: Graduate School of Business

University: **University of KwaZulu-Natal**

Note to interviewees

- We need your help to understand how weak organizations can be turned around.

- Although we would like you to help us, you do not have to take part in this research

- If you do not want to take part, just indicate

- What you say in this interview will remain private and confidential.

How to respond to the interview

- Please answer the questions as truthfully as you can.

- If you don't feel comfortable answering a question, you can indicate that you do not want to answer. For those questions that you do answer, your responses will be kept confidential.

  Thank you very much for allowing yourself being interviewed.

INTERVIEW SCHEDULE WITH PEOPLE KNOWLEDGEABLE
ABOUT THE UZ

- For how long did you serve the UZ?

- What are your views on the UZ as an institution of higher learning? There are perceptions that it is of poor quality compared to the HWIs. Do you subscribe to that view?

- Some members of both the corporate/private and public sectors maintain that the UZ is of poor quality. Do you think that there is a justification to this view?

- What do you think are the processes that have coloured perceptions of both corporate/private sectors about the UZ?

- Do you think HDIs like the UZ can be developed into what is called a first class university?

- The period between mid 1990s to about early 2000 was a difficult period for the UZ, to what factors/issues do you attribute this difficult period?

- What do you think are the reasons for the failure to attract what is commonly called good students?

- Would you say that the UZ has been able to adapt to the fast pace of technological, social, economic and political environments?

- What is your vision of the UZ for the next 10 years?

- What do you perceive as limiting factors or constraints to the attainment of that vision?

- Would you say that the UZ is sustainable and competitive?

- What do you think needs to be done to turn the UZ into a sustainable and a competitive university?

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APPENDIX II

VOLUNTARY INTERVIEW FOR SUSTAINABILITY OF HISTORICAL DISADVANTAGED UNIVERSITIES

Researcher: **SS Nhlabathi**

Supervisor: **Dr. M Dent**

School / Programme: Graduate School of Business

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Note to interviewees

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- Although we would like you to help us, you do not have to take part in this research

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- What you say in this interview will remain private and confidential.

How to respond to the interview

- Please answer the questions as truthfully as you can.

- If you don't feel comfortable answering a question, you can indicate that you do not want to answer. For those questions that you do answer, your responses will be kept confidential.

    Thank you very much for allowing yourself being interviewed.

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INTERVIEW SCHEDULE WITH BUSINESS OF THE CITY OF UMHLATHUZE

- Has there been any interaction between your company and the UZ?
- What are your views on the University of Zululand (UZ) as an institution of higher learning?
- Would you say that the UZ is an important partner with business of Umhlathuze in terms of serving the needs of business?
- To what extent does your industry/business do business with other institutions of higher learning? And with the UZ?
- Has your industry/business ever invested at the UZ? If so to what extent and if not why?
- Do you go out of your way to recruit graduates from other institutions of higher learning? And from the UZ?
- If you were to suggest areas for improvement that the UZ should attend what would that be?

Thanks again for helping us with this survey

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APPENDIX III

VOLUNTARY INTERVIEW FOR SUSTAINABILITY OF HISTORICAL DISADVANTAGED UNIVERSITIES

Researcher: **SS Nhlabathi**

Supervisor: **Dr. M Dent**

School / Programme: Graduate School of Business

University: **University of KwaZulu-Natal**

Note to interviewees

- We need your help to understand how weak organizations can be turned around.

- Although we would like you to help us, you do not have to take part in this research

- If you do not want to take part, just hand in the blank questionnaire in the end of the survey.

- What you say in this interview will remain private and confidential. No one will be able to trace your opinions back to you as a person.

How to respond to the interview

- Please answer the questions as truthfully as you can.

- If you don't feel comfortable answering a question, you can indicate that you do not want to answer. For those questions that you do answer, your responses will be kept confidential.

- You can mark each response by making a tick or a cross, or encircling each appropriate response with a PEN (not a pencil) or by filling in the required words of numbers.

Thank you very much for allowing yourself being interviewed.

UNIVERSITY OF ZULULAND SURVEY

This survey is carried out to find out if the University of Zululand delivers value. Please answer the questions freely. You cannot be identified from the information you provide and no information about anybody will be given out. **Your objectivity will be highly appreciated.**
Thank You.

SECTION A

Please put an **X** on the box that corresponds to your attribute.

1. Gender

Male	☐	01
Female	☐	02

2. Race

African	☐	01
White	☐	02
Indian	☐	03
Coloured	☐	04

SECTION B

The following statements measure your favourability toward the University of Zululand (UZ). 1 = disagree strongly, 4 = agree strongly, and DK = Don't Know. Please put an **X** on the number that best indicates your agreement or disagreement with each statement.

3. The quality of the UZ products and services is superb   1 2 3 4 DK

4. I know the UZ corporate values   1 2 3 4 DK

5. The quality of the UZ products/services has been improving

   steadily   1 2 3 4 DK

6. The UZ has consistently introduced breakthrough

   innovations in its products/services   1 2 3 4 DK

7. The UZ employees are knowledgeable and well trained

   for their jobs   1 2 3 4 DK

7. The UZ products/services are one step ahead of what

   the competitors offer   1 2 3 4 DK

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8. The UZ value its employees   1 2 3 4 DK

9. I consider myself to be part of the structure that provides

    energy and direction to move the UZ into the future   1 2 3   4 DK

10. The UZ is an ideal place to generate new ideas   1 2 3   4 DK

11. The UZ vision is well communicated   1 2 3   4 DK

12. The UZ is bureaucratic   1 2 3   4 DK

13. The UZ empowers its employees   1 2 3 4 DK

14. The UZ culture facilitates collaborative work   1 2 3 4 DK

15. I am now more committed to the UZ than I was before 1 2 3   4 DK

                       One of the worst   **One of the best**

16. Compared with other Universities

    I would rate the UZ as   1   2   3   4   5

Thanks again for helping us with this survey

CONCEPTS MATRIX

REREFENCE   **CONCEPT**

Reference	TURNAROUND FAILURE	ORGANIZATIONAL SELF-RENEWAL	CULTURE AND ORGANIZATIONAL CHANGE	BOUNDARYLESSNESS	POPULAR ACCEPTANCE OF CHANGE	VISIONARY LEADERSHIP AND CHANGE	SYSTEMS THINKING	LEARNING ORGANIZATION	DEGREE IRREGULARITIES / HIGHER EDUCATION	RESOURCE-BASED VIEW	RESEARCH METHODS	SUSTAINABLE COMPETITIVE ADVANTAGE
Acton, M (1999)							X					
Anderson, LA and D Anderson (2001)						X						
Argyris, C (1991)								X				
Ashkenas, R, D Ulrich, T Jick and S Kerr (2002)				X								
Backenberg, GH (2002)							X					
Baqwa, SAM (1997)									X			
Beer, M, RA Eisenstat, and B Spector (1990)	X											
Beer, M, RA Eisenstat, and B Spector (1990)		X										
Beer, M, RA Eisenstat, and B Spector (1990)						X						
Beer, M, RA Eisenstat, and B Spector (1990)			X									
Bernick, CL (2001)			X									
Blanchard, K and J Stoner (2004)						X						
Blignaut, JL (1998)							X					
Bowen, HK, KB Clark, A Holloway and SC Wheelwright (1994)						X						
Bridges, W and S Mitchell (2000)	X											
Bridges, W and S Mitchell (2000)					X							

Reference	1	2	3	4	5	6	7	8	9	10	11	12	13
Cloete, N and I Bunting (2000)								X					
Collis, DJ and CA Montgomery (1995)										X			
Coyne, KP (1986)													X
de Geus, AP (1988)		X											
de Geus, AP (1988)													
Fahy, J and A Smithee (1999)										X			
Foster, RN and S Kaplan (2001)		X											
Garvin, DA (1993)	X						X						
Garvin, DA (1993)							X						
Ghauri, P, K Gronhaug, and I Kristianslund (1995)												X	
Goleman, D, R Boyatzis, and A McKee (2001)						X							
Haines, SG, G Aller-Stead and J McKinlay (2005)	X												
Haines, SG, G Aller-Stead and J McKinlay (2005)		X											
Haines, SG, G Aller-Stead and J McKinlay (2005)							X						
Hall, R (1993)													X
Hamel, G and CK Prahalad (1989)						X							
Hartman, TG (2004)	X												
Heifatz, RA and DL Laurie (1997)		X											
Heller R (2001)			X										
Heller R (2001)						X							
Henderson, R (1994)						X							
Hesselbein (1998)						X							
Holbeche, L (2005)	X												
Holbeche, L (2005)					X								
Hudson, KM (2001)			X										
Jackson, MC (2000)							X						
Kanter, RM (1991)					X								
Kanter, RM (1991)						X							
Kegan, R and LL Lahey (2001)					X								
Kim, WC and R Mauborgne (2003)						X							
Kim, WC and R Mauborgne (2003)						X							
Knowling, R (2000)						X							
Kotter, JP (1995)						X							
Kotter, JP (1995)	X												
Kotter, JP (1998)		X											
Kramers, JA (2002)				X									
Pascale, R, M Millemann and L	X												

Reference	1	2	3	4	5	6	7	8	9	10	11	12
Giola (1997)												
Rooke, D and WR Torbert (2005)						X						
Senge, PM (1990)							X	X				
Senge, PM (1990)						X		X				
Senge, PM (1990)		X						X				
Senge, PM (1994)								X				
Senge, PM (1999)	X							X				
Strebel, P (1996)	X											
Strebel, P (1996)					X							
Wheatley, M (1997)	X											
Wheatley, M (2001)							X					
http://giblog.blogspot.com/2005/03/sustainable-competitiveness-in.html												X

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18 September 2006

TO WHOM IT MAY CONCERN

This serves to confirm that Mr S S Nhlabathi, student number 921366642, has been granted permission to undertake the study entitled *Building a Sustainable and a Competitive Organization: the Case of the University of Zululand.*

Yours sincerely

PROF. RACHEL V GUMBI
RECTOR AND VICE-CHANCELLOR
/ka

RESEARCH OFFICE (GOVAN MBEKI CENTRE)
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23 NOVEMBER 2006

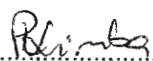MR. SS NHLABATHI (921366642)
GRADUATE SCHOOL OF BUSINESS

Dear Mr. Nhlabathi

ETHICAL CLEARANCE: "BUILDING A SUSTAINABLE COMPETITIVE ORGANIZATION: THE CASE OF THE UNIVERSITY (
ZULULAND"

I wish to confirm that ethical clearance has been granted for the above project, subject to permission to conduct the study bei
obtained from relevant authorities:

This approval is granted provisionally and the final clearance for this project will be given once the above condition has bee
met. Your Provisional Ethical Clearance Number is HSS/06722

Kindly forward your response to the undersigned as soon as possible

Yours faithfully

MS. PHUMELELE XIMBA
RESEARCH OFFICE

cc. Faculty Office (Christel Haddon)
cc. Supervisor (Dr. M Dent)