

UNIVERSITY OF KWAZULU-NATAL

**AN INVESTIGATION INTO THE CREATION OF A
LEARNING ORGANIZATION: A CASE STUDY OF
WALTONS KZN**

**Innocent. M. Dlamuka
922417382**

**A dissertation submitted in partial fulfillment of the
requirements for the degree of
Master of Commerce**

**Leadership Centre
Faculty of Management Studies**

**Supervisor: Shamim Bodhanya
2010**



RESEARCH OFFICE (GOVAN MBEKI CENTRE)
WESTVILLE CAMPUS
TELEPHONE NO.: 031 – 2603587
EMAIL : ximbap@ukzn.ac.za

23 JUNE 2009

MR. IM DLAMUKA (922417382)
LEADERSHIP CENTRE

Dear Mr. Dlamuka

ETHICAL CLEARANCE APPROVAL NUMBER: HSS/0299/09M

I wish to confirm that ethical clearance has been granted for the following project:

“An investigation into the creation of a learning organization. A case study of Waltons KZN”

PLEASE NOTE: Research data should be securely stored in the school/department for a period of 5 years

Yours faithfully

.....
MS. PHUMELELE XIMBA
ADMINISTRATOR
HUMANITIES & SOCIAL SCIENCES ETHICS COMMITTEE

cc. Supervisor (Shamim Bodhanya)
cc. Mrs. C Haddon

Table of contents

<u>Chapter</u>	<u>Page No</u>
Declaration	(1)
Acknowledgement	(11)
Abstract	(111)
Chapter 1 Background and purpose of research	1
Practitioners' identity and problem context	1
Brief history of Waltons	3
Purpose of study	4
Introducing the Chapters	6
Chapter 2 Literature review	7
History and definitions of a learning organization	7
Senge's perspective.	9
Five disciplines	9
Garratt's perspective	17
Learning Levels	22
Organizational learning in a learning organization.	24
Leadership in a learning organization	27
Change management in a learning organization	30
Chapter 3 Research methodology	34
Research methodology	34
Data collection methods	39
Data analysis	43
Summary	44
Chapter 4 Results and discussions	46
Results and discussions	46
Summary	66

Chapter 5 Conclusions and recommendations	67
Conclusions and recommendations	67
Summary	78
Recommendations	79
Study limitations	70
Further research needed	81

Bibliography

Appendixes

List of tables**Page No**

Table 3 - 1	38
Table 3 - 2	38
Table 3 - 3	38
Table 4 - 1	41
Table 4 - 2	41
Table 4 - 3	46
Table 4 - 4	49
Table 4 - 5	51

List of figures

Figure 2 - 1	25
--------------	----

DECLARATION

I Innocent Dlamuka declare that

- (i) The research reported in this dissertation/thesis, except where otherwise indicated, is my original research.
- (ii) This dissertation/thesis has not been submitted for any degree or examination at any other university.
- (iii) This dissertation/thesis does not contain other persons' data, pictures, graphs or other information, unless specifically acknowledged as being sourced from other persons.
- (iv) This dissertation/thesis does not contain other persons' writing, unless specifically acknowledged as being sourced from other researchers. Where other written sources have been quoted, then:
 - a) their words have been re-written but the general information attributed to them has been referenced:
 - b) where their exact words have been used, their writing has been placed inside quotation marks, and referenced.
- (v) This dissertation/thesis does not contain text, graphics or tables copied and pasted from the Internet, unless specifically acknowledged, and the source being detailed in the dissertation/thesis and in the References sections.

Signature: _____
March 2010

ACKNOWLEDGEMENTS

I would like to thank Mr. Shamim Bodhanya, my Supervisor, for his patience, assistance and guidance.

I also wish to thank my wife, Nelly for her support and encouragement.

Thank you to my entire family for their emotional support, and thanks to my fellow students who helped me in many ways.

Finally, I wish to thank God Almighty, who always gives me guidance and courage.

ABSTRACT

In SA dire skills shortages exist in numerous fields. My employer is also subjected to these uncompromisingly difficult times. Clearly, all the companies need to re-visit their approach towards investing in the skills of their people, and as human resources practitioners we can make a major positive impact in this area by facilitating skills development in our organizations.

The researcher was motivated to do this study as he currently works in the human resources department within the company. The researcher has been working in the human resources for the past ten years and has developed a keen interest in skills development. The researcher presented himself, as far as possible, in neutral fashion during the study.

Barnad and Schaap (2005) highlight the fact that organizations are confronted with ever increasing turbulence and change in their environment. Senge (1990) argues that a learning organization is critical during these times of rapid changes in the business environment.

What the study sought to achieve

Through a study of the literature available, I found out what a learning organization really is. Secondly, through open-ended interviews, observations and archival research I established to what extent Waltons KZN is a learning organization.

Questions that were answered in the research:

The questions were aimed at determining to what extent Waltons KZN is a learning organization. Given the features that Senge (1995) says should be present in learning organizations, how does Waltons KZN match these “prescriptions”?

According to Senge (1990), a Learning organization has the following features:

- Continuous training and development
- Performance management
- Team work
- Proactive change management
- Existence of a culture of continuous feedback between line management and workers

All my questions that will be answered by the study participants are based on these features.

Research questions were:

- Why is continuous training and development so critical in a learning organization?
- Does a culture of continuous feedback between line management and workers exist in Waltons KZN?
- To what extent does Waltons KZN proactively deal with change?
- To what extent is Waltons KZN managing the performance of its employees?
- What is the role of team work in a learning organization?

The research methods used in the study were open-ended interviews, observations and archival research. Twenty five (25) managers of the company participated in the study.

The study found that even though the respondents feel that the company is doing well in the area of learning and skills development; it's still unable to manage change effectively. It was also found that the company does not have a formal performance

management system which makes it difficult to manage performance and productivity of employees.

It was also clear from the study that there is a good relationship between management and workers. This is underpinned by the spirit of team work which exists within the company.

These conclusions gave rise to several recommendations. In the main it was recommended that the company needs to develop a comprehensive change management strategy, which places a premium on communication with all stakeholders. It is also recommended that the company develops a formal performance system that will ensure that performance incentives are objectively given to employees.

CHAPTER 1

BACKGROUND AND PURPOSE OF STUDY

1.1 Practitioner's identity and problem context

Given all the challenges in our business environment, one of our key functions as human resources practitioners nowadays is to assist employers in providing an environment in which learning is emphasized. This is an environment in which management sees learning as a driver of success.

As Senge (1990: 18) stated “learning organizations are organizations 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”.

During these times of turbulence in business environments, the companies that will survive are those that can determine the skills development needs of their employees and take actions to meet those needs (Senge, 1990).

A learning organization requires that all its training interventions should be directed at meeting its strategic goals. Learning must therefore be a direct response to business needs. If learning is isolated and does not support the business strategy, that learning is not adding value to the business. It is then important that learning interventions are helping the organization to have sufficient skills in order to carry out work that it needs to carry out.

As indicated in the previous paragraph that all human resources interventions including learning must be informed by the business strategy. As a human resources practitioner I need

to support the organization's business strategy more effectively by providing human resources learning services that will take the organization to the desired future in these turbulent times.

1.1.1 Motivation for the study

The researcher is responsible for the training and development at Waltons. The research was undertaken in order to guide the subsequent work.

1.1.2 Current business environment

For unwary and non-critical organizations, the effects of a turbulent environment can be devastating. Only those organizations that are internally aligned and environmentally attuned can survive in a turbulent environment. If organizations are to anticipate these challenges and develop the capability to deal with them, they can become opportunities for development and growth (Senge et al., 2001). This requires an understanding, in systemic terms, of the interrelationships in the internal and external environments.

Peter Senge has illuminated the learning organization theory, which came to the fore in the 1970s, through systems thinking. His thinking, set out in his book, "The Fifth Discipline", is ranked among just a few approaches to management of an organization that have acquired international acclaim (Flood & Carson, 1998). He argues that an organization must be seen as a collection of different parts which interacts to create the whole.

Senge then came to a conclusion that there are actually five disciplines that are necessary to build a learning organization:

1. personal mastery,
2. mental models,

3. shared vision,
4. team learning, and
5. systems thinking.

A learning organization learns, pursues and applies these five disciplines at the same time. He further argues that this helps make organizations more effective in carrying out their primary mission and vision, and gives them greater capacity to adapt to the changing demands of their internal and external environments (Senge, 1990).

“A learning organization expects its members to act as learning agents for the organization, responding to changes in the internal and external environment of the organization by detecting and correcting errors in organizational theory-in-use, and embedding the results of their inquiry in private images and shared maps of organization” (Argyris & Schon, 1978:29).

This is one of the objectives that Waltons KZN has as it wants to be in a position in which it can react quickly to changing demands of its business environment.

1.2 Brief history of Waltons

Waltons began as a single stationery outlet in Cape Town in 1949. It was founded by Mr. Norman Walton to be the leading distributor of quality office products and stationery to the corporate market. This meant that Waltons was to be a sales orientated company. Like all other business operations its purpose for being in business was and remains to maximize the return on capital for its shareholders.

This can only be achieved by dedicating employees of Waltons to constant and never-ending improvement to the quality of services offered to the customers. Our main aim as far as

customer service is concerned is to get it right the first time by supplying goods of the highest quality at the best possible prices. This will be achieved through developing competent people who understand our business aims and who are able to live our customer service values.

Waltons knows that successful companies have employees who are committed to personal and professional development. This can be achieved through various strategies. One of these strategies is a clear sense of purpose regarding continuous learning and development and sustained improvement, and a highly successful approach to developing such a purpose involves the company transforming into a learning organization.

The notable advantage of a learning organization is that it can create conditions that will make employees want to learn about themselves, about their colleagues and about the company, through shared understanding and shared meanings. Therefore a learning organization has a strategic capability that enhances its performance because individuals are given the chance to participate in discussions and learn from one another (Senge, 1990).

Thus, “a learning organization is a place where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to act together” (Senge, 1990: 18).

1.2 Purpose of the study

Through a study of the literature available, I found out what a learning organization aims to be. Secondly, through open-ended interview questions, observations and archival research I established to what extent Waltons KZN is a learning organization.

The following research questions are aimed at determining to what extent Waltons KZN is a learning organization. Given the features that Senge (1990) says should be present in a learning organization, how does Waltons KZN match these “prescriptions”?

According to Senge (1990), a learning organization has the following features:

- Continuous training and development
- Performance management
- Team work
- Proactive change management
- Existence of a culture of continuous feedback between line management and workers

All my questions that will be answered by the study participants are based on these features.

Research questions:

- Why is continuous training and development so critical in a learning organization?
- Does a culture of continuous feedback between line management and workers exist in Waltons KZN?
- To what extent does Waltons KZN proactively deal with change?
- To what extent is Waltons KZN managing the performance of its employees?
- What is the role of team work in a learning organization?

These research questions identify what current literature says are the key features of a learning organization. For example, an organization that has strong work teams is able to adapt to changes in the business environment quicker. Ensuring excellent individual performance largely depends on the application of sound human resources management principles such as staff development and communication.

1.3 Introducing chapters

The first chapter of this dissertation examines the practitioner's identity and problem context, and the purpose and background of the study.

The second chapter reviews the literature in relation to the topic. This chapter seeks to establish through a study of the literature what a learning organization is and how such an organization can be created.

The third chapter describes in detail the methodology followed in this study.

Chapter four presents, interprets and discusses the findings of the research and finds out the extent to which they match with the objectives.

The last chapter presents conclusions and recommendations based on the findings, as well as suggest future research in the area of learning organizations.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

In this research I have identified what current literature says are the key features of a learning organization. Secondly, through open-ended interview questions, observations and archival research I established to what extent Waltons KZN is a learning organization.

This chapter provides a general description of learning organizations.

It starts off with a brief history of a learning organization. This is followed by definitions of a learning organization. This is followed by a more detailed discussion about the concept of a learning organization from the perspective of Senge and Garratt. The last three sections of the literature reviews deal with organizational learning, leadership and change management in a learning organization.

2.2 History of the learning organization concept

According to Garratt “fundamental to a learning organization approach was the idea that the application of the scientific process of careful observation, reflection, the creation of hypothesis, careful experimentation, reflection leading to action, feedback, codification and rapid diffusion of the results was the key to understanding organizational learning” (Garratt, 2001: 120).

Garratt (2001) further stated that “these organizational theorists were able to call on complementary disciplines to back up their work, especially systems thinking, particularly Ashby’s thoughts on the need for sufficient diversity and the Tavistock Institute's pioneering

work on socio-technical systems. This promising start according to Garratt was followed in the late 1970s by action learning ideas which were evolving within and between groups of enthusiasts especially in the UK, and the Learning Organization movement began to pick up speed” (Garratt, 2001:120).

Many new publications expanded this theme, including the work of David Garvey, Arie de Geus' The Living Company, the work on dilemmas by Charles HampdenTurner and Fons Trompenaars, as the central integrator and processor of the Learning Organization (Garratt, 2001).

2.3 Definitions of a learning organization

Haines (1995: 4) describes “a learning organization as an organization that is continually expanding its capacity to create its future and achieve its goals”.

Howard (1990) sees a learning organization as a place where there is a flow of information among employees themselves, and between employees and managers. All groups learn from each other.

Ellinger, Ellinger, Young and Haulton (2002: 6) describe the concept of a learning organization as follows: “Most definitions of a learning organization focus on the importance of acquiring, improving and transferring knowledge, facilitating individual and collective learning, integrating and modifying behaviours and practices of the organization and its members as a result of learning”.

Additionally learning organizations are focused on their customers, everything they do is meant to meet directly or indirectly the needs of their customers. These organizations have

leaders who have a participative style of management (Ellinger et al., 2002). They say the essence of the learning organization approach is that it promotes individual effectiveness and teamwork which result in improved performance.

Senge et al. (1995) refer to a learning organization as a movement that is based on innovative ways of thinking about business environments. They describe a learning organization “as a place where new and broad patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to work as a team” (Senge, 1990:18).

2.4 Senge’s perspective

Senge (1990) describes five disciplines that are necessary to build a learning organization.

1. personal mastery
2. mental models
3. shared vision
4. team learning
5. systems thinking.

According to Senge these five disciplines have to be used in an integrated manner.

These disciplines help an organization to be more adaptable, more effective in pursuing its vision and mission, and more importantly they give organizations greater ability to survive in the ever-changing internal and external environments.

2.4.1 Five disciplines

2.4.1.1 Personal mastery

Senge (1995) defines personal mastery as “learning to expand our personal capacity to create the results that we most desire, and creating an organizational environment which encourages all its members towards the goals and purposes they choose.” This environment could be the internal or external environments in which organizations function. Therefore, personal mastery stems from individual ability and his/her willingness to work with the change forces around him/her.

Personal mastery is a continual individual quest for learning where proficiency, creativity and pro-activity supersede reactivity. This discipline of personal mastery involves two underlying movements.

- Continually learning to see current reality more clearly, and
- Understanding how the gap between vision and reality produces the “creative tension” from which learning in an organization may arise (Fullan, 1997:17).

Personal mastery also prepares you to be part of the group, and what you learn prepares you to understand your other team members learning experiences. Thus, the central practice of personal vision and mastery involves the ability to keep a clear picture of the future reality (Senge et al., 1995).

This means that if an individual continually upskills himself or herself and improves proficiency in his or her work, his or her performance will improve because he or she will be applying newly acquired skills to plan and perform his or her daily tasks. His or her personal mastery becomes a learning habit that influences everything he or she does on a daily basis. This learning habit is transferred to all other team members in the organization.

The discipline of personal mastery therefore is very important for developing the necessary skills and competencies in the organization in order for the organization to survive in a turbulent environment. This discipline teaches us to cultivate a way of thinking and learning that will lead to personal mastery. It allows us to deal effectively with our inner tension by appreciating the fact that a personal vision can be accomplished when we are more aware of the tension that pulls us forward into action.

This mastery should include the integration of individual ideas, and focus on the power of individual's ability to learn on a continuous basis (Senge, 1990). The power of personal visions may result in a creative tension that grows between what an individual desires (vision) and how he could achieve the desired vision (Twale & Kochan, 1999).

Although personal mastery is an individual discipline, it can also be seen as one of the environmental factors. What this means for organizations is that a workplace climate that promotes personal mastery should be nurtured in all the activities that take place. A climate of teamwork and collaboration can encourage the development of strong personal visions that each organization needs. A successful organization is the one that has employees who have good personal visions, visions which are compatible with organizational goals, which drive their careers in that organization. At individual level these employees are ambitious and have their own personal objectives. These are employees who look at the organization in a holistic way.

Employees should feel they are connected to a common cause, a common aspiration that motivates them to become the best of the best in what they do. So commitment to personal mastery creates a sense of pride about the organization. Management should facilitate this process.

For management it is of vital importance to create an enabling environment in which individual and team performance is enhanced and personal visions are achieved. According to Welch (2001: 6) “modern organizational leaders should be visionary, reality driven, inclusive, principled, have clear values, specific goals and a high level of commitment”. In other words modern leaders should not be afraid to have their mental models challenged.

2.4.1.2 Mental models

According to Senge et al., (1995) mental models enable us to understand different situations and be able to take proper actions. These mental models are at all levels, and sometimes they are limiting and may prevent rapid adaptations that would make the organization successful in these turbulent times.

Hogson (1995) points out that mental models deal with the organization’s driving of fundamental values and principles. This means that if we are able to make use of our mental models, they can help us to assess the values, new knowledge and problem solving skills that we require in our learning teams in the organizations. In a learning organization mental models are exposed and discussed freely and reviewed if necessary.

Thus if an organization has an ambition to become a learning organization, it must be able to deal with the fear or anxiety that may prevent its employees from challenging old approaches and ways of thinking and doing things.

2.4.1.2.1 How can we use the discipline of mental models in our organizations?

It can certainly be used to review our practices by evaluating the quality of our thinking and how it impacts on our work. We will become clearer of individual patterns of thinking. The

power of individual and collective thinking is important in improving our ability to engage in non-defensive inquiry (Senge et al., 1995).

This means that effective mental models enable us to scrutinize and reflect on our practices as managers. These engagements offer us the opportunity to listen to what other managers say about us and our practices and to learn from these discussions and experiences. Mental models therefore determine how we react to different situations.

Our mental models can then do harm to both our organizations and ourselves (Haines, 1995). That is why it is imperative to continuously question our mental models and how they determine our perceptions and guide our actions. Mental models are our frames of reference; therefore it is vital that we continually examine them to avoid being limited in our daily business interventions and our way of thinking.

This is why the discipline of shared vision becomes so important because it brings together our different worldviews and directs them towards a common goal. The discipline of shared vision is explored next.

2.4.1.3 Shared vision

A shared vision is an all-encompassing worldview, which provides focus for individuals concerning what they know, have to learn and should value (Wallace et al., 1997:20). It is a clear picture of the future. It is a force that allows people to become committed to and work together towards a common goal (Isaacson and Bamburg, 1992).

Building a shared vision in the organization will help us to create a common identity. The discipline of shared vision, if applied in our organizations can encourage teamwork and

enhance organizational performance. It can encourage collaborative tasks assignments in the organization by facilitating the ability to plan management interventions together and discuss challenges each department is facing (Twale & Kochan, 1999:23).

This can draw images and experiences together into an integrated process, towards a common image of “why we are all here” (Senge, 1990:206). By providing meaning in both the present and the future objectives of the organization, a shared vision is never imposed; rather it is compelling enough to invoke the support of others, especially the organization’s leadership (Snyder et al., 1996).

A shared vision will emerge in a company if management truly cares about one another and about their current practices and the future of the company. In an effort to build a learning organization, managers may start by pursuing their own visions. They also need to listen to the visions of their subordinates. By doing this they will be creating a context of mutual caring wherein each person realizes that his or her own personal vision is part of the collective vision (Fullan, 1997).

According to Whitaker (1995), when you share a common goal, the organization can be seen as a team that functions together in order to achieve the shared vision. All staff members in any organization come with different beliefs. A shared vision consolidates these different ideas so that the team can reach a mutually accepted direction.

Effective communication then becomes an integral part of the whole process, and having the shared vision becomes a key towards changing your organization to a learning organization. Binney & Williams (1997) indicate that if you cannot communicate the vision to someone in five minutes or less, and get a reaction that signifies both understanding and interest, you have not completed this phase of the transformation process and are still far away from transforming your organization into a learning organization.

The process of building a shared vision is a daunting task, it is time consuming and emotionally laden. It requires dedication and patience, because shared visions that are truly shared take time to emerge, explains Pretorius (2001:5). This mutual caring is epitomized in the discipline of team learning.

2.4.1.4 Team learning

Team learning is also about co-existence and a pursuit of a common vision (Senge et al., 1995). Senge describes this as alignment, which means functioning as a whole: when all employees pursue one common goal- they are in alignment. Alignment enhances a sense of unity. This means that all employees become connected and committed to a common vision or goal. (Isaacson & Bamburg, 1992).

According to Senge et al., (1995) the discipline of team learning builds on the disciplines of personal mastery and shared vision. Team learning is about thinking insightfully.

According to Hodgson, (1995) team learning involves dialogue and discussion. The dialogue allows for exploration of complex issues and a deep listening to one another, whereas discussion is about presenting and defending different views in the search for the best decision.

Employees are empowered to work together through participating in team learning and everybody learns to appreciate the diversity of individual members and individuals who participate in other teams (French & Bell, 1995). Team learning helps team members to be more effective in pursuing team goals. In any organization dialogue and discussions are important for practicing the discipline of team learning.

Team learning allows all stakeholders to discuss and engage in a dialogue about the future of the organization. By discussing and investigating issues such as the direction the organization is taking, we learn to create shared meaning and shared knowledge collectively (Isaacson & Bamberg, 1992).

In team learning, managers can change how they see, think and talk about organizational problems. Managers begin to think together through dialogue and discussions. Talking together enables managers to see the need to review and improve continually, the organizational structures, systems and processes to make sure that the organization is able to meet the ever-changing needs of its customers (Isaacson & Bamberg, 1992).

Team learning activity is therefore a way of life for a change-seeking organization. Clearly it is difficult for any individual or department to function alone, because of a web of interconnection and interdependence.

2.4.1.5 Systems thinking

The discipline of systems thinking basically teaches us that the behavior of employees is best understood as a result of feedback loops, where variables are interrelated (Flood & Carson 1998). This means that individual and collective behavior is embedded in the natural world in which they live and interact. Behavior in that situation is dynamic rather than static. It is so because it is based on dynamic interaction with the natural world.

The human systems such as those found in organizations are adaptable. It is their adaptability that increases the prospects of turning them around into learning organizations. This is

accomplished through organizational interventions which create opportunities for continuous learning.

Therefore, the first step to becoming a learning organization is for the organization to learn the discipline of systems thinking and how to apply it. The discipline of systems thinking is a body of knowledge and tools that can assist managers to work together in a collective effort, through their collective intelligence, in order to improve the organization (Senge et al., 1995).

The discipline of systems thinking teaches managers that they will arrive at a better understanding of any social phenomenon if they look at the whole organization. In systems thinking, the organization is perceived as a system that is interconnected with different parts of life that interact and influence each other. These interrelated parts are bound together in such a way that they become coherent in relation to one another.

2.5 Garratt's perspective

Garratt agrees with Senge's systems thinking approach to the creation of a learning organization. In addition, he indicated that there are six guiding principles that an organization must be aware of before it can become a learning organization (Garratt 2001).

1. Complex adaptive systems
2. Organizations as structures and processes.
3. Understanding the difference between first and second order change processes.
4. Accepting the need to integrate the operational and policy/foresight learning cycles into a forum of strategic organizational debate.
5. Accepting and using the inevitability of events.
6. Accepting the professionalisation of direction givers

2.5.1 Complex adaptive systems

It is essential first to break the predominant managerial and directorial mindset that human organizations are rational, emotionless, data-logic driven machines which stay resolutely on carefully planned and predetermined tracks regardless of the changing environment, and that there is, therefore, only one correct organizational model to achieve this happy state of affairs.

According to Garratt, it is necessary for effective directors and managers to understand and accept that their world is complex, uncertain, and has plenty of positive, and negative, emotional energies all of which affect, often in unpredictable ways, their survival.

Organizations are living, or dying, organisms. Learning organizations are complex adaptive systems and need to be understood as such. They are complex systems because they involve people, and people behave in an unpredictable way.

2.5.2 Organizations as structures and processes

Garratt argues that this idea challenges scientists and managers to look at the inter-relationship of structure and process in systems to understand how they mutually determine each other. Organizations are not simply structures alone, but energized positively and negatively by the use of appropriate human processes. These processes are people-driven and organized by their values and emotions which must, therefore, be taken fully into account.

2.5.3 Understanding the difference between first and second order change processes

Garratt believes that an effective way of helping an organization to understand the nature of a learning organization is to generate a generally accepted model of the process of continuous organizational change. To start an effective change process, whether modest or massive,

requires some initially small modifications of both attitude and behaviour to become comfortable with the notion of change itself.

These minor modifications then allow staff to build more confidence to encourage larger scale experiments, feedback, rigorous reflection and learning, rather than relying on the collection of ever-increasing amounts of data. Over-reliance on analysis alone can kill an organization. It leads easily to analysis-paralysis.

Many people at work feel trapped in an insensitive, uncaring and inhumane environment where inaction, avoiding risk, and hiding mistakes are preferable to experimenting, admitting mistakes and learning. In their organizations people need to strive for positive recognition of themselves as individuals and team members. So if the emotional climate of the organization avoids positive recognition then people will seek negative recognition.

How does one begin to learn to move from such simplistic notions of organizational change, to reach a higher level of change? Second order change requires some intellectual effort by directors and managers to cope with the more complex learning needed. One needs to develop the ability to raise one's eyes from the operational work - the immediate, the obvious, the routine and the accepted - to look further towards the horizon and so see problems and issues in a wider perspective.

This helicopter view allows for the development of foresight, a key asset in fast-changing workplaces. This allows the organization to reframe its understanding of its policy learning, and thus design its own future rather than have the future forced upon it.

Second order change requires the organization to consider its external environments. Becoming sensitized to the changing external and internal organizational environments through the conscious use of the reframing process is the major driver of double-loop

learning. With these foundations for a learning organization in place - through the mindset changes allowing directors and managers to be more comfortable with a less certain world, being sensitized to the changing environment, and being able to see opportunities and threats coming from these changes – the organization can move on to the next pre-condition for the design of a learning organization.

2.5.4 Accepting the need to integrate the operational and policy/foresight learning cycles into a forum of strategic organizational debate

How can the organization cope with not only the rates of change externally and internally but create an organizational central processor which keeps the rate of learning equal to, or greater than, the rate of environmental change?

Garratts believes a key idea of a learning organization is to tap continuously into the natural, daily learning of everyone who is a member of the organization.

Then one can reflect on this learning by pulling these together as the focus of the organization's critical review and debating process-the central processing which allows for better informed and values-based judgements to be made, acted upon, and learned from.

At the macro-political level (the world external to the organization) the understanding of the changing political, economic, social, technological, and physical environmental trends is focused to increase organizational effectiveness and so become the policy level learning inputs into the strategic organizational debate and learning.

The inputs to this debate at the micro political level (the internal world of the organization) are the measurements of the energies and blockages generated by the existing organizational

capabilities. These should inform the strategic debate, particularly that part which will decide on the organization's ability to implement strategy effectively given the scarce resources to be deployed.

2.5.6 Accepting and using the inevitability of events

Garratts argues that events disrupt the policy learning cycle as the organization tries to make logical patterns from a chaotic world (monitoring the external environments), assesses risks, resolves dilemmas and show the way ahead by giving leadership (direction giving). The disruptions from the environment here can be most disconcerting to many rationalist managers and professionals as one cannot easily predict, for example, an earthquake or famine, a change of governing party, or a disruption in supplies.

Indeed the foresight needed here is not about having an impeccable record of predictive certainty of the future-in a chaotic world that is an absurd aspiration-but rather about developing systems for both being very sensitive to environmental change and having the organizational capability to respond quickly to events to create competitive advantage for a business.

2.5.7 Accepting the professionalisation of direction givers

Garratt's argues that most directors have been rewarded for outstanding performance in a managerial/technical role that required very different skills from those that they need to direct their organization. They were not selected for their proven direction-giving capabilities or potential.

Matters are then made worse by the fact that very few organizations have any induction, inclusion or competence-building systems in place to help their transition from the managerial/technical world to that of directorial competence. Even fewer have any regular appraisal system for assessing the competence of the direction-givers. An effective director needs to have the capacity for innovative thoughts and critical review. A learning organization provides employees who get promoted into senior positions with the necessary skills to successfully operate at that level.

If one can ensure at least that the directors are aware of, and committed to, the six pre-conditions above, then they are ready to set about creating the learning organization processes in detail with energy, commitment and urgency.

2.6 Learning levels

According to Garratt (2001) there are three levels of conscious and interactive learning processes that should support the above mentioned six preconditions:

1. Policy learning

2. Strategic learning

3. Operational learning

2.6.1 Policy learning

Garratt defines policy learning “as the organization's relationship with the external world; it is the focus of organizational effectiveness. At its simplest, he argues that the customer's or

consumers' perception of an organization's effectiveness makes or breaks that organization” (Garratt, 2001: 4).

At a more complex level, policy learning is about directors, managers and staff combining to make sense of the patterns in the turbulent and fast-changing external environment which provides the macro-political dynamics in which the organization survives and strives.

2.6.2 Operational learning

According to Garratt operational learning is about learning that takes place everyday when employees are doing their jobs. Unfortunately this is where we increasingly come face-to-face with the operational level obstacle which is the over-use of financial logic and rationality at the expense of the customer's perception of and emotional attachments to a product, service or brand.

For example, when an airline starts to share one call centre with another airline it should not be surprising that it loses customer loyalty and their willingness to pay premium prices. So when a customer telephones to make a booking they do not expect to be booked onto a flight by a different airline, with different standards of service and safety. This customer alienation can be resolved by strategic learning.

2.6.3 Strategic learning

Garratt says strategic learning is about assessing and adopting measures that ensure a speedy response to the external environment changes. Senge (1990) suggests that managers should acquire appropriate capabilities for leading their companies. These include putting in place monitoring and feedback mechanisms. Learning at the

strategic level must always be set in the right environment and in the context of agreed policies.

Organizations need employees who feel part of the organization just as much as employees need organizations that they can feel part of. Organizations, therefore, need to put in place a framework where everyone can participate, and contribute to growth, survival and success (Heyes, 1996).

Dale (1994) states that managers should facilitate learning between team members by doing the following:

- ❖ encouraging sharing of information about successes experienced and obstacles encountered between peers;
- ❖ encouraging employees to network with people internal and external to the organization they can learn from;
- ❖ and nominating employees to attend conferences, seminars and workshops.

For an unwary and non- critical organization, the effects of a turbulent environment can be devastating. Only those organizations that critically analyze their environments and adapt themselves accordingly can survive in a turbulent environment. According to Harding (1995:1) a turbulent environment is “messy” and has the following characteristics:

- Increasing pace of change,
- Ever-changing socio-economic environment,
- Future social and economic patterns are increasingly unpredictable and organizational life becomes more unstable.

Most companies operate in a turbulent environment. In systems thinking terms, they are complex social systems functioning within the even more complex supra-system, the global environment. This makes it very critical for all organizations to engage in active learning and develop the ability to adapt quickly to organizational and environmental challenges.

2.7 Organizational learning in a learning organization

Researchers describe a learning organization as an organization that is continually seeking better ways of meeting its objectives through expanding its capacity (Haines, 1995). Senge, (1990) sees a learning organization as a place where new and broad ways of thinking are developed and nurtured, where team work is encouraged.

In times of major change, the ability to learn assumes great importance as existing, pre-formed or programmed knowledge loses its value. Senge emphasizes the importance of knowledge transfer and information. Leaders must create learning cultures where the acquisition of skills and knowledge is seen as an investment. Leaders who invest in a learning culture ensure that their organizations will adapt to market demands.

Knowledge needs to spread quickly and efficiently throughout an organization. An organization's competitive advantage lies in the skill and knowledge base of its people, the ability to nurture the concept of life-long learning. Leadership is responsible, argues Senge, for "building organizations where people continually expand their capabilities to understand complexity, clarity of vision and improved shared mental models-that is they are responsible for learning" (Senge, 1990: 18)

As shown in figure 1 below, Senge (1990) divides organizational learning in a learning organization into four broad stages. The first involves a certain preparing of the environment, ensuring that there is a clearly articulated vision and that the corporate culture encourages and is receptive to learning. The second involves exposure to new ideas where employees expand their knowledge and begin to think differently. The third is when they begin to behave differently. The fourth is when the different behavior results in measurable improvements in results: increased market share and high profitability.

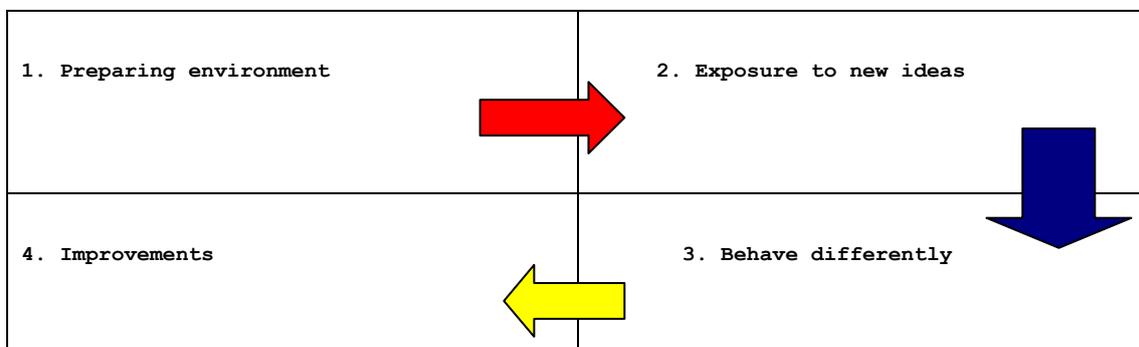


Figure 2 - 1 Four broad stages of organizational learning

Senge (1995) suggests that many organizations suffer from learning disabilities because of their inability to think holistically. He identifies seven learning disabilities that a learning organization should avoid.

The first, which he calls “**I am my position**”, refers to the narrow focus individuals have on their jobs rather than on the purpose of the whole organization.

“**Enemy is out there**”, refers to the learning disability of blaming others when things go wrong and not recognizing that “in him” and “out there” are really part of the same system.

“**The illusion of taking charge**”, refers to the learning disability that often comes with people in positions of control.

“**Taking charge can be an aggressive solution**” – solving a problem without considering how the problem has arisen. Individuals need to consider how they may have contributed to a problem in order to come up with an appropriate solution.

“**Fixation on events**” refers to people’s tendency to focus on short-term events, which means that they fail to see an unfolding bigger picture.

Another learning disability is “**the myth of the management team**”. Senge (1995) uses the parable of the boiled frog to explain how organizations perish if not attuned to incremental changes in the environment. Just as a frog will slowly boil to death if the temperature of the water it is in increases incrementally, so too, argues Senge, are organizations unable to detect subtle changes in the environment.

They fail to take necessary rectifying actions until it is too late. Senge argues that organizations and leaders must continually evaluate the circumstance within which they are operating to determine whether significantly different responses and approaches are needed.

The final learning disability identified by Senge is “**the delusion of learning from experience**”. Whilst one learns best from experience one seldom directly experiences the consequences of one’s most important decisions. This impacts on others. This is the danger of compartmentalized organizations, warns Senge (1995). You need leadership that can positively learn from their past experiences.

2.8 Leadership in a learning organization

The practical implication of systems thinking for executive leadership in a learning organization is to think holistically and take actions that can lead to significant, enduring improvements in a system (company). It then becomes necessary for a leader in a learning organization to understand systems archetypes. “Systems archetypes are the key to learning to see systems structure amidst complexity” (Senge, 1995: 378).

The first systems archetype is “**balancing process with delay**”, which describes when a person acting toward a goal adjusts his or her behavior to accommodate delays in getting a response. If not conscious of the delay, the person ends up giving up. As a management principle, leaders need to be patient.

The “**limits to growth**” archetype refers to how a process feeds on itself to produce a period of accelerating growth, which then begins to slow or even reverse when a limit to growth is reached. To achieve leverage, a leader must remove the source of limitation rather than force growth.

“**Shifting the burden**” describes when a short-term, symptomatic solution is used to correct a problem rather than a more fundamental long-term corrective measure. The answer for leaders is to focus on the fundamental solution.

“**Eroding goals**” refers to the scenario when short-term solutions allow long-term, fundamental goals to decline. It is imperative for leaders to hold the vision, argues (Senge, 1995).

“Escalation” describes the systems archetype when two organizations see their welfare as dependent on a relative advantage over the other. Looking for a win-win situation will reverse such counterproductive build-up of aggression.

“Success to the successful” describes two situations that compete for limited resources whereby one situation wins and the other one loses (Senge, 1995). Leaders must look for the overarching goal for balanced achievement of both choices.

“Tragedy of the commons” describes when people enrich themselves as individuals using a commonly available scarce resource. Whilst rewarded initially, the resource will eventually dry up. One needs to manage the commons.

“Fixes that fail” refers to when a “fix effective in the short term, has unforeseen long term consequences which may require even more use of the same fix” (Senge, 1995). Instead leaders should maintain focus on the long term.

Senge’s final systems archetype is **“growth and underinvestment”**. Growth approaches a limit, which can be eliminated if the organization invests in additional capacity. Often, however, performance standards are adjusted to accommodate underinvestment. If there is a genuine potential for growth, Senge (1995) advises that leaders should build capacity in advance of demand, as a strategy for creating demand.

Wheatley (1990) views organizations as holistic, interrelated systems, within which the leader plays the role of facilitator and conductor. Wheatley proposes several principles for organizational leadership in a learning organization.

She argues for participative management. She believes that leaders should include all stakeholders during planning of interventions, and communicate their decisions to all interested groups. She encourages leaders to include stakeholders, to evoke followership, to empower others and to develop team and communication skills

Wheatley argues that organizations are suffering from a fundamental misperception of information. Information is dynamic, giving order and prompting growth, acting as an organization's primary source of nourishment. A learning organization needs information to be continually generated and be shared by everyone.

It is impossible to expect any plan to be real to employees if they do not have the opportunity to interact with it personally and own it. It is the participation process that generates the reality for commitment. Relationship-building skills such as listening, communicating and facilitating are important. Wheatley thus replaces the rugged individual with the team player.

Wheatley suggests that leaders should study organizations as a whole. When solving organizational problems, they should attempt to step back and gain perspective so that overall shape emerges. Using the principle of self-reliance, Wheatley argues for increased individual autonomy, responsibility and accountability within organizations. For Wheatley, self-reliance is the primary tool to solve organizational problems such as control, motivation, ethics and change.

Argyris (1991) maintains that the first step in creating a learning organization is for organizational leadership to analyze critically their approach to people management and development. He argues that management should be open minded, and refrain from being defensive. Most importantly they must learn to share information with employees. This approach will ensure that employees are always aware of what is happening in the company (Argyris, 1991).

The main points of Argyris is that for a learning organization to come about there should be a clear commitment from the top management, and that it should be created by them.

2.9 Change management in a learning organization

In a learning organization change is part of the process by which order is created. Wheatley argues that “as long as one keeps purpose in focus in organizational lives, one can embrace change and wander through the realms of chaos.” Wheatley argues that “chaos theory provided a new appreciation of the relationship between order and chaos, which exist in tandem as mirror images, one containing the other. A system can leap into chaos and unpredictability, yet within that state be held within parameters that are well ordered and predictable” (Wheatley, 1992: 145).

Leaders need to value information and know when to share with their followers. Therefore it is critical for a learning organization to be able to research new ideas and information and use that information to take advantage of the opportunities presented by the external environment (Wheatley 1992).

3 Critical analysis.

Evidence of the efficacy of the learning organization approach is provided by Chaston, Badger, and Sadler Smith (2001) who studied its application in small firms in the UK. Their results provide support for their hypothesis that entrepreneurial small firms exhibit a higher order level of organization learning than non entrepreneurial firms. They also found that entrepreneurial, innovative firms manage their information more effectively.

However, they did not find much support for the efficacy of double-loop learning that is a hallmark of the learning organization concept. Their results indicate that small firms should not just learn from their own mistakes (double-loop learning) but should obtain information that will enable them to not make those mistakes in the first place. Their study does indicate some support for the learning organization concept but, as the authors point out, more research is needed.

Ulrich, Todd and Von Glinow (1993:52) maintain that much is known about the concept of a learning organization. For example “the learning which occurs within organizations comes from both individuals and organizations, it can vary from superficial to substantial, it comes from many small failures and it follows a process from discovery of ideas to the diffusion of these ideas”. However, they maintain that there are a number of challenges to be met in order to learn more about learning organizations. The main challenge is to identify management actions which improve learning capability.

Ulrich et al., (1993), argue that the key to the successful implementation of the learning organization concept is the commitment of managers to the generation of ideas and knowledge and to its dissemination throughout the organization.

Dale (1994) states that a learning organization is not one that “merely engages in a lot of training”. She quotes Pedler et al (1988), who define a learning organization as, “an organization which facilitates the learning of all its members and continuously transforms itself”. According to Dale an organization is not merely the sum of its component parts but “has its own identity manifested in its culture, which develops and changes over time as a result of experience, and influence, and as such is capable of learning as a whole”. (Dale 1994: 135)

The learning organization therefore depends on the managers' skills in communicating vision and in ensuring that people in the organization see the interrelationship between various parts of the organization (i.e. systems thinking).

Stacey (1992) argues that the concept of a learning organization may be initially be considered as a good alternative to the traditional kind of organizations, more especially because of its focus on decentralization, shared vision and a strong desire to develop employees at all levels. On the other hand, such learning organizations can be seen as even worse than the traditional kind of organizations. While traditional organizations control people's behaviour, learning organizations control people's thinking. This is the worst form of control because employees may not even be aware that they are being controlled to conform to the needs of the organization. In fact, workers are willing to put in the extra hour or effort without any incentives, as they may already have internalized the values that the organization wants them to have.

There are many good things that the learning organization concept has brought about, for example teamwork and shared vision. However it's very difficult to overlook the shortcomings of these organizations, especially their ideological assumptions which are not always apparent. While learning organizations have, for the most part, done away with the disciplinary and diagnostic controls that characterised the hierarchical, bureaucratic organizations of the 20th century, they have controls that operate on the emotions, attitudes and desires of workers.

Despite this critique, it would be inaccurate to suggest that learning organization theorists have no role or have a less important role to play in the modern organization. In fact the leaning organization may be seen as a good response to the changing conditions of competition in post-industrial capitalist environments over the past twenty years. That period demanded high levels of creativity and adaptations on the part of organizations. The learning organization theory represents an effective response to these changes (Foucault, 1991).

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

This methodological section broadly describes the research design, the sample, and the research instrument.

3.2 Research design

According to Kvale (1983) a research design clarifies the route that the study should take to achieve its objectives. It is a holistic plan for the research. It indicates the focus of the study, what the study site is and what questions are to be answered and by whom in order to achieve the research objectives.

According to Terre-Blanche et al., (2006) a research design takes the researcher from the research questions to the finalisation of the research. Research design is vital to ensure unhindered execution of the various research tasks (Krippendorf, 1980).

The research design used in this study was mainly qualitative in nature. Eisner (1991) outlines six features of qualitative study which are listed below:

- ❖ Qualitative studies tend to be field focused.
- ❖ Qualitative studies consider the self as an instrument. The self is an instrument that engages the situation and makes sense of it.
- ❖ Qualitative studies display the use of language and the presence of voice in the text.
- ❖ Qualitative studies give attention to particulars.

- ❖ One of the criteria used for judging the success of qualitative research is that it becomes believable because of its coherence, insight, and instrumental utility.
- ❖ Another feature that makes a study qualitative is its interpretive character. Interpretive here means qualitative inquiries aim beneath manifest behaviour to the meaning events have for those who experience them.

Eisner (1991) argues that qualitative research allows in-depth analysis of problems, opportunities and situation in the business environment and it has the advantage in some instances of being less costly than quantitative research techniques for gathering data. Qualitative data is more difficult to analyse and it is difficult to generalise the findings to other situations.

Qualitative versus quantitative research

Qualitative research consists of verbal descriptions of behaviour and experience, which result from observations, interpretations and analysis. The qualitative approach allows the researcher to capture information which might otherwise be difficult or impossible to express by using quantitative means, such as subjective experiences and detailed patterns of behaviour (Eisner 1991).

Quantitative research consists of information represented in the form of numbers, which represent the results of a measurement process applied to certain variables (Bless and Higson-Smith, 2000).

It offers the benefit of representing information in a precise and unambiguous way. In addition, when numbers are used to present information, the data, once it has been collected, can be analysed by various statistical procedures. The value of this being that the researcher is

able to go beyond the surface of the information at hand and draw conclusions about its significance and meaning (Bless and Higson-Smith, 2000).

There is therefore value in consciously combining both qualitative and quantitative methods of research, in what is referred to as a mixed approach (J Kvale 1983).

This research was carried out on the premise that qualitative and quantitative research methods are complementary and that when these methods are used in conjunction they may provide complementary data sets which together give a more complete picture than can be obtained using either methods singly.

3.3 What the study seeks to achieve

In this research, I identified through a study of the literature available, the generally accepted characteristics of a learning organization. Secondly, through open-ended questions, observations and archival research I established to what extent Waltons KZN is a learning organization.

3.4 Study site

This study was conducted at the offices of Waltons KZN in Durban. The researcher chose this site to conduct the study because the researcher is an employee of Waltons KZN and is based in the company offices in Durban. A further consideration is that the researcher works with employees who agreed to participate in the study, and as a result all the research operations needed no travelling.

By choosing the aforesaid study site the researcher was able to manage the data generation process more effectively. The researcher's presence at the site improved the response rate to the study because all the participants felt at ease to deal with their colleague.

3.5 Population

Miles (1984) points out that the population is a large pool of cases; from that pool a sample is selected. In this study the population is the employees of Waltons KZN. The total research population consists of 500 employees of Waltons KZN. Non-probability sampling, which relies on the judgement of the researcher, was applied. Non-probability sampling is defined as a sampling method that allows the researcher to pass his or her judgement about who should participate in a study. This sampling method was used due to the following reasons:

- employees who were used as the sample group, were conveniently situated from a geographical perspective;
- the researcher conducted interviews without any difficulty because he works for the same company as respondents;
- the researcher did not travel long distances to conduct interviews as the entire sample group consisted of employees from the company for which the researcher works.

3.6 Sample

Miles pointed out that if the researcher has a large number of cases, the costs of collecting and analysing data become high. Census tends to be costly because there are many cases involved and it normally takes longer to complete the study (Miles, 1984).

My sample was drawn from the management team of Waltons KZN. I interviewed 25 managers. This represented 100% of Waltons KZN managers who have direct reports.

3.6.1 Sample description

Table 3.1 Highest Qualification

Highest Qualification		Frequency
	Grade 10-12	19
	Degree/Diploma	5
	Higher Diploma/ Post Graduate Degree	1
	Total	25

Table 3.2 Years in Position

Years in position		Frequency
	0-1	4
	2-5	8
	6-10	3
	11 and more	10
	Total	25

Table 3.3 International experience

International Experience		Frequency
	Yes	1
	No	24
	Total	25

Senge (1990) puts at the centre stage learning and development if an organization inspires to become a learning organization. This is the reason why managers who have direct reports were more appealing to the researcher, because they do not only deal with their own needs but they are also expected to meet their subordinates' development needs and well-being as well.

3.6.1 Sample selection procedure

The researcher first sought permission from the Managing Director to have the study conducted. As stated above it was impossible to interview all 500 people, as it would have taken too long and would have been very expensive. For that reason 25 managers were interviewed.

The purpose of the study was explained and it was indicated to respondents that participation in the study was voluntary. All respondents were assured that anonymity of their identity would be ensured at all times.

The researcher is responsible for the training and development at Waltons. The research was undertaken in order to guide the subsequent work. The researcher did not allow his knowledge of the context to influence his perceptions by positioning himself outside of the research subjects.

3.7 Data collection methods

The data for the study was collected using three strategies:

1. Interviews;
2. Observations;
3. Archival research.

3.7.1 Open-ended questions interviews

One of the most popular techniques used to conduct human resources related research is to use interviews with open-ended questions which can gauge the perceptions, opinions, attitudes, beliefs, and intentions of the organization's employees. In this way one can gather reliable information relatively quickly, covering large numbers of employees (Rossow, 2003).

According to Rossow (2003) open-ended interview questions help to get information from the sample or from those individuals who are selected to provide a basis of inference about a larger population. He states that an open-ended interview approach provides five types of information:

- facts;
- perceptions;
- opinions;
- attitudes and
- reports of behaviour.

From what has been mentioned in the previous paragraphs one can conclude that the above-stated method of data collection used for this study was appropriate, as the study sought to find out from the sample to what extent is their employer a learning organization.

This method of data collection allows for gathering of data directly from a sample by posing questions which may be presented orally (interviews). One-on-one interviews were used, and the respondents were allowed to say as much as they wanted to say about the question without any unnecessary restrictions. The questions were determined before the interview to ensure that all the questions which were asked during the interviews help to answer the main research questions (Bless and Higson-Smith, 2000).

The study allowed the participants to cover all the issues they wanted to cover. Where the researcher felt the question was not adequately addressed, the data collection method allowed the researcher to ask follow-up questions which were meant to clarify the questions.

Open ended questions are used to obtain qualitative data. Qualitative data is richer than quantitative data, giving a more thorough description of an individual's attitudes.

3.7.1.1 Questions which were answered in the research

All my questions that were answered by the study participants are based on the following features of a learning organization.

- Continuous training and development;
- Performance management;
- Team work;
- Proactive change management;
- Existence of a culture of continuous feedback between line management and workers.

Research questions:

- Why is continuous training and development so critical in a learning organization?
- To what extent is Waltons KZN managing the performance of its employees?
- What is the role of team work in a learning organization?
- To what extent does Waltons KZN proactively deal with change?
- Does a culture of continuous feedback between line management and workers exist in Waltons KZN?

3.7.2 Observation

As the researcher is employed in the human resources department of Waltons KZN; he is able to undertake participant observation, for example, through his interactions with the company management on a regular basis. The researcher was provided with a natural setting in which to observe the interaction of all the participants and seize the opportunity to understand and capture the views of Waltons KZN employees with regards to training and development, performance management, change management, team work and staff relations. The researcher took notes of the observations whenever he interacted with the managers. These observations which were in the form of phone calls, corridor discussions and meetings provided additional information on how these managers operate in practice. We had four management meetings during the study period. I received an average of three phone calls per week from the managers.

It is a qualitative research method that allows the researcher to watch rather than take part in a research situation. It allows the researcher to observe certain sampled situations or people rather than try to become immersed in the entire context.

3.7.3 Archival research

The researcher reviewed documents and records from many sources. He studied a range of Waltons KZN policies, annual reports, workshop materials, and minutes that helped him to answer the research question.

This method includes a broad range of activities applied to facilitate the investigation of documents and textual materials produced by and about organizations. In its most classic sense, archival methods are those that involve the study of historical documents; that is, documents created at some point in the relatively distant past, providing the researcher access that he or she might not otherwise have to the organizations, individuals, and events of that earlier time.

3.8 Data analysis

All these sources of data were chosen to build a rich picture of the extent to which Waltons KZN meets the requirements of a learning organization. The data is meant to address the questions of the research. Miles and Huberman (1984) argue that data analysis in studies using primarily qualitative data is made up of three processes:

- Data reduction
- Data display
- Drawing and verifying conclusions

3.8.1 Data reduction

Data reduction refers to the process of processing the raw data in the form of notes. Raw data in qualitative research appears as words, unlike quantitative data that appears as numbers. These words need to be transformed in a way that makes them useful so that the researcher can draw and verify conclusions from them. Data reduction took many forms including writing summaries about the data, grouping and clustering data to identify themes and patterns and writing personal memos and reflective remarks to help interpret and integrate the data in more general terms.

3.8.2 Data display

A data display according to Miles and Huberman (1984) is a method of arranging information well. Displays can range from matrices, graphs, tables, charts and maps. All are designed to organise information in a way that is more accessible than pages and pages of source notes. Since the information is presented in compressed form, it is easier for the researcher to identify and summarise common themes and trends and eliminate unnecessary information. The researcher mainly utilised chronological tables to show information.

3.8.3 Drawing conclusions and verifying them

Here the researcher according to Miles and Huberman (1984), must say what the data means by offering explanations and interpretations of the findings. The researcher offered many conclusions throughout the thesis. The last chapter presents conclusions and recommendations based on the findings, as well as suggest future research in the area of learning organizations.

The ideal model is to intertwine all three processes at the same time when conducting field research (Miles and Huberman, 1984). For example, there were 15 interview questions. After the data was gathered and captured, the responses were grouped according to the learning organization characteristic they were pertaining to. The data was then analysed and conclusions were drawn.

3.9 Summary

This chapter section broadly described the research design, the sample, and the research instrument. Through open-ended interview questions, observation and archival research I established to what extent Waltons KZN is a learning organization.

This study was conducted at the offices of Waltons KZN in Durban. The researcher chose this site to conduct the study because the researcher is the employee of Waltons KZN and is based in the Company offices in Durban.

In this study the population is made up of the employees of Waltons KZN.

My sample was drawn from the management team of Waltons KZN. I interviewed 25 managers. This represented 100% of Waltons KZN managers who have direct reports.

The data for the study was collected using three strategies:

- Interviews ;
- Observation;
- Archival research.

Data analysis is made up of three processes:

- Data reduction;
- Data display;
- Drawing and verifying conclusions.

CHAPTER 4

FINDINGS, RESULTS ANALYSIS AND DISCUSSIONS

4.1 Introduction

The purpose of this chapter is:

1. To present the findings and interpret the results, which means examining the results within the larger context.
2. To state the relationship between the research questions and the results.
3. The discussion is done in line with the purpose of this study.
4. The relevant literature is quoted as a back up for the discussion.

Research questions:

- Why is continuous training and development so critical in a learning organization?
- To what extent is Waltons KZN managing the performance of its employee?
- What is the role of team work in a learning organization?
- To what extent does Waltons KZN proactively deal with change?
- Does a culture of continuous feedback between line management and workers exist in Waltons KZN?

4.2 Learning organization characteristics

Table 4 - 1 Data description-Learning organization characteristics

	Learning organization characteristics	Question numbers
1	Continuous training and development	Questions 1-4
2	Performance management	Questions 12-13
3	Team work	Questions 14-15
4	Proactive change management	Questions 5-7
5	Existence of a culture of continuous feedback between line management and workers	Questions 8-11

As shown above there were 15 questions. The list of the interview questions is attached as appendix D. After the data was captured, the responses were grouped according to the learning organization characteristic they were pertaining to as illustrated in Table 4 - 1 above. Questions 1 to 4 pertain to training and development, 5 to 7 pertain to change management, 8 to 11 pertain to line/employee feedback, 12 to 13 pertain to performance management and 14 to 15 pertain to team work.

Continuous training and development

From Table 4 - 2 below, it is clear that all 25 respondents (100%) are generally happy with the training and development interventions. Notwithstanding the general feeling of managers, many problem areas were highlighted. Eight out of twenty five respondents cited the fact that the company has introduced a talent academy which is aimed at producing candidates that have all the competencies needed to run the branch or a distribution centre.

The recent introduction of learnership programmes seems to have excited some respondents. Respondents 1, 4 and 20 cited it as a positive step towards the right direction.

Respondent 25 felt that the company is concentrating its training interventions on Head office staff, and felt that training should also be adequately available for staff at the branches.

Respondents 12 and 21 complained about the fact that most training happens on Saturdays at Head Office, they felt that it creates problems for staff that are scheduled to attend the training because transport is not readily available during the weekends.

Respondent 22 felt that the company needs to concentrate more on management training. They feel that managers are neglected.

Most respondents (23 out of 25) felt that the company is concentrating more on product and systems training. These areas are seen by the respondents as crucial for the company's business.

Twenty two respondents (88%) said they are not directly involved in training and development of staff. According to them all training initiatives come from Head office. Although some argued that they do get involved in training analysis and participate in the actual training of staff.

This progress in the area of skills development which most respondents appreciate is backed by a very progressive policy. The company policy allows for early identification of skills shortages and it also identifies ways of addressing those skills gaps. It allows for succession planning to take place and suitable designated candidates to be identified and placed in mentorship programmes. The mentor is selected by the transformation committee of the company. The policy is attached as appendix A. At a time of rapid technological and economic change organizations need good and flexible employment policies (Armstrong, 2003).

In systems thinking terms, the company is a complex social system functioning within the even more complex supra-system, the global environment.

It is clear that the learning organization depends absolutely on the skills, approaches, and commitments of individuals to their own learning. The individual learner can be helped or hindered by the organization in which he or she works. In that sense attention to the learning organization as an environment is certainly desirable. It is necessary and useful to move from the helpful organization, to a view of the organization as a corporate body possessed of learning attributes argues Tracey et al., (1995).

This makes it very critical for all organizations to engage in active learning and develop the ability to adapt quickly to organizational and environmental challenges. According to Senge (1990:18), learning organizations are “organizations 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”.

Effective training is a learning experience activity, a planned business activity in response to identified needs, and is an attempt to further the goals of the company while simultaneously providing the opportunity for individual employees to learn and grow in the business.

Training gives employees direction in their jobs and acquaints them with their working environment, thereby creates the opportunity for employees to become productive quickly.

The effective achievement of the company's objectives should be the ultimate aim of any training and development strategy. This means that the short-term and long-term objectives of the business and trends likely to affect these objectives must be analysed.

Where individuals within the company lack particular skills, knowledge or attitudes, pinpointing of these problem areas should lead to the identification of specific training needs for these individuals.

4.2.1 Continuous training and development

	Q1	Q2	Q3	Q4
R1	Good-Learnerships Programmes. Selection needs to be improved	Product Knowledge, Axapta Training, Learnerships. These areas are important to the business	I make the necessary arrangements with head office and suppliers if my branch needs some training.	Yes, that's why we are successful
R2	New recruits get good training. May be old staff are bit neglected	Systems training e.g. Axapta	I am involved in needs analysis. Liaise with HR	We do -staff skills are improved
R3	Fairly good	Diversity Training and product Knowledge	Yes I do, I get involved in Axapta Training	Yes, that's why we are efficient in what we do
R4	A lot if improvement in the recent past, introduction of the Academy and Learnerships programmes	Product Knowledge-we need to improve all the time in order to outplay competition	I only organise training for my branch	Very much so, but we still have a long way to go.
R5	Training sessions are quite good, staff enjoy them	Product knowledge, selling skills-are key to our business	I was involved in doing needs analysis for my branch	Yes-our computer sales are quite good
R6	Waltons is doing well, a lot of improvement since the appointment of the SDF	Product knowledge, ever changing technology demands that we are always updated	Suppliers approach us and I arrange for training	Yes, it is hard to sell a product if you do not know it.
R7	A lot of it is happening at head office. Feel neglected at the branches	Systems training and product knowledge - these are quite critical	Yes- I do a needs analysis and send it to the training department	Most of our staff are good. It helps
R8	Not enough - very few staff get training	Product knowledge-it's key	Not involved	Sales staff are doing well-it's good
R9	Big improvement in that area-but geographical spread makes it difficult to attend training at Head Office. Branch managers should drive training at the branch level. They should control	Product knowledge, management development is also necessary. Product knowledge training must be done for all staff. Analysis of the income statement training must also be done.	Branch managers are consulted.	Yes, we now concentrate on quality training. It's good.

	training budget. I feel training should be centralised	Some branch managers are struggling with this.		
R10	Training is happening. Since the appointment of the SDF -there has been a lot of improvement.	Product knowledge. As managers we always need to be updated so that we can upskill staff.	I participate in in-store training. Almost every week we have product knowledge training.	Yes, without a doubt.
R11	I think we are doing well.	We only concentrate on product knowledge, but nothing for the stores staff.	Not consulted- Sales representative deals with the suppliers.	Difficult to ascertain. We are still waiting for the academy's first graduates.
R12	A lot of training is done after hours. Academy classes take place on Saturdays. Very difficult to attend.	Every Friday we do product knowledge. We need to provide training for our telesales as well. I feel they are currently neglected.	I participate in product knowledge training.	Not sure
R13	We are doing quite well. Staff are happy with the opportunities	Product knowledge- it's important but we should also do ABET.	I liaise with the suppliers to get product training done	Yes every company should train its people- it's very important for growth.
R14	Doing well- the branch has two people in the academy.	Product knowledge, computer training as well. We now need training like how to be a furniture co-ordinator- you need certain skills to do that	The majority comes from Head office	It's important to continue developing staff.
R15	In the last couple of years we have done very well. The company is now paying attention to staff development.	.Axapta, sales, reception skills- we need these skills	I participate in the in-house training	Staff are impressed -we need more training.
R16	Academy -good way of getting in the right people.	Product knowledge, HIV training, selling skills- all these are necessary.	No I am not involved.	Yes, we need to do more.
R17	Not involved- I have not seen much development.	Axapta training-every accounts person must know the system	Not involved.	Not sure.
R18	We are not employing the right calibre of staff- it's difficult to train negative people.	Product knowledge. It's important.	Sales people who are involved with the suppliers. They arrange training themselves.	Yes it is beneficial- academy stuff is good.
R19	I am satisfied- we can still do more.	Product knowledge, computer- we	Not involved, but I compile my training	Yes, that's how we can beat our competition. We

		need training like these.	needs for the branch	need more and more of training.
R20	Talent academy is good. Managers know what training is available. Learnerships programmes are also good.	Huge amount gets done on product knowledge.	I run a training course every six weeks. Half a day course.	Yes, good training always adds value. We need to work out what exactly we need.
R21	Learnerships and academy. People are excited but Saturday's classes are difficult for staff. May be a new way of doing it is needed to get more staff interested	Product knowledge and sales training. We need good sales representatives to stay in the business.	I participate in in-house training for my branch. I do some informal training as well.	Yes, it's always good to see staff doing well in their jobs. They get promotions, and are confident about their skills
R22	I think we are doing well, a lot more needs to be done. Management development needs to be improved.	Product knowledge is by far the most visible training. Suppliers are pushing it in order to sell their products.	Sales people are involved in product knowledge training.	It is very beneficial. It helps us to grow.
R23	I am happy with the direction we are taking. Academy is a good thing. May be it will be difficult to place those people because our branch managers are not leaving.	Product knowledge and Axapta- quite important for our operations.	Head office decides on the training. I only deal with internal training.	Not sure.
R24	Disciplinary and diversity training were quite good.	System training like Axapta, some product training as well.	No,	It must be beneficial-why should we do something that is a waste of money.
R25	Training must be available to all staff. At present it seems as if it is only done mostly at Head office	Product knowledge. All sales staff need to be trained on this. You cannot be good sales representatives if you do not know your products.	I participate in the in-house training. I organize the training with suppliers.	Yes, it is beneficial. We must do only the training that is important for the company.

Keys

R=Respondent

Q=Question

Performance Management

4.2.2. Performance Management

Table 4 - 3 below indicates that twenty three respondents said the company does not have a formal performance appraisal system. However, they are able to measure their staff performance using deadlines and targets as measures. Most of the respondents said they would prefer to have a formal system which they can use to measure staff performance.

Respondents 3, 11, 13, 22 and 25 said they monitor performances by using monthly sales figures.

All respondents said the company does provide performance incentives, but most of the incentives are for sales people. They mentioned incentives like weekend away, vouchers, promotional gifts and sales representative of the year award etc. Some of the respondents felt that stores staff are left out and they see this as being unfair. Some said the company should have incentives for the teams not for the individuals.

According to O'Reilly (1989) a successful learning organization must have a comprehensive reward systems, not only financial but also recognition and approval for achievements. In general, the desired behaviours should be rewarded.

A good reward system results in a good learning culture. A good reward system is defined as a systematic intervention of rewarding good performance. Employees who feel that their employer looks after them by rewarding good performance tend to enjoy upskilling themselves. The learning culture is conducive to learning and provides for the opportunities to

develop (Argyris, 1976). The learning culture offers the opportunity for creativity and innovation, which is ideal for a learning organization.

According to Tracey et al., (1995) an important component of a learning culture is what they term as an ever improving learning workplace. They define an ever improving learning workplace as one in which:

- knowledge acquisition is a goal for all the workers;
- skills development is a culture of the organization and managers work hard to assist their staff members achieve their skills development goals;
- there is a formal performance management system that rewards excellence;
- all training interventions are supported by sound organizational learning policies, and
- the company has a vision to be the best in the sector in which it operates.

It is very important for the performance management system to gauge the performance climate, and for the compensation system to provide fair and reasonable compensation for good performances. Therefore one may safely claim that performance management and compensation have a direct bearing on the likelihood that employees will be motivated to achieve the goals of the company in future.

Feedback in the performance management system means that the employee must be informed how his/her performance may be improved by an objective assessment of the present situation. Therefore the performance management interview provides an excellent opportunity

to review the employee's performance during the past year by referring to incidents of success or failure.

Individual effectiveness on the other hand results when management sets accurate job goals which are acceptable to individual employees because of the opportunities these employees perceive for satisfying personal needs in achieving these job goals.

Table 4 - 3 Performance Management

	Q12	Q13
R1	No formal system in place. We use collection figures monthly.	We do not have an incentive scheme. We need to have one because some staff work very hard. It is demotivating to get no reward for your hard work.
R2	We measure performance by monitoring deadlines-if deadlines are not met then there is a problem	No incentives
R3	I monitor sales figures monthly	We have a sales person for a year. You win a holiday or a big TV screen or vouchers from suppliers. Teams are also incentivised.eg. telesales and sales representatives. Sometimes you get a weekend away.
R4	No formal system. For now I only watch deadlines. We need a formal system.	I do not get any incentives only my sales people that get incentives. We need to incentivise store's staff as well because sales people depend on them to get their job done. It should be a whole branch incentive.
R5	I only monitor my monthly income statement- that is how I know we are doing well.	We need to look after our stores staff as well. Managers get their incentives, sales people get incentivised a lot but nothing for stores. I arrange parties for them- but it is not enough.
R6	Nothing formal	Sales people get a lot of incentives. They make money for the company. We need something that will motivate all staff and encourage teamwork.
R7	I have people who are good. I know who is doing well and who is not.	Incentives are always for sales people. Unfair.
R8	Yes, I observe a lot, speak to staff, I understand them. I am happy with my branch's overall performance. No formal system as such.	The only incentive we have is mid June for retail we need more.
R9	I have my own monitoring systems. I am able to say this one is good or bad.	Sales people get incentives, promotional gifts. I organise parties for my drivers.
R10	I observe how they interact with customers, their attitude. I have an idea of how each one is doing.	Sales people are incentivised a lot. May be it's because they bring money to the company.
R11	No formal system as such. I use deadlines	Sales people get a lot. We need store-based incentives for stores who perform well.
R12	The system can tell us how many orders each puller has pulled.	Sales people get incentives. Suppliers' blitz day. Free lunches etc.
R13	Yes we have sales targets	Sales people have a lot of

		incentives. African adventure drive grand award for a sales representative that opens more accounts.
R14	No performance system as such. We need one urgently.	Only for sales staff. Every one should be motivated.
R15	I know my staff performances but we need a performance system that is objective.	Sales staff get a lot of incentives.
R16	We do not have performance management system.	We must design a system that can incentivise everyone. It's about team work.
R17	I run reports everyday- I have an idea of where we are lacking.	I believe in rewarding a team. For now only sales people and branch managers get something.
R18	No system. HR must design one	Only sales get rewarded. If you meet your target you get something
R19	I use trip sheets to monitor drivers. We must get a formal objective system.	Presently it only caters for sales people. Easy to measure their performances.
R20	We need a formal system.	Sales get incentives a lot.
R21	I know who does well and who is a bad worker. Sometimes I might be subjective	Branches should have their own incentives. It must not only come from Head office.
R22	It is easy to monitor sales figures.	Sales staff get incentives, not everyone.
R23	We need a system to measure performance like in other companies. I think it is important.	Sales people get rewarded a lot. Other staff are demotivated.
R24	We are very small branch and I have a good idea of how my staff are performing as I work closely with them. It is much easier for me to monitor staff than it would be in a combo store. I basically assign tasks to individuals and monitor from there how well it is carried out.	Because we don't have sales reps we don't really offer incentives. The only incentive that we have is our financial year end bonus. These are based on how well each individual performs during the course of the year.
R25	We have monthly targets for each staff	Yes, worker for the month. No formal incentives as such

Keys

R=Respondent

Q=Question

Team Work

4.2.3 Team work

Table 4 - 4 below shows that all the respondents felt that team work is crucial for their business units. They said team members support and assist one another. Most of them cited their sales representatives and telesales as examples in which team work is very important. They said a success of the sales representatives depends on how effective are their telesales team members.

Respondent 7 summarised the sentiments of all the respondents as follows.

“Well, once again we are a very small branch, so our entire branch is one team. We help each other out whenever there is a need. If there is someone on leave we will all chip in to make sure that that person’s isle is maintained etc. No one person knows is able to do and know everything by himself. So in order to be more efficient team work is essential. It is also good to get other opinions as you might feel something is right because of the way you understand/ perceive it, however when you hear another persons opinion you might see a situation differently”.

Senge observed that when employees are asked about their experience in their teams, they always seem to be overwhelmed by the experience of being a team member. They feel connected to one another and individuals feel that collective objective is bigger than their individuals’ goals. Most people who work in good team always feel and live the spirit of team work in their lives (Senge, 1990). Team work is very important for a learning organization.

Team learning is viewed as “the process of aligning and developing the capacities of a team to create the results its members truly desire” (Senge 1990: 236). It builds on personal mastery and shared vision. People need to be able to act together. When teams learn together, Senge (1990) suggests, not only can there be good results for the organization; members will grow more rapidly than could have occurred otherwise.

The discipline of team learning starts with ‘dialogue’, the capacity of members of a team to suspend assumptions and enter into a genuine “thinking together” (Senge 1990: 236).

Table 4 - 4 Team Work

	Q14	Q15
R1	We have creditors' teams.	Team work is important. Everyone must meet his/her objective before the department can meet its objectives.
R2	We have sales representatives and telesales	Everybody has role to play at the end of the day. It should all be about teamwork. We must all help one another.
R3	We normally have teams when we do stock takes.	We have to work together as a unit. Team work is quite important.
R4	We have a lot of teams , sales team, admin, management etc.	It's all about teamwork in my branch. That is how we can be successful-if we help each other.
R5	We are only ten. We work for each other and work with each other.	Teamwork is key because people have different skills and approaches to things.
R6	Not really, but we do work closely.	It is critical- why should we compete. Team work is good.
R7	Well, once again we are a very small branch, so our entire branch is one team. We help each other out whenever there is a need. If there is someone on leave we will all chip in to make sure that that person's isle is maintained etc	No one person knows everything or is able to do everything and knows everything by himself. So in order to be more efficient team work is essential. It is also good to get other opinions as you might feel something is right because of the way you understand/ perceive it, however when you hear another persons opinion you might see a situation differently.
R8	No work teams as such- but we all work towards one goal.	Teams share resources well, help each other.
R9	There is no need to work against one another. We should be a family. All of us.	I am a team player because I know that our collective effort is greater than an individual effort.
R10	We are all a team.	We need a lot of collaboration in order to succeed. The company can do well if all of us work as a team
R11	Here at branches we work as teams. But head office does not seem to know that.	It is important for the branch to have a team sprit among its staff.
R12	We have sales representatives and telesales team, we also have admin team.	Teamwork is key-will definitely help us grow.
R13	Sales and telesales work together.	We must learn from each other.
R14	A sales representatives and telesales work together in one portfolio.	Team work is important in any workplace. We need to help each other.
R15	Sales people work together all the time.	Everybody must be in some form of a team. Team members help each other.
R16	We need to instil teamwork among staff.	Teamwork is everything-everybody must be a team player. Is very important.
R17	Sales representatives and telesales are a team.	We must all learn to wok together. Teams are good for the company.
R18	The whole branch works as a unit. We help each other.	If we are to succeed as a branch then we need to work as a team.
R19	Sales representatives and telesales work together.	Every staff members must be a team player. It is important for us all to succeed
R20	Sales and telesales work as a team	Team is good. The whole branch needs to work as a team. Sales needs to liaise with debtors, stores needs to work closely with sales, and drivers need to close the deals. It's all about team work.
R21	All of us work as team	It works, it gives direction to

		the individuals, motivate individuals.
R22	Do not have formal work teams we have sales working together with the distribution teams.	I believe in team work.
R23	Every furniture specialist has a telesales. That's team work.	We all need each other.
R24	Sales representatives and telesales work together.	Team work is important, different ideas help a team. For the company to succeed every one must push in the same direction.
R25	We have teams, sales and deliveries.	Yes. Everybody has a role to play. At the end of the day we have happy customers because everybody has to play his/her role. Team work provides workflow towards one goal. Branches should have team building days. Also interdepartmental leaning comes from team work.

Keys

R=Respondent

Q=Question

Proactive change management

4.2.4 Change management

Table 4 - 5 below indicates that twenty four respondents saw retrenchments, recession, food prices as external factors that negatively affect their business units mostly. Almost all the respondents said the sales figures are dropping.

All the respondents felt that the company needs a good change strategy to counteract these external problems. They felt that the company deals with changes well but sometimes it does not plan properly.

They all agreed that the company needs a comprehensive strategy to deal with change. They cited communication as an area that is still lacking as a result the company counters a lot of resistance when it introduces changes.

I also observed from my interaction with the respondents that they are all positive about the changes in the company. They embrace transformational initiatives of the Company; however some of them indirectly resist some changes because of lack of information. This is the area wherein targeted and structured communication would be very helpful. From the company's policy on transformation it is clear that the company is committed to transformation and change, and change is seen as one of the drivers of success. Policy attached as appendix C

Being a learning organization involves living in a state in which questioning and change are normal and desirable for survival. Dale states that "a learning organization is not one that merely engages in a lot of training; it facilitates the learning of all its members and continuously transforms itself" (Dale, 1994).

In an effort to survive in a competitive market environment, the company is forced to survive and change.

It is clear that the company is continuously confronted with the need to adapt to changing contingencies and restrictions in the environment in which it functions. As the company does not have complete control over its external environment it is continuously forced to make organizational changes to enable it to deal effectively with new challenges arising from intensified competition, technological changes and government policies.

Although it is more difficult to maintain a proactive attitude, such an attitude is certainly a characteristic of companies that try to influence their environmental outputs rather than react to past events. This is the main difference between companies that lead and those that follow.

Table 4 - 5 Proactive change management

	Q5	Q6	Q7
R1	National credit act and the current economic crisis	Our strategy is good. We seem to be coping quite well with changes.	We need a good change strategy for the company to prosper.
R2	Recession, National Credit Act, Fraud	Changes are handled smoothly.	We need to be able to plan our change interventions well. Our take-over of opti-plan was not so smooth. High level planning was weak.
R3	High costs, retrenchments in other companies	Changes are handled well	When you deal with people there will always be resistance to change. That is why it is important to keep them informed.
R4	Market for our products is declining; quality of our products is as not as good as it used to be.	We should look after what we have. To introduce many changes demotivate staff.	We need to grow, but changes must be managed properly.
R5	Market conditions (Petrol prices, competition etc)	We deal with changes quite well.	A lot is happening these days. We must always be vigilant.
R6	Budgets are tight, stationery is just a luxury- companies always cut down on stationery when faced with financial difficulties.	We should always look after what we have; to keep on buying new businesses will not help us.	We do need to grow, but also maintain the existing customers.
R7	Isacor is retrenching, its our biggest customer	Changes are smooth.	All stakeholders need to be informed about the changes, otherwise there would be resistance
R8	Government is cutting back-that is our biggest customer. The whole economic situation is giving us problems.	Change is smooth. Organizational culture needs to be maintained.	We must start to take things like transformation seriously.
R9	The whole economic climate is tough.	Changes are necessary and I feel they are handled well.	We need to learn to adapt to the changes in our business environment.
R10	We need to keep alert of what is happening around us. A lot of issues currently affecting our businesses.	Change is good; people must always learn and improve themselves.	Change takes people out of their comfort zone, and makes them think for their survival. It's good.
R11	Recession is here.	We buy good business but poor planning let us down.	We need to continue with changes and diversify our products.
R12	Competition, retrenchments, liquidations, cutting back on consumables, high petrol costs.	We need to plan for changes well.	We need a good change plan going forward to avoid unnecessary resistance and problems.
R13	Rising cost of living, people spend less on stationery	We manage changes well.	The company must have a good plan for change.
R14	Economic recession, high petrol costs, it is expensive to run the branch.	Changes are handled quite well.	We need change in order to grow as a company.
R15	Competition, we use to have 5 major stationery companies, now we have about 75. Our relationship with our customers has also	Planning is still problematic in this company	We really need a good change plan.

	deteriorated.		
R16	Difficult to get good sales people. We need really good sales representatives.	Changes are okay- widen our product range if we acquire new businesses. It just needs to be managed well.	A comprehensive change plan is desirable.
R17	Figures are dropping. Business is quite.	We deal with change effectively- we just need to improve on planning for it.	We need a change strategy that would promote extensive engagement of all stakeholders.
R18	Economic recession, staff not prepared to go an extra mile.	Logistical and financial planning is necessary.	We are doing well-but keep on changing would help us improve even more
R19	Economic climate, competition	Our people are resistant to change; we need to keep on teaching them about changes.	We need to grow-we must have a good strategy.
R20	Petrol prices and competition	The company deals with change well, there is always a room for improvement.	Change is important; otherwise you are out of the business.
R21	Sales are declining	The company handles change well.	Still some resistance to transformation. I think it is necessary if we are to stay in business.
R22	Recession is upon us.	The company deals with change well.	We need to start managing it better so that it can work for us.
R23	Recession, taxi costs etc	Sometime we rush to change things without having developed a plan	It is the only way you can survive these days. We have to change.
R24	Our customers are retrenching and cutting down on expenses, sales are declining.	We need to diversify, improve all the time. We are doing well so far.	We need a good change plan.
R25	Food prices are high, staff are complaining about salaries.	We are doing well-we handle change well.	No option, we need to keep changing in order to survive.

Keys

R=Respondent

Q=Question

4.2.5. Existence of a culture of continuous feedback between line management and workers

From Table 4 - 6 below all respondents indicated that they meet with their staff members regularly; some said they meet with staff members once a week. Some respondents meet with different departments at different times, while some meet with everyone at the same time.

Most of the respondents said they have a good relationship with their staff. Some of them said they have an open-door policy-staff are able to come in at any time. Most of the respondents said they deal comfortably with staff issues and grievances. Some said sometimes they ask for help if they cannot resolve a certain staff issue.

Through his observation the researcher also noticed a good labour relations spirit between employees and managers. Employees felt free to approach their managers at any time, and managers were also giving themselves time to attend to their employees' grievances.

Most respondents realised that they need to consistently communicate with staff and give regular feedbacks about individual performances to keep staff motivated. Most of the respondents conceded that salaries are still the main source of dissatisfaction among staff.

Heyes (1996) refers to a participative style of management which is about creating a culture of continuous feedback and involving employees in decision making as a new labour relations era. This approach does not only improve the level of trust between management and workers, but it can have an influence on the extent to which the workers apply effort, which is fundamental to a learning organization, Heyes maintains.

Argyris (1991) also maintains that the first steps in bringing about a learning organization is for top management to examine critically their own approaches to managing people and solving problems, and sees a participative style of management as of paramount importance.

It appears, therefore, that managers should concentrate on conveying to their employees the importance of learning. Managers also need to be prepared to listen to their employees about their (the employees) development needs. It is this two-way communication which the literature sees as of paramount importance in a learning organization.

Effective communication results in greater productivity through more effective work and greater cooperation in the company. Employees can give of their best only if they understand what they have to do, why they have to do it, to what extent they are achieving their targets and so on. If communication is not systematically organised, employees affected by changes in, for example, conditions of employment will not understand the reasons behind these changes and might react negatively for the wrong reasons.

Employees are directly concerned with the results, whether positive or negative, of their efforts in their immediate job environment and they are concerned with the progress of the company as a whole. Providing the results gives them feedback on their work performance, and serves as an indication that management recognise their contribution to the results.

Table 4 - 6 Existence of a culture of continuous feedback between line management and workers

	Q8	Q9	Q10	Q11
R1	Once a week, to discuss any problems staff might be having, to inform staff of any new information that may arise, to inform staff of things that are being done incorrectly.	In my branch there is a very open relationship between my staff and I. Staff are able to approach me should they have any problems	Yes. I have not had a problem handling these so far. There has always been a solution that was agreed upon	Salaries, working on weekends (especially Sundays and Public holidays)
R2	We meet everyday, but once a month formally,	We have a good open relationship.	I have no problem dealing with staff issues.	Salaries
R3	We meet once a week.	I have an open door policy- I meet with my staff all the time.	I deal with grievances well, no problems at all.	Underpaid and overworked.
R4	I meet sales people weekly and admin people daily. I also visit stores from time to time.	We are a very good family, I like my staff, I try by all means to protect them	I deal with grievances well, I send complicated ones to Head office.	Working on weekends
R5	We meet weekly and daily when there are issues.	I would say our relationship is good, is a working relationship.	No problems there.	Sometimes they complain about promotions, that they are being overlooked.
R6	Formally twice a month, otherwise daily	I have an open door policy-it is very helpful.	No issues, I listen and implement policies.	Underpaid
R7	We work together everyday-we are	We have a good relationship. Staff	I deal with grievances	No real issues, sometimes we

	a small team. Once a week we formally meet to discuss projects.	are also friendly to one another.	easily.	feel neglected by the directors. They do not come here often.
R8	Once a week	We discuss anything anytime.	Whenever they come up I try to resolve them amicably.	Money always an issue.
R9	I have weekly meetings with sales representatives.	I try to look after them so that they can concentrate on their work.	Not a problem at all.	Of course salaries and lack of recognition.
R10	I meet with different departments everyday. Sales people we meet once a week. After each management meeting we also meet to discuss resolutions from management meetings.	Good relationship	People are not comfortable sharing their issue with me. They still prefer informing shopstewards. But when I get to know their problems I try to resolve them.	Stores staff feel the company only look after the sales people.
R11	We have monthly meetings, if there are issues we meet anytime.	I am firm and fair. I have good relationship with my staff.	I always try to resolve issues.	No staff complains as such.
R12	Every Tuesday morning	We have a good relationship that is based on trust.	I do not enjoy dealing with grievances; I am unable to resolve all of them.	Our store can become very hot in summer. Staff complain about that.
R13	Formally once a week, or anytime.	Good relationship. It could be more open.	No problem.	Money
R14	We meet every Monday at 7h30.	It is good	I am doing well, I am good with staff.	Cost of living is too high, money is always an issue.
R15	Once a month. Weekly with sales staff	Excellent, my door is always open for my staff.	Not too many. I deal with grievances well.	Salaries
R16	Once a week	Good relationship	I have an open door policy- I do not have a problem dealing with staff issues.	They need to do a lot, not enough time in a day.
R17	Once a week formally.	Very good open communication.	I am happy to deal with grievances.	My staff are not feeling as part of Waltons as yet, still nervous
R18	Once a week or else everyday if there are issues.	good	I do not have a problem, now and again they have issues and I deal with it.	Working conditions, working over the weekend,
R19	We meet once a week. I am always at the branch if staff have problems they come to me anytime.	I would say it is good.	I deal with grievances well.	They complain that they have too much to do.
R20	Normally we meet weekly with everybody.	I have a good relationship with all of my staff.	I deal with grievances as they come. No problem at all.	Money-salaries are not enough.
R21	I meet with management team once a month and	Reasonable good except with certain individuals who	I am comfortable dealing with staff issues.	Money seems to be the issue.

	other staff once a week.	want to do what they like here.		
R22	We meet regularly, once a week.	I have an open door policy - we deal with issues all the time.	I have no problem. I simply implement policies.	Sales figures are down. We are all worried.
R23	Formally once a week.	I have an open door policy. Good relationship	Sometime it becomes a challenge to hear and deal with all the staff problems, but I always try my best.	They feel overworked.
R24	We meet once a week.	I talk to my staff all the time. We are all friends here.	I have no problem. It's just that some people are afraid to talk about their problems and that affects their productivity.	Money is the biggest issue.
R25	I have weekly meetings with sales representatives and I meet other staff members daily.	We have a good relationship. I really have no problems.	I deal with their grievances effectively, if I am not sure I always ask for help.	Salaries

Keys

R=Respondent

Q=Question

4.3 Summary

This chapter presented a brief research design summary, research results and discussions of the research results. It also linked the research results to the research questions, and demonstrated the link between the literature on learning organizations and the results of the study. The results were presented in the form of tables.

The following chapter will present further discussions, conclusions, limitations of the study and recommendations.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 Continuous training and development

The results show that most respondents feel that the company is doing well in the area of training and development. Most of them cited the fact that the company has introduced a Talent academy which is aimed at producing candidates with managerial competencies and the benefits of the recent introduction of learnership programmes. They feel that these things indicate the commitment of top management to creating an organization that continuously learns.

This conclusion is supported by the literature. Watkins, Ellinger and Valentine (1999) stress that top management should be committed to bring about a learning organization, otherwise it would not happen. Argyris (1990) also recommend that top management should demonstrate their commitment to creating a learning organization by becoming personally involved and changing their behaviour if necessary.

The study also shows that top management is not only committed to training and development of employees but they also link training interventions with the business objectives. This is supported by Montesino (2002: 93), who suggests that, “the company needs to pay close attention to linking its training programs with the corporate strategic direction in a way that is explicit, clearly communicated, and evident to the trainees and their respective managers from the outset”.

However, some respondents feel that the company is concentrating its training interventions on Head office staff, and feel that training should also be adequately available for staff at the

branches. Senge (1993) stressed the need to communicate the vision of the company to all employees and how the employees fit into the company.

The company is doing well in terms of keeping up with the rapid changes by making sure that staff have the necessary skills. Most respondents felt that the company is concentrating more on product and systems training. These areas are seen by the respondents as crucial for the company's business. The company suppliers drive the product training; whenever they are introducing a new product to the market they train the company sales staff so that they are comfortable to talk about the products.

Welch (2001) states that the increasing pace and decreasing cost of technological change means that the company, and its employees in particular, need to be capable of moving quickly to substantial changes in either product lines or production methods or probably both.

Most respondents said they are not directly involved in the training and development of staff. According to them all training initiatives come from Head office. Although some argued that they do not get involved in training analysis and do not participate in the actual training of staff, but the majority is satisfied with the importance that the company places on training and development. That is why the majority of respondents agree that the company has made a huge progress in the area of skills development.

This progress in the area of skills development which most respondents appreciate is backed by a very progressive policy. This policy makes it clear that the company sees training and development as the most important intervention that can ensure not only survival but progress towards achieving its business objectives. According to Armstrong (2003), at a time of rapid technological and economic change organizations are generally stressing the need for greater flexibility in their employment policies.

By starting the long term project like the creation of the talent academy the company is trying to ensure that continuous and sustainable learning occurs. This indicates the realisation that like most companies, the company operates in a turbulent environment and therefore needs to invest in learning in order to survive.

The learning journey must start immediately an employee joins a company. My employer acknowledges the fact that new employees need to be introduced and integrated into the company. Without that introduction and integration they will struggle to do their work successfully. It is important that they are socialised into the organizational culture so that they start to feel as part of the company (Tracey et al., 1995). Induction programmes help new employees begin this socialisation process.

Even after employees have been oriented, they may lack the necessary skills, attitudes, or knowledge to perform their jobs successfully. The deficiency is remedied through training, which begins with needs analysis. Then specific training objectives can be set (Tracey et al., 1995).

Relevance of the training programme to an employee's performance requirements is vital. In other words the training programme should be geared towards improving performance of the employees. It is thus necessary to have a tool that will assist you to measure individual performances. The company must have a performance management system in place in order for it to be able to measure performance and ensure improved individual and organizational performance.

5.2 Performance Management

The results indicate that most respondents said the Company does not have a formal performance appraisal system. However, they are able to measure their staff performances

using deadlines and targets as measures. Most of the said they would prefer to have a formal system which they can use to measure staff performance.

Walton (1985) stressed that in order for companies to be successful, they have to maintain a superior level of performance that requires the deep commitment of workers. According to Walton this can only be achieved by introducing a performance management system that encourages excellent performance. This system must be accompanied by a performance based incentive scheme.

Most of the respondents said the company provides performance incentives, but most of the incentives are for sales people. They mentioned incentives like weekend away, vouchers, promotional gifts and sales representative of the year award etc. Some of the respondents felt that stores staff are left out and they see this as being unfair. Some said the Company should have incentives for the teams not for the individuals.

Obviously, this is the area that still needs to be attended to. The company does not have a formal performance management system in place, and this makes it difficult for the company to manage and detect areas of staff performance which still need some guidance and improvements. The company also needs a formal performance incentive scheme that is linked to performance.

The company finds itself paying performance incentives even to people who do not deserve them. As most respondents indicated that the company does not have a formal system to measure performances. Those managers, who see the need to have some performance evaluation tools, use indicators like sales targets to measure performance. These kinds of measurements are not individualised, they can only give you the total group achievement (Smith, 2001).

This has created an organizational culture that does not promote high levels of productivity. Successful organizations know that they need to develop a workplace climate that demands excellence. Climate for excellence is created by a conscious effort to reach excellent performance levels by reviewing work practices and procedures. (Argyris, 1991).

Once the company starts to have a workplace climate that demands excellence, and which is underpinned by ever-improving work methods, that company will inevitably have a learning culture that supports continuous learning in order for the employees to keep up with ever changing work practices.

As indicated in the results section, the company does not have a formal performance management system in place. Even in the departments like sales and finance in which the company uses its targets and deadlines to monitor the performance of staff, performance management is still done in a subjective way. This is because there are no objective criteria that performances of staff are measured against.

The need to create learning organizations arises out of the need to improve the quality of what we do and our efficiencies as employees. The non-existence of a proper performance management system negatively affects the functioning of employees at both individual and team levels. This in turn negatively affects team work, and it is difficult for any organization to achieve its objectives without any proper team work among its employees.

5.3 Team work

The results show that 100% of respondents felt that team work is crucial for their business units. They said team members support and assist one another. The majority of the respondents cited their sales representative and telesales as examples in which team work is

very important. They said a success of the sales representatives depend on how effective is his/her telesales member.

Teamwork is one of the important components of a learning organization. The company, as results showed, is not doing badly in this area. Again there is a need to formalise these practices. Even though all the respondents felt teamwork is great, and that they are promoting it in their business units, the company needs to have formal programmes like teams building to strengthen its team work efforts.

Individual and collective effort, committed to a single purpose, must be given urgent attention if we want to succeed. In other words, shared responsibility, shared commitment, a culture of collaboration and the willingness of each individual to exert effort on behalf of the company have become essential ingredients for transforming companies into viable organizations of learning. Creating a commonly accepted culture which enables everyone in the company to flourish in is the task of the modern leader. Teamwork, productive involvement, empowerment and workplace democratisation are key issues for consultation and participation. As Welch points out, “the revolution of involvement” has become a global trend (Welch, 2001: 6).

Once all the employees of within the branches of the company start to work as teams, there will be a free-flow of information from managers to workers. This will improve the manager/worker relationship.

5. 4 Existence of a culture of continuous feedback between line management and workers

The results show that 100% of respondents indicated that they meet with their staff regularly; some said they meet with staff once a week. Some respondents meet with different departments at different times, while some meet with everyone at the same time.

Most of the respondents said they have a good relationship with their staff. Some of them said they have an open-door policy; staff are able to come in at any time. Most of the respondents said they deal comfortably with staff issues and grievances. Some said sometimes they ask for help if they cannot resolve a certain staff issue.

Most respondents realised that they need to communicate with staff to keep productivity going. Most of the respondents indicated that salaries are still the main source of dissatisfaction among staff. This claim of dissatisfaction was not supported by the observations of the researcher. Employees appeared to be happy and motivated. Smith (2001) argued that quality of work is mainly about the relationship between a manager/supervisor and a worker. This relationship according to him puts at a centre stage constant feedback and communication between employees and managers.

That is why consideration of the problems of production, job satisfaction, and morale has been marked by a constantly recurring note emphasizing the influence of supervision and of management. According to Smith organizations pay their employees irrespective of whether they have a good supervisor or not. There are very few organizations which realise that the productivity of their employees depends on how those employees are managed on a daily basis. Supervisors who have good human relations skills have subordinates who work very well (Smith, 2001). The study by Feldman (1999) below shows how the skills of supervisors or junior executives influence work performance of their people.

The hypothesis that motivation and morale are influenced by the quality of supervision has been tested in a number of experiments. Evidence that the supervisor can play an important role in stimulating output is found in an experiment reported by Feldman (1999). Among the employees of an insurance company were approximately 1000 clerks, divided into 22

sections. In this company a new wage plan providing group incentives for the 22 sections was inaugurated.

Costs for each section for the 12 months were computed and each was allowed a group bonus on the savings it could affect over the cost for that period. All members of a section, including the supervisor, shared in these savings monthly on the basis of salaries, no change being made either in the basic salary or in established policies with respect to salary increases. Every section showed some improvement in performance, ranging from 2 percent to 12 percent, with an average of 8 percent. In the following year, management effected a general shift of all section heads, involving a transfer of those who had been in charge of above-the-average bonus group to below-the-average sections.

One objective in this was to determine whether differences in results were related primarily to differences in supervision or differences in the quality of personnel or conditions of work in the various sections. An analysis of production showed increases in production in all sections, ranging from 6 percent to 8 percent. The order of merit of supervisions remained practically the same as in the study made the previous year. In spite of reassignment to new sections, those section heads who stood high at the end of the first year were at the top of the list during the second year and vice versa. Changes in relative order were limited to three cases of supervisors who had moved a step or two.

Early in the second year the management again shifted, by lot, 20 of the 22 supervisors. Although they were reassigned by chance, supervisors generally maintained the same rank orders, in terms of improvements in the productivity of their groups, as they had held in the preceding two years.

In the situation described above, the fact that employee performance improved in all sections with the introduction of the wage-incentive plan may be taken as evidence that the desire for

money motivated employees to better production. However, it is evident that the extent of improvement in any group was a function of still another incentive condition-namely, the quality of supervision.

In the study reported by Feldman (1999), apparently no effort was made to determine and define the characteristics, attitudes, and behaviour of supervisory personnel which might contribute to variations in the motivation, productivity, and morale of employee groups. Information of this kind is to be found in a series of studies conducted as part of a long-range research program in human relations and group organizations being carried on by the Survey Research center of the University of Michigan. (Feldman, 1999).

In the operation of a business enterprise, executives and supervisory personnel are faced daily with the need for making decisions. Many, if not all such decisions, either directly affect workers or are of interest to them because of the potential effects upon their daily activities and ultimate welfare. Workers may have a strong desire, particularly in a nation with deeply ingrained democratic traditions, to participate in the determination of matters affecting them. As a result, it is important to consider both the influence which employee participation in decision making may have upon motivation and morale and the form which such participation might best assume.

Heyes (1996) argues that employees may be demotivated by repeated behaviours of supervisors who are constantly instructing them on what to do instead of discussing the work plans with them

On the other hand, if a situation can be established, whereby the individual can for the most part furnish his own motivation, where stimulation comes from the perception of a larger and more inclusive task, the goals of which are clear to him and accepted by him, then a higher level of morale may be achieved. The important thing that can ensure high levels of

productivity is the existence of a culture of continuous feedback between a manager and employees.

The need to create learning organizations, therefore, arises to some extent out of establishing meaningful relationships.

As indicated by the results of the study the relationship between respondents and their subordinates is good, this makes it easy for the company to introduce new changes in the company in order to keep up with the changes taking place in its business environment.

5.5 Change management

The results indicate that most of the respondents see retrenchments, recession, food prices as external factors that negatively affect their business units mostly. Almost all the respondents said the sales figures are dropping.

All the respondents felt that the company needs a good change strategy to counteract these external problems. They felt that the company deals with changes well but sometimes it does not plan properly. Whenever new, advanced technology is to be introduced in the company, the company must ensure that its workers will be able to work with this technology. In other words the implementation plan should include skills development for staff that will be using that new technology.

Most of the respondents felt that the company needs a comprehensive strategy to deal with change. They cited communication as an area that is still lacking as a result the company counters a lot of resistance when it introduces changes.

I also observed from my interaction with the respondents that they are all positive about the changes in the company. They embrace transformational initiatives of the company; however some of them indirectly resist some changes because of lack of information. This is the area wherein targeted and structured communication and discussions would be very helpful.

Since an organization is a complex system in which all parts affect each other, a major change anywhere in the organization usually affects the personnel function. In addition, the personnel department becomes the change agent when a program for employees is changed. Following are the examples of change and how they may affect the personnel department:

Production change: Affects training, job descriptions, motivation, working conditions, and grievances.

New office computer: Affects training, employee transfers, job descriptions, pay, and quality of work life.

Company growth: Affects career planning, employment, employee development, promotions, pay, and working conditions.

Before change is undertaken, managers and personnel specialists must be recognize the trade offs involved. Of particular concern are the costs and other effects of change on the organizational system. The personnel department also must work to reduce barriers, for example resistance to change.

One difficulty with introducing change is that different people are affected by it in different ways. Some may benefit while others suffer a loss. In these instances, the personnel department works especially to assist those who will be affected negatively. In most instances it cannot prevent the costs, but perhaps it can encourage offsetting benefits in a related are

such as working conditions. In other instances, it provides training to help employees adjust to change with the least disruption possible. It also builds communication to help employees understand the net benefit that the organization will receive.

Effective leaders embrace change. Heyes (1996) contends that companies need to develop the ability to sense changes in their environment, adapt their strategic and operational approaches to those changes and then engage the hearts and minds of everyone involved in the company to grasp the challenges presented.

For this reason, and many others, no learning organization can exist without management commitment to strategic, transformational and visionary leadership. Appelbaum & Batt (1994) are of the opinion that transformational leadership views technological change as needing a combination of technical and human relations interventions. This kind of leadership is able to implement successful methods to introduce changes.

5.6 Summary

Welch (2001) maintains that to transform a company into a learning organization, management should be deeply involved in human resources development. The company must invest in its staff, train them up and develop them, in order to tap their creative talents.

Researchers describe a learning organization as an organization that is continually seeking better ways of meeting its objectives through expanding its capacity (Haines, 1995). Senge (1990) sees a learning organization as a place where new and broad ways of thinking are developed and nurtured, where team work is encouraged.

Even though the company is doing well in terms of skills development, areas like change management and performance management are still lacking. There is a need to have a comprehensive strategy to deal with change, and should use skills development as a way of responding to the ever changing environment.

The company needs to be aware that the effects of a turbulent environment can be devastating. Only those organizations that are critically analyzing their environments and align themselves accordingly can survive in a turbulent environment. According to Harding (1995) a turbulent environment is messy and has the following characteristics.

- Increasing pace of change;
- Ever-changing socio-economic environment;
- Future social and economic patterns are increasingly unpredictable and organizational life becomes more unstable.

The development of a comprehensive change strategy that puts at a centre stage the need to involve all stakeholders in the change processes is vital for the company. In her work, *Leadership And The New Science: Learning About Organization From An Orderly Universe*, like Senge, Margaret Wheatley (1992) views organizations as holistic, interrelated systems, within which the leader plays the role of facilitator and conductor. She encourages leaders to include stakeholders, to evoke followership, to empower others and to develop team and communication skills.

5.7 Recommendations

With regard to the findings of this study, the following recommendations focus on what the company can do in order to meet the requirements of a learning organization. It is realised that to create a learning organization is a process, which takes time.

Firstly, it is recommended that the company must introduce a performance management system. This system must address how performance incentives should be paid to staff. In other words the company needs a performance-based incentives plan. This will go a long way in creating an organizational culture that promotes high standard of performance. It will inevitably create a culture in which learning plays a critical role in order for a staff member to perform at his or her best.

Secondly, it is recommended that the company must put together a comprehensive change strategy that will promote a participative style of management. This strategy must seek to analyse constantly the changes that are taking place in the company's internal and external environment, and how the company must go about adapting to such changes.

Thirdly, the business unit managers must be empowered in such a way that they are able to drive developments of the subordinates at a branch level. They must play a leading role in this regard, and the head office programmes must be informed by the learning requirements of each branch.

Fourthly, it is recommended that skills development should focus on assisting the company to meet its strategic objectives. The aim should be that skills development should become institutionalised and part of the organization's culture and values.

5.8 Limitations of the study

The study was carried out using Waltons KZN as it would be easier for the researcher to gain access to the company. The research, therefore, does not include information from other Waltons companies in other provinces like Gauteng and Western Cape. The data collected

from the research in Kwa-Zulu Natal may not be representative of Waltons as a group at a national level.

All the respondents were managers. One might argue that the study is one-sided because it does not include workers.

5.9 Further research needed

Future research can look at into strategies that can be employed to increase awareness, appreciation and usage of the concept of a learning organization. This concept is still foreign to most managers. It is also very difficult to find case studies of organization that have successfully transformed themselves into learning organization.

Ellinger et al., (2002) agree with my observation. They pointed out that the concept of a learning organization is well established and the essence of the approach is that learning organization strategies promote individual, team and organizational learning which should result in improved performance. They then state that while most of the literature focuses on why a learning organization strategy should be adopted and it consists of, very little research had been carried out to determine if such a strategy does result in improved performance.

Dale (1994) states that early work tried to find examples of good practice so that a new learning organization might replicate. What has happened, however, was that some of the organizations held up as role models were subsequently found to be flawed.

Further research could look at how Waltons KZN could capitalize on its comparatively positive approach to learning and how to sustain the benefits.

References

1. Appelbaum, S. & Reichart, W. 1998. How to measure an organization's learning ability. The facilitations factors – part II", *Journal of Workplace Learning*. 10(1): 15-28.
2. Argyris, C. & Schön, D. 1978. *Organizational learning: A theory of action perspective*. Reading Mass: Addison Wesley.
3. Argyris, C. (1991). Teaching smart people how to learn. *Harvard Business Review*. May – June.
4. Armstrong, M. (2003) *A Handbook of human Resource Management Practice*, London, Kogan Page Ltd.
5. Barnard, M. & Schaap, P. 2005. *The concurrent validity of the technical Test Battery as seen as an indicator of work performance*. South African Institute of Industrial Psychology.
6. Binney, G. & Williams, C. 1997. *Learning into the future: changing the way people change organizations*. London: Nicholas Brealey.
7. Bless, C. & Higson-Smith, C. (2000) *Fundamentals of Social Research*
8. Dale, M. 1994. *Learning Organizations, in Managing Learning*. Mabey C & Ile, P. (Ed) London: Routledge.
9. Eisner, E. 1991. *Forms of understanding and the future of education*, Educational Researcher.
10. Ellinger, A.D., Ellinger, A.E., Yang, B., Howton, S. 2002. The relationship between the learning organization concept and firms financial performance: an empirical assessment. *Human Resource Development Quarterly*. 13 (1): 5-21.
11. Feldman, D.C. 2003. *The impact of layoffs on family, friendship and community networks*. In K.P, de Meuse and M.L. Marks (Eds.). *Resizing the organization, managing layoffs, divestitures and closing*. San Fransisco: Jossey-Bass.
12. Flood, R.L. & Carson, E.R. 1993. *Dealing with Complexity: An Introduction to the Theory and Application of Systems Science, 2nd Ed*. New York: London
13. Flood, R.L. & Carson, E.R. 1998. Dealing with complexity: an introduction to the theory and application of systems science. "Fifth discipline". Review and discussions. *Systematic Practice and Action Research*.
14. Foucault, M. 1991. *Discipline and Punish: The Birth of the Prison*, trans. Alan Sheridan, London: Penguin.
15. Fullan, M. G. 1991. *The New Meaning of Educational Change*. New York: Cassell.
16. Garratt, B. 2001. *The Learning Organization: Developing Democracy at Work*. New York: Harper Collins Publishers.

17. Haines, S.G. 1995. The comprehensive toolkit and reference library on systems thinking and Learning: *a comprehensive step-by-step guide*. Vol.8.
18. Heyes, J. (1996) A formula for success? Training, reward and commitment in chemicals plant. *British Journal of Industrial Relations*. 34(3): 351-396.
19. Hogson, P. 1995. *The learning organization: the financial times handbook of management*. London: Pitman.
20. Howard, R. 1990. *The learning imperative*. Boston, MA: Harvard Business Review.
21. Howard, R. 1993. *The Learning Imperative: managing people for continuous innovation*. Boston: Harvard Business School Press.
22. Isaacson, N & Bamburg, J 1992. Can schools become learning organization? *Educational Leadership*.
23. Krippendorff, K. 1980. *Content analysis: an introduction to its methodology*. London, Sage.
24. Kvale, S. (1983). The qualitative research interview: a phenomenological and hermeneutical mode of understanding. *Journal of Phenomenological Psychology*.
25. Miles, M.B. and Huberman, A.M. 1994. *Qualitative Data Analysis*, California, SAGE Publications.
26. Montesino, M.U. (2002). Strategic alignment of training, transfer-enhancing behaviours, and training usage: a post-training study. *Human Resources Development Quarterly*.
27. O'Rilley, C. and Chatmen, J. (1986) *Organizational commitment and psychological attachment: the effects of compliance, identification and internalization on pro-social behaviour*. *Journal of applied Psychology*.
28. Parasuraman, A. 1991. *Marketing Research*. 2nd ed. USA, Addison Wesley.
29. Porter, E. (1980) *Organizational Assessment*. USA, Wiley.
30. Pretorious, B. 2001. *Effective Leadership*. Management today.
31. Robson, C. 1993. *Real World Research*. Oxford: Blackwells.
32. Rossouw, D. (2003). *Intellectual Tools-Skills for the human sciences*. 2nd ed. Pretoria. Van Schaik Publishers.
33. Senge, P., Kleiner, A., Roberts, C., Ross, R., Roth, G., & Smith, B. 1995. *The dance of change: The challenges of sustaining momentum in learning organization*. New York: Doubleday.
34. Senge, P.M. (2001) *Transforming the practice of management*. Human Resource Development Quarterly.
35. Senge, P.M. 1990. *The Fifth Discipline: Art and Practice of The Learning Organization* .New York: Doubleday.
36. Skyrme, D., Farago, J., 2000. *The Learning Organization*, Management Insight no.3.

37. Smith, A. (2001). Analyzing firm training: Five propositions for future research. *Human Resource development Quarterly*. 12(3). 147-167.
38. Snyder, J., Lewin, B. & Lippincott, A. 1996. *Learning Organizations, Leadership and Teacher Education: A self study in three takes*. Santa Barbara: University of California.
39. Stacey, Ralph D. 1992. *Managing the Unknowable: Strategic Boundaries Between Order and Chaos in Organizations*, San Francisco, Cal.: Jossey-Bass.
40. Stake, R. 1995. *The Art of Case Study Research*, Thousand Oaks: Sage Publications.
41. Swanepoel, P. Erasmus, B. and Schenk, H. 1998. *Human Resource Management*. South Africa, Creda Communication
42. Terre-Blanche, M., Durrheim, K. and Kelly, K. 2006. *Research in Practice: Applied methods for social sciences*. South Africa, university of Cape Town Press.
43. Thurbin, P.J. (1994). *Implementing the Learning Organization*. London: Pitman Publishing.
44. Tobin, D.R. (1997). *The knowledge-enabled organization: moving from "training" to "learning" to meet business goals*. New York: AMACOM.
45. Tracey, J. B., Tannenbaum, S.I and Kavanagh, M. J. (1995). Applying trained skills on the job: the importance of the work environment. *Journal of Applied Psychology*. 80(2): 239-252.
46. Twale, D.J. & Kochan, F. (1999). Restructuring an Educational Leadership Program: The Teacup Adventure. International Studies in Educational administration. *Journal of the Commonwealth Council for Educational*.
47. Wallace, R.C., Engel, D.E & Mooney, J.E. 1997. *The learning school: a guide to vision-based leadership*. Cal: Thousands Oaks.
48. Walton, R.E (1985). From control to commitment in the workplace. Harvard Business Review.
49. Watkins, K.E., Ellinger, A.D., Valentine, T. (1999). Understanding support for innovation in a large-scale change effort: the manager-as-instructor approach. Human Resource Development Quarterly.
50. Welch, J. 2001. *Transformational Leadership transcends the mere management of what already exists, to create something fundamentally new*. Management Today, (17(5), June.
51. Wheatley, M.J. 1992. *Leadership and the new Science: Learning about Organization from and Orderly Universe*. San Francisco: Berrett-Koehler.
52. Whitaker, P. 1995. *Celebrations, challenges and choices*. Buckingham: Open University.

Primary sources:

Policy statements

- Training and Development policy (Waltons KZN, 1999)
- Non-discrimination policy (Waltons KZN, 1997)
- 'Employment Equity Plan' (Waltons KZN, 2005)

APPENDIX "A"

TRAINING AND DEVELOPMENT POLICY

1. Education is the cornerstone of development as it prepares individuals for decision making authority, enhances positive development, trust in management intentions, business and technical understanding and a sense of equality.
2. Training and Development for employees from designated groupings is to be integrated into all development programmes. It should be noted that training and development remain a key focus area for all levels of staff. The development of the skills and competencies of all employees is vital for corporate competitiveness.
3. Accelerated training will be instituted for designated groups where training programmes are meaningful and sanctioned by the transformation committee.
4. A tertiary bursary scheme is to be established and administered by the Human Resource Department and will focus primarily on attracting suitable candidates for the future requirements of the Company.
5. The scheme will apply specifically to designated employees and disciplines which are directly related to the Company's core business.
6. The Company will pay for the entire course up front. Employees and disciplines which are directly related to the Company's core business.

Depending on the nature of the course and on the discretion of management, the Company will pay up front for the course. After completion of the course the employee will pay back to the Company the difference in percentage between the maximum and the score achieved. Example: If the employee scores 70%, then the employee will have to pay back after completion of the course 30%.

Employees who study as per 1.3 will not be allowed to leave the Company for a period of two years after completion of the course. Employees completing the course will be required to act as mentors to employees pursuing a career in a same or similar field.

Succession planning will take place and suitable designated candidates will be identified and placed in mentorship programmes.

The mentor will be selected by the transformation committee; mentorship training will be carried out by the Training Department.

The protégé` - mentor programme will be developed and monitored by the Training Department. Quarterly reports will be submitted by the mentor to the transformation committee.

Where an employee is known to be retiring a mentorship programme should be initiated at least 18 months in advance.

A career path will be created for employees by earmarking individuals for promotion and further advancement within the Company. A skills Audit will be carried out by the Company in respect of each and every employee:

- The audit will be done by making use of the following instruments:
- The Potential Index Battery – to test the potential of an employee.
- DISCUS – to test personality inclination for a job.

A career path must be created for employees by earmarking individuals for promotion and further advancement within the Company. Where required employees will be sent for advanced training in order to facilitate their growth and potential. (See performance Management Policy).

APPENDIX “B”

EMPLOYMENT EQUITY POLICY

1. EQUITY VISION

1.1 The Company is committed to employing, empowering and developing competent people with the necessary potential required in order to expand their careers and to become valuable participants in sustaining the Company's competitive advantage in the long term.

Hence, world class standards in terms of cost, quality, productivity and customer service will only be achieved once the competencies of every employee are effectively harnessed. This is to be achieved by implementing diversity management and affirmative action initiatives in order to create a racially and culturally diverse team.

1.2 As a result of the unfair discrimination in the past of South Africa, particularly that which occurred in the labour market, the Company recognizes its responsibility to equalize opportunities for those designated people who are socially, economically and educationally disadvantaged.

Those designated people are defined as blacks (comprising African, Indian and Coloured persons,) women and the disabled. This will be achieved by engaging in justifiable activities (via an employment equity plan) based on the specific circumstances faced by the Company.

1.3 The employment equity policy and plan will ensure that the career development of non-designated persons will not be ignored and employees will continue to be recognized for their competencies based on statutory and merit considerations.

1.4 The equity policy and plan will have consulted on short and medium – term goals and will be developed in consultation with an equity steering committee/consultative forum. Its implementation will be handled in a manner which reasonable, justifiable and fair with due cognizance of the need to deal sensitively therewith.

1.5 the need for a policy and plan such as this will be under continuous review and the need for affirmative actions activities, in particular, will cease when the fundamental objectives of the policy has been achieved.

2. EQUITY OBJECTIVES

2.1. The company will endeavour to have designated persons adequately represented at all levels within the company over the next 5 years, as far as is reasonably practicable. The definition of adequate representation will be based on a number of factors prevailing at a point in time including:

- National and regional demographic profile on the economically active population
- Pool of suitably qualified people from designated groups from which the economic and financial factors relevant to the sector in which the Company

operates as well as the present and anticipated economic and financial circumstances of the Company; and

- The number and present and planned vacancies that exist in the various levels and the Company's employee turnover.
- The progress made by other designated employers operating under similar circumstances and within the same sector.

2.2 Different branches may have different targets and timings based on the above factors and considerations.

2.3 Furthermore all employment policies and practices will be audited for unfair discrimination on the basis of the factors listed in the constitution and the Labour Relations Act as follows:

- **Race, gender, sex, ethnic or social origin, colour, sexual orientation, age, disability, religion, political opinion, culture, language, belief, marital status, or family responsibility.**

2.4. The organization will nurture an organizational culture dedicated to respecting diversity and empowerment via a number of means including the identification of potential and the adoption of diversity values.

2.5. The company remains committed to maintaining high service levels and will not tolerate tokenism or any unjustifiable practices. Hence, competent employees who are capable of performing the inherent competencies required will be appointed.

2.6 The company will ensure total commitment to the employment equity process as far as is reasonably practicable and non-delivery in this regard by any manager or employee will be deemed to be serious non-performance.

The equity policy of the company thus encompasses five primary considerations, each of which will be given effect via the employment equity plan.

3.1 the auditing of all employment policies, practices, procedures and the working environment, in order to identify and eliminate all employment barriers, which adversely affect people from designated groups.

3.2 The construction of a workforce profile of the Company's employees at all occupational levels per race, gender and disability category in order to determine the degree of under-representation of designated persons.

3.3 The preparation and implementation of an employment equity plan which will achieve reasonable progress towards employment equity in the Company's workforce. The said plan is to contain both qualitative and numerical goals set out in a timetable for achievement for each year of the plan.

In the process, particular attention will be given to the employment and advancement of designated persons via systematic corrective interventions in recruitment and selection, training and development, promotions, acting in higher positions, supplier policies and the like.

3.4 The assessment of organizational culture matters and the implementation of interventions required creating a new organizational culture, which is dedicated to and ensures empowerment.

Various means may be used in achieving this and these include: assessment and surveys, training and development, and understanding different workshops.

4. DETERMINATION OF EMPLOYMENT EQUITY MATURITY LEVELS

The activities which are undertaken and the results achieved from the steps set out hereunder will be materially used in giving substance to much of the equity plan.

4.1 The company will consolidate and present to the steering committee all its existing employment policies, practices and procedures. The purpose hereof will be to eliminate any unfair discrimination via an audit in areas pertaining to:

- Recruitment procedure, advertising and selection criteria
- Appointments and the appointment process
- Job classification and grading
- Remuneration, employment benefits and terms and conditions of employment.
- Job assignments
- The working environment and facilities
- Training & development
- Performance evaluation systems
- Promotions, demotion and transfer
- Dismissals and disciplinary action short of dismissal

4.2 in the same way the company undertakes to compile a workforce profile per occupational level per race/gender/disability category and per employee type (permanent & temporary).

This information can then be compared with any reliable and available information on national and regional; demographics of economically active persons and thereafter consulted on in order to assess possible levels of under representation and occupational types which are characterized by under representation.

4.3 the company will conduct a climate study perception survey to assess areas of deficiency in so far as the objective of creating a new organizational culture dedicated to respecting diversity is concerned.

4.4 The company will conduct a comprehensive audit questionnaire of all possible areas of employment, which could be of assistance in meeting employment equity.

5. STRATEGIZING EMPLOYMENT EQUITY

The company has engaged preliminary strategic analysis activities in order to ensure the employment equity policies and plans assist in achieving long term sustained viability of the company by integrating employment equity into its structure.

6. EMPLOYMENT EQUITY PLAN

6.1 As contemplated in statute an employment equity plan will be developed via consultation with primarily the equity steering committee/consultative forum and in accordance with the principles as per the constitution thereof. The duration of the plan will be between 1 and 5 years.

6.2 Key components of the said plan will include strategies and details on the following as well as a timetable for the achievement thereof;

6.2.1 Employment policies, practices and targets in this regard based on the identification and elimination of obstacles to the affirmation of designated persons;

6.2.2 Affirmative action related corrective measures in order to assist in regard to achieving equity objectives;

6.2.3 Numerical goals required to achieve reasonable progress in ensuring equitable representation of designated person's at all occupational levels per race, gender and disability category.

7. THE EQUITY STEERING COMMITTEE

7.1 The company realizes the importance of engaging in meaningful consultation with the equity steering committee. The said body will co-ordinate: the audit of employment policies, procedures and practices; the compilation of the workforce profile per race/gender/disability/category per organizational level and the analysis thereof; and the assessment of the prevailing climate.

7.2 the nature and extent of the activities of the equity steering committee will be within the framework set out in this document – this forum is focused on the elimination of unfair discrimination only and is not the appropriate forum for the pursuance of interest matters. The powers will not exceed the purpose for which it was established. Thus the forum will conduct the following primary activities, including:

- Review, monitor and make recommendations on targets
- Propose amendments to the employment equity policy
- Monitor and evaluate employment decisions made
- Monitor the needs for training of its members and the use of experts who can be utilized to assist and address the forum.
- Any additional and incidental activities.

7.3 The equity steering committee number and distribution of seats must at all times ensure that the following considerations are reflected: size, nature, occupational structure and physical location of the workplace.

The representatives must represent the interest of all occupational levels as well as designated and non-designated groups.

7.4 Generally, representatives from the union will be elected in term set any valid union constitution whilst a process of nominations and seconders will be followed in order to elect other persons.

Elections will take place every 2 years and the minimum requirements to serve on the committee forum include literacy and at least 3 years length of service.

Representatives who are identified as not complying with accepted standards, that is poor performers will be removed from the forum by a majority vote after an appropriate opportunity for improvement has not delivered the desired effect.

7.5 Representatives will be required to effectively represent their constituencies and report back to the said constituencies in an accurate and effective manner which ensures strict adherence to confidentiality agreements which may be reached from time to time.

Representatives will also be required to place matters for discussion on the agenda and adhere to the spirit and purpose of the forum at all times during discussions.

7.6 meetings should take place on a pre-planned and scheduled basis and the chair person must ensure that appropriate methods are followed in order that the agenda

is contributed to and finalized before each meeting in order to allow the parties to prepare adequately.

In addition, minutes of each meeting should be kept and the important matter of giving feedback to the relevant stakeholders agreed. The requirements for a quorum are to be established and the MD or his delegate representative is to chair the meeting

7.7 The disclosure of information is to be regulated by Section 6 of the Labour Relations Act 1995 but specific mention should be made as to what is deemed to be confidential information/restricted information and the like.

7.8 Line managers will be required to report on progress achieved with regard to the specific application of the employment equity plan on their areas of responsibility and the said reports will be tabled at the equity steering committee after having been submitted to the MD.

7.9 The dispute resolution procedures will be as follows:

Decisions are to be made by majority vote and the Human Resources/Affirmative Action coordinator shall not vote,

- The Chairperson shall have the casting vote
- Decisions reached by the steering committee shall be tabled at a meeting of the board before they are considered to be decisions of the company
- In the event that the board reject a decision of the committee the board shall give written representation thereat;
- In the event that the decision of the board does not change, the aggrieved party may pursue the dispute resolution procedures of the appropriate equity statute.

8. COMMUNICATION

The company undertakes to ensure that the equity policy and plan is communicated to all employees and further that regular updates on progress being achieved by the equity steering committee are circulated. In addition a copy of the employment equity plan will be made available for those employees who would like to access such and familiarise themselves with the contents thereof.

9. GENERAL MATTER

The entire employment equity process is to be driven by the Managing Director who will also be responsible for ensuring that line managers are given, and comply with, specified equity interventions and targets for representation of designated persons.

APPENDIX “C”

NON DISCRIMINATION POLICY

1. Walton's philosophy and values include a strong belief that all employees should be treated with dignity and respect.
2. In accordance with this, Waltons does not discriminate against any employee or applicant for employment because of race, creed, color, religion, gender, sexual orientation, gender identity/expression, national origin, disability, age, or covered veteran status.
3. It is also Walton's policy to comply with all applicable national and local laws pertaining to nondiscrimination and equal opportunity.
4. Walton's commitment to its employees is to practice fair employment practices.

DIVERSITY MANAGEMENT

1. Waltons is committed to ensuring an environment in which diversity is a fundamental value.
2. Diversity is the existence of many unique individuals in the workplace, marketplace and community. This includes men and women from different nations, cultures, ethnic groups, generations, backgrounds, skills, abilities and all the other unique differences that make each of us who we are.
3. We believe that greater diversity will enhance the quality of Waltons and will enrich understanding between employees, customers, suppliers and the community at large.
4. We at Waltons believe that the achievement of a diverse workforce will help the company realize its full potential.
5. Recognizing and developing the talents of each individual will bring new ideas to Waltons.
6. The company will benefit from the creativity and innovation when people who have different experiences, perspectives and cultures work together.
7. We believe that a well managed, diverse work force expands Walton's knowledge base, skills and cross-cultural understanding, which in turn, enables us to understand, relate and respond to our diverse and changing customers throughout the world, connecting them to the power of technology.
8. Our overall commitment is reflected in our diversity and inclusion philosophy, which states
 - A diverse, high-achieving workforce is the sustainable competitive advantage that differentiates Waltons.
 - It is essential to win in the marketplaces, workplaces and communities around the world.
 - An inclusive, equitable work environment that values differences motivates employees to contribute their best.
 - To better serve our customers, we must attract, develop, promote and retain a diverse workforce.
 - Trust, mutual respect and dignity are fundamental beliefs that are reflected in our behavior and actions.

Accountability for diversity and inclusion goals drives our success.

APPENDIX “D”

Interviews questions

1. Let's discuss how Waltons KZN deals with staff development.
2. Tell me what training you concentrate on?
3. What extent do you participate in determining which training courses to be conducted?
4. In your opinion do you get the value for money for training that is done in the company?
5. In your assessment what external factors affect the Company mostly?
6. Let's explore the Company's change management strategy.
7. Why change management is necessary?
8. How often do you meet with your staff and why?
9. How can you describe the employee/manager relationship in the company?
10. Do you feel comfortable to deal with employee grievances?
11. What do employees complain about most of the time in this company?
12. Do you measure staff performance?
13. Do you have performance incentives and which performance areas do you incentivise?
14. Do you have work teams?
15. Why is team work important for the Company?