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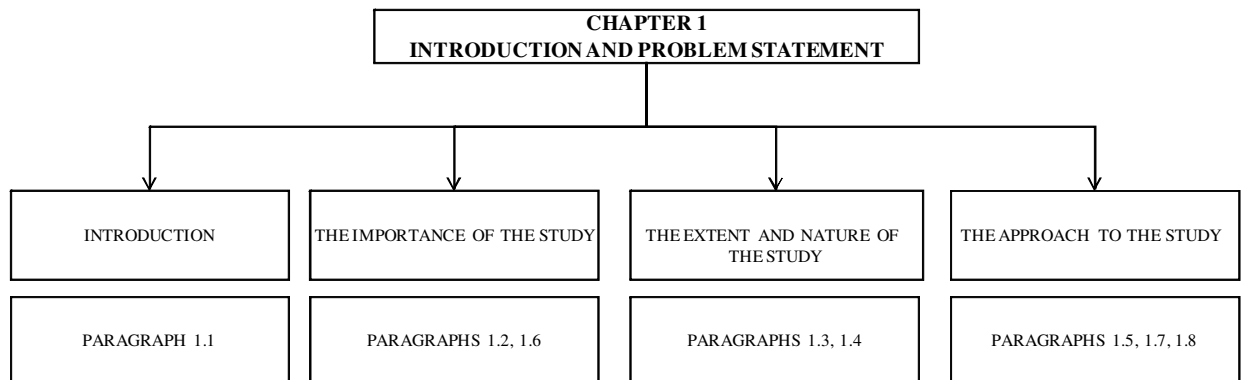
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CHAPTER 1

INTRODUCTION AND PROBLEM STATEMENT



GRAPHICAL REPRESENTATION OF CHAPTER 1



1.1 INTRODUCTORY ORIENTATION TO THE STUDY

Knowledge management entails the establishment of an environment within which knowledge processes (creation, codification, sharing, organisation and use of knowledge) are performed through a variety of tools and techniques to the benefit of the company. Loshin (cited in Bedford, 2004:210) explains: Knowledge management is the art or science of collecting organizational data, and by recognizing and understanding relationships and patterns, turning it into usable, accessible information and valuable knowledge.”

Tiwana (2002:57) cites four reasons why knowledge management has become increasingly important for companies:

- The reduced competitive power of leading companies.
- The type of requirements set for companies to compete on a global scale.
- The changing nature of business scenarios.
- The demise of leading companies.

The nature and scope of these reasons are such that knowledge management is required not only at an operational level, but also at the strategic level. Knowledge processes must therefore be applied to promote and support both the current and emergent operational and strategic processes performed in the company.

Training is an example of a knowledge management technique which companies can use to perform knowledge processes. During training the creation and sharing of knowledge take place whilst the use of knowledge can almost be regarded as the concluding phase of training. Learning is the result of the creation, sharing and use of knowledge or, in other words, the result of knowledge processes. The competitiveness of a company in the knowledge economy is determined by the ability of the company to learn. De Geus (cited in Fulmer & Gibbs, 1998:177) explains: “...over the long

term, the only sustainable competitive advantage may be a corporation's ability to learn faster than its competitors.”

Learning is therefore of particular importance to South African companies as South Africa is only placed in the 45th position out of a possible 125 countries in the World Economic Forum's *Global Competitiveness Report 2006-2007* (World Economic Forum, 2006).

From the four reasons why companies should apply knowledge management as identified by Tiwana (2002:57) and the importance of learning as stated by De Geuss (cited in Fulmer & Gibbs, 1998:177), it is apparent that companies must do more than merely offer their executives, managers and employees training in terms of operational processes in order to enhance the ability of companies to attain a sustainable competitive advantage. They should also offer executives, managers and employees training of a strategic nature to address their current (traditional) and emergent (strategic) training needs. Traditional training addresses the training needs of executives, managers and employees in terms of the current strategic orientation of the company while strategic continuing training (henceforth strategic training) addresses the training needs of executives, managers and employees in terms of the emergent strategic orientation of the company.

Rothwell and Kazanas (1994:423) explain that strategic training forms a component of strategic human resource development and is a type of training process that focuses pertinently on the training of employees in terms of the emergent strategic orientation of the company. They are of the opinion that strategic training “should help anticipate future job requirements utterly unlike those that have existed in the past.” However, Rothwell and Kazanas also explain that traditional training “...preserves an existing system by teaching people how to conform to policies, procedures, methods and rules.” Executives and managers who are responsible for strategic processes need to be trained in terms of both the current as well as the emergent strategic orientation of the company. The training of managers and executives in terms of the current strategic orientation of the company is addressed by means of a traditional training process while a strategic training process addresses the training needs of executives and managers in terms of the emergent strategic orientation of the company. This



implies that strategic and traditional training differs in terms of strategic focus, namely the current as opposed to the emergent strategic orientation of the company. However, when these two training processes (traditional and strategic) are directed at executives and employees on middle management level (henceforth managers) both training processes are offered on a strategic level since these two groups of employees are primarily responsible for work on a strategic level in the company. Strategic and traditional training therefore differs in terms of strategic focus but they are similar in terms of the level on which they are offered to executives and employees on middle management level. Strategic training offered to employees also focuses on the emergent strategic orientation but the level of the training is operational in nature and focus on job content.

The strategic training process addresses the needs of executives, managers and employees in terms of the emergent strategic orientation of companies. This type of training process should precede the revision and possible amendment of the current strategic orientation. The current strategic orientation of companies is revised and amended based on the nature of the factors present in the emergent external and internal strategic environment of companies. The emergent strategic orientation of the company should then be translated into the strategic training needs of executives, managers and employees. The accurate identification of the strategic training needs of executives, managers and employees and the use of an effective strategic training process to address the identified needs of executives, managers and employees will ensure the competitiveness of companies in the knowledge economy. Traditional training commences when the revised and amended strategic orientation of the company has been implemented. Strategic training is therefore regarded as proactive to the current strategic orientation of the company while traditional training is regarded as reactive to the current strategic orientation of the company. Rothwell and Kazanas (1994:18) explain: “A new approach to HRD [human resource development] is needed to cope with a future that is not always like the past. This approach should help individuals anticipate knowledge and skills needed in the future rather than react after problems become apparent. SHRD [strategic human resource development which includes strategic training] does this. It can aid in planning one-time learning experiences as much as long-term learning encompassing multiple experiences.”

The strategic orientation of companies is formulated by means of frameworks, models and techniques such as the Cynefin framework for organisational sense making (Cynefin Centre for Organisational Complexity, 2003:1). According to the Cynefin framework for organisational sense making the internal and external strategic environment of companies consist of four domains. These domains are the knowable, known, chaos and complex domains. The Cynefin framework for organisational sense making is explained in paragraph 2.2.

The nature and scope of strategic training differs significantly from traditional training. These differences are evident from the content of strategic training, the manner in which the training process manifest in the company as well as the outcomes or purpose of strategic training. The unique nature and scope of strategic training thus presents a variety of challenges which companies and in particular South African companies will have to address to ensure that strategic training enhance their ability to attain and improve their competitiveness in the knowledge economy.

1.2 REASONS FOR THE STUDY

Given the above-mentioned background, it is clear that especially the executives and managers of companies involved with strategic processes continually need to perform knowledge processes in terms of their emergent strategic orientation. The importance of knowledge processes for companies are explained as follows by Nonaka, Toyama and Konno (2000:23): “It is top management’s role to articulate the knowledge vision and communicate it throughout (and outside) the company. The knowledge vision defines what kind of knowledge the company should create in what domain. The knowledge vision gives a direction to the knowledge-creating process, and the knowledge created by it, by asking such fundamental questions as “What are we?”, “What should we create?”, “How can we do it?”, “Why are we doing this?” and “Where are we going?” In short, it determines how the organisation and its knowledge base evolve over the long term. Therefore it is important for top management to articulate a knowledge vision that transcends the boundaries of existing products, divisions, organisations and markets.”

The impetus for this study arises from preliminary research of the literature on strategic training as a specific type of strategic human resource development that enables executives and managers involved in strategic processes to be able to give effect to the “articulated” emergent strategic orientation of the company (Rothwell & Kazanas, 1994:425). This preliminary research has revealed that a need exists for a more pragmatic discussion of the concept strategic human resource development and thus also strategic training. McCracken and Wallace (2000b:282) state: “The concept of strategic human resource development has been much explored in the training and development literature of the last decade, but there has been relatively little work on what characterises an organisation with a strategic approach to HRD.”

Although McCracken and Wallace (2000b:282) are of the opinion that the concept strategic human resource development and thus also strategic training have been sufficiently dealt with in the literature this does not seem to be the case in terms of the South African literature and serve as a further impetus for the study.

In the South African literature, the concept “strategic human resource development” and “strategic training” are only discussed cursorily. Both *Training management in South Africa* (1999) by Erasmus and Van Dyk and *Training management* (2001) by Van Dyk *et al.* use the model developed by Rothwell and Kazanas (1994) to explain the concepts of strategic human resource development and strategic training. In *Human resources management* (2001) Nel refers to the concept “strategic human resource development” only superficially.

In 1999 Sue Grant, an independent consultant conducted a study on behalf of the Gordon Institute of Business Science (GIBS), University of Pretoria, during which executives from various companies in South Africa were interviewed. The purpose of that study was to determine the needs of executives and managers in large companies in South Africa to develop the curriculum of GIBS. The heading of Chapter 5 of the study is: *Main business education and development needs of senior level/potential senior level executives or high performers in South Africa today. What are these executives not able to do effectively that they should be able to do?* Twenty skills were identified in which executives ought to be trained. The Grant study contains an example of traditional training needs of executives and managers since it relates to the

current strategic orientation of companies. Some of the skills identified in the Grant study are vision and global competitiveness, financial management, team management, Black empowerment, knowledge management and leadership. A synopsis of the findings of the Grant study (1999) is presented in Annexure C.

A 2003 survey by the *ASTD Global Network South Africa* on the state of the training and human resource industry in South Africa identified further training needs. The types of training that companies consider important are grouped in four categories, namely: critically important, very important, important and somewhat important. In the same survey the types of training those companies currently provide their employees with were indicated. A synopsis of the findings of the *ASTD Global Network South Africa* (2003) is presented in Annexure D.

As in the *ASTD Global Network South Africa* survey, local serial publications refer to strategic human resource development and strategic training needs of companies in a generic manner. Serial publications such as *HR future* published by Osgard media and *Management today: journal of the Institute of Administration and Commerce of Southern Africa* regularly publish articles which discuss aspects in which executives and managers should be trained to ensure the continued competitiveness of companies. These articles are, however, generally presented from a generic perspective and do not give any indication of the connection between the strategic orientation of the company and strategic training needs as found and addressed in specific large South African companies. The confidential nature of strategic training needs arising from the emergent strategic orientation of companies thus results in a dearth of literature in which these specific aspects of strategic human resource development are discussed.

1.3 PROBLEM STATEMENT AND OBJECTIVES OF THE STUDY

1.3.1 Problem statement

Based on the preliminary literature study and given the dynamic and unpredictable nature of the strategic environment of companies, the fundamental question to be investigated in this study is formulated as follows: What are the strategic training

needs of executives and managers involved in strategic processes in large South African companies and how are they addressed?

1.3.2 Objectives of the study

The primary or main objective of this study is to determine whether large South African companies are aware of the concept “strategic training” and make use of a strategic training process in order to identify and address the strategic training needs of executives and managers. In an attempt to give effect to the above-mentioned goal, a number of secondary aspects related to the topic, should also receive attention, namely:

- To determine the relationship between the current and emergent strategic orientation of the company and training.
- To develop an insight into the nature and scope of training (traditional and strategic) that is prevalent in companies.
- To determine the manner in which strategic training is addressed in large South African companies.
- To determine the type of training unit that is required to offer strategic training to executives and managers.
- To develop an understanding of the relationship that exists between knowledge management and strategic training in large South African companies.

1.4 SCOPE AND LIMITATIONS OF THE STUDY

This study will lead to clarity regarding three aspects, namely: the strategic training needs of executives and managers in large South African companies, the nature and scope of strategic training, the relationship between knowledge management and

strategic training including the manner according to which knowledge management contributes to the competitiveness of large South African companies.

The study is limited in terms of both the theoretical as well as empirical scope. These limitations are:

Theoretical scope: The study is limited in terms of the following four aspects: formulating the strategic orientation of the company, the nature and scope of strategic training, the target group on which strategic training focuses and the use of the Rothwell and Kazanas (1994) model of strategic training.

- Formulating the strategic orientation of the company: Various ways exist in which companies can formulate their current and emergent strategic orientation. Dealtry (2000:219) explains: “All organisations experience considerable differences in the way in which they try to align or match their resources, expertise and competencies with the opportunities and threats of the business environment. The concept of ‘strategic fit’ has many different perspectives in organisation and strategic management theory.” For the purpose of this study the focus has largely been on the manner in which the Cynefin framework for organisational sense making is used to make sense of the strategic environment of companies and serves as a point of departure for the formulation of the strategic orientation of the company (Cynefin Centre for Organisational Complexity, 2003:1). The reason for this is that this framework indicates four dissimilar strategic domains from which companies should be able to formulate the strategic orientation of their company. Unique requirements are set in each of these domains for executives and managers to enhance the ability of companies to attain a sustainable competitive advantage. The use of the Cynefin framework as a sense making tool is criticised by Firestone and McElroy (2002). They are of the opinion that the framework should be more multi-dimensional in nature as there are more than four domains that can be composed out of the fundamental attributes of each of the four domains. According to the Cynefin Centre for Organisational Complexity (2003:1) the boundaries of each of the domains included in the



Cynefin framework are flexible to make provision for the inclusion of more attributes: “Cynefin creates four open spaces or domains of knowledge all of which have validity within different contexts. They are domains not quadrants as they create boundaries within a centre of focus, but they do not pretend to fully encompass all possibilities.” Lawrence (2005) and Weeks (2005) confirm the lack of critical discussions on the use of the Cynefin framework for organisational sense making due to the recency of the framework.

- The nature and scope of strategic training: During the course of the study an attempt was made to determine the strategic training needs of executives and managers in large companies in South Africa. A strategic training need arises from the emergent strategic orientation of the company and must therefore be clearly distinguished from traditional training needs. A traditional training need, other than a strategic training need, arises from the current strategic orientation of the company and thus from the job for which executives, managers and employees is currently responsible in the company. During the course of the study attention was thus not given to the traditional training needs as experienced by executives and managers in large South African companies. However, in Chapter 6 reference is made to the nature and scope of traditional training in large South African companies. The reason for this is twofold, namely: to indicate the differences between strategic and traditional training and to indicate why training in large South African companies are regarded as traditional or strategic in nature.

This limitation is ascribed to the fact that the training of executives, managers and employees in terms of strategic training needs requires a distinctive approach and can therefore not be addressed in the same manner as traditional training needs.

- The use of the Rothwell and Kazanas (1994) model of strategic training: This study is limited to the use of the Rothwell and Kazanas (1994) model as a theoretical framework to explain the concept “strategic training”. This particular model was chosen since

and development which are aimed at South African companies often refer to the perspectives of Rothwell and Kazanas to discuss the concepts “strategic human resource development” and “strategic training” (Erasmus & Van Dyk, 1999:49; Nel *et al.*, 2001:472; Van Dyk *et al.*, 2001:106).

- Target group for strategic training: The study is limited to the strategic training and the strategic training needs of especially individuals on executive and middle management level in large South African companies. This limitation is ascribed to the fact that the strategic training needs of executives and managers involved in strategic processes should be addressed before those of employees can be addressed, since executives and managers are primarily responsible for strategic processes in companies. Their own strategic training will enable executives and managers to participate in the strategic training of employees and ensure that training is contextualised in terms of the strategic orientation of the company. The strategic training process of employees differs from that of executives and managers and is therefore not properly addressed within the scope of this study.

Empirical scope: The empirical scope of the study is limited in terms of size and geographical location of companies.

- Size of the companies: For inclusion in the study, companies had to be listed on the Johannesburg Securities Exchange (JSE) and they had to meet the criteria for a “large business” as specified by the *National Small Business Act, No. 102 of 1996*.

This limitation is ascribed to the fact that smaller companies probably do not have the infrastructure and resources to offer their executives and managers strategic training.

- Geographical location of companies: The majority of companies included in the study are situated in Gauteng. This limitation is due to the fact that most of the head offices of large companies are located in this geographical region

although they operate on a national level. Both decisions regarding strategic processes and human resource development seem to be functions that resort at the head offices of companies. A few companies included in the study have head offices in the Western Cape.

1.5 RESEARCH METHODOLOGY

The study will essentially focus on determining the strategic training needs of executives and managers in large South African companies and the manner in which these companies make use of a strategic training process in order to identify and address their strategic training needs. For the collection of data two qualitative data collection methods will be used, namely:

- A literature study
- Semi-standardised interviews

Van Maanen (1979:520) describes qualitative research as follows: “It is at best an umbrella term covering an array of interpretative techniques which seek to describe, decode, translate and otherwise come to terms with the meaning, not the frequency, of certain more or less naturally occurring phenomena in the social world.” A qualitative research methodology will be used to develop an insight into and describe the nature and scope of strategic training and the strategic training needs of executives and managers in a selection of large South African companies. The study will also provide an indication of the number of companies that make use of this type of training process. Some of the data will therefore be presented quantitatively in support of the qualitative data of the research.

The research methodology that is followed in order to conduct the research is comprehensively discussed in Chapter 5.



1.5.1 Literature study

A literature study (non-empirical) will be conducted to contextualise the subject of the study in a theoretical framework. The importance and value of a literature study is apparent from the statement made by Mouton (2001:180): “A comprehensive and well-integrated literature review is essential to any study. It provides you with a good understanding of the issues and debates in the area that you are working in, current theoretical thinking and definitions, as well as previous studies and their results.”

The content of the literature review will be confirmed or refuted through semi-standardised interviews conducted with executives and managers in large South African companies directly involved with training or with strategic processes, as well as a number of other individuals connected to the education and training industry in South Africa.

The above-mentioned literature study is addressed in Chapters 2, 3 and 4.

- Chapter 2 The strategic environment of companies: In Chapter 2 the Cynefin framework for organisational sense making (Cynfin Centre for Organisational Complexity, 2003:1) is discussed. This framework indicates that the strategic environment of companies consist of four domains. The unique characteristics and nature of each of these domains influence the manner in which the current and emergent strategic orientation of companies is formulated and therefore also the nature and scope of the traditional and strategic training needs of executives and managers.
- Chapter 3 Learning as the result of strategic training: In Chapter 3 the connection between knowledge processes and learning as well as the manner in which learning by means of strategic training should be supported by a suitable training infrastructure are discussed. The effective use of strategic training necessitates a training infrastructure that makes provision for the nature and scope of strategic training and the strategic training needs of executives and managers.



- Chapter 4 Strategic human resource development: In Chapter 4 strategic training as a future-oriented method of strategic human resource development is discussed.

A preliminary overview of the literature on strategic training and the strategic training needs of executives and managers is largely characterised by three trends. These trends are briefly discussed below.

- The literature on strategic training is mainly characterised by the fact that strategic training is but a single method of strategic human resource development. It is one of three methods that are used to prepare employees in terms of the emergent strategic orientation of the company. Strategic training is thus often discussed from the broader perspective of strategic human resource development rather than as a topic in its own right.
- The literature on strategic training largely focuses on discussions of the nature and scope of this type of training process whilst a lesser focus is the models for companies implementing a strategic training process. McCracken and Wallace (2000b:282) confirm this trend in respect of strategic human resource development. They explain that: “The concept of strategic human resource development has been much explored in the training and development literature of the last decade, but there has been relatively little work on what characterises an organization with a strategic approach to HRD.” The shortage of models found in the literature can probably be attributed to the uniqueness of both the strategic training process and the strategic training needs that are addressed through this process and that are discussed further in the course of this study.
- The purpose of strategic training is to enable employees and more specifically executives and managers to give effect to the emergent strategic orientation of the company. The nature and scope of strategic training is thus closely related to the company’s strategy or the plan the company follows to ensure that it

attains a sustainable competitive advantage. This results in companies probably tending, to a lesser degree, to present the strategic training needs of their executives and managers by means of the formal literature. This has the effect that it leaves a gap in the literature on this aspect of strategic training.

The above-mentioned three trends are further supported by means of a comprehensive literature study provided in Chapters 2, 3 and 4.

1.5.2 Semi-standardised interviews

Although Mouton (2001:180) confirms the importance and value of a literature study, he emphasises that a literature study must be supported by empirical research: “Although literature reviews often lead to theoretical insights, we still need to undertake an empirical study to test our new insights.” The researcher tested the literature study by conducting semi-standardised interviews using the face-to-face interview method to collect data from respondents at a selection of large South African companies. Berg (1998:57) explains: “An interview is a conversation with the purpose of gathering information.”

The nature of semi-standardised interviews is described as follows: “This type of interview involves the implementation of a number of predetermined questions and/or special topics. These questions are typically asked of each interviewee in a systematic and consistent order, but the interviewers are allowed freedom to digress; that is, the interviewers are permitted (in fact expected) to probe far beyond the answers to their prepared and standardised questions.” (Berg, 1998:61). A semi-standardised interview is also described as follows: “Semi-structured interviews are guided conversations where broad questions are asked, which do not constrain the conversation, and new questions are allowed to arise as a result of the discussion. This is different from questionnaires and surveys where there are very structured questions that are not deviated from. A semi-structured interview is therefore a relatively informal, relaxed discussion based around a predetermined topic (Wageningen International). The questions which were used during the interviews are included in Appendix B.

The purpose of the semi-standardised interviews was to determine the following aspects:

- The effect of the strategic orientation of the company on the manner in which training manifests in the company.
- The manner in which training (strategic and traditional) manifests in large South African companies.
- The nature and scope of strategic training in large South African companies.
- The strategic training needs experienced by executives and managers of large South African companies.
- The sensitivity of large South African companies with regard to the importance and value of knowledge management in respect of strategic processes.

Next some advantages and disadvantages associated with the use of semi-standardised interviews conducted by means of the face-to-face interview method are pointed out:

The advantages associated with the use of semi-standardised interviews and the face-to-face interview method for the collection of data is:

- Each interview results in a specific number of data being collected, as a result of which the interview method is more effective than distributing questionnaires among respondents and not being returned to the researcher.
- The nature of semi-standardised interviews and the face-to-face interview method are such that respondents are offered an opportunity to expand on the topic of the study. This enhances the quality of the data that are collected and

naturally presents the researcher with an opportunity to contextualise the collected data.

- Semi-standardised interviews and the face-to-face interview method present the researcher the opportunity to immediately pose follow-on questions to the respondent. This contributes to the quality of the data that are collected and prevents the researcher from wrongly interpreting the responses.
- Face-to-face interviews present the researcher with various opportunities to communicate with the respondent (telephonic discussion, electronic confirmation, electronic introduction of the researcher and study as well as an electronic pre-interview copy of the questionnaire) resulting in a measure of familiarity once the researcher finally meets the respondent in person. As one would expect, the personal dimension of interviews and particularly the more informal nature of a semi-standardised interview contribute to the development of a particular relationship between the researcher and the respondent.
- Face-to-face interviews present the researcher with an opportunity to experience the respondent in his/her professional environment. This increases the value of the data that are collected since it offer the researcher an opportunity to form a picture of both the respondent as well as the company that is included in the study. The researcher's visits to companies to conduct interviews with respondents can result in the researcher gaining valuable background information from notice boards, posters and brochures. This often serves as valuable point of departure for interviews.

Some disadvantages of the use of semi-standardised interviews and the face-to-face interview method for the collection of data are:

- Conducting interviews is an expensive and time-consuming process since the researcher has to visit all respondents in person. The more "informal" nature



of semi-standardised interviews is, however, best supported by the physical presence of both the researcher and the respondent during the interview.

- The nature and scope of the subject is such that it requires of respondents to have knowledge of both the strategic processes of the company as well as human resource development. The researcher might find it problematic to locate respondents who are sufficiently informed regarding strategic training and in some instances this might require of the researcher to conduct interviews with two respondents from the same company.
- The unfamiliarity of the concept “strategic training” might require the researcher to explain the notion of the concept “strategic training” to respondents. This could lead to respondents being influenced to a certain degree by the researcher’s perspective on the true meaning of the concept “strategic training”. A further problem that might result from the unfamiliarity of the concept of “strategic training” is that some respondents might confuse it with the process in terms of which individuals are trained to formulate and implement their company’s strategy. Strategic training rather focuses on the training of employees and more specifically executives and managers to enable them to carry out the company’s emergent strategy.

It was thus apparent that the use of semi-standardised interviews and the face-to-face interview method might present some restrictions as a method to collect data. Nonetheless the researcher remains of the opinion that the advantages of using semi-standardised interviews and the face-to-face interview method outweigh the disadvantages and that the topic can be satisfactorily supported by the use of these specific methods of collecting data.

The literature study and data collected during the face-to-face interviews that were conducted by means of semi-standardised interviews are addressed in Chapter 6 Analysis and interpretation of data.

1.6 RELEVANCE TO INFORMATION SCIENCE AND KNOWLEDGE MANAGEMENT

As explained earlier, knowledge management entails the establishment of an environment in which knowledge processes (creation, codification, sharing, organisation and use of knowledge) are performed by using a variety of tools and techniques to the benefit of the company.

The significance and value of a study on strategic training for Information Science and Knowledge management are primarily in terms of three aspects, namely:

- **Environment:** The manner in which companies should operate in order to create an environment within which strategic training or knowledge processes regarding the strategic orientation of the company can take place.
- **Knowledge processes:** The manner in which knowledge processes are performed in terms of the strategic orientation of the company.
- **Tools and techniques:** The knowledge management tools and techniques that can enhance and support knowledge processes that performed in terms of the strategic orientation of the company.

Strategic training is an example of a specific type of knowledge management technique. A strategic training process is therefore applied to perform knowledge processes regarding the emergent strategic orientation of the company with a view to contributing to the competitiveness of the company.



1.7 EXPLANATION OF ABBREVIATIONS AND KEY TERMS

Term	Description
Company	The term company is preferred to other similar terms such as organisation, corporation, business and business enterprise due to the fact that the JSE makes use of the term company.
Corporate university	A corporate university is a type of training unit which is connected to a company. This type of training unit provides training which is customised according to the strategic orientation of the company to the value chain of the company (executives, managers, employees, suppliers, customers, vendors). The curriculum of corporate universities will “depend on the needs (such as sales training, marketing, or soft skills) of the company and the company's business (like manufacturing, consulting, or technology.” (Tanner, 2003:1).
Directive and non-directive training	Strategic training is made possible by directive and non-directive training. Learning that takes place by means of non-directive training focuses on the creation of new knowledge while learning that takes place by means of directive training focuses more on the sharing of existing knowledge. Rothwell and Kazanas (1994:433) explain: “Nondirective training produces new information. Directive training is designed and delivered in anticipation of a ... need, which is soon going to be felt on the job.”
Employees	Employees refer to individuals on a lower management or supervisory level and individuals who do not perform any managerial activities in the company.



Executives and managers	Executives refer to all individuals on a senior management level for example the Chief Executive Officer, Chief Financial Officer and the Chief Technology Officer. Managers refer to all individuals who are on a middle management level.
Explicit and tacit knowledge	Explicit knowledge is the same as information. It is knowledge that has been codified in language or symbols. It is supported by the use of information technology. Tacit knowledge consists of the experience, intuition, beliefs and skills of individuals. This type of knowledge is difficult to codify. It is personal to the individuals who possess it and is thus not easy to support by means of information technology.
GIBS	Gordon Institute of Business Science, University of Pretoria
Human resource development strategy	The human resource development strategy is a plan in terms of which the executives, managers and employees of the company are taught, developed and trained. This strategy should support the overarching business strategy and consists of functional strategies for the teaching, development and training of employees. It must address the needs of both the company and the individual employee (Rothwell & Kazanas, 1994:x).
JSE	Johannesburg Securities Exchange
NYSE	New York Stock Exchange
Knowledge management	Knowledge management entails the establishment of an environment in which knowledge processes (creation, codification, sharing, organisation, use) are performed through the use of a variety of tools and techniques. Training is an example of a knowledge management technique.



Strategic environment	In terms of their external and internal strategic environment companies find themselves in four domains (known, knowable, complex and chaos). The factors that are present in these domains determine the ways in which the strategic orientation of the company is formulated and implemented.
Strategic human resource development	Strategic human resource development focuses on the future-oriented development of employees' skills. Garavan (1991:17) explains: "the strategic management of training, development and of management/professional education interventions, so as to achieve the objectives of the organisation while at the same time ensuring full utilisation of the knowledge in detail and skills of individual employees. It is concerned with the management of employee learning for the long term keeping in mind the explicit corporate and business strategies." The strategic human resource development of executives and employees on middle-management level therefore entail the development of these two groups of individuals to enable them to be able to conduct strategic processes in terms of the emerging strategic orientation of the company.
Strategic orientation	The strategic direction or orientation of the company indicates the manner in which the executives and managers of the company ought to go about ensuring the current and emergent competitiveness of the company. The strategic orientation of the company is regarded as the end result or the outcome of the strategic processes conducted by executives and middle management.
Strategic training / strategic training needs / strategic	The emerging strategic orientation of the company is translated in terms of skills that executives, managers



training process

and employees will require in future to ensure the continued competitiveness of the company. This type of training takes place on an ongoing basis since the strategic orientation is continually amended according to factors present in the strategic environment of the company.

Rothwell and Kazanas (1994:425) explain: “Strategic training prepares employees for changes in job requirements wrought by external environmental conditions or by organisational policies, procedures, plans or work methods. It is based on predictions of future job requirements stemming from strategic necessity”.

Strategic training needs arise from the emerging strategic orientation of the company and not from the job description of managers and employees.

Rothwell and Kazanas (1994:425) explain that this type of training needs is often determined by the predictions regarding the skills that employees require. The strategic training needs of executives, managers and employees are addressed through a strategic training process. The unique nature and scope of strategic training requires that this type of training should differ from a traditional training process. The emerging strategic orientation of the company determines the strategic training needs of executives, managers and employees. Executives and managers are primarily responsible for strategic processes and thus they require strategic training in terms of the strategic processes for which they are responsible. These strategic processes include the formulation of the emerging strategic orientation of the company.



Traditional training / traditional training needs	Traditional training ensures that the work performance of executives, managers and employees complies with the predetermined standard. Traditional training needs have as its point of departure the current job descriptions of the executives, managers and employees as determined by the current strategic orientation of the company. Executives and managers are primarily responsible for strategic processes and thus they require traditional training in terms of the strategic processes for which they are responsible or as determined by their job descriptions. These strategic processes include the formulation of the current strategic orientation of the company. This type of training need is often addressed by means of non-recurrent formally structured training programmes.
Training infrastructure	The training infrastructure of the company includes a variety of aspects regarding the manner in which training manifests in the company. These aspects include the business unit responsible for training, the individuals responsible for training, the instructional media and methods used for training purposes, the methods used to measure the effectiveness and relevance of training, as well as the involvement of external providers of training in the training processes of the company.
Value chain	The value chain of the company consists of role players which are involved with the company but exist externally to the company. The value chain of companies includes the clients, suppliers, distributors, representatives, dealers, agents, contractors, vendors and manufacturers of the products of the company.

1.8 FRAMEWORK OF THE STUDY

This study is divided into eight chapters of which the content and scope are as follows:

- Chapter 1 Introduction and problem statement: Chapter 1 gives an introductory orientation to the study. This chapter includes the problem statement and explains the significance and value of the study. The methodology which will be followed to conduct the research is described and a statement of relevant terms used in the study is included. The chapter is concluded with an explanation of the various chapters in which the study will be divided.
- Chapter 2 The strategic environment of companies: In Chapter 2 the external and internal environment within which companies formulate and implement their strategic orientation are discussed using the Cynefin framework for organisational sense making. The chapter explains how the strategic orientation of companies serves as point of departure for strategic training and how the various domains in the strategic environment of companies will influence the way in which strategic training manifests itself.
- Chapter 3 Learning as the result of strategic training: Various aspects regarding the manner in which training takes place in companies are discussed in Chapter 3. In this chapter the relationship between knowledge processes, learning and training is explained and a discussion is provided of the infrastructure which is necessary for a strategic training process.
- Chapter 4 Strategic human resource development: Strategic human resource development is regarded as an overarching process to strategic training. Chapter 4 explains the concept “strategic human resource development” and gives examples thereof. Strategic training as an example of strategic human resource development is discussed extensively. The differences between strategic and traditional training are also indicated. This chapter concludes

with a discussion of the strategic training needs of executives, managers and employees in South African companies as found in the literature.

- Chapter 5 Research methodology: Chapter 5 consists of a discussion of the research methodology to be followed to conduct the research. In this chapter the research objectives and research design are explained and the manner in which the data will be collected. An explanation is provided of the manner in which the reliability and validity of the research will be tested.
- Chapter 6 Analysis and interpretation of data: Chapter 6 presents the data of the face-to-face interviews conducted with executives and managers. This chapter includes the analysis and interpretations of the data of the semi-standardised interviews conducted by the researcher on the use of strategic training and the strategic training needs of executives and managers in a selection of large South African companies. The analysed and interpreted data are used to confirm or refute the content of the literature review.
- Chapter 7 A framework for the implementation of a cyclical strategic training process in large South African companies: In Chapter 7 the researcher provides a generic framework of a cyclical strategic training process. This framework addresses the need for a method through which executives and managers in large companies can be made aware of the importance of strategic training and provides guidelines that can be used to implement a strategic training process.
- Chapter 8 Synthesis and recommendations: To conclude the study an explanation is given of the purpose, scope and importance of the research. Furthermore, in Chapter 8 a description is provided of the manner in which the literature study and data collected during the face-to-face interviews address the problem statement and recommendations are made on the findings of the study. This chapter also includes recommendations on the relationship that should be present between strategic training and knowledge management. Aspects regarding the topic that necessitate further research but that have not



been properly addressed in this study are identified before the researcher concludes with some final remarks on the study.



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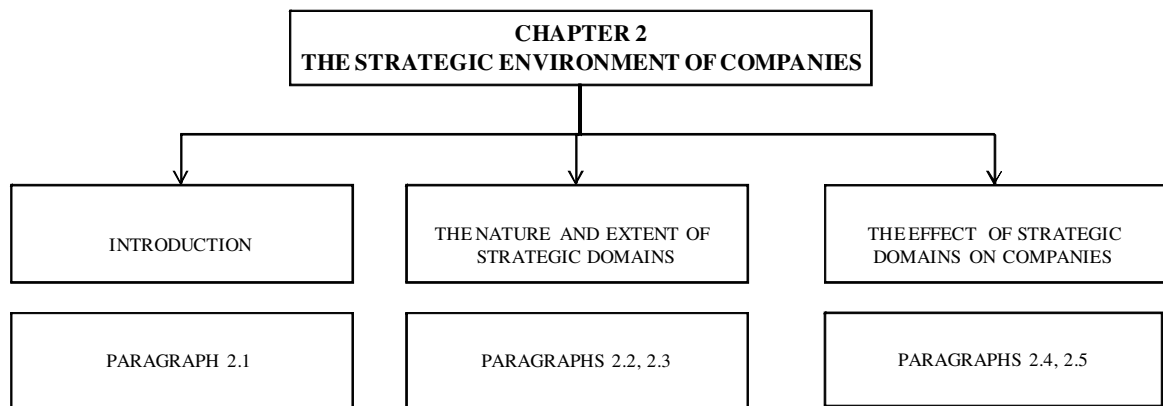
CHAPTER 2

THE STRATEGIC ENVIRONMENT OF COMPANIES

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GRAPHICAL REPRESENTATION OF CHAPTER 2

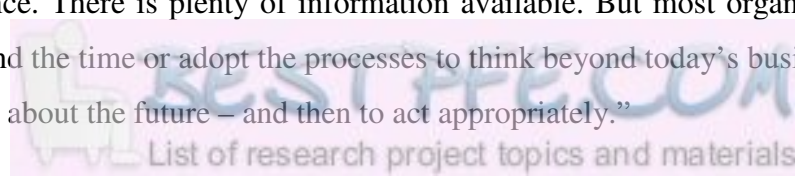




2.1 INTRODUCTION

Strategic processes requires that the strategic orientation of companies is formulated and implemented and that this orientation should be revised or amended over time according to emergent factors in the external and internal strategic environment of companies. The strategic orientation of a company is thus determined by the manner in which the individuals involved in strategic processes (executives and managers) make sense of factors present in the external and internal environment of companies. Choo (1996:329) explains the purpose of sense making as follows: “...for an organization’s members to share a common understanding of what the organization is and what it is doing; the longer term goal is to ensure that the organization adapts and therefore continues to thrive in a dynamic environment.”

As soon as sense has been made of the manner according to which these factors influence the competitiveness of the company the management must revise the current strategic orientation of the company. Weeks (2004b:22) explains as follows: “In questioning practitioners as to how many of their well formulated strategies were implemented without significant changes over the space of time, their overwhelming response was one of having to constantly adapt the strategy to deal with emerging realities that were largely unforeseen when the strategy was originally formulated.” This statement by Weeks is confirmed by Becker and Freeman (2006:2): “To ride the coming wave of global forces, a company must prepare by undertaking a comprehensive longer-range analysis of the external environment. The analysis should go well beyond a superficial scan of global issues not only to build a detailed understanding of the trends and how they will affect the company but also to facilitate open dialogue within the top team about what the future will bring. In addition, the company should regularly review and update this aligned view of the future; only then can it identify growth opportunities, plan for economic discontinuities and risks, and make the big bets necessary to capture the most rewarding opportunities.” Hamel (cited in Marsh, 2006:10) concurs and points out “the failure of companies to manage the quality of thinking about the long term future which is needed if they are to have strategic resilience. There is plenty of information available. But most organisations don’t seem to find the time or adopt the processes to think beyond today’s business, to think effectively about the future – and then to act appropriately.”





Decisions must then be made on the manner in which the current strategic orientation of the company should be amended to ensure the continued competitiveness of the company. Choo (1996:329) describes the scope of a decision making process as follows: "...the selection of and commitment to an appropriate course of action".

Although revising the strategic orientation of the company should take place on an ongoing basis in order to ensure that it remains relevant it does not necessarily always result in the amendment of the strategic orientation of the company.

Kurtz and Snowden (2003:470) explain that the internal and external strategic environment of a company is characterised by the presence of four domains, namely: the known, knowable, complex and chaos domains of the company. These domains are bordered by a so-called central area that is characterised by disorder. The nature of the factors that are present in the above-mentioned four domains as well as the interaction between them determine the manner in which the strategic orientation of the company ought to be amended.

Training is a process which companies employ to empower their executives, managers and employees to achieve the current as well as the emergent strategic orientation of the company. Companies must therefore ensure that they have the necessary training processes in place to train executives and managers involved in strategic processes to acquire the skills to give effect to the current as well as the emergent strategic orientation of the company. The training provided to executives and managers should eventually be cascaded through the company and include all employees. The nature of the factors that are present in the known, knowable, complex and chaos domains of the internal and external strategic environment of companies determines the manner in which the strategic orientation of the company is formulated and implemented. Thus they should also serve as the points of departure for training processes.

It should be noted that the purpose of this chapter is not to indicate the manner according to which the strategic orientation of the company should be revised and amended to ensure the continued competitiveness of the company. This chapter

rather seeks to indicate that there are different domains that should serve as points of departure for the revision and amendment of the company’s strategic orientation. The unique nature and scope of these different domains pose particular demands to executives and managers involved in strategic processes and thus give rise to the development of related training needs.

2.2 DOMAINS IN THE STRATEGIC ENVIRONMENT OF COMPANIES

The domains that are present in the internal and external strategic environment of companies are discussed according to the Cynefin framework for organisational sense making (Cynefin Centre for Organisational Complexity, 2003:1). Weeks (2004a:27) describes the purpose of the Cynefin framework as follows: “The framework in effect serves as a very useful means for gaining awareness as to contextual differences that coexist at any specific point in time and how to more effectively respond within each of the respective domains concerned.”

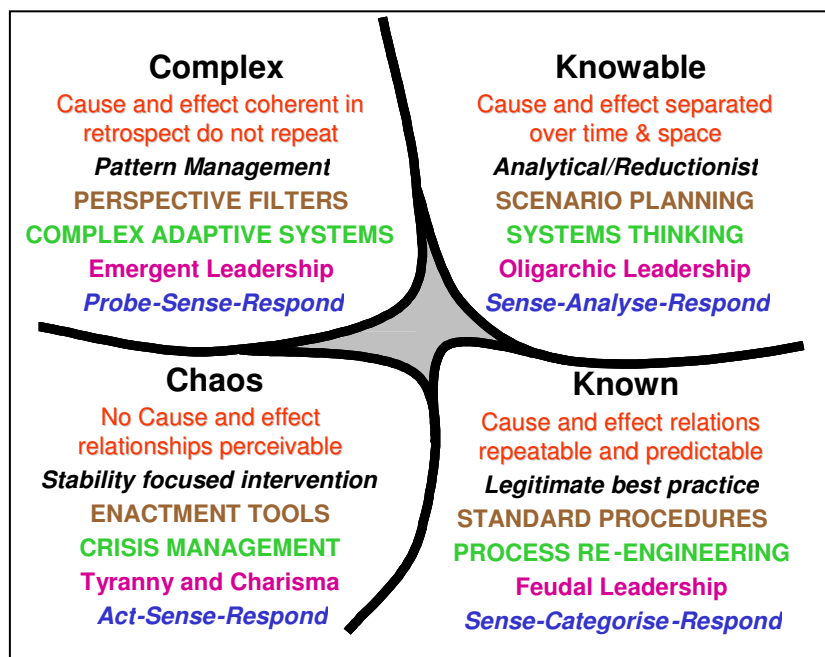


Figure 2.1 Cynefin framework for organisational sense making (Cynefin Centre for Organisational Complexity, 2003:1)

The Cynefin framework chiefly consists of four domains that form the external and internal strategic environment of companies. These domains are identified as the

known, knowable, complex and chaos domains and a central domain (grey area in Figure 2.1) characterised by disorder. The known domain is also referred to as an environment characterised by visible order whilst the knowable domain is referred to as the domain of hidden order. The chaos and complex domains are referred to as the domains of un-order. Kurtz and Snowden (2003:468) explain: “The right-hand domains are those of order and the left-hand domains those of un-order.”

There is thus a particular “order” in all four the domains of the Cynefin framework. However, the order in the right-hand side of the Cynefin framework exists naturally while the order in the left-hand side of the framework needs to be stimulated in order to be visible. Order in these domains is emerging and is known as un-order. Un-order is explained by Kurtz and Snowden (1993:465) in the following manner: ...“we call emergent order *un-order*. Un-order is not the lack of order, but *a different kind of order*, one not often considered but just as legitimate in its own way. Here we deliberately use the prefix “un-” not in its standard sense as “opposite of” but in the less-common sense of conveying a paradox, connoting two things that are different but in another sense the same.”

A distinction should, however, be drawn between the domains in which un-order present and the central area that is characterised by disorder. Kurtz and Snowden (2003:468) describe the domain of disorder: “The central area of disorder is key to understanding conflict among decision makers looking at the same situation from different points of view. Often in a group using the Cynefin framework, people agree on what the extremes of the four domains mean in the context they are considering, but disagree on more subtle differences near the center of the space. As a result, individuals compete to interpret the central space on the basis of their preference for action.”

Each of the respective domains in the Cynefin framework is unique in terms of the nature and scope of factors present in the domain, decision models, management techniques, leadership or management style as well as the cause and effect relationship between factors present in the domain (Botha, 2007:131; Snowden & Boone, 2007:2; Ungerer, Herholdt & Uys, 2006:201) [See Figure 2.1].

The borders that divide the different domains are, however, not fixed boundaries and thus result in the factors present in the external and internal strategic environment of the company to move between the different domains. Companies must therefore amend their existing strategic orientation to ensure that the presence of factors in a particular domain contribute to the continued competitiveness of the company.

The purpose of the Cynefin framework is to enable companies to make sense of the factors present in their external and internal strategic environment as they present themselves in a particular domain. As soon as companies have made sense of the factors present they must take a decision regarding the manner in which they will react to the presence of factors in a particular domain. Kurtz and Snowden (2003:468) explain as follows: “We have found that it [Cynefin framework for organisational sense making] gives decision makers powerful new constructs that they can use to make sense of a wider range of unspecified problems.”

What follows is a brief discussion of each of the respective domains of the Cynefin framework.

2.2.1 Known or visible order domain

The known domain is probably the domain in which companies find it easiest to revise and amend the current strategic orientation of the company according to the presence of factors that influence the competitiveness of the company. This is attributed to the fact that the factors in this domain are “visible” and are regarded by Kurtz and Snowden (2003:468) as obvious and familiar.

In this domain sense is made and decisions are taken regarding the revision and amendment of the strategic orientation of the company based on factors of which the cause and effect can be predicted with certainty. The decision-making model used in the known domain is described as follows: “Our decision model here is to sense incoming data, categorise that data, and then respond in accordance with predetermined practice.” (Kurtz & Snowden, 2003:468). Decisions in this domain are made by using existing explicit knowledge that is coded in systems, processes,

procedures as well as guidelines. Kurtz and Snowden (2003:468) point out that “process re-engineering” is a typical management technique found in this domain.

Processes in the known domain focus on efficiency which is defined as follows by the Cynefin Centre for Organisational Complexity (2004:1): “Efficiency: Stripping away superfluous functions to maximize productivity.”

Factors in the known domain of the internal and external strategic environment of companies are “visible” and are regarded by Kurtz and Snowden (2003:468) as obvious and familiar. The researcher is of the opinion that in this domain it is thus fairly straightforward to determine the emergent strategic orientation of the company and the strategic training needs of executives and managers.

2.2.2. Knowable or hidden order domain

The factors present in the knowable domain are less “visible” than those in the known domain, but it is still possible to determine the causal relationship of factors in this domain and their effect on the company. In this domain sense is made and decisions are taken regarding the revision and amendment of the strategic orientation of the company based on factors that are more uncertain than in the known domain but more certain than in the domains of un-order (complex and chaos domains). This requires that the cause and effect of similar factors as those currently present in the knowable domain are analysed in order to determine the manner in which the strategic orientation of the company should be amended. The cause and effect between the factors currently present in the knowable domain are determined through a process of analysis and can be predicted with a reasonable measure of certainty.

Kurtz and Snowden (2003:468) explain the manner in which companies make decisions in this domain: “Our decision model here is to sense incoming data, analyze that data, and then respond in accordance with expert advice or interpretation of that analysis.” In this domain decisions are made through scenario planning, and business and competitive intelligence (Kurtz & Snowden, 2003:468). Kurtz and Snowden (2003:468) are also of the opinion that executives and managers use systemic thinking to manage factors present in the knowable domain.

In this domain the company's strategic orientation focuses on increasing the productivity of the company through efficiency and to contribute to the competitiveness of the company (Cynefin Centre for Organisational Complexity, 2004:1).

The factors present in the knowable domain are less "visible" than those in the known domain, but it is still possible to determine the causal relationship of factors in this domain and their effect on the company. The emergent strategic orientation and the nature and scope of the strategic training needs of executives and managers are influenced by the advice of experts as well as the use of analytical processes such as business and competitive intelligence.

2.2.3 Complex domain

The emergent and uncertain nature of the complex domain probably results in companies succeeding to a lesser extent to take into account the patterns present in this domain when they revise and amend the current strategic orientation of the company. Stacey (1996:20) describes the implications of managing in the complex domain as follow: "The science of complexity presents us with a completely different metaparadigm. Through this lens, the world of organization is seen as a system held far from equilibrium, at the edge of chaos, by the paradoxical dynamic of competition and self-organizing cooperation. In this fundamentally paradoxical world, the links between actions and their long-term outcomes is lost, and what remain predictable are the system dynamic and the archetypal behaviour it produces: predictability is possible at the general level but not the specific, the opposite of the conclusion is reached with the aid of [conventional management thinking]."

In the complex domain companies will investigate the factors that may influence the competitiveness of the company by means of the patterns that these factors form. This investigation will result in the establishment of a particular power of attraction by the company. Patterns will emerge due to the interaction of factors around this power of attraction. Companies must make sense of the patterns that arise and decide

which of the positive patterns should be stabilised and which of the negative patterns should be destabilised (Kurtz & Snowden, 2003:469).

The current strategic orientation of the company will therefore be revised and amended according to the manner in which it is decided the patterns present in the complex domain should be managed. Naturally the interaction between factors that determine the manner in which they will react to a particular power of attraction will have a particular cause and effect. The nature and scope of the interaction between these factors are, however, not such that it is possible to categorise (known domain) or analyse (knowable domain) and are therefore not predictable or perceivable. It is only possible to make sense of the patterns that develop around a particular power of attraction in a retrospective manner (Kurtz & Snowden, 2003:469).

Kurtz and Snowden (2003:469) are of the opinion that decisions regarding pattern management in a complex environment should be made by taking into account a multiplicity of perspectives. They explain: “Understanding this space requires us to gain multiple perspectives on the nature of the system. This is the time to “stand still” (but pay attention) and gain new perspective on the situation rather than “run for your life,” relying on the entrained patterns of past experience to determine our response”. The importance of gaining a multiple perspective necessitates that executives and managers have a strategic perspective which is more emerging in nature than merely their perspective on the current strategic orientation to conduct strategic processes in the complex domain. Weeks (2004a:29) gives the following explanation: “This [the context of complexity] implies a need and willingness to let go of mental models or preconceived notions to create an environment where creative thought and learning can co-exist in finding new ways of doing things.” Kurtz and Snowden (2003:469) explain that the tools and techniques used in the known and knowable domain cannot be used in the complex domain to effect the creation of new knowledge or learning. However, they specifically refer to the use of narrative techniques such as, storytelling, in the complex domain.

Processes in the complex domain focus on effectiveness, which the Cynefin Centre for Organisational Complexity (2004:1) defines as follows: “Effectiveness: Allowing a degree of redundancy to create adaptive capacity”.



Stacey (1995:477) describes the challenges that the complex domain presents to executives and managers involved with strategic processes in companies. He explains that there are primarily two (strategic choice and ecology) approaches towards strategy formulation. These approaches “make the same assumptions...namely, that successful systems (individual organizations/whole populations) are driven by negative feedback processes toward predictable states of adaptation to the environment. The dynamics of success are therefore assumed to be a tendency toward equilibrium and thus stability, regularity and predictability. These assumptions are now being questioned at a fundamental level by developments in physics, biology and mathematics. These developments can be grouped under the heading ‘the science of complexity’, a science which is concerned with the dynamical properties of nonlinear and network feedback systems.” Non-linearity and network feedback systems are typical of complex adaptive systems. The strategic environment that is formed by the complex domain is regarded as a complex adaptive system.

Companies must take cognisance of the characteristics of complex adaptive systems. This will enable executives and managers to understand the manner in which patterns result from the interaction between factors, although they will not be able to predict these patterns.

Stacey (1996:10) states: “Complex adaptive systems consist of a number of components, or agents, that interact with each other according to sets of rules that require them to examine and respond to each other’s behaviour in order to improve their behaviour and thus the behaviour of the system they comprise.” Cilliers (1998:3-5) describes some other typical characteristics of a complex adaptive system as follows:

- Complex systems consist of a multitude of factors.
- Although complex systems are characterised by a multitude of factors the mere presence of these factors are not sufficient since an interaction must take place between these factors.



- The nature of the interaction between the factors in a complex system is rich since the factors in the system influence various other factors and are also influenced by various others.
- The interaction is non-linear, which implies that a limited cause can have a comprehensive effect and vice versa.
- The interaction takes place in the immediate environment and thus near the factor.
- There are loops in the interaction between factors. This implies that the result of the interaction will again have a particular effect on the interaction between the factors.
- Complex systems are regarded as “open” systems since there is interaction between the system and the environment within which the system is situated.
- Complex systems are not characterised by a state of equilibrium since a continuous flow of energy is required to ensure that the system can organise itself in patterns.
- Complex systems have a historical past. This is ascribed to the fact that complex systems develop over time and the manner in which they currently manifest is the result of their past.
- Each of the factors in a complex system is unaware of the manner in which the interaction takes place between other factors in the system.

Cilliers (1998:5) explains the relationship between complexity and complex systems as follows: “Complexity is the result of a rich interaction of simple elements [or factors] that only respond to the limited information each of them are presented with. When we look at the behaviour of a complex system as a whole, our focus shifts from

the individual element [or factor] in the system to the complex structure of the system. The complexity emerges as a result of the patterns of interaction between the elements or [factors].” Luhmann (1995:25) confirms the above-mentioned explanations of Stacey (1996:10) and Cilliers (1998:5). He describes the nature of complex systems as follows: “...complexity entails that, in a system, there are more possibilities that can be actualized.” This statement by Luhmann indicates that managers must be able to probe the strategic environment in the complex domain in order to make sense thereof. They should then respond by stabilising positive patterns and destabilising negative patterns. However, executives and managers must ensure that the current strategic orientation of the company is revised and amended in order to ensure that the patterns contribute to the continued competitiveness of the company.

The emergent and uncertain nature of the complex domain probably results in companies succeeding to a lesser extent in taking into account the patterns present in this domain when revising and amending the current strategic orientation of the company. The nature of the complex domain poses a huge challenge to a strategic training process and necessitates the constant revision of the strategic training needs of executives and managers.

2.2.4 Chaos domain

Kurtz and Snowden (2003:469) explain that companies find themselves in the chaos domain in either a planned or unplanned manner.

If companies find themselves in the chaos domain in an unplanned manner, it is ascribed to circumstance resulting from factors present in the company’s internal and external strategic environment. These factors are, however, such that the relationship between the cause of factors and their effect on the company are not perceivable. The company therefore does not have sufficient time to investigate the nature and scope of the changes in the external and internal strategic environment of the company – and to amend the current strategic orientation of the company accordingly. Kurtz and Snowden (2003:496) explain: “In the chaos domain there are no such perceivable relations [between cause and effect], and the system is turbulent; we do not have the response time to investigate change.” These authors are also of the opinion that if

companies find themselves in the chaos domain in an unplanned manner, they must immediately react to factors in order to establish stability. Only if they have succeeded in establishing stability will they make sense of the effect of their reaction, after which they must again respond according to the effect of the original reaction.

Secondly, companies can also progress to the chaos domain in a planned and purposeful manner with a view to achieving a particular outcome, as Kurtz and Snowden (2003:469) explain: “Chaos is also a space we can enter into consciously, to open up new possibilities and to create the conditions for innovation.” Although the company progresses to the chaos domain in a planned and purposeful manner the nature and scope of the domain remains exactly the same.

In this domain decisions are taken on the basis of the sense that has been made of a particular action (Cynefin Centre for Organisational Complexity, 2004:1). Kurtz and Snowden (2003:468) are further of the opinion that executives and managers in the chaos domain use crisis management to manage factors present in this domain in such a manner that these factors do not have a negative effect on the competitiveness of the company.

In the chaos domain, as is the case in the complex domain, the focus is on effectiveness through increasing the adaptability of the company and to ensure the continued competitiveness of the company (Cynefin Centre for Organisational Complexity, 2004:1).

The use of a strategic training process in the chaos domain is aimed at preparing executives and managers for crisis management. It is extremely difficult to identify or determine specific training needs and the nature and scope of these needs are highly speculative in nature.

2.2.5 Domain of disorder

If companies find themselves in the domain of disorder it implies that they did not succeed in making sense of factors present in the external and internal strategic environment. Kurtz and Snowden (2003:469) explain: “In the space of disorder, we

know something very valuable – that we do not know. We need to gain more understanding (in every way possible) so that we can find patterns and react to them.” Kurtz and Snowden (2003:470) explain that individuals tend to manage the factors present in the domain of disorder according to the characteristics of the domain in which they find it easiest to manage.

2.3 CYNEFIN DYNAMICS

The manner in which executives and managers make sense of the factors which are present in the ordered and un-ordered domains of the external and internal strategic environment of companies determine the decisions that are made regarding the revision and amendment of the current strategic orientation of the company. The amendment of the current strategic orientation of the company is made possible by a phenomenon known as Cynefin dynamics. Cynefin dynamics enable companies to progress between the different domains. The emergent strategic orientation indicates the manner in which the company needs to progress between different domains or the type of Cynefin dynamics which is necessary to ensure the continued competitiveness of the company. Cynefin dynamics explains why the amendment of the strategic orientation of companies gives rise to the development of strategic training needs. Executives and managers should take the nature and scope of the various domains into consideration when they progress from one domain to another to be able to manage effectively. However, the nature and scope of each of the ordered and un-ordered domains pose unique challenges to executives, managers and employees and necessitate a training process that addresses the strategic training needs of these three groups of individuals in each of the domains. This also explains why strategic training must take place on a continuing basis.

Kurtz and Snowden (2003:475-479) identify ten possible movements in terms of which companies can progress between different domains. These movements are illustrated in Figure 2.2 Cynefin dynamics and Figure 2.3 Cynefin dynamics in the chaos domain.

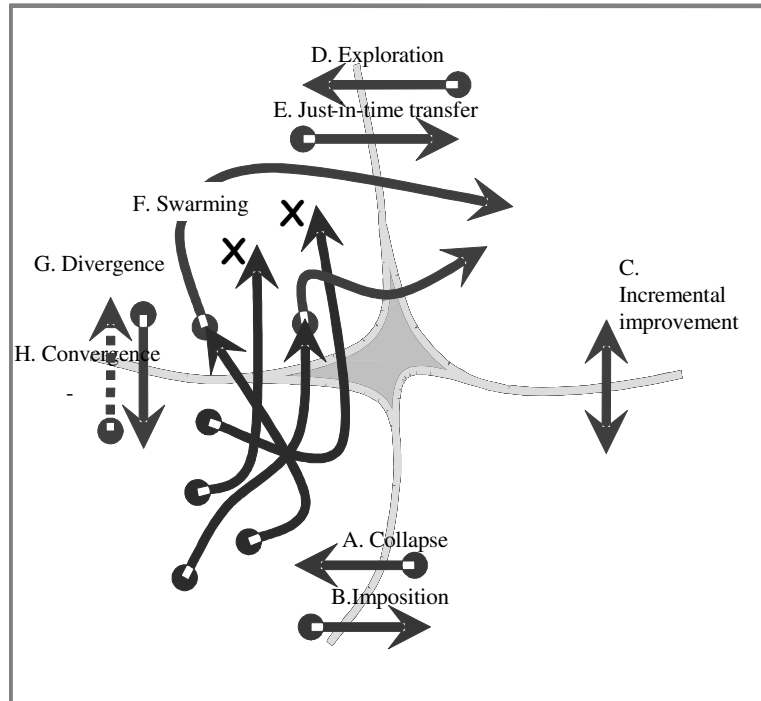


Figure 2.2 Cynefin dynamics (Kurtz & Snowden, 2003:476)

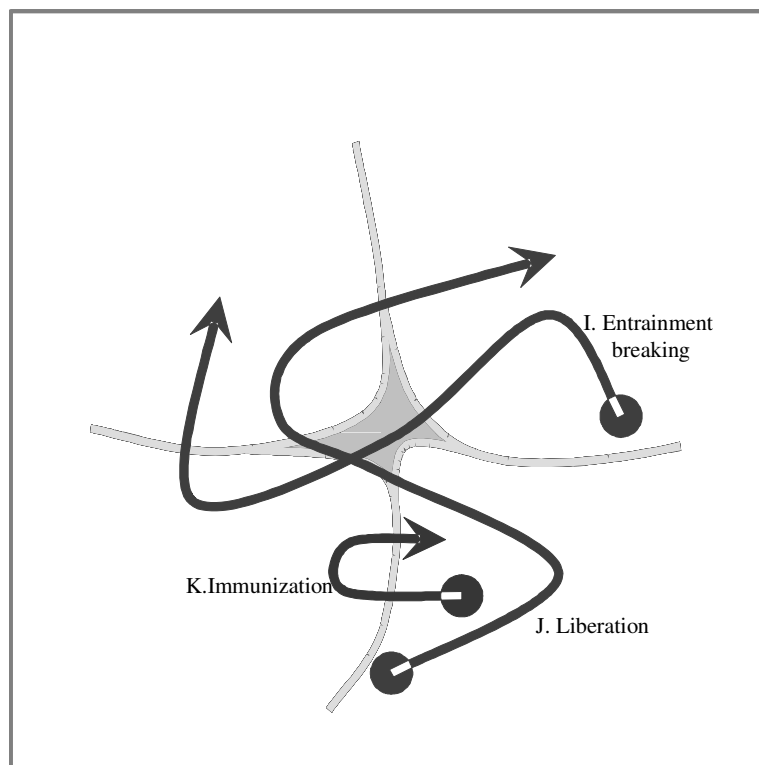


Figure 2.3 Cynefin dynamics in the chaos domain (Kurtz & Snowden, 2003:478)

The ten possible movements in terms of which companies can progress between different domains as described by Kurtz and Snowden (2003:475-479) and illustrated in Figures 2.2 and 2.3 are:

A – Asymmetric collapse: this movement involves companies moving from the known to the chaos domain and it could possibly have a negative effect on the competitiveness of companies.

B – Imposition: this movement involves companies being forced to progress from the chaos to the known domain and is used to counter the effect of asymmetrical collapse.

C – Incremental improvement: this movement involves companies repeatedly moving between the knowable and known domains. This is the most general type of movement found between domains.

D – Exploration: this movement involves companies moving in a selective manner from the knowable to the complex domain in order to investigate new opportunities.

E – Just-in-time transfer: this movement involves companies moving on a selective basis from the complex domain to the knowable domain. This entails that existing knowledge is formalised and made available as it is needed.

F – Swarming: this movement involves companies progressing from the chaos to the complex domain and then to the knowable domain. The effect of this movement is explained as follows by Kurtz and Snowden (2003:477): “After we have achieved the shift from chaos to the complex, then we have the possibilities of many patterns forming around new attractors; those we find desirable we stabilize through a transfer to the exploitable domain of the knowable; those that are undesirable are destroyed.”

G, H – Divergence-convergence: this movement involves companies repeatedly moving from the complex to the chaos domain and then back to the complex domain. Kurtz and Snowden (2003:478) explain: “The active disruption of a complex system to precipitate its move to chaos is less of a change than moving it to either of the ordered domains, and this is easier to manage.” This movement is found if the

company progresses to the chaos domain in a planned manner to achieve a particular purpose such as for example innovation. Certain patterns will come about that need to be stabilised or disrupted to enable the company to make sense in the complex domain.

I – Entrainment breaking: this movement entails that companies periodically progress from the knowable to the chaos domain and then to the complex domain. Kurtz and Snowden (2003:478) explain that this movement is used to change the mental models of specialists in particular to think about matters in a new manner.

J – Liberation: this movement entails that companies periodically progress from the known to the complex domain and then to the knowable domain. According to Kurtz and Snowden (2003:479) this movement is used to counter the effects of bureaucracy in companies. It is regarded as a type of movement that executives and managers regard as a threat, but that is often necessary for the continued competitiveness of the company.

K – Immunisation: this movement entails that companies temporarily progress from the known to the chaos domain. According to Kurtz and Snowden (2003:479) this movement is used to bring about change but not to such an extent that the entire system is changed.

The above-mentioned ten possible movements in terms of which companies can move between the four different domains influence the manner in which the strategic training needs of employees and especially executives and managers involved in strategic processes manifest as explained in paragraphs 2.2.1 to 2.2.4. The movement between the four domains of the Cynefin framework or the Cynefin dynamics explains the importance of a strategic training process which is adaptive and continuous in nature.

Naturally the divergent nature of each of the above-mentioned movements between the domains of the Cynefin framework means that a unique type of leadership style is required in each of the domains. Kurtz and Snowden (2003:475) describe the impact of Cynefin dynamics on the type of leadership style found in each of these domains as

follows: “...move across boundaries [between the four domains] requires a shift to a different model of understanding and interpretation as well as a different leadership style.” It is therefore necessary that executives and managers involved in the revision and amendment of the current strategic orientation of the company should have an appropriate managerial and leadership style to manage and lead the company within a particular domain.

The manner in which executives and managers make sense of the factors which are present in the ordered and un-ordered domains of their external and internal strategic environment determine the decisions that are made regarding the revision and amendment of the current strategic orientation of the company. These amendments are made possible by means of Cynefin dynamics.

2.4 MANAGERIAL AND LEADERSHIP STYLES WITHIN STRATEGIC DOMAINS

The dominant managerial and leadership styles found in each of the different domains are:

- **Known domain:** A rigid and strict bureaucratic managerial style is found in this domain. Executives and managers make use of prescriptive management techniques to ensure that the strategic orientation of the company is carried out. The rigid style of executives and managers typically found in the known domain is described as follows: “clear lines of authority and little ambiguity.” (Cynefin Centre for Organisational Complexity, 2003:4). Traditional managerial skills are important in this domain as executives and managers rely on explicit knowledge that is captured and coded in systems, processes, procedures as well as guidelines or manuals.
- **Knowable domain:** An oligarchic managerial style is typically found in this domain. This type of managerial style focuses on the achievement of consensus rather than using prescriptive management techniques. Naturally attempts will also be made to achieve consensus regarding strategic processes and the manner in which the strategic orientation of the company will be



carried out. The managerial style of executives and managers typically found in the knowable domain is described as follows: “need to build respect, requires strong awareness of agendas” (Cynefin Centre for Organisational Complexity, 2003:4). In the knowable domain it is necessary for executives and managers to be able to think analytically and methodically as “experiment, expert opinion, fact-finding, and scenario planning are appropriate.” (Cynefin Centre for Organisational Complexity, 2003:1-2).

- **Complex domain:** In the complex domain, as in the known domain, executives and managers try to ensure that the strategic orientation of the company is carried out through consensus. The difference between the knowable and the complex domain is that a more informal managerial style is found in the complex domain. The manner in which leadership manifests is largely determined by the nature and scope of the factors present in the complex domain. Leadership is thus considered to be consequential or emergent and is described as follows: “Emergent leadership can be visionary or practical” (Cynefin Centre for Organisational Complexity, 2003:1-2). In the complex domain executives, managers and leaders need the skill to interpret the current strategic orientation of the company in terms of powers of attraction and patterns that evolve around these powers of attraction. Executives, managers and leaders need to be able to manage and lead in a strategic environment which is emergent and uncertain and therefore need the ability to envision the company in the “larger” system within which it exist.
- **Chaos domain:** The chaos domain requires immediate action by leaders and managers in order to make sense of factors in the external and internal environment of the company. This requires a “decisive type of leadership style coupled with prescriptive management techniques. The nature of the type of leadership style found in this domain is described as dictatorial or charismatic.” (Cynefin Centre for Organisational Complexity, 2003:1-2). This domain requires of executives, managers and leaders to have the necessary self-confidence and skill to act without the availability of tools and techniques that characterise the known, knowable and complex domains.



2.5 THE RELATIONSHIP BETWEEN STRATEGIC DOMAINS AND KNOWLEDGE MANAGEMENT

The presence of a variety of strategic domains and the challenges that each of these domains pose to executives and managers confirm the importance of knowledge management tools and techniques which are aimed at employees on operational levels but also at executives and managers on strategic levels in companies. An environment should therefore be created on both an operational as well as a strategic level where knowledge can be created, codified, shared, organised and ultimately applied in order to review the current strategic orientation of the company and to amend it if necessary. Training and strategic training in particular is a knowledge management technique that can be used by companies to bring about knowledge processes at a strategic level and specifically in terms of the emergent strategic orientation of companies.

The executives and managers involved in strategic processes must be empowered and prepared through strategic training to manage within each of the identified domains currently and in future. Although each of the domains is characterised by a unique nature and scope, it is especially the dynamics present between domains that will probably pose the biggest challenge to the managerial abilities of executives and managers. These dynamics require that executives and managers should not only have the skills to effectively manage companies in the domains, but also between domains. A cyclical relationship should exist between the strategic processes of the company and the training processes used by the company to train executives and managers involved in strategic processes. Furthermore, a cyclical relationship will ensure that strategic processes and training processes are aligned and that the nature and scope of strategic training and the strategic processes of the company are amended accordingly. The cyclical relationship between strategic processes and strategic training ensures that knowledge processes which are conducted on a strategic level are effective (knowledge can be applied in the company) and relevant (knowledge is aligned with strategic the strategic orientation of the company).

Companies can ensure that a cyclical relationship exists between strategic processes and training processes by clarifying a variety of training related aspects. These aspects will ensure that learning (creation, sharing, use of knowledge) occurs during training. Some of these aspects are:

- The nature and scope of strategic processes in the company.
- The familiarity of executives and managers involved in strategic processes with the domains of the known and knowable, but particularly the complex and chaos domains and the associated dynamics that is present between these domains.
- The manner in which learning supports the execution of knowledge processes on a strategic level.
- The specific manner in which executives and managers involved in strategic processes learn.
- The strategic training needs of executives and managers involved in strategic processes.
- The familiarity of individuals responsible for training with processes according to which executives and managers involved in strategic processes are trained, for example strategic human resource development and more specifically strategic training.
- The degree to which executives and managers involved in strategic processes are trained through processes such as strategic human resource development.
- The presence of a training process to enable the strategic training of especially executives and managers.

- The presence of a cyclical relationship between strategic processes and training.

The cyclical relationship that must be present between the strategic processes of the company and the training of executives and managers involved in strategic processes explains why strategic training needs should not be addressed in the same manner as traditional training needs.

2.6 CONCLUSION

The involvement of executives and managers in strategic processes is a function similar to any other function performed in companies and must be supported in the same measure as other organisational functions. It entails that executives and managers should be trained to empower them to give effect to the current as well as the emergent strategic orientation of the company. The strategic orientation of companies is formed by the factors which are present in the known, knowable, complex and chaos domains of the external and internal strategic environment of companies. Companies progress from one domain to another to ensure their competitiveness and the dynamics pose further challenges to the managerial abilities of executives and managers. A unique training process as well as a suitable training infrastructure must be used to support this type of training and through which the training needs of executives and managers are addressed [See Chapter 3 for a discussion of the infrastructure which companies should use for a strategic training process and Chapter 4 for a discussion of strategic training]. The uniqueness of a strategic training process lies in the fact that it must be linked to and supplement the company's strategy and must largely direct other training processes used in the company.



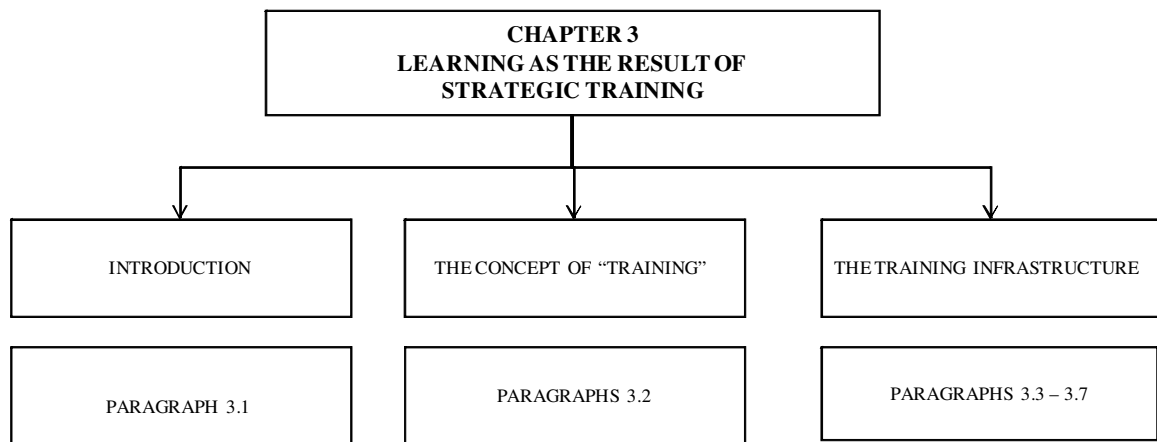
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CHAPTER 3

LEARNING AS THE RESULT OF STRATEGIC TRAINING



GRAPHICAL REPRESENTATION OF CHAPTER 3





3.1 INTRODUCTION

The purpose of training is for learning to occur to enable the effective work performance of executives, managers and employees and to ensure the competitiveness of the company currently as well as in future. Prawatt (1992:14) explains the learning process in the following manner: “When learning (the construction of meaning) occurs, learners actively connect new information or ideas to their existing knowledge. Therefore learners, should first recognise that the new information is related to what they already know, or that new information is incompatible with their existing knowledge and that their own ideas are flawed or incomplete.” Dewey (1933:52) also refers to the use of knowledge or actions when he states: “All learning is a continuous process of discovering insights, inventing new possibilities for action, producing the actions and observing the consequences leading to insights.”

Learning occurs when knowledge processes (creation, sharing, use of knowledge) are performed and the knowledge which the executives, managers and employees possess increases. The nature and scope of the training (traditional *versus* strategic) to which executives, managers and employees is exposed will therefore determine the nature and scope of learning (traditional *versus* strategic) which takes place during the training process or the nature and scope of knowledge which is created and shared and that will ultimately be used by executives, managers and employees in the performance of their respective jobs.

Executives and managers that are responsible for strategic processes in companies must therefore be exposed to processes such as traditional and strategic training during which knowledge processes in terms of the current and emergent strategic orientation of the company take place.

According to Rothwell and Kazanas (1994:433-434) strategic training manifests in two types of training, namely “non-directive” training and “directive” training. These authors are of the opinion that learning that takes place through non-directive training focuses primarily on the creation of knowledge, whilst learning that takes place through directive training focuses primarily on the sharing of knowledge. Rothwell

and Kazanas state: “*Nondirective training* produces new information. It fosters the sharing of insights, ideas, and innovative techniques among learners. *Directive training* is designed and delivered in anticipation of a future need.”

Chapter 3 presents a brief overview of the training infrastructure that should be present to enable directive as well as non-directive training in terms of the emergent strategic orientation of the company. The training infrastructure of a company consists of a variety of components, including a curriculum which provides an indication of the nature and scope of training programmes which is offered by companies, the use of various instructional media and methods, and also calls for the effectiveness and relevance of training to be determined for the company. Companies also make use of various training units and corporate universities as well as external providers of training, such as business schools and consulting firms, to be responsible for the training or even aspects of the training that they provide to executives, managers and employees. However, none of the components of the training infrastructure can ensure the success of training if the outcome or goal that is to be achieved through training is not used as point of departure in its planning, design and development.

The purpose of traditional and strategic training is to address the needs of executives and managers in terms of their ability to give effect to the current as well as the emergent strategic orientation of the company. Once the training needs of executives and managers have been addressed by means of strategic training, the process should be cascaded down through the company in order to include employees that function at operational levels. This would prepare them for “future job performance”. Rothwell and Kazanas (1994:425) state: “Strategic training requires HRD practitioners and managers to envision what future job performance should be under future conditions and prepare people for those conditions.” Strategic training must, however, be such that it provides for the needs of executives and managers as they emerge from all four (known, knowable, complex and chaotic) domains that characterise the strategic environment of companies [See Chapter 2].

3.2 THE RELATIONSHIP BETWEEN KNOWLEDGE PROCESSES, LEARNING AND TRAINING

Companies must create an environment in which strategic training can be used in order for knowledge processes regarding the emergent strategic orientation of the company to be given effect. Knowledge processes are performed when:

- Knowledge is created or generated.
- Knowledge is codified or captured.
- Knowledge is shared, distributed or disseminated.
- Knowledge is organised.
- Knowledge is used or applied.

Learning takes place if the knowledge of executives and managers increases by way of knowledge creation, sharing and use. During training knowledge is created and shared between executives, managers and employees. Eventually, the knowledge which has been created and shared during the training process will be applied within a particular work setting. The codification and organisation of knowledge takes place “outside” of executives, managers and employees and requires the presence of particular media as intermediary.

Strategic training is a process which enables executives and managers to perform knowledge processes regarding the emergent strategic orientation of the company. During the application of a strategic training process executives and managers in particular are empowered to learn in terms of the emergent strategic orientation of the company. The environment in which strategic training takes place must be such that it promotes and supports a strategic training process. It is therefore of crucial importance that companies are fully aware of the real meaning of the concept “strategic training ” and the nature and scope of a strategic training process.

Furthermore, companies should create a training infrastructure which is conducive to a strategic training process.

Nonaka (1991:22) explains the importance for companies to “learn” or to perform knowledge processes: “In an economy where the only certainty is uncertainty, the one sure source of lasting competitive advantage is knowledge. When markets shift, technologies proliferate, competitors multiply, and products become obsolete almost overnight, successful companies are those that consistently create new knowledge, disseminate it widely throughout the organization, and quickly embody it in new technologies and products”.

Knowledge processes and specifically the creation, sharing and use of knowledge are largely supported by four activities or modes of knowledge conversion (Dalkir, 2005:53). These activities are known as socialisation, externalisation, internalisation and combination. The literature often refers to these four activities as the SECI model or the knowledge spiral (Darroch & McNaughton, 2002:231; Nonaka & Takeuchi, 1995:56; Srikantaiah, 2004:366).

Socialisation: This activity entails the transfer of tacit knowledge between the trainer and learner(s) and/or between individual learners. During socialisation tacit knowledge is not transformed into explicit knowledge. Knowledge is thus not articulated or encoded. The transfer of knowledge takes place mainly through techniques such as imitation, observation and practice (Nonaka, 1991:28). Nonaka and Konno (1998:40) explain: “We use the term socialization to emphasize that tacit knowledge is exchanged through joint activities – such as being together, spending time, living in the same environment – rather than through written or verbal instructions.” The learner’s personal knowledge base increases due to the “new” knowledge he has acquired. This knowledge is, however, only available to the learner and does not form part of the knowledge base of the company (Nonaka, 1991:28; Darroch & McNaughton, 2002:231).

Externalisation: This activity entails the conversion of the tacit knowledge of the trainer and/or individual learner(s) into explicit knowledge. During this process tacit knowledge is articulated and can thus be shared with other learners and/or individuals.

Nonaka and Konno (1998:43) explain: “During the externalization stage of the knowledge-creation process, an individual commits to the group and thus becomes one with the group. The sum of the individuals’ intentions and ideas fuse and become integrated with the group’s mental world.” Knowledge is shared through a variety of structured (for example communities of practice, expert forums, training, meetings, thinktanks, knowledge cafes) or unstructured techniques (for example discussions, watercoolers) and the use of a variety of media. Knowledge does not only form part of the personal knowledge base of the trainer or learner, but is now shared with other learners and is part of the knowledge base of the company (Nonaka, 1991:29; Darroch & McNaughton, 2002:232).

Combination: This activity entails that discrete parts of explicit knowledge are combined and integrated in order to form a more complex whole. Combination also entails that knowledge that was created during the externalisation activity is disseminated or diffused throughout the company (Nonaka & Konno, 1998:44). “New” explicit knowledge can be created through this activity but contributes to the expansion of the knowledge base of the learner and not of the company (Nonaka, 1991:29; Darroch & McNaughton, 2002:233).

Internalisation: This activity entails the conversion of the explicit knowledge of the trainer and/or individual learner(s) into tacit knowledge (Darroch & McNaughton, 2002:233). During this process explicit knowledge is internalised and the personal knowledge base of the learner is expanded by the “new” knowledge he has acquired. Nonaka and Konno (1998:45) explain: “This requires the individual to identify the knowledge relevant for one’s self within the organizational knowledge.” If the learner does not internalise the knowledge that has been transferred to him, learning does not take place.

The challenge for companies is to create an environment in which all four of the activities included in the SECI model are enabled in order for individual learners to share their personal knowledge with one another for the benefit of the company (Nonaka, 1991:29). Nonaka and Takeuchi (1995:239) state: “Knowledge is created only by individuals. An organization cannot create knowledge on its own without individuals. Organizational knowledge creation should be understood as a process that



organizationally amplifies the knowledge created by individuals and crystallizes it at the group level through dialogue, discussion, experience sharing, or observation.” Ahmed, Kok and Loh (2002:16) confirm the opinion of Nonaka and Takeuchi (1995:239) and explain: “Organizational learning therefore seeks to describe a process of increasing the overall performance of an organization by encouraging knowledge creation and use in each of its value chain functions, in order to render each a source of competitive advantage or core competence.”

Rademakers and Velthuis (2001:7) refer to five aspects that companies should take into account to ensure that the environment in which knowledge processes are performed is suitable. These aspects are:

- “What kind of knowledge does the company need to achieve its business objectives?
- How to organize the creation of new knowledge?
- How to organize the exchange of knowledge?
- How to transfer knowledge and skills to employees?
- Which organizational conditions are needed to facilitate knowledge creation, exchange and transfer?”

The challenge for companies in respect of the implementation of knowledge processes through strategic training arises from the following definition of Rothwell and Kazanas (1994:424): “Instead of bringing individual performance into compliance with organizational policies, procedures, work methods, and cultural requirements, training becomes a vehicle for anticipating future environmental requirements. As environmental conditions change, the organization and individuals gradually learn how to behave so as to meet new requirements.”



Strategic training requires that companies should, within the framework of the SECI model, perform knowledge processes pertaining to the current but particularly also the emergent strategic orientation emanating from both the ordered (known and knowable) domains as well as the un-ordered (complex and chaotic) domains within their strategic environment. Dealtry (2000:221) explains: “...managers obviously must acquire deep skills in appraising competitive and environmental change dynamics that are directly related to their particular managerial responsibilities. They must be properly trained and experienced in reading the emergent management issues and know-how to generate tactical and strategic responses.” However, executives and managers should not only be trained in terms of “reading the emergent management issues and know-how to generate” or formulate “tactical and strategic” responses but they should also be trained in terms of the implementation of these responses in both the ordered and un-ordered domains of the strategic environment of companies. The implementation of “tactical and strategic” responses requires the identification of the the training needs of executives and managers. If the training needs of executives and managers are addressed they would acquire the necessary skills to enable them to manage effectively both currently as well as in the future. Training needs which originate from the current strategic orientation of the company are known as traditional training needs while training needs which originate from the emergent strategic orientation of the company are known as strategic training needs. During a strategic training process executives and managers learn about the emergent strategic orientation of the company and thus perform knowledge processes regarding the emergent strategic orientation of the company. A different process should however, be followed when executives and managers perform knowledge processes in terms of the un-ordered domains which are more emergent in nature than the traditional approach followed in respect of human resource development.

Meister (1998:48) explains that the creation of opportunities for learning – or an environment that is conducive to learning – does not necessarily mean that learning will take place and that learners should develop the ability to learn: “Companies must therefore go beyond creating opportunities for learning in the classroom or even at the computer. Instead, organizations committed to learning must help both individuals and employee teams develop the capacity to learn.” However, before the individual develops the ability to learn there should be clarity on the specific nature and scope of



that which the learner should learn and the approach to be used to ensure that the learner is able to learn.

Learning is characterised by three “types” of learning, namely: “single loop learning, double loop learning” and “triple loop learning”.

Single loop learning: “In single loop learning the underlying rules of the company is scarcely if ever questioned. No significant changes take place in strategy, structure, culture or systems” (Prestoungrange, Sandelands & Teare, 2000:216). This type of learning is characteristic of the known and knowable domains of the strategic environment of companies. In the known domain decisions are based on established knowledge captured and codified in systems, sources and services in the company. In the knowable domain decisions are based on the established knowledge of specialists and analysts. Training needs of executives, managers and employees are to a large extent addressed by means of existing training programmes and by means of the traditional method of human resource development. Training focuses on the sharing of existing knowledge (directive in nature) rather than on creating new knowledge (non-directive in nature) in terms of the strategy, structure, culture or systems of the company.

Double loop learning: “Double-loop learning is usually needed when external signals indicate that adjustment of the rules alone is no longer enough” (Prestoungrange, Sandelands & Teare, 2000:216). Argyris (cited in Van Dyk *et al.*, 2001:128) gives the following explanation: “...double-loop learning is the detection and correction of error that requires changes in the governing values.” This type of learning is characteristic of the complex and chaotic domains since decisions in these domains are not based on established knowledge but rather on newly emerging patterns (complex domain) or immediate actions (chaotic domain). This explains why the established knowledge or experience of managers and employees cannot be used as a point of departure when they are trained to function effectively in these domains. Nel *et al.* (2001:569) is of the opinion that: “Many people believe that 95 per cent of all learning occurs through experience. The trouble is, however, that experience is not always appropriate in preparing for the future.” Executives and managers involved in strategic processes thus become aware of strategic training needs as they formulate

the emerging strategic orientation of the company. These strategic training needs have to be addressed by means of training programmes which are highly customised according to the specific strategic orientation of the company. Due to the highly customised nature and scope of these training programmes existing programmes cannot always address the strategic training needs of executives and managers in an adequate manner.

Triple loop learning: “Triple loop learning can be described as development. It is the development of new principles with which an organization can move on to a new phase.” (Prestoungrange, Sandelands & Teare, 2000:217). Triple loop learning is regarded as the creation of awareness by executives and managers involved in strategic processes regarding the unique nature and scope of each of the four domains in the strategic environment of the company, and the effect of these domains on the current and emergent strategic orientation of the company. It also entails the creation of awareness of the existence of certain strategic training needs and the necessity of a training process that makes provision for addressing these needs.

When conducting knowledge processes, or for learning to occur, it is necessary to develop the ability of executives, managers and employees to learn as well as to have a training process in place which enables learning. However, it is also necessary to create a training infrastructure that supports the learning activity as well as the training process. The type of training process which is used, and the nature of the training infrastructure is determined by the purpose or outcome that should be achieved through training, or rather whether the training process should address the traditional or strategic training needs of executives, managers and employees and this whether executives, managers and employees should learn in terms of the current or emergent strategic orientation of the company.

3.3 THE PHILOSOPHY, POLICY AND STRATEGY OF THE COMPANY WITH REGARD TO TRAINING

The manner in which learning is enabled by companies should manifest in a philosophy, policy and strategy with regard to training that is followed by the

company (Killian, 2000:5; Telkom Centre for Learning and Organisational Capacity, 2004:5, Van Dyk *et al.*, 2001:83-89).

The training philosophy “can be described as the managerial attitude (either proactive or reactive), or perception, of the importance of its human resources potential to enhance company goal achievement by means of capital investment in the training and development efforts of the company.” The training philosophy provides an indication of the perspective of the company on training or the culture of the company regarding training (Van Dyk *et al.*, 2001:84). According to Killian (2000:5), Rademakers and Velthuis (2001:5) as well as Wheeler (2001:4) the training philosophy include aspects such as:

- Assumption made by the company regarding the development of human resources.
- Principles that should be present in order to lead to the establishment of a learning culture in the company.

Companies often make use of a training philosophy in conjunction with the training strategy to enable learning. Killian (2000:4) refers to the lack of a training strategy and/or training philosophy in a large South African financial institution in the following manner: “A Group learning strategy and/or learning philosophy, supported by learning governance principles do not exist.”

The examples of training philosophies and training strategies provided by Meister (1998:67) and the Telkom Centre for Learning and Organisational Capacity (2004:5), however, indicate that a clear distinction cannot always be made between the nature and scope of a training philosophy and a training strategy. Killian (2000:5) explains that a training philosophy can even form a component of a training strategy: “The key elements of such a learning strategy would be to: Develop a learning philosophy and supporting governance principles that will enable the organization to instill a culture of learning.”

The training philosophy should be supported by the training policy. Van Dyl *et al.* (2001:85) explain: “The success of training and development efforts in companies is theoretically based on the company’s official training and development policy. Underlying such a policy is a certain philosophy.” The purpose of the training policy “is to provide advice, opportunities, facilities, and financial support to enable employees of the company:

- to acquire the skills, knowledge, and related qualifications needed to perform effectively the duties and tasks for which they are employed;
- to develop their potential to meet the future human resource needs of the company;
- in exceptional cases to develop individuals beyond the immediate and foreseeable needs of the organisation.” (Van Dyk *et al.*, 2001:86).

From the statement by Van Dyk *et al.* (2001:86) it is evident that the training policy of the company should indicate the type of training process (traditional *versus* strategic) which is used by the company. Furthermore the training policy provides an indication of the manner in which these training processes and the training infrastructure are employed to address the traditional and strategic training needs of executives, managers and employees.

Killian (2000:5), Rademakers and Velthuis (2001:5) as well as Wheeler (2001:4) are of the opinion that the training strategy explains the manner in which training is addressed within the company however, the manner in which training is addressed within the company should rather be addressed in the training policy. The following aspects should be included in the training policy:

- The connection between the grand strategy and the strategic orientation of the company and training.



- The current and future knowledge needs that should be addressed in order to achieve the current and the emergent strategic orientation of the company.
- The knowledge that is currently available within the company.
- Guidelines followed to ensure that training takes place with due consideration of relevant training related legislation.
- Clarification of the manner in which the generic and more specialised training needs of executives, managers and employees are addressed through the curriculum followed in the company.
- An indication of the positioning of training or the training unit within the company, in other words whether the responsibility for training will be centralised and/or decentralised.
- The instructional methods and media that enable training.
- The manner in which the effectiveness and relevance of training programmes are determined and that thus serve as an indication of the value of training for the company.

The training philosophy, policy and strategy should be closely aligned with the current and the emergent strategic orientation of the company. However, the training strategy should also be aligned or linked to other functional strategies or “to the different part-strategies of the functional units of the organisation” including the knowledge management strategy, in order to ensure that training occurs in an effective and relevant manner and that the traditional and strategic training needs of executives, managers and employees are identified and addressed (Van Dyk *et al.*, 2001:88). The training strategy is an “enabling strategy, that is, it enables (or is supposed to enable) the different functional subsystems (for example, production, marketing and finance) to improve the shortcomings of their human resources potential.” (Van Dyk *et al.*, 2001:88).

3.4 THE NATURE AND SCOPE OF THE CURRICULA

The nature and scope of the curricula or instructional plan according to which the training of executives, managers and employees is made possible usually flow from the responsibilities of the executives, managers and employees as set out in a particular job description. The curricula therefore provide an indication of the training which are offered to executives, managers and employees and thus of the learning that will occur as a result of the training process.

In the case of employees, the curricula focus mainly on the execution of knowledge processes in order to result in an increase in the task related skills of employees. Van Dyk *et al.* (2001:86) explain: “Because members at lower levels of the organisation work more with people (as one of the factors of production) than top management, it is essential that these members receive a greater measure of training in leadership behaviour, team building, and group utilisation (job content training”). However, in the case of executives and managers the curricula must focus on the execution of knowledge processes in order to result in an increase in managerial skills including the ability to formulate and implement the strategic orientation of the company. Van Dyk *et al.* (2001:86) explain: “Conversely, top management has a larger management task than the middle and lower levels and, therefore, the relationship between management skills and leadership skills is reversed, although the job content training at all levels remains practically the same.” [See Figure 3.1].

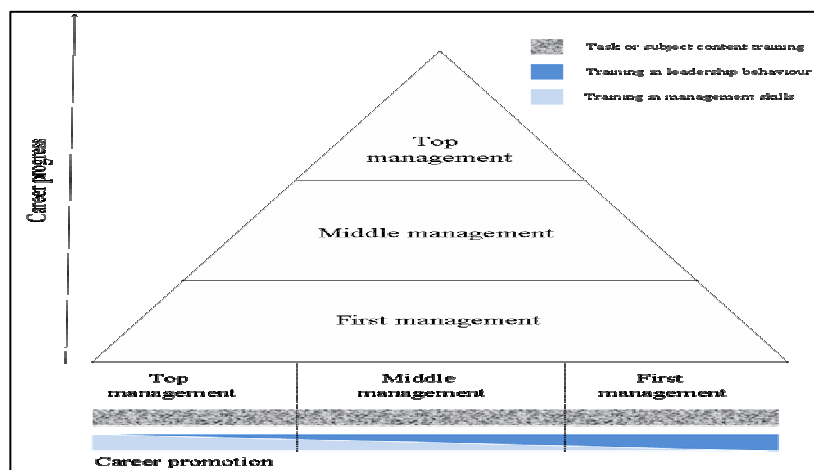


Figure 3.1 A theoretical basis for a training and development philosophy (Van Dyk *et al.*, 2001:88)

Training in terms of the above-mentioned skills should be presented from the perspective of the current as well as the emergent strategic orientation of the company as arising from all four the domains that in the strategic environment of companies. The development of executives, managers and employees in terms of their ability to give effect to the emergent strategic orientation of the company is addressed through strategic human resource development [See Chapter 4].

The specific method of strategic human resource development that provides for the development of executives, managers and employees in terms of the skills they will require for effective performance in the future and to contribute to the continuing competitiveness of the company is known as strategic training.

It is therefore of vital importance that the curricula of companies make provision for the training of executives, managers and employees in terms of the skills that they need currently as well as in the future. However, before the curricula are designed and developed it is necessary to conduct a needs assessment to identify the current as well as the future training needs of executives and managers in particular since they are responsible for strategic processes.

Rothwell and Kazanas (1994:429) explain: "...strategic training needs assessment identifies possible future discrepancies between what employees know or do at present and what they should know or do in the future. Instruction [or the curriculum] is then designed to anticipate future discrepancies between *what is at present and what should be in future.*" The authors also explain that the same data collection approaches [management requests, record and report reviews, informal group discussions, questionnaires, observations/interviews] which are used for traditional training needs assessment can also be used for strategic training needs assessment. However, Rothwell and Kazanas (1994:430) also state: "The key difference between traditional and strategic needs assessment approaches really has to do with *what questions are asked*, not so much with *what data are collected.*"

There should, however, be a fundamental difference in the nature and scope of the curricula that are used to address the current or traditional training needs and the emergent or strategic training needs of executives, managers and employees.

3.5 CORPORATE UNIVERSITIES IN RELATION TO EXTERNAL PROVIDERS OF TRAINING

Companies often make use of external providers of training such as business schools and consulting firms to enable learning and thus to assume responsibility for training programmes or parts of training programmes, especially for the development of executives and managers in the company (Arnone, 1998:204; Harris, 2001:2; Yanovsky, 2001:1; Anderson, 2002a; Anderson, 2002b).

Moore and Dean (1999) explain that business schools add value in terms of talent and consulting firms in terms of process. They define talent as follows: “The ability to attract thought leaders, to broker talent, and to provide coaching and mentoring.” The value of consulting firms is: “the ability to provide global reach, respond to rapid cycle times, and bring technology to bear on executive education.”

Business schools thus offer companies access to individuals who have the talent to think and show insight in the strategic and operational processes of companies. These individuals are often also used as mentors and trainers of managers in companies (Moore & Dean, 1999). Consulting firms possess the processes to develop training programmes quickly and to introduce them on a global scale with due consideration of the needs of individual companies (Moore & Dean, 1999).

However, since it is essential that the content of training programmes should be aligned with the current as well as the emergent strategic orientation of the company Meyer (2004:10) recommends the use of a corporate university rather than a business school to address the training needs of especially executives and managers responsible for strategic processes. He explains: “Increasingly organizations are demanding that such [executive education programmes] are innovative and meet the requirements for learning. Sadly, many South African business schools are still focusing on providing ‘vanilla’ offerings with little innovation and a reluctance to



customise existing programmes to meet customer needs.” Birkin (2006:44) also mentions the lack of alignment between training offered by business schools and the strategic orientation of companies. He states: “So what is currently taught has suited their [companies] clients very well, but they [companies] too have realised that what the business schools teach today falls short of what they want their managers to know.” Birkin (2006:44) explains: They [companies] have, not surprisingly, arrangements with many local business schools. But the crux is that they have commented that one of the major reasons why they want their own establishment is because they believe that ‘commodity courses’ offered at most quality business schools as not providing enough of the kind of knowledge that would make a competitive difference to companies.”

According to Moore and Dean (1999) corporate universities add value to a training process in that this type of training unit has an impact on the effectiveness of the company. Moore and Dean (1999) give the following explanation: “The ability to integrate executive education with other executive development activities and to have an impact on business results.” Thygeson (2000:71) concurs and describe corporate universities in the following manner: “A function or department that is strategically oriented toward integrating the development of people as individuals with their performance as teams and ultimately as an entire organization by linking with suppliers, by conducting wide-ranging research, facilitating the delivery of content, and leading the effort to build a superior leadership team.” The views of Moore and Dean (1999) and Thygeson (2000:71) are also confirmed by Meister (1998:215) and the Global Learning Resources (2001).

Arnone (1998:199) is of the opinion that corporate universities are often established because business units that are responsible for human resource development are unable to address all training needs adequately. Some companies even use the term “corporate university” to refer to the business unit responsible for human resource development, but the nature and scope of the training does not directly relate to the current and emergent strategic orientation of the company and can thus not be regarded as strategic training. Phillips (2004) explains the importance of clarifying the role of the corporate university as opposed to the role of a training unit. He states: “Sometimes there is confusion as to the products and services provided by a corporate



university when compared to other learning units. When there are unclear expectations, roles and objectives, the corporate university is perceived as just another channel for training and not a strategic player in the organization game.”

Corporate universities differ from training units in terms of a variety of characteristics including focus, scope, enrollment and image (Meister, 1998:23; Gallagher, 2000). The characteristics which differentiate training units from corporate universities are summarised in Table 3.1.

Characteristic	Training unit	Corporate university
Focus	Reactive	Proactive
Organisation	Fragmented and decentralized	Cohesive and centralized
Scope	Tactical	Strategic
Ownership	Little/none	Management and employees
Delivery	Instructor-led	Experience with various instructional methods and media
Governance	Training director	Business unit managers
Audience	Limited to company	Company and value chain
Enrollment	Open enrollment	Just-in-time learning
Outcome	Increase in job skills	Increase in performance on-the-job
Operation	Operates as a staff function	Operates as a business unit
Image	“Go get trained”	“University as a metaphor for learning”
Marketing	Trainer dictated	Consultative selling

Table 3.1 Differences between training units and corporate universities



The effectiveness of corporate universities is ascribed to a variety of factors. These factors are:

- Corporate universities enter into learning partnerships with consulting firms and business schools for the design, development and presentation of training (Arnone, 1998:201; Fulmer & Gibbs, 1998:178; Moore & Dean, 1999; Shah *et al.*, 2001:22; Corporate University Xchange, 2002b:1).
- The nature and scope of corporate universities provide for executives and managers to be involved in the design, development and particularly the presentation of training. This ensures that the training is aligned with the current and emergent strategic orientation of the company (Meister, 1998:236).
- Corporate universities support the execution of knowledge processes and enable the conversion of the individual executive, manager and employee's knowledge into the collective knowledge of the company (European Foundation for Management Development, 2000:1). Maybeck (cited in Anderson, 2002a) explains: "Learning is of no value unless it is applied to the business and transferred to other employees. And it is really knowledge transfer that makes a company successful. Corporate universities are vital for this knowledge management and for nurturing a company's intellectual capital."
- Corporate universities are based on the principle of continuing education or lifelong learning. Consequently executives, managers and employees are trained in terms of the current and emergent strategic orientation of the company on a continuing basis. Weeks (2000:16) gives the following description of the value of continuing training for the company: "It is a world where the skills and knowledge of a passing generation will need to make way for a century of lifelong learning as, what worked yesterday, may no longer be effective today and will in many instances no longer be appropriate for dealing with the challenges of tomorrow."



- Corporate universities manifest in various ways according to the unique needs of the company. Some companies therefore use a physical campus whilst others prefer a virtual campus. A virtual campus involves training through various mediums of instruction: “Instead of having instructor-led classes, programs are relying more on self-paced CD-ROM instruction, audio or video cassette learning, and even Intranet and Internet education, with classes and discussion periods held in special online chat rooms.” (Fulmer & Gibbs, 1998:179; Stuart, 1999; Shah *et al.*, 2001:2).

- Corporate universities provide training to their value chain (clients, customers, suppliers, dealers, manufacturers) (Moore & Dean, 1999). The benefits of including the value chain in training are:
 - “Greater understanding of client needs

 - Opening the door to sales of company products and services

 - Additional resources for continual improvement of internal training programs

 - Better community relations, especially improving the local labor pool

 - Decreased customer service costs

 - Improved product quality

 - Faster return on investments in training facilities (hardware, software, buildings)

 - Increased returns on investments in intellectual capital (courseware development).” (Montague Institute Review, 1997)

Corporate universities are an example of a training unit used by companies to address the training needs of executives and managers and employees which relate to the strategic orientation of the company. The training offered at corporate universities is customised in terms of the strategic orientation of the company. The curricula of corporate universities address the training needs of employees in terms of operational skills however, the training needs of executives and managers which are responsible for strategic processes should form an important part of the curricula of corporate universities. The curricula of corporate universities therefore make provision for the training needs of executives, managers and employees. Tanner (2003:1) explains: “...training programs fall into three broad categories. There are business-specific classes like teller training; organizational learning and effectiveness classes that include communications; and management and executive training.”

The curricula of corporate universities as described by Meister (1998:39), Dealtry (2000:221), Corporate University Xchange (2002c:1), Heuser and Sattelberger (2001:1), Wheeler (2001:14) and Wicks (2001:29) provide an indication of the manner in which the curricula of corporate universities address the training needs of employees but more importantly the needs of executives and managers of large companies.

Dealtry (2000:221) explains: “A very valuable contribution of a CU [corporate university] function would be to design and deliver platforms of managerial development and training that are essential to achieving strategic fit. Examples would include: acquiring high level learning to learn skills; learning to read issue dynamics skills; learning about how to manage macro/micro politics; and learning to take effective change action.” Heuser and Sattelberger (2001:1) support Dealtry’s (2000:221) perspective and state as follows: “In particular, they are not directed at teaching of academic or technical knowledge but organize individual and organizational development along business-defined processes. Corporate universities define their activities less via the transfer of contents, but rather via their contribution to the solution of company-relevant problems; the transfer of contents is controlled instrumentally by their relevance for processes and solutions.”

Meister (1998:39) explains that the curricula that are used by corporate universities mostly address the following three aspects. The cultivation of corporate citizenship, contextual framework and training in terms of the core skills which executives, managers and employees should possess. Some of the aspects indicated by Meister (1998:39) relate to executives and managers as well as employees while others relate more to executives and managers than to employees. Each of these aspects is briefly discussed below:

Corporate citizenship: Employees are made aware of the culture, values, traditions, vision and history of the company to enable them to identify with the company. This aspect develops employees to become “good citizens” of the company.

Contextual framework: Executives and managers as well as employees are made aware of the environment in which the company is situated, competitors, suppliers, clients, industry trends, business strategies and the company’s products and services. Executives and managers and employees are also introduced to best practices used in other companies. Meister (1998:98) states: “...corporate performance is enhanced when all employees, not just management, operate from a shared vision about the organization’s industry and the key players within it.”

Core workplace competencies: Meister (1998:91) identifies some core skills which executives, managers and employees should have and that ought to be included in the curriculum of a corporate university:

- Learning to learn skills: Executives and managers must develop the skill to understand and manipulate new information. They must be able to internalise information or explicit knowledge and to apply it in the course of their work. Meister (1998:90) explains: “Knowing how to understand and manipulate new information quickly and confidently is a primary workplace competency. Showing a commitment to self-development, constantly improving one’s ability to learn new skills and competencies, and being able to handle ambiguity and chaos within an organization are crucial learning skills.” Learning to learn skills relate to executives, managers and employees.



- Communication and collaboration skills: Executives, managers and employees must develop the skill to communicate with fellow employees and clients. They must naturally also have the skill to work together in groups and/or teams.
- Creative thinking and problem-solving skills: Executives and managers must develop the skill to identify and define challenges. Furthermore, they must also be able to initiate and implement solutions and to evaluate the effectiveness of solutions. Meister (1998:110) states: “...managers are now involved in action learning exercises and computer simulations where they examine business strategies and recommend real-time solutions.”
- Technological literacy: Meister (1998:91) emphasises the importance that employees have technological skills: “Being able to use technology to connect with team members, network with new professionals, and research the best practices of an organization, as well as what other companies and competitors are doing in the global marketplace, is essential.”
- Global business literacy: Meister (1998:115) explains the goal of global business literacy: “...to focus on training top managers in a required set of formal learning programs in finance, strategic analysis, and leadership skills.”
- Leadership development: Executives and managers must develop the skill of empowering fellow employees and encouraging groups of employees to achieve the current and emergent strategic orientation of the company. Executives and managers must thus develop the skill of giving guidance and taking the lead.
- Career self-management: Employees must have the skill to assume responsibility for the development of their careers and not merely rely on the company to present development opportunities to them.

The above-mentioned aspects also feature strongly in the curricula of corporate universities such as the Lufthansa Business School (Heuser & Sattelberger, 2001:4) as well as Infosys University (Corporate University Xchange, 2002c:1). However, Heuser and Sattelberger (2001:4), Wheeler (2001:14) as well as Wicks (2001:29) are of the opinion that the curricula of corporate universities should also provide for the development of the ability by executives and managers to effect change and renewal in a company.

To confirm the above a survey conducted by the Corporate University Xchange during 2002 (2002b:8) found that the curricula of corporate universities mainly address the development of three types of skills, namely: “soft skills, management skills and work-related or operational skills.”

The Corporate University Xchange (2002b:8) study revealed the following: “More than half the participating organizations have curricula that develop five or more soft skills, most often including (in descending order):

- Communication skills
- Leadership development
- Team development and collaboration
- New hire orientation
- Decision making skills
- Negotiation skills”

Some of the above-mentioned skills such as decision making and negotiation skills relate more to executives and managers than skills such as new hire orientation and indicate that the curricula of corporate universities make provision for the training of executives, managers and employees.

The curriculum of a corporate university of a financial institution in South Africa includes the following programmes (Old Mutual, 2000b):

- Leadership development. This programme includes topics such as leading global growth, leading organisational growth and leading business growth and is aimed at executives and managers.
- Business acumen: This programme includes topics such as business theories for strategic management, business concepts for managers, business basics and operational business skills. The programme is aimed at managers and employees.
- Service excellence: This programme includes topics such as service excellence for strategic management, service excellence for operational management, service excellence for supervisory management and is aimed at managers and employees.
- Effective people and teams: This programme includes topics such as group orientation, communicating from success, dealing with diversity and advanced interaction skills and is aimed at executives, managers and employees who need to develop their interpersonal skills.

Obviously the curricula of corporate universities and other units responsible for training in companies will have some similarities. The most important prerequisite of the curricula is, however, that it should make provision for training programmes that relate to the current as well as the emergent strategic orientation of the company. It is therefore important that the curricula are adaptable and flexible to make provision for the divergent nature of the strategic environment in which companies could possibly find themselves.

Corporate universities can be regarded as a mechanism to enable the strategic as well as traditional training of executives, managers and employees. However, Rademakers

and Huizinga (2000:18) states: “...the question remains as to what extent corporate universities really manage to involve top management and relate their programs to corporate strategy in a direct, deep and durable manner.”

Rowles (2002:38) describes the use of corporate universities by South African companies and mention the use of the services of external providers of training by South African companies. “There has also been a trend for many large corporates to reduce their own in-house training resources quite substantially and to rely instead on specialist corporate training providers.” Rowles (2002:38) further expresses the opinion that corporate universities are not often used by South African companies. He ascribes this to the “massive infrastructural and specialized fixed resources costs required for this.” The use of corporate universities and external providers of training by large South African companies are discussed in Chapter 6.

3.6 THE INSTRUCTIONAL METHODS AND MEDIA THAT ENABLE TRAINING

A divergent variety of instructional methods and media can be used during training to support learning. However, the outcome or purpose that must be achieved through the training must in all cases serve as the point of departure for choosing the type of instructional methods and media to be used to support learning (Meister, 1998:134).

Instructional methods are ways that instruction is presented to students or the manner in which companies enable learners to acquire knowledge and skills. Companies mostly use the following three types of instructional methods to support learning, namely:

- Classroom-based learning
- Technology-based learning
- Blended learning



3.6.1 Classroom-based learning

Classroom-based learning entails that learning is supported in the traditional environment of a classroom and is in some instances characterised by a largely active role played by the trainer and a more passive role assumed by the learner. In the classroom environment learning is supported by means of techniques such as lectures, role-play, case studies, problem-solving sessions, discussion groups, self-study, workshops, action learning as well as the use of narrative techniques such as storytelling. Robinson (2000:35) specifically refers to the manner in which classroom-based learning supports the execution of knowledge processes: “Humans to a large degree are social animals and education is not merely the acquisition of new information and skills, but a social activity where skills and knowledge are debated, practiced and demonstrated.”

The relatively high cost associated with the use of classroom-based learning should, however, be weighed up against the interactive nature of this type of instructional method in the case of strategic training. This is due to the fact that the interactive nature of this type of instructional method causes it to be regarded as a particularly suitable medium for the strategic training of executives and managers.

3.6.2 Technology-based learning

A divergent variety of technology is available to make technology-based learning possible. Often a combination of technology is used to properly support learning. If a company should decide to use technology-based rather than classroom-based learning, they must develop a set of criteria according to which a single type or combination of technology is decided upon. The advantages and disadvantages associated with the use of each of these types of technologies must therefore be taken into consideration and be compared to one another before a final decision is made.

3.6.2.1 *Types of technology*

The different types of media found to enable technology-based learning include the use of compact disc, hard drive, digital versatile disc, electronic learning or e-learning and other types of training that are made possible through the Internet and intranet as

well as the use of audio and video cassettes (Wheeler, 2001:20-21; Malone, 2003:73). Meister (1998:136) also explains the value of using satellite communication for training: “Satellite-based learning can also provide a record of which students received the training and how well they mastered the course. It allows subject matter experts, located at the various sites (indeed, virtually anywhere in the world), to interact with the instructor, and it gives students an interactive, participative experience, that increases their retention of the material.”

Technology-based learning also includes the use of knowledge databases that are available via the Internet. Knowledge databases focus on getting learners to converse with one another in the environment. The value of knowledge databases is explained as follows: “these knowledge databases go beyond e-mail to include strategic initiatives changing how companies operate. The goal of knowledge databases is to integrate scattered information and knowledge into an organization’s collective wisdom (Meister, 1998:148)”.

Increasingly, companies use e-learning as an instructional method as an alternative to classroom-based learning. According to Malone (2003:79) e-learning refers to training that is presented by way of a computer via the Internet or intranet. He regards the value of e-learning as follows: “E-learning brings us closer to the just-enough, just-in-time, and just-for-me paradigm. Employees want quick just-in-time training, and want to know how it will help them to do their jobs more effectively.” (Malone, 2003:82). However, companies should consider the suitability of e-learning as an alternative to be used to all types of classroom-based learning. E-learning will, for example, have to be used with circumspection as an alternative to classroom-based learning during a strategic training process, since strategic training needs often emerge from a specific situation within which a company finds itself at that particular point in time. This implies that applicable e-learning programmes might not always be available to address the exact strategic training needs of executives, managers and employees.



Some advantages of the use of e-learning in terms of strategic training are:

- It is particularly suitable for the the adult learner since it largely requires the learning to learn independently.
- The use is not limited to a specific place or time and merely requires the availability of the necessary hardware and software.
- The content of training programmes can be updated with relative ease in order to ensure that the content remains relevant.
- The content and presentation are consistent since these aspects are not dependent on the interpretation and knowledge of the trainer or facilitator. This benefit does, however, not apply where the technology is dependent on a trainer or facilitator as in the case of training that is made possible through satellite communication.
- The training of learners and/or updating the existing skills of learners takes place more quickly through technology-based learning. Garger (1999) explains: "...in the new economy, some managers have outdated skills; others haven't had the time and experience needed to acquire them. Professional development software helps both groups of learners review, acquire or get up to speed more quickly." (Garger, 1999; Robinson, 2000:35; Malone, 2003:83).

Some disadvantages of the use of e-learning in terms of strategic training are:

- The use of e-learning implies that technology is the intermediary between the training programme and the learner rather than the trainer as is the case in the situation of classroom-based learning. The interaction that takes place between the trainer and learner in classroom-based learning is therefore not always possible with e-learning. This disadvantage gives rise to the fact that the use of blended learning is often preferred above the use of technology-based learning.





- Although Meister (1998:150) describes the suitability of the Internet as follows: “The appeal of the web for educating a work force is its ability to customize learning experiences for each individual’s learning needs and preferences.” Malone (2003:82) is of the opinion that the content of e-learning programmes is often of a very generic nature and not suitable to address all types of training needs. The use of e-learning is often less successful when, for example, training learners in soft skills such as teambuilding and the skills to act as mentor and establishing networks.
- Setting up the infrastructure for technology-based learning requires the training of large numbers of learners in order to ensure that the application of this instructional medium is cost-efficient for the company. Malone (2003:83) explains: “High costs and the lack of a cheap broadband infrastructure are still hampering the quality of e-learning programmes. The driving force behind most companies’ investment in e-learning is cost saving. However, it is very expensive to develop and deliver. Cost savings are only achieved by very big organizations with large numbers of learners through economies of scale. Lamb (2002) reports that most users are multinational companies with more than 5000 employees.”
- The nature of e-learning only to a lesser degree offers the opportunity to the learner to reflect on the content of the training programme according to Meister (1998:150) and Malone (2003:83).

Technology-based learning also includes the use of systems to manage and store the content of training programmes through learning content management systems, while the administration of training programmes is often made possible through a learning management system. Malone (2003:33) gives the following explanation of the purpose of a system to manage learning: “These [learning management systems] carry out all the recording necessary (such as time, type and description of course, and booth allocated) in booking learners’ progress and recording loan-outs and returns of

books, audio, CD and video packages. They should facilitate the production of personal development plans and collaborative learning.”

3.6.2.2 *Criteria*

The decision regarding the use of a particular type of technology or combination of technologies is based on various divergent criteria. These criteria entail:

- The use of technology should result in the specific training needs of learners being addressed and must offer a true reflection of the working environment of the learner.
- The nature and scope of the subject matter of the training programme must be successfully accommodated by the use of technology.
- The availability of funds will naturally have a determining influence in deciding on the technology that is to be used.
- The urgency of the need for a specific type of training programme and the time period available for designing and developing a training programme that addresses a particular training need will influence the decision on the type of technology and/or combination of technologies to be used.
- The number of learners to be trained should be taken into consideration when choosing the technology and/or combination of technologies to be used.
- The importance of knowledge processes for the company will entail that the technology and/or combination of technologies decided upon should support the execution of knowledge processes.
- The type of technology and/or combination of technologies to be used should be such that learners are enabled to gain access to training programmes and have the necessary skills to use it in order to make learning possible.

- The necessary technical support must be available in order to maintain the technology and to support learners in the use of the technology.
- The decision to use a particular type of technology and/or combination of technologies should largely be influenced by the outcome of the training opportunity (Meister, 1998:77, 134).

Further to the above generic criteria Henderson (cited in Meister, 1998:160-161) mentions some specific requirements that should be met by technology-based training programmes in order to address the training needs of executives and managers.

These training programmes must:

- Be based on challenges that are found in the actual working environment and of executives and managers and thus also the actual strategic environment of companies.
- Be presented from the perspective or context within which executive and managers find themselves as well as the domain (known, knowable, complex and chaos) in which the company find itself.
- Make it possible for executives and managers of different business units to share knowledge and thus to support the execution of knowledge processes.
- Increase the knowledge of executives and managers in a visible and measurable way.

Henderson (cited in Meister, 1998:162) states: “The key success factor for scores of corporations to emulate is the ability to involve participants in a process where they actively diagnose, discuss, and resolve actual business challenges as part of their leadership development program.”

The training needs of companies are at times best addressed through a combination of classroom- and technology-based learning. This instructional medium is known as blended learning.

3.6.3 Blended learning

Blended learning is regarded as an instructional medium through which the characteristics of classroom-based and technology-based learning are combined. Wheeler (2001:24) describes blended learning as follows: “combining the best of online and instructor-led.” Masie (cited in Clark, 2003:4) states: “Blended learning is the use of two or more distinct methods of training. This may include combinations such as: blending classroom instruction with online instruction, blending online instruction with access to coach or faculty member, blending simulations with structured courses

blending on-the-job training with brown bag informal sessions, blending managerial coaching with e-learning activities.”

Blended learning often entails that classroom-based learning is preceded or finished off by technology-based learning. Learners are thus given the opportunity to acquire some introductory knowledge on the subject matter whereafter training on the subject matter is resumed by means of classroom-based learning using techniques such as case studies, discussion groups, simulations and lectures.

Blended learning also includes the use of collaborative learning methods. Collaborative learning methods focus on enabling group discussions in a real or virtual environment. This thus strongly enables and supports the creation and sharing of knowledge between learners.

Clark (2003:19) explains: Collaborative learning can include:

“Asynchronous (not in realtime) collaboration:

- e-mail



- bulletin boards

Synchronous (in realtime) collaboration:

- text chat
- application sharing
- audio conferencing
- video conferencing
- virtual classrooms”

Collaborative learning includes the use of illustrations, workshops, meetings and facilitated discussion groups and knowledge databases.

The importance of collaborative learning methods is explained as follows: “While technology can help spread knowledge, it still depends on the quality of the conversation these technologies support. Hence, the growing interest in developing collaborative learning technologies that illustrate an organization’s business strategies and direction and provide an opportunity to engage in a dialogue that focuses on the organization’s future” (Meister, 1998:145). The more interactive nature of collaborative learning methods and the manner in which these types of methods support the execution of especially the creation and sharing of knowledge imply that it can be incorporated into a strategic training process.

Blended learning results in a greater variety of training needs being addressed. The Corporate University Xchange (2002a:13) explains: “As corporate learning organizations become more comfortable with blended learning, soft skills training in areas such as management and leadership development will become more visible in e-

learning catalogs. Currently, e-learning courses for the most part focus on technical training topics, such as computer or IT-related topics, followed by functional training or topics specifically related to an e-learner's job, and soft skill training, such as leadership or management development.” This statement by the Corporate University Xchange (2002b:13) was also expressed in by Garger in 1999.

The training processes which companies use to address the training needs of executives, managers and employees in terms of both the current as well as the emergent strategic orientation of the company must be enabled by the necessary instructional methods and media. The unique nature and scope of strategic training requires of instructional methods and media to:

- Provide a realistic representation of the strategic environment of companies.
- Address the strategic training needs of executives, managers and employees in terms of both the current as well as the emergent strategic orientation of companies.
- Enable and support knowledge processes to be conducted regarding the current and emergent strategic orientation of companies in an interactive manner.
- Reflect amendments in the strategic orientation of companies in a timely manner.

The above-mentioned requirements of companies in terms of the use of instructional methods and media for the strategic training of executives, managers and employees clearly indicate the importance of giving priority to the outcome or purpose of training when making decisions regarding the use of a specific type of technology during the training process. Rothwell and Kazanas (1994:434) state: The selection and use of appropriate delivery methods depends on the purpose of strategic training. When the purpose is purely directive, specific outcomes are desired. The choice of delivery methods is based on the same issues which are important in traditional

training: cost, time, skills of HRD staff, and available materials. If the purpose is purely nondirective, specific outcomes are not necessarily fixed. The learning event is a discovery session where new ideas are created and new learning needs are identified.”

3.7 THE EFFECTIVENESS AND RELEVANCE OF TRAINING

The effectiveness and relevance of training should be evaluated in order to ascertain whether learning has occurred and thus the value of training processes for the company. The value of training is indicated in order to justify the investment of resources by the company in the training of employees. Malone (2003:24) explains: “Evaluation is the assessment of the total value of a training course in behavioural and financial terms.”

Effective training implies that executives, managers and employees are able to apply the knowledge they have acquired during training in the performance their job. Training is regarded as relevant if it is aligned with the strategic orientation of the company. The manner in which the effectiveness and relevance of training is determined should correspond with the nature and scope as well as the outcome to be achieved with the training.

Rothwell and Kazanas (1994:476-486), Erasmus and Van Dyk (1999:193) as well as Van Dyk *et al.* (2001:229-231) identify some methods according to which training programmes are assessed in order to determine their effectiveness and relevance. It would appear that assessment mostly focuses on two components, namely: the nature and scope of the training programme and the effect of the training programme on executives, managers and employees.

3.7.1 Assessing the nature and scope of training programmes

Formative, summative and concurrent forms of evaluation focus on the nature and scope of the training programme.



- Formative evaluation: This type of evaluation is also known as developmental evaluation. The purpose of this type of evaluation is to obtain information on the nature and scope of a training programme in order to improve it. Van Dyk *et al.* (2001:229) states: “Formative evaluation is concerned with decisions while the instructional design is being developed and the materials produced.”
- Summative evaluation: This type of evaluation is also known as product evaluation. The purpose of this type of evaluation is to determine whether the training programmes that have been offered succeeded in meeting the training needs of the company (Van Dyk *et al.*, 2001:231).
- Concurrent evaluation: This type of evaluation takes place during the course of a training programme or after a particular component of a training programme. The purpose of this type of evaluation is to ascertain the reaction of executives, managers and employees to aspects such as the trainer, training methods, effectiveness of the training and the interaction between learners (Rothwell & Kazanas, 1994:483). Concurrent evaluation can be used as part of a summative assessment process or entirely separately from such assessment (Rothwell & Kazanas, 1994:483).

3.7.2 Assessing the effect of training programmes

Post-instructional evaluation, practical evaluation, front-end evaluation, testing and some aspects of concurrent evaluation focus on the effect of training on executives, managers and employees.

- Post-instructional evaluation: Kirkpatrick (cited in Erasmus & Van Dyk, 1999:196) explains that post-instructional evaluation indicates the results of a training programme in terms of four aspects, namely:
 - Reaction: This aspect determines whether executives, managers and employees have a positive or negative experience of the training programme;



- Learning: This aspect entails the measure of success executives, managers and employees experienced during the training programme;
- Performance: This aspect entails the measure in which executives, managers and employees could succeed in applying the content of the training programme in his/her work situation; and
- Results: This aspect entails the measure in which the productivity of executives, managers and employees has increased in the work situation.

Malone (2003:24) interprets post-instructional evaluation in terms of four questions, namely:

- What are the *opinion and attitudes* of executives, managers and employees to the learning experience?
 - What *new knowledge, skills, attitudes and behaviours* have they acquired?
 - Have they *applied* this knowledge, skills, attitudes and behaviours to their jobs?
 - Have the *efficiency, effectiveness and profitability* of the company improved as a direct result?
- Practical evaluation: This type of evaluation entails that executives, managers and employees are evaluated in their work situation in order to determine whether there is a change in their performance and to what measure this change contributes to the competitiveness of the company (Erasmus & Van Dyk, 1999:196).



- Front-end evaluation: Rothwell and Kazanas (1994:476) explain that front-end evaluation entail the identification of a “precise performance deficiency” that impacts negatively on the performance of executives, managers and employees and ways in which this performance deficiencies should be addressed. Harless (cited in Rothwell & Kazanas, 1994:476) explains the purpose of “front-end evaluation” as follows: “It is necessary to clarify the precise nature of the performance problem, its cause(s), appropriate solutions, and costs of appropriate solutions.”
- Testing: Rothwell and Kazanas (1994:478) express the use of testing as evaluation method as follows: “...a major purpose of testing is to measure how well trainees achieved terminal objectives upon course completion. It can also be used to screen trainees to ensure that they possess the necessary prerequisite skills to receive training or to measure their progress during training.”

Meister (1998:79) is of the opinion that the value of training should be assessed in terms of three aspects, namely the employees, clients and the company:

- Employees: the impact of training on factors such as employee retention, job satisfaction and the degree of innovation of which employees are capable.
- Clients: the impact of training on factors such as client retention, satisfaction with the product or service of the company and the realisation of objectives.
- Company: the impact of training on the realisation of the strategies and objectives of the company.

As previously stated, training is assessed to determine its effectiveness and relevance irrespective of the type of training which is assessed. Meister (1998:79) justly explains in terms of the assessment of training: “The real action, of course, is around business impact measures, and those are highly customized. There is no recipe. If good quality training is offered to employees it contributes to the competitiveness of



the enterprise and is regarded as cost-effective.” However, MacCracken and Wallace (2000a:467) discuss the assessment of strategic human resource development and thus also strategic training as follows: “The importance of cost-effective evaluation in the development of SHRD [strategic human resource development] should therefore be stressed. Paradoxically however, this emphasis on pay back calculations can lead to a concentration on achieving quantifiable results within a short time frame and it’s vital not to undermine the importance of HRD [human resource development] as an investment with long term and less tangible benefits”. Lee (1996:44) has the same opinion and states that companies that are regarded as mature in terms of training focus less on the cost effectiveness of training. This type of company regards training as successful if it promotes the company’s ability to learn and to change. He explains: “Once organisations have reached a high level of maturity, it is suggested that senior management teams no longer need training to prove its worth because they already accept its value and contribution.” This view of Lee (1996:44) is of particular relevance to strategic training since this type of training should be regarded as both a training process as well as an integral part of the strategic processes of companies.

However, if companies do assess the effectiveness and relevance of training programmes the methods which are used to assess these programmes should make provision for the nature and extent of the various training processes (traditional *versus* strategic) used by companies. This implies that training programmes should be assessed in order to determine whether it is effective and relevant in terms of the current and the emergent strategic orientation of companies. Rothwell and Kazanas (1994:479) explain the reasons why the effectiveness and relevance of strategic training cannot be measured in the same manner than traditional training. These authors are of the opinion that traditional training: “...tends to focus solely on terminal course objectives. When tests are geared to measuring end-of-unit (enabling) objectives or end-of-course (terminal) objectives alone, trainees are only held accountable for formal instruction. Testing which focuses on objectives of this kind makes trainers accountable for doing a good job, no doubt, but does not really hold trainees accountable for applying on the job what they learned in training.” Rothwell and Kazanas (1994:479) also explain that traditional training “does not take into account changes in job conditions occurring over time.” Traditional training “works well in settings where job conditions do not change much. It is not, however,

appropriate under fast-paced, rapidly changing conditions. In such cases, practitioners should prepare instructional objectives based on *predictions* of future job conditions. When that is done, test items have to be prepared accordingly.” Rothwell and Kazanas (1994:478-486) explain the manner in which formative, summative, concurrent and post-instructional evaluation should be conducted to make provision for assessing the effectiveness and relevance of strategic training programmes.

3.8 CONCLUSION

Knowledge process and thus also learning should be enabled by the creation of a suitable training infrastructure. The creation of a suitable training infrastructure is only possible if the outcome or purpose of learning is used as the point of departure for the training of executives, managers and employees.

Garger (1999) explains the relationship between learning and training and the importance of training truly giving rise to learning as follows: “To retain key talent, remain competitive and ensure long-term profitability, organizations are making dramatic changes in the way they develop the knowledge and skills of their workforce. Training as something provided for employees will be replaced by learning that employees initiate themselves. Training, when available, will be replaced by learning, when needed. Training for the masses will be replaced by highly customized, just-for-me learning.”

Learning in terms of the current strategic orientation of the company is enabled by a traditional training process while learning in terms of the emergent strategic orientation is enabled by a strategic training process. The purpose of strategic training and traditional training is therefore to enable executives and managers that are involved in strategic processes as well as the employees of the company to function effectively within all four the domains in the strategic environment of the company, and thus to enable the company to achieve its current as well as emergent strategic orientation [See Chapter 2].



Companies must see to it that a training infrastructure is created that will enable and support learning in terms of the current and emergent strategic orientation of the company.



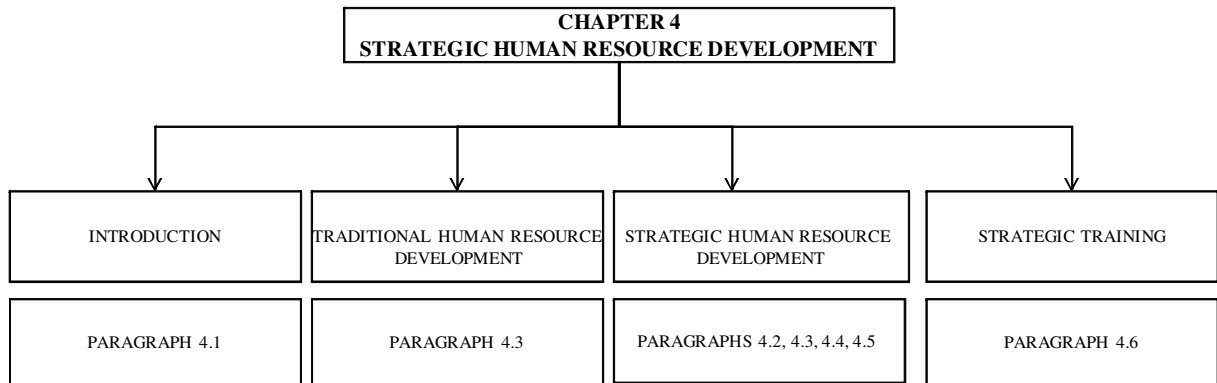
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CHAPTER 4

STRATEGIC HUMAN RESOURCE DEVELOPMENT



GRAPHICAL REPRESENTATION OF CHAPTER 4



4.1 INTRODUCTION

The human resources of companies must be developed in terms of the current and the emergent strategic orientation of the company.

The method according to which executives, managers and employees are equipped in terms of the current strategic orientation is known as traditional human resource development whilst strategic human resources development equips executives, managers and employees in terms of the emergent strategic orientation of the company. Naturally, the nature and purpose of these two methods of human resource development differ from one another, as do the processes used to give effect to these methods.

In Chapter 4 the concept “strategic human resource” is discussed in order to distinguish it from traditional human resource development. This discussion will include a brief overview of a few examples of future-oriented methods of human resource development such as strategic training. The discussion of strategic training will include the Rothwell and Kazanas model (1994) of strategic training and concludes with a brief overview of strategic training as well as the nature and scope of training needs of executives and managers in South African companies.

A strategic training process is used to equip executives, managers and employees for the changing nature of performance arising from the emergent strategic orientation of the company. Although it applies to all employees in the company, it is a process that is of fundamental importance to executives and managers involved in formulating and implementing the strategic orientation of the company. As expected the executives and managers must ensure that the current, but especially the future strategic orientation of the company is translated in terms of skills which employees will need to ensure their effective performance in future. The strategic training of employees commences with executives and managers communicating the emergent strategic orientation of the company to employees.

4.2 THE CONCEPT OF “STRATEGIC HUMAN RESOURCE DEVELOPMENT”

Strategic human resource development is a method in terms of which learning or the performing of knowledge processes (creation, sharing and use of knowledge) relating to the emergent strategic orientation of companies is made possible [See Chapter 3]. It focuses on the development of the skills that executives, managers and employees may require in future and is proactive in nature.

The strategic orientation of companies arises from the grand strategy of the company. The grand strategy of the company contains a statement of the activities in which the company is currently involved in and will in future possibly become involved in to ensure its continued competitiveness. The strategic orientation of the company contains an indication of the manner in which the company’s grand strategy is to be accomplished.

Some definitions of the concept “strategy” are:

“Strategy refers to the long-term plans developed by top management, usually for periods of two to ten years or even longer. These plans are used to evaluate and seize opportunities as well as to relocate resources. Strategy includes plans to create new products, to purchase other organizations, to sell unprofitable sections of the business, to make shares available, and to enter international markets.” (Nel *et al.*, 2001:556).

“Strategy’ in commercial terms is often associated with deployment of resources, outflanking the competition, establishing beachheads in the global marketplace, creating strategic alliances.” (Walton, 1999:14).

“It is a declaration of intent that defines means to achieve ends, and is concerned with the long-term allocation of significant company resources and with matching those resources and capabilities to the external environment.” (Armstrong, 2000:30).

Armstrong (2000:112) is of the opinion that the strategy of the company gives an indication of three aspects, namely domain, structures and systems as well as performance standards. In the definition by Armstrong (2000:112) the domain, structures and systems as well as performance standards have the following meaning:

- Domain refers to “type of industry, market, competitors, suppliers and, more generally, the limitations and constraints facing their organization.”
- Structures and systems refer to “choices made about how centralized, standardized and specialized an organization’s activities will be.”
- Performance standards which “partly determine the extent of flexibility an organization has within its economic environment.”

From the above-mentioned definitions it is clear that the strategy of a company and thus also the action plans to achieve the strategy, known as the strategic orientation of a company, should focus on the factors which are present in the strategic environment of companies currently as well as in the future. Furthermore, the Cynefin framework for organisational sense making indicates that these factors are divided amongst the known, knowable, complex and chaos domains in the strategic environment of companies. Each of these domains differs in terms of its characteristics and nature and thus influence the current and emergent strategic orientation of the company in a unique manner [See Chapter 2]. The manner in which the factors in each of the four domains influence the current and emergent strategic orientation of the company give rise to a variety of training needs by employees but more specifically executives and managers involved in strategic processes.

Only if the skills of executives, managers and employees are developed in terms of both their current as well as future performance will the continued competitiveness of the company be ensured. It is therefore necessary that companies should expose executives, managers and employees to both strategic and traditional methods of human resource

development. However, the uncertain and largely volatile nature of some of the domains in the strategic environment of companies places unique demands on the development of human resources and even more so in the case of the development of executives and managers in terms of the emergent strategic orientation of large companies.

4.3 TRADITIONAL HUMAN RESOURCE DEVELOPMENT *VERSUS* STRATEGIC HUMAN RESOURCE DEVELOPMENT

The grand strategy of the company and the strategic orientation of the company serve as point of departure for all forms of human resource development that take place in the company. The grand strategy of the company and the strategic orientation of the company manifest itself in a philosophy, policy and strategy in terms of which the human resources of the company are developed. The aim of the training philosophy, policy and strategy are to give an indication of the manner in which the skills of executives, managers and employees should be developed in order to give rise to current and future effective performance [See paragraph 3.3].

4.3.1 Traditional human resource development

The development of the skills of executives, managers and employees as they flow from the current strategic orientation of the company is known as traditional human resource development. The skills, in terms of which executives, managers and employees are developed during a traditional human resource development process, emerge from the current strategic orientation of the company and thus the job for which executives, managers and employees are currently responsible. Katz and Kahn (cited in Rothwell & Kazanas, 1994:17) describe this type of development process as follows: “When viewed in this traditional way, human resource development is a *maintenance subsystem*, intended to improve organizational efficiency by increasing routinization and predictability of human behavior. It facilitates socialization of newcomers into the corporate culture, work group, and job. In a sense traditional human resource development is a rite of passage furnishing newcomers with ideas, techniques, and

approaches worked out in the past.” A training process which enables traditional human resource development is largely also applicable to the known and knowable domains of the strategic environments of companies since these domains are characterised by existing knowledge and predictable events. Traditional human resource development is regarded as reactive to the strategic orientation of the company.

Examples of methods that are, according to Rothwell and Kazanas (1994:xi), used to make traditional human resource development of executives, managers and employees possible are:

- Organization development: This method of human resource development focuses on changing the culture of a company by means of planned learning interventions.
- Non-employee development: This method of human resource development focuses on addressing the training needs of external role players involved with the company or the value chain of the company.
- Employee development: This method of human resource development focuses on developing executives, managers and employees of the company in order to be able to adjust to changes taking place externally. Rothwell and Kazanas (1994:302) explain: “Differing from employee education and training in key respects, employee development is not always directly tied to observable, behavioral change. It cultivates individuals so that their organization and work group collectively possess the knowledge and skills necessary to meet present, and prepare for future responsibilities.”
- Employee education: This method of human resource development focuses on equipping individual executives, managers and employees with the knowledge and skills needed to accomplish their career goals.

- Employee training: This method of human resource development focuses on empowering executives, managers and employees to be capable of effective and efficient work performance or as Rothwell and Kazanas (1994:xi) state: “Training is intended to furnish people with knowledge and skills needed to perform their jobs.”

4.3.2 Strategic human resource development

The training philosophy, policy and strategy should, however, also give an indication of the manner in which the skills of executives, managers and employees in particular ought to be developed in order to be capable of effective performance in the future. The skills executives, managers and employees should have are determined according to the future strategic orientation of the company. A training process which enables strategic human resource development should therefore provide for empowering executives, managers and employees for effective performance in terms of the strategic domains which are more emergent in nature such as the complex and chaos domains [See Chapter 2]. The dynamic and uncertain nature of these domains in the strategic environment of companies necessitates that a strategic training process should have other characteristics than those of a traditional training process.

The methods that are used to make strategic human resource development possible are: Strategic organisational development and strategic employee development as well as strategic training (Rothwell & Kazanas, 1994:251, 321, 425) [See paragraph 4.5].

At an organisational level strategic human resource development contributes to executives, managers and employees being able to give effect to the future strategic orientation of the company. In terms of individual executives, managers and employees, strategic human resource development results in executives, managers and employees being developed in a more holistic manner than in the case of a traditional human resource development process (Garavan, 1991:23). This is illustrated by the benefits of strategic human resource development, namely:

- “Greater extrinsic and intrinsic job satisfaction
- Greater customer and client satisfaction
- Shorter learning times and more effective use of resource and less wastage of materials
- The creation of a learning organization that is flexible and responsible in coping with present and future demands” (Garavan, 1991:25).

Rothwell and Kazanas (1994:21) concur and describe the value of strategic human resource development in the following manner:

- “First it makes HRD activities proactive rather than reactive
- Second, SHRD ties learning to a comprehensive instructional planning process that supports and relates to Strategic Business Plans and Human Resources plans
- Third, businesses known for their excellence in productivity improvement handle their human resources strategically
- Finally, HRD practitioners will increasingly have to think strategically if they are to enjoy long-term career success.”

From the above-mentioned benefits of strategic human resource development it is clear that this type of human resource development enables a company to effectively address the emergent needs of the market or the industry.

The unique nature and focus of traditional and strategic training mean that companies should use both these types of training processes in order to ensure that they are

empowered for efficient and effective performance in all four the domains of their strategic environment both currently as well as in the future.

4.4 CHARACTERISTICS OF STRATEGIC HUMAN RESOURCE DEVELOPMENT

Various characteristics of strategic human resource development are found in the literature (Garavan, 1991:17-30; McCracken & Wallace, 2000b:281-290; Grieves, 2003:114-117). These characteristics can be used as a guideline to determine whether the nature and scope of human resource development found in companies can truly be regarded as strategic since McCracken and Wallace (2000a:427) explain: “...there has been relatively little work on the characteristics which an organization with a strategic approach to human resource development should have.”

The characteristics of strategic human resource development as found in the literature relate to four aspects, namely (Garavan, 1991:17-30; McCracken & Wallace, 2000a:427; McCracken & Wallace, 2000b:281-290; Grieves, 2003:114-117):

- The alignment between the grand strategy and the strategic orientation of the company as well as strategic human resource development [See paragraphs 4.4.1.1 and 4.4.1.2].
- The relationship between the management and development of the human resources of the company [See paragraph 4.4.2.1].
- The responsibilities and relationship between role players in strategic human resource development [See paragraphs 4.4.3.1, 4.4.3.2, 4.4.3.3 and 4.4.3.4].
- The effect of strategic human resource development on the company [See paragraphs 4.4.4.1, 4.4.4.2 and 4.4.4.3].

4.4.1 The alignment between the grand strategy and the strategic orientation of the company as well as strategic human resource development

An alignment should exist between the grand strategy, the strategic orientation of the company and the manner in which executives, managers and employees are developed in terms of the emergent strategic orientation of the company.

4.4.1.1 Aligning the grand strategy and strategic human resource development

Garavan (1991:19) explains that the strategic orientation of the company as set out in the grand strategy of the company should also be reflected in the training philosophy, policy and strategy. The training philosophy, policy and strategy should indicate the manner in which the executives, managers and employees are developed and trained in terms of the emergent strategic orientation of the company and thus the manner in which the training philosophy, policy and strategy support and shape the current strategic orientation of the company in order to ensure the continued competitiveness of the company (McCracken & Wallace, 2000a:439). This statement by McCracken and Wallace (2000a:439) confirm the importance that strategic human resource development and thus strategic training should be cyclical in nature and should have an effect on traditional human resource development and thus traditional training. The cyclical nature of strategic training is discussed in Chapter 7.

4.4.1.2 Aligning the strategic orientation of the company and strategic human resource development

Strategic human resource development must be integrated with the mission and objectives or in other words the strategic orientation of the company (Garavan, 1991:17). McCracken and Wallace (2000b:282) and Grieves (2003:115) are, however, of the opinion that strategic human resource development should not only be integrated with the strategic orientation of the company but should contribute to the manner in which the mission and objectives of the company are formulated and implemented.

4.4.2 The relationship between the management and development of the human resources of the company

A relationship should exist between the manner in which the human resources of the company is managed and developed to meet the current and the future needs of the company.

4.4.2.1 The relationship between human resource management, human resource development and strategic human resource development

The manner in which the human resources of the company is managed and developed to meet the emergent needs of the company are determined by the training philosophy, policy and strategy. Strategic human resource development forms the connection between human resource management and human resource development. Garavan, Costine and Heraty (1995:5) explain that strategic human resource development forms the central component of the human resource management strategy. All the other components of the human resource management strategy are therefore dependant on strategic human resource development. They state: “Within most formulations of HRM, training and employee development represents the vital if not the pivotal component.” McCracken and Wallace (2000b:285) confirm the opinion of Garavan, Costine and Heraty (1995:5) and explain that the integration between human resource management and strategic human resource development should thus take place at both a vertical and a horizontal level in the company.

4.4.3 The responsibilities and relationship between role players in strategic human resource development

The role players involved with strategic human resource development are executives, managers and individuals responsible for managing and developing the human resources of the company.

4.4.3.1 Executives and strategic human resource development

Garavan (1991:18) explains that the executives and managers of the company must support strategic human resource development. This entails that executives and managers must support the strategic development of human resources at an operational level but at the same time they must be involved with initiatives that enable the strategic development of human resources as part of their personal development. Garavan, Costine and Heraty (1995:8) confirm the importance that executives should be involved in strategic human resource development initiatives since it contributes to their ability to formulate and implement the strategic orientation of the company. McCracken and Wallace (2000b:283) are of the opinion that it is also necessary for the senior management of the company to take a leadership role in respect of strategic human resource development initiatives. They explain: “As a key strategic human resource development characteristic, top management support should therefore become top management leadership.”

4.4.3.2 The involvement of executives and individuals responsible for strategic human resource development in strategic processes

Strategic human resource development necessitates the involvement of executives, managers and individuals responsible for human resource development in monitoring the strategic environment of the company. Executives and managers of companies must on a continuous basis monitor the factors present in the internal and external strategic environment of the company in order to anticipate and identify opportunities and threats

for the company (Garavan, 1991:18). These opportunities and threats should be reflected in the grand strategy and the strategic orientation of the company as well as the training philosophy, policy and strategy. However, strategic human resource development requires the involvement of executives, managers and the individuals responsible for human resource development when monitoring the factors present in the four domains of the strategic environment of companies. The involvement of these groups of role players is necessary because the strategic orientation of the company must be translated into a training process which enables strategic human resource development (McCracken & Wallace, 2000a:438).

4.4.3.3 Interaction between line management and individuals responsible for human resource development

Strategic human resource development necessitates interaction between line managers and individuals responsible for human resource development. Line managers must be actively involved and committed to the process of strategic human resource development (Garavan, 1991:20). Grievies (2003:115) describes the nature of the involvement of line managers in a process of strategic human resource development as follows: “It [strategic human resource development] requires decentralized decision making [by line managers] to meet speedier responses to customer needs. Where time does not permit the upward transmission of data, then *ad hoc* adjustments will have to be made with information passed on subsequently to inform changes to strategy.” The involvement of line managers requires that they must form a partnership with individuals responsible for human resource development. This implies that all these role players must be involved in formulating and implementing the strategy to develop the human resources according to the grand strategy and strategic orientation of the company. Grievies (2003:117) explains that individuals responsible for human resource development have other skills than line managers. The combined skills of these two groups in the form of a partnership regarding strategic human resource development contribute to the effectiveness of the process. McCracken and Wallace (2000a:429) also confirm the importance of a partnership between line managers and individuals responsible for human resource

development. These authors explain that this partnership must take place at both a strategic and an operational level.

4.4.3.4 The responsibility of individuals responsible for strategic human resource development

Strategic human resource development necessitates a more comprehensive role by the individuals responsible for training in the company. The role of the trainer in the process of strategic human resource development is more comprehensive than in the case of traditional human resource development. Garavan (1991:21) explains: “From being passive and maintenance-orientated to being more active in marketing the benefits of training; from adopting a reactive response to taking on a more proactive role; from perceiving the HRD function as central to the achievement of organisational objectives; from being simply learning specialists to developing a more strategic role. Such a role involves giving direction to the HRD function and ensuring appropriate policy and planning initiatives.” Although a variety of roles (for example innovator and consultant, instructors, advisors) are found for the trainer, McCracken and Wallace (2000a:430, 441) are of the opinion that a trainer should assume the role of a “change agent”. This requires the trainer to produce a changing view regarding human resource development in the company. This changing view entails that executives and managers are aware of the nature of the alignment that should exist between the grand strategy, the strategic orientation of the company and strategic human resource development. Furthermore, executives and managers should be aware of the importance of strategic human resource development for the continued competitiveness of the company and should therefore support and participate in strategic human resource development.

4.4.4 The effect of strategic human resource development on the company

Strategic human resource development should have an effect on the continued competitiveness of the company but it should also influence the culture of the company and enable knowledge processes to be performed in terms of the emergent strategic orientation of the company.

4.4.4.1 Strategic human resource development and the continued competitiveness of the company

The effect of strategic human resource development on the continued competitiveness of the company should be determined. McCracken and Wallace (2000b:286) explain that a cost-effective evaluation of the strategic training process should be done in order to explain the effectiveness of the process. However, they (2000b:286) warn against the effect of this type of evaluation on a strategic training process: “The importance of cost-effectiveness evaluation in the development of SHRD should therefore be stressed. Paradoxically, however, this emphasis on pay-back calculations can lead to a concentration on achieving quantifiable results within a short timeframe and it is vital not to undermine the importance of HRD as an investment with long-term and less tangible benefits (such as culture change)”. Lee (1996:71) is of the opinion that companies that realise the importance of strategic human resource development do not focus on determining the value of this type of training. McCracken and Wallace (2000a:443) explain as follows: “...it could well be that it is the lack of such [cost-effective] evaluation that is the real indicator of SHRD.”

4.4.4.2 Strategic human resource development and the culture of the company

Strategic human resource development should influence the culture of the company regarding human resource development but at the same time the culture of the company should also influence the manner in which human resource development takes place in the company. Garavan (1991:22) explains: “Culture must be viewed as a central factor in the overall process of [S]HRD.” This view of Garavan (1991:22) regarding strategic human resource development is also confirmed by McCracken and Wallace (2000b:285). They explain: “Culture is seen as an important variable in deciding how [S]HRD should be delivered and evaluated.” A process of strategic human resource development is characterised by taking into consideration the culture of the company, but at the same time also influencing the manner in which it manifests in the company (McCracken & Wallace, 2000a:441). Strategic human resource development is therefore characterised by the fact that it does not take place in isolation from the culture of the company.

4.4.4.3 Strategic human resource development and knowledge processes

Strategic human resource development should be characterised by knowledge processes which are performed. Learning is regarded as the outcome or result of three knowledge processes namely, the creation, sharing and use of knowledge. During strategic human resource development knowledge processes are performed in terms of the emergent strategic orientation of the company. Grieves (2003:117) explains that strategic human resource development should be characterised by learning rather than training. Grieves (2003:117) explains the importance of strategic human resource development leading to the development of the ability to challenge conventional wisdom, but also to think strategically: "...learning must not be tied to adaptations of existing strategy. It requires the development of intuition combined with a mental image of a future state".

The above-mentioned characteristic of strategic human resource development indicates the proactive nature of this method of human resource development as well as the relationship that should be present between the grand strategy and the strategic orientation of the company as well as the strategic human resource development strategy [See paragraph 3.3]. It is also apparent that effective strategic human resource development necessitates constant interaction between executives and managers involved in strategic processes, line management and individuals responsible for the development of the human resources of the company.

4.5 FUTURE-ORIENTED METHODS OF HUMAN RESOURCE DEVELOPMENT

Rothwell and Kazanas (1994:xi) are of the opinion that there are five methods which can be used to make traditional human resource development possible, namely: organisational development, non-employee development, employee development, employee education and employee training [See paragraph 4.3.1]. The authors (1994:xi) explain further: "In addition, Development, Education, or Training can be treated from a past-oriented or future-oriented perspective." These "future-oriented perspectives" are

known as strategic organisational development, strategic employee development and strategic training.

These methods of human resource development are considered to be strategic because they focus on the development of the executives, managers and employees of the company in terms of the skills they will need in future in order to achieve the emergent strategic orientation of the company. They are thus not regarded as methods of traditional human resource development since they do not focus on the skills executives and need in order to give effect to the current strategic orientation of the company. Future-oriented methods of human resource development enable employees but more specifically executives and managers to function effectively within all four the domains in the current and emergent strategic environment of companies [See Chapter 2]. However, these methods of human resource development are particularly suited to the complex and chaotic domains of the strategic environment of companies since these domains are largely uncertain and volatile in nature [See paragraphs 2.2.3 and 2.2.4].

Walton (1999:83) describes the impact of “uncertain” environments on the development of the skills of executives, managers and employees as follows: “It is impossible now to predict with any degree of precision the type and range of tasks and demands that people will be expected to undertake over the next few years. Yet it is vital that as new tasks and technologies emerge, people can be found who have the capability to rapidly acquire the associated skills, knowledge and competences. The emphasis in advanced economies is on developing knowledge workers capable of making rapid skills transitions and attitude adjustments in response to unforeseen and unforeseeable contingencies.”

What follows is a brief explanation of “future-oriented” methods of human resource development, namely: strategic organisational development, strategic employee development and strategic training:

4.5.1 Strategic organisational development

Rothwell and Kazanas (1994:251) are of the opinion that that strategic organisational development results in the prevailing norms of groups in the company and the organisational culture being such that they make provision for changes that may take place in future. Rothwell and Kazanas (1994:251) are of the opinion that the process of strategic organisational development enables existing group norms and organisational culture to adapt to changes that might occur in future. Albert (cited in Rothwell & Kazanas, 1994:251) captures the uncertain nature of strategic organisational development as follows: “It is hard to identify present norms and culture, it is even harder to envision what they should be in the future.”

4.5.2 Strategic employee development

The process of strategic employee development focuses on equipping managers and employees with the skills the organisation, business unit or groups of employees may need in future. Methods that are, according to Rothwell and Kazanas (1994:321), used to make strategic employee development possible are: “long-term, formalized mentoring programs; long-term, informal mentoring programs; long-term, formalized transfer or exchange programs; short-term rotation programs; special job assignments, field trips; professional conferences; behavior modeling; and “think tank” experiences.”

4.5.3 Strategic training

Rothwell and Kazanas (1994:425) depict strategic training as follows: “It is based on predictions of future job requirements stemming from strategic necessity.”

Strategic training focuses on equipping executives, managers and employees for changes that may occur in the manner in which they perform their jobs. These changes spring from the external and the internal strategic environment of the company. Strategic training flows from the emergent strategic orientation of the company. This type of

training applies to all employees, but is of crucial importance to executives and managers involved in formulating and implementing the strategic orientation of the company. If executives and managers do not have the necessary skills to give effect to the emergent strategic orientation of the company it will have a negative effect on the long-term competitiveness of the company. Executives and managers will not be able to manage effectively and will also not be able to contribute to the training of fellow employees [See paragraph 4.4.2].

4.6 STRATEGIC TRAINING

Strategic training should be distinguished from traditional training during which learning occurs with the exclusive aim of improving the current performance of the executives, managers and employees by expanding their knowledge and skills. Strategic training is a purposeful learning intervention whilst traditional training manifests in repeated training opportunities. The distinction between strategic and traditional training is thus based on the outcome of the training. Strategic training attempts to adapt and expand the knowledge and skills which managers and employees currently have in order to enable the company to achieve its emergent strategic objectives. Traditional training concentrates on the knowledge and skills which managers and employees currently need to be capable of efficient and effective performance.

Rothwell and Kazanas (1994:423) explain that there are fundamental differences between traditional human resource development and strategic human resource development and thus there are also differences in the nature and scope of traditional training and strategic training [See paragraph 4.3].

Traditional training serves as a maintenance system since it preserves existing circumstances in the company: “It preserves an existing system by teaching people how to conform to policies, procedures, methods and rules. At best, it fosters consistency by obtaining uniform behavior regarding policies and procedures intended “to formalize or institutionalize all aspects organizational behavior”” (Katz & Kahn cited in Rothwell &

Kazanas, 1994:424). Traditional training addresses existing, current gaps between real and desired work performance. This type of training is reactive and concentrates on current training needs. It focuses on existing gaps.

Strategic training serves as an *adaptive system* since it equips managers and employees for changes that may take place in future. “Instead of bringing individual performance into compliance with organizational policies, procedures, work methods, and cultural requirements, training becomes a vehicle for anticipating future environmental requirements. As environmental conditions change, the organization and individuals gradually learn how to behave so as to meet new requirements created by those changing conditions” (Rothwell & Kazanas, 1994:424). Strategic training addresses gaps between the current performance and the future performance of managers and employees. This type of training is proactive and concentrates mostly on the future. A training process which enables strategic human resource development is therefore of particular relevance to the complex and chaotic domains of the strategic environments of companies because these domains are largely characterised by uncertainty.

4.6.1 The Rothwell and Kazanas (1994) model of strategic training

An example of a model for strategic training that is found in the literature is the model of Rothwell and Kazanas (1994). This model consists of eleven steps, namely:

- Identifying opportunities during which strategic training should be used
- Identifying the strategic training needs of executives, managers and employees
- Determining key characteristics of learners
- Analysing the future [work] setting
- Conducting a future-oriented work analysis

- Preparing strategic instructional objectives
- Creating strategically-oriented tests
- Arranging objectives in sequence
- Selecting and using appropriate delivery methods
- Preparing and selecting content for strategic training
- Presenting strategic training

Each of the steps in the Rothwell and Kazanas model (1994) are briefly discussed below:

4.6.1.1 Identifying opportunities during which strategic training should be used

Rothwell and Kazanas (1994:426) explain that strategic training should be used proactively in order to find a particular problem – or matter – that should be addressed through strategic training. Strategic training focuses on *problem-finding* rather than *problem-solving*.

These problems or matters are identified by asking the following questions:

- “What should employees be doing in the future?”
- What are employees actually doing?
- What differences exist between what employees should be doing in the future and what they are actually doing?
- How important are these differences?
- What will be the cause of these differences?

- What should be done about nontraining needs expected in the future?
- What should be done about strategic training needs?" (Rothwell & Kazanas, 1994:427-428).

During this step a comparison is made between the current *versus* the future performance of executives, managers and employees. In this first step of the Rothwell and Kazanas (1994:427-428) model it is assumed that the emergent strategic orientation of the company has already been formulated since the tasks and activities for which executives, managers and employees will be responsible in future are determined during this step.

4.6.1.2 Identifying the strategic training needs of executives, managers and employees

The aim of both traditional and strategic training is to address the training needs of executives, managers and employees. However, before the traditional and the strategic training needs of executives, managers and employees can be addressed it is important that these needs are identified correctly.

The identification of the strategic training needs of employees and in particular executives and managers is contained in Step 2 of the Rothwell and Kazanas (1994) model. This step entails that those involved in strategic processes (executives and managers) and strategic training (individuals responsible for human resource development) in the company should be able to identify strategic training needs as these emerge from the future strategic orientation of the company. If these training needs are properly identified and addressed executives, managers and employees should be enabled for effective performance in any of the four strategic domains in which the company will find itself in the future.

Different criteria are used to assess the current performance of executives, managers and employees as opposed to the future performance of executives, managers and employees.

This implies that different criteria are used to assess the manner in which the traditional and the strategic training needs of executives and managers are identified and addressed.

The criteria that are used to assess the current performance of executives, managers and employees flow from the standards established for effective performance. The performance of executives, managers and employees is determined by their ability to contribute to the current competitiveness of the organisation and if executives, managers and employees do not have the necessary skills to perform effectively a particular training need is identified.

The changing circumstances in the strategic environment of companies necessitate adjustments to the manner in which tasks and activities are performed and also the standards according to which performance are measured. Executives, managers and employees should be equipped and trained in terms of the changing nature of work performance in order to meet the standards set to determine effective performance. The standards established to measure the effectiveness of this “changed” performance serve as the criteria according to which strategic training needs are determined (Rothwell & Kazanas, 1994:429). Rothwell and Kazanas (1994:429) explain the “uncertain nature” of these standards and also the criteria used to identify the strategic training needs as follows: “Future criteria are what managers expect after job requirements and standards have been affected by changing conditions inside and outside the firm.” To predict future criteria, HRD practitioners and others should determine what major changes will affect the organization, and how those changes should affect job standards or job performance requirements. The process of predicting future criteria is tentative and highly subjective.”

In Step 2 of the model it is assumed that executives and managers involved in strategic processes and individuals responsible for strategic training in the company are able to translate the emergent strategic orientation of the company into strategic training needs as well as the standards of performance and the criteria to identify training needs. The identification of training needs should result in the curricula or instructional plan

according to which executives, managers and employees will be trained [See paragraph 3.4].

As previously explained the opportunities during which strategic training should be used or Step 1 of the Rothwell and Kazanas (1994) model should be translated into strategic training needs or Step 2 of the Rothwell and Kazanas (1994) model. If this translation is unsuccessful, it could have a negative impact on the effectiveness of the strategic training process. Step 2 is thus regarded as one of the most important – if not the most important – step of this model. The nature and scope of the strategic training needs determined during Step 2 will also largely determine the manner in which the rest of the process will be executed and the manner in which the training infrastructure will manifest itself.

4.6.1.3 Determining key characteristics of learners

Both the managers that are currently involved with strategic processes as well as managers and employees that have the potential to be promoted into executive and managerial positions should be exposed to strategic training. Strategic training should be focused on the strategic training needs of executives, managers and high potential employees before the needs of other employees are addressed. Rothwell and Kazanas (1994:431) explain as follows: “Employees presently working in a job may well be affected by changes in job duties and performance requirements resulting from changes in business strategy or external environmental conditions. But if the emphasis is on the future, some employees are gone – moved out of the job class – by the time changes are felt. Other employees will be moving into the job class. It is thus necessary to predict who the learners will be.”

Rothwell and Kazanas (1994:431) identify four aspects on which the decision to include learners in a strategic training process should be based. These aspects are:

- “Ability: Do trainees have the ability to learn in anticipation of need?
- Motivation: How motivated are learners to prepare for future changes on the job?

- Necessary base of skills: How much do learners possess necessary background knowledge and skills?
- Strategic thinking skills: How much do learners possess the ability to peer into the future and work to anticipate it?” (Rothwell & Kazanas, 1994:431).

Step 3 entails that managers and employees with potential are identified and selected in order to participate with executives in a strategic training process. In step 3 it is therefore assumed that there is interaction between the different components of the human resource management function and specifically the human resource management function and the human resource development function.

4.6.1.4 Analysing the future [work] setting

The nature and scope of strategic training should reflect the future working environment or setting in which executives, managers and employees will apply their newly acquired skills. Rothwell and Kazanas (1994:432) explain the reason why a training environment should be created that reflects the future work setting of executives, managers and employees: “The idea is to use the instructional setting to simulate future, but not yet existing, job conditions, so that learners gain experience without incurring the costly consequences of doing so in a real setting”.

Step 4 of the Rothwell and Kazanas model (1994:432) requires that the training processes and training infrastructure used by the company should be conducive for learning to occur and thus for knowledge processes to be performed in terms of the future strategic orientation of the company [See Chapter 3].

4.6.1.5 Conducting a future-oriented work analysis

An analysis of the nature of the work that executives, managers and employees will be responsible for in future should commence as soon as the future work setting has been

analysed. Step 5 will ensure that the work which executives, managers and employees perform in future enable the company to achieve its future strategic orientation.

Steps 4 and 5 entail that the emergent strategic orientation of the company is translated into a future work setting and an analysis of work that needs to be done in future. In these two steps it is therefore assumed that the executives and managers involved with strategic processes and individuals responsible for human resource development are able to translate the emergent strategic orientation of the company into a future work setting and work analysis.

4.6.1.6 Preparing strategic instructional objectives

The objectives of the training or the outcomes that are to be achieved through strategic training or “what learners will be able to do upon completion of a learning experience” are determined during Step 6 of the Rothwell and Kazanas (1994) model. Rothwell and Kazanas (1994:433) explain that the strategic instructional objectives should address a discrepancy in the skills of executives, managers and employees. They describe this discrepancy as follows: “Instead of expressing [addressing] a discrepancy between what is and what should be at present, a strategic instructional objective is based on a discrepancy between what is at present and what should be in future.”

Step 6 entails that the future work requirements which were identified in Step 5 should be interpreted into skills or training objectives which have to be achieved during the strategic training process.

4.6.1.7 Creating strategically-oriented tests

Methods should be developed to assess the effectiveness and relevance of strategic training. These methods should provide for three aspects, namely a task, an instructional objective and a unit for testing. Rothwell and Kazanas (1994:433) explain these aspects as follows:

- “Task: what should be done on the job in the future?”

- Instructional objective: what will be the outcome of instruction?
- Test item: how can achievement of an objective be measured?"

Step 7 results in the effectiveness and relevance of strategic training being determined in order to ascertain whether the training objectives as identified in step 6 has been achieved [See paragraph 3.7].

4.6.1.8 Arranging training objectives in sequence

The order in which the training objectives, which were determined in Step 6, will be addressed is determined by the aim to be achieved by the training. The aim of strategic training varies from creating knowledge to sharing knowledge regarding the emergent strategic orientation of the company. Creating new knowledge is addressed through non-directive training while the sharing of knowledge is addressed through directive training. Non-directive training is described as follows: “The learning event is a discovery session where new ideas are created and new learning needs are identified (Rothwell & Kazanas, 1994:433-434). Rothwell and Kazanas (1994:433) describe directive training as follows: “Directive training is designed and delivered in anticipation of a future need, one which is soon going to be felt on the job.”

The sequential order of training objectives for non-directive training is determined by the training needs of executives, managers and employees whilst a chronological order is followed to determine the sequential order of training objectives for directive training. The training objectives are simply arranged from the skills that executives, managers and employees currently possess to skills executives, managers and employees should possess in future (Rothwell & Kazanas, 1994:434).

As soon as the sequence in which the training needs of executives, managers and employees should be addressed has been determined suitable instructional methods and media must be found to address these training needs.

4.6.1.9 Selecting and using appropriate delivery methods

The aim of the training determines the type of delivery methods used to present strategic training to executives, managers and employees. Directive training is associated with clear outcomes to be achieved and the delivery method is of a conventional nature. Non-directive training is associated with less specific outcomes and for this reason Rothwell and Kazanas (1994:434) are not prescriptive about the use of a specific delivery method.

As soon as the content that has to be conveyed to executives, managers and employees have been prepared the delivery method that will be used to present the content to executives, managers and employees needs to be identified [See paragraph 3.6].

4.6.1.10 Preparing and selecting content for strategic training

The content of directive training can be developed and prepared internally or be bought from commercial suppliers of training material. The nature of the content of directive training is described as follows by Rothwell and Kazanas (1994:443): "...content is prepared ... in precisely the same way that traditional instruction is prepared". Non-directive training requires the presence of a learning facilitator in order to stimulate the creation of new knowledge and the nature of the content is described as follows: "stems from the "training" session and is a function of group interaction and methods used to elicit new ideas." (Rothwell & Kazanas, 1994:443).

As soon as the content of the training has been selected and prepared the training is offered to executives, managers and employees in Step 11 of the Rothwell and Kazanas (1994:443) model of strategic training.

4.6.1.11 Presenting strategic training

The successful presentation of directive training is largely determined by the training skills of the trainer. During non-directive training the trainer is mostly a facilitator whilst the "content" of the training is transferred by the participants or learners involved in the training process.

The above-mentioned model of Rothwell and Kazanas (1994) provides an indication of the steps included in a strategic training process. However, Rothwell and Kazanas (1994) do not indicate whether their model is only applicable to executives and managers involved with strategic processes or executives, managers and employees and it is therefore assumed that their model is aimed at executives, managers and employees. The presence of models of strategic training does, however, not necessarily imply that companies do indeed make use of strategic training. Naturally models of strategic training will have to be adapted according to the specific needs and circumstances of companies in order to ensure that they are used.

[The researcher provides further comment on the Rothwell and Kazanas (1994) model in Chapter 7 as part of a proposed framework for the implementation of a cyclical strategic training process.]

4.7 STRATEGIC HUMAN RESOURCE DEVELOPMENT IN SOUTH AFRICAN COMPANIES

The strategic environment within which South African companies find themselves also consist of a known, knowable, complex and chaotic domain. In the literature several authors, such as Pretorius (2001:10) and Meyer (2004:8), refer to the factors that are present in the strategic environment of companies and that influence the strategic environment within which these companies find themselves currently and will find themselves in the future.

- “It is ever changing, fast moving and complex,
- it is very similar to what is happening internationally,
- it is volatile, very sensitive to international and local turmoil,

- it is ultra-competitive because of global competition and local deregulation,
- it is being affected to a greater degree by the power of information technology and the internet,
- customers want it all,
- staff members have high expectations,
- there is a deluge of new threats and opportunities, every day,
- the challenge is to become globally competitive or perish.” (Pretorius, 2001:10).

Meyer (2004:8) explains that: “The next generation of leaders in South Africa has vastly disparate contexts in which their leadership skills must be applied. They will be challenged to find solutions to problems concerned with poverty alleviation, lack of education and high levels of mortality whilst positioning their organizations and the country in an unforgiving global economy fuelled by technology which will fundamentally change the structure of the economy and even society itself.”

Weeks (2000:16) describes the importance of executives, managers and employees in South African companies being trained in terms of “new” skills in order to ensure the continued competitiveness of South African businesses: “South Africa, if it intends to become a global player and compete within a highly competitive international business environment, will need to invest in the education of a work force that will require a new set of skills that will be more appropriate for dealing with the redefined rules of a 21st century business world. An education system based on the principle of lifelong learning to assist all South Africans to actualize their full potential in a highly competitive and constantly changing global business context will be essential if South Africa is to become a serious player in the game of global business.”

These statements by Weeks (2000:16), Pretorius (2001:10) and Meyer (2004:8) confirm the importance that factors in the strategic environment of companies should be identified proactively and translated into the training needs of executives, managers and employees.

Furthermore, South African companies should prepare employees but especially executives and managers to be able to manage within the known, knowable, complex and chaos domains of the strategic environment of companies by means of methods such as strategic human resource development.

This implies that the factors which are present in the strategic environment of companies and which influence the future strategic orientation of companies should be translated in terms of the performance levels which executives, managers and employees will have to master in future and which will give rise to the creation of certain strategic training needs. These strategic training needs should be addressed by means of future-oriented methods of strategic human resource development, such as strategic training. The strategic training needs of executives and managers responsible for strategic processes should be identified and addressed before the strategic training needs of employees are identified and addressed. Once the strategic training needs of executives and managers are identified and addressed they should become involved in the strategic training of employees.

4.8 TRAINING NEEDS OF EXECUTIVES AND MANAGERS IN SOUTH AFRICAN COMPANIES

The literature refers to various skills in which executives and managers in South African companies need training. The skills in which executives and managers need training should be addressed by a traditional and strategic training process depending on the strategic orientation (current *versus* emergent) of the company.

A study conducted by Grant (1999:15) at the instruction GIBS, University of Pretoria provide an overview of the skills in terms of which “senior level, potential senior level executives or high performers” need to be trained. These are the employees that are principally responsible for formulating and implementing the strategic orientation of companies in South Africa [See Annexure C]. The skills identified by Grant (1999:15) and others referred to in the literature are discussed in no specific order:

- Technological skills: Grant (1999:15), Weeks (2000:19) and Lessing and Maritz (2001:11) are of the opinion that executives and managers ought to possess the necessary skills to apply information and communication technology to the benefit of the company. Weeks (2000:16) explains that information and communication technology is only a mechanism that enables executives and managers to perform work and that executives and managers also need to have a variety of additional skills to perform effectively. Weeks (2000:19) identifies these skills as follows: “critical thinking and doing, creativity, collaboration, cross-cultural understanding, communication, computing and career and learning self-reliance. These skills clearly include a substantial set of skills that are not primarily technology-based in the first instance, but that emerge as a consequence of applying the technology concerned.”
- Self-assertion: Executives and managers need the skill to assert themselves within their professional environment (Pretorius, 2001:10). Grant (1999:15) describes this skill as follows: “People need to be confident in themselves, articulate, be a person of high integrity, be able to network at entry level in the company.”
- Knowledge management: Executives and managers need to develop the skill to be able to apply both their explicit and tacit knowledge to the advantage of the company. Chilvers (cited in Grant, 1999:16) explains: “...the knowledge economy is now a real factor in all sectors and industries. It is now essential for managers to be able to synthesise information and manage the information volume in a smart way. Good knowledge management will therefore be essential.”

- Knowledge sharing: The need for knowledge management also relates to the skill of executives and managers to convey their knowledge to others or to share it with others. Grant (1999:22) describes the importance of developing the skills of executives, and managers to translate their personal knowledge into organisational knowledge: “A lot of young, well-educated whites are leaving the country. They are not emigrating, they are just leaving. We now have to transfer skills [or share knowledge] from one generation to the next.”
- Managerial skills: Grant (1999:19, 24) explains the needs of executives and managers in terms of their managerial skills as follows: “Managers don’t know how to manage today and hence consulting companies can make a significant difference by instilling some discipline into an organization.” Furthermore, Grant (1999:24) is of the opinion that executives and managers should develop the skill to apply their theoretical knowledge in performing their work: “Too often MBAs can’t integrate their knowledge into their organizations or translate it into real practice.”
- Financial management: Executives and managers need to develop financial management skills. Grant (1999:19) explains as follows: “Managers need to be trained to run their bottom line better and to manage costs better.”
- Strategic thinking: The skill to think strategically entails that executives and managers are able to formulate and translate the strategic orientation of the company in a vision, mission and a strategy for the company (Pretorius, 2001:10). Grant (1999:20) explains: “South African managers are generally well thought of internationally because they can do virtually anything but they lack vision and leadership. They lack those elements of big thinking because they are not part of the global thought programme.” The opinions of Grant (1999:20) and Pretorius (2001:10) are confirmed by Watson (2003:24): “...but there also has to be local advantage flowing from any international element in a course like an MBA. It has to contribute to and develop the economy of the

country while preparing the local business leaders to take their place on the global stage. It has to achieve a real balance between local and global”.

Coupled with the skill to think strategically executives and managers must also possess a particular perspective regarding the role of the company in society: “you need to have a broad mind in order to understand the role of business in society. Too often business in South Africa is seen as an end in itself and big businesses tend to see society’s role as satisfying business rather than the other way around” (Morolo cited in Grant, 1999:25).

- Succession planning: Executives and managers should develop the skill to identify individuals who have potential and can be developed to occupy key positions in the company. Grant (1999:20) explains: “South Africa has a long way to go before the leader becomes the teacher.”
- Team management: Grant (1999:22) describes the need for executives and managers to be trained in terms of the skill to manage teams: “Managers can’t manage a team, they don’t have the tools or techniques to manage a team.”
- Performance evaluation: Grant (1999:23) explains that executives and managers need to identify and to evaluate skills that are important for the competitiveness of the company. She explains: “Managers don’t know what to measure to improve performance down into the organization.”
- Leadership skills: Leadership skills entail that the executives and managers has the ability and accepts the responsibility to make the company internationally competitive. Van der Colff (2001:16) explains the manner in which the leadership skills of executives and managers ought to be developed: “A skills based model of leadership must be developed for each organisation, defining the diverse skills and competencies necessary for leaders to manage future change in an innovative and entrepreneurial way.”

- Interpersonal skills: Grant (1999:23) is of the opinion that it is not sufficient for executives and managers to merely possess managerial and leadership skills since interpersonal skills also contribute to the competitiveness of a company: “Management in SA has good technical skills but lacks people skills. Managers care only about the bottom line and don’t care about relationships or building organizational culture – yet it is essential that we take people along with us.” Interpersonal skills also include an awareness and appreciation of the skills and knowledge of individuals from other population groups in the company: “Cultural links with all the different population groups in the broadest terms are lacking. Most white managers have no experience of professional Black people. These managers shouldn’t be surprised that there are good black professionals (Grant, 1999:23).
- Communication skills: Executives and managers require the skill to communicate with a variety of role players within the company. Grant (1999:24) explains the effect of the absence of communication skills on knowledge sharing as follows: “Managers are bad at communicating with different stakeholders, such as their own people, government, bureaucrats. Knowledge sharing and effective leadership will create a culture where knowledge will flow – encourage people to share information.”
- Innovative and creative thinking: Pretorius (2001:10) explains that innovative thinking means that executives and managers have the skill to find opportunities that will enable the company to grow. “One of the most important areas for business to concentrate on is in the area of innovation. This requires training and adaptation to new ideas and new trends, especially in the workplace” (Grant, 1999:25). Conradie (2003:16) expresses the importance of creative thinking: “Organisations cannot be innovative without having managers capable of generating creative ideas. Apart from being creative, management needs to understand the nature and characteristics of creativity.”

- Decision-making: Employees also have a need of the skill to make decisions and to solve problems they experience in their operational environment (Pretorius, 2001:10).
- Executive intelligence: Menkes (2006:16) mentions the importance of executive intelligence. He states: “In today’s work place an individual cannot become a star executive without possessing a unique type of business ‘smarts’ that is called executive intelligence. Menkes (2006:16) defines executive intelligence in the following manner: “In its simplest form, it is a distinct set of aptitudes that an individual must be able to demonstrate in three central contexts of work: the accomplishment of *tasks*, working with and through other *people* and judging *oneself* and adapting one’s behaviour accordingly.”

Nel (2001:12) explains that South African executives and managers are often trained according to a British study, which spells out the skills that are regarded as essential for executives and managers. He explains: “Research undertaken in the UK attempted to identify the skills managers require. It has been adapted to serve as a guide for management education in South Africa because of the closer similarities with British management practices than those of the USA. Two broad categories have been identified namely the necessary skills and the so called supra skills”. Nel (2001:12) describes these two types of skills as follows:

“Among the necessary skills the most prominent are:

- The evaluation of employees
- Self-management
- Time management
- Bargaining, and

- Representing the organization at various fora.”

The supra-skills were grouped in four categories:

- Intellectual skills (strategic perspectives, analysis, structured planning)
- Interpersonal skills (dealing with employees, sensitivity, communication; effective negotiation, decisiveness)
- Adaptability (management of change, contingency planning)
- Results orientation (stating clear objectives, measuring progress, corrective action).”

The findings of the above-mentioned British study have been adjusted and expanded by research undertaken by Alberts (1994:14). This study identifies certain skills that were in 1994 regarded as being of critical importance to executives and managers. These skills are:

- “Improved thinking and reasoning skills
- Managing the continuous global changes in a transformational way so as to be relevant in the South African context
- An improved ability and proficiency to innovate and think laterally and creatively
- Aspiring managers must learn to develop criteria for prioritizing activities
- Utilizing technological advances to their advantage in the business context

- The development of a holistic approach to management in the international context
- The development of cross-cultural skills and the management of diversity as a priority to manage South African businesses optimally
- Managing human resources sensitively in South Africa due to its unique configuration as well as its politicised nature.”

A skill that is often identified in the literature is the ethical orientation of executives and managers (Meaney cited in Grant, 1999:1; Lessing & Maritz, 2001:11). Erasmus (2002:34) explains as follows: “Business ethics has become one of the crucial elements managers in South Africa will have to comprehend fully and manage successfully in view of international pressure and a call for a more transparent approach to corporate governance.”

Garger (cited in Shah *et al.*, 2001:23) not only explains the importance of identifying the skills of executives and managers but states that it is also necessary to have methods in place to ensure that executives and managers have the skills that are required of them in the workplace: “As we enter the new millennium, the most fundamental shift will reflect a redefinition of training itself. To retain key talent, remain competitive and ensure long-term profitability, organizations are making dramatic changes in the way they develop the knowledge and skills of their workforce.”

The above-mentioned discussion offers a brief overview of the training needs of executives and managers as presented in the literature. The question, however, remains to what extent the above-mentioned skills are merely traditional in nature or whether they are emergent in nature and thus flow from both the current and future or emergent strategic orientation of the company. Furthermore, it should be determined whether

executives and managers are familiar with the concept of “strategic training needs” and what infrastructure is present in large South African companies in order to identify and address strategic training needs specifically. These questions are addressed in Chapter 6.

4.9 CONCLUSION

All companies, and thus also all South African companies, must develop an understanding of the differences between traditional or more reactive, and strategic or more proactive training. Furthermore, companies should distinguish between the skills of executives and managers which should be addressed by means of a traditional training process and skills that will ensure the competitiveness of the company in the future and that should be addressed by means of a strategic training process. Kerker (2000) explains that companies which make use of a strategic training process have the following characteristics:

- They offer training to executives and managers which is aligned with the emergent strategic orientation of the company.
- They identify the strategic training needs of executives and managers in an ongoing basis to ensure that training remains aligned with the emergent strategic orientation of the company.
- They make a distinction between training that merely addresses traditional training needs in a reactive manner and training that results in the proactive and continuing identification of the strategic training needs of executives and managers.

- They are able to provide an indication of the effect of strategic training on the manner in which business is conducted in the company. This characteristic of strategic training is also discussed in *Measuring what matters: how to make training count* (1999): “Company-specific training must result in measurable improvement in internal business processes, customer-getting and customer-keeping activities, financial performance, employee retention and other indicators of training success.”

Strategic training is, but one example of future-oriented methods by which the company’s human resources can be developed to facilitate the emergent strategic orientation of the company. The implementation and use of a strategic training process is subject to companies understanding the value of strategic human resource development for the competitiveness of the company.

It appears as if companies have not yet grasped the concept of “strategic human resource development” properly. Blake (cited in McCracken and Wallace, 2000b:282) explains: “...the field [strategic human resource development] defies definition and boundaries. It is difficult to put into a box.” This ambiguity regarding strategic human resource development has the effect that companies probably hesitate to make use of it and thus also of methods such as strategic training to address the strategic training needs of employees and executives and managers in particular. Garavan (cited in McCracken and Wallace, 2000b:282) describes the situation as follows: “The concept of Strategic HRD (SHRD) has been much explored in the training and development literature of the last decade, but there has been relatively little work done on what characterizes an organisation with a strategic approach to HRD.”

It is necessary to determine if companies are aware of strategic training as a method of human resource development and if they identify and address the strategic training needs of their executives and managers in particular. The level of awareness of strategic training amongst large South African companies and the strategic training needs of executives and managers involved in strategic processes in large South African

companies are discussed in Chapter 6. In Chapter 6 reference is also made to the manner in which the strategic training needs of executives and managers in large South African companies are addressed.



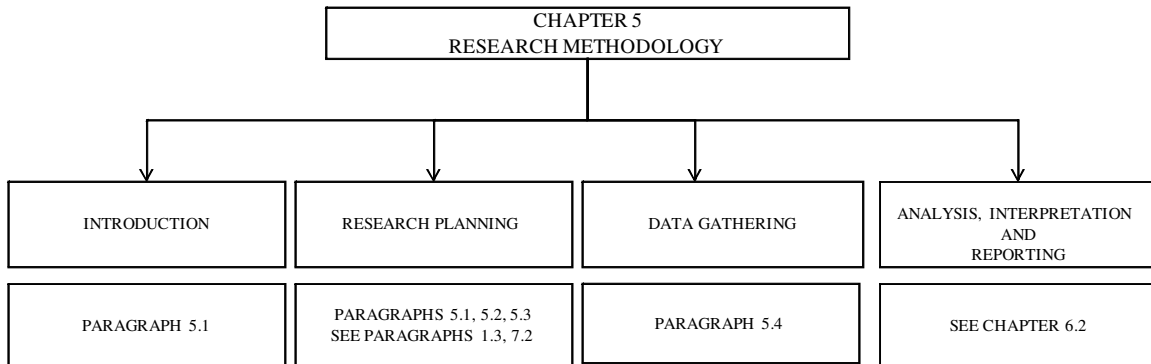
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CHAPTER 5

RESEARCH METHODOLOGY



GRAPHICAL REPRESENTATION OF CHAPTER 5





5.1 INTRODUCTION

Research entails a structured and planned approach to the collection, analyses and interpretation of information in order to address a specific research question or hypothesis. Neuman (2000:2) elaborates further and indicates as follows: “Scientists should be critical and sceptical of new evidence. Criticism is aimed at the research and not at the individual. Scientists should be neutral, impartial and open to different ideas as far as possible. If this cannot be attained, they should acknowledge their biases. Scientists must be honest when reporting their research findings.” These statements explicitly imply that a research project should be correctly planned, designed and conducted and that the findings should be reported in an objective and unbiased manner for the project to fulfil its responsibilities.

In accordance with the aforementioned requirements, chapters 2, 3 and 4 of this thesis provide a theoretical discussion on strategic training as a component of strategic human resource development.

Chapter 2 provides a discussion on the manner in which the strategic environment of companies manifests according to the Cynefin framework for organisational sense making (Cynefin Centre for Organisational Complexity, 2003:1). The factors in the external and internal strategic environments of companies determine the manner in which the current and emergent strategic orientation of companies are formulated and therefore serve as the point of departure of a strategic training process.

The nature of the environment which should be present to ensure that knowledge processes regarding the strategic environment of companies are conducted is discussed in Chapter 3. This includes a discussion of the relationship between knowledge processes, learning and training.

Chapter 4 explains the nature and scope of strategic training in terms of:

- The relationship between strategic training and strategic human resource development.
- The use of a strategic training process to provide for the identification of the strategic training needs of executives and managers.
- The use of a strategic process to train executives and managers in terms of the emerging strategic orientation of the company.

The theoretical chapters are followed by an explanation of the research methodology that is used to complete the empirical component of this thesis as detailed in Chapter 5. This empirical research will be conducted in order to achieve the primary objective of the thesis – to determine the strategic training needs of executives and managers in a selection of large South African companies, which will be discussed in Chapter 6.

The latter objective will be achieved by means of an inductive generalisation, according to the principles of phenomenography (Mouton, 2001:117; Struwig & Stead, 2001:15). Inductive generalisation entails that the researcher begins with a detailed examination of the world or a phenomenon in the world and moves towards a more generalised explanation of the world or the phenomena in the world. Mouton (2001:117) explains: “Inductive generalisation involves applying inferences from specific observations (such as a sample of cases) to a theoretical population.”

In this thesis, the researcher will study the phenomenon of strategic training and move to an explanation of the nature of strategic training as well as the strategic training needs of managers within a selection of large South African companies. The phenomenon of strategic training and the strategic training needs of managers will be studied by identifying regularities and differences in the form of patterns which emerge during the interviews which will be conducted with respondents (Struwig & Stead, 2001:15).

Marton (1994:4424) explains: “In a phenomenographic study we are exploring the different ways in which we can be aware of a certain phenomenon or situation. We want to find out the differences in the structure of awareness and the corresponding meaning of the phenomenon or situation” while Struwig and Stead (2001:15) describe phenomenography as follows: “...the different ways in which people experience, conceptualise, perceive or understand aspects of the world, are mapped out.”

5.2 THE RESEARCH PROCESS

The steps in the research process followed in this study are depicted in Figure 5.1 The research process.

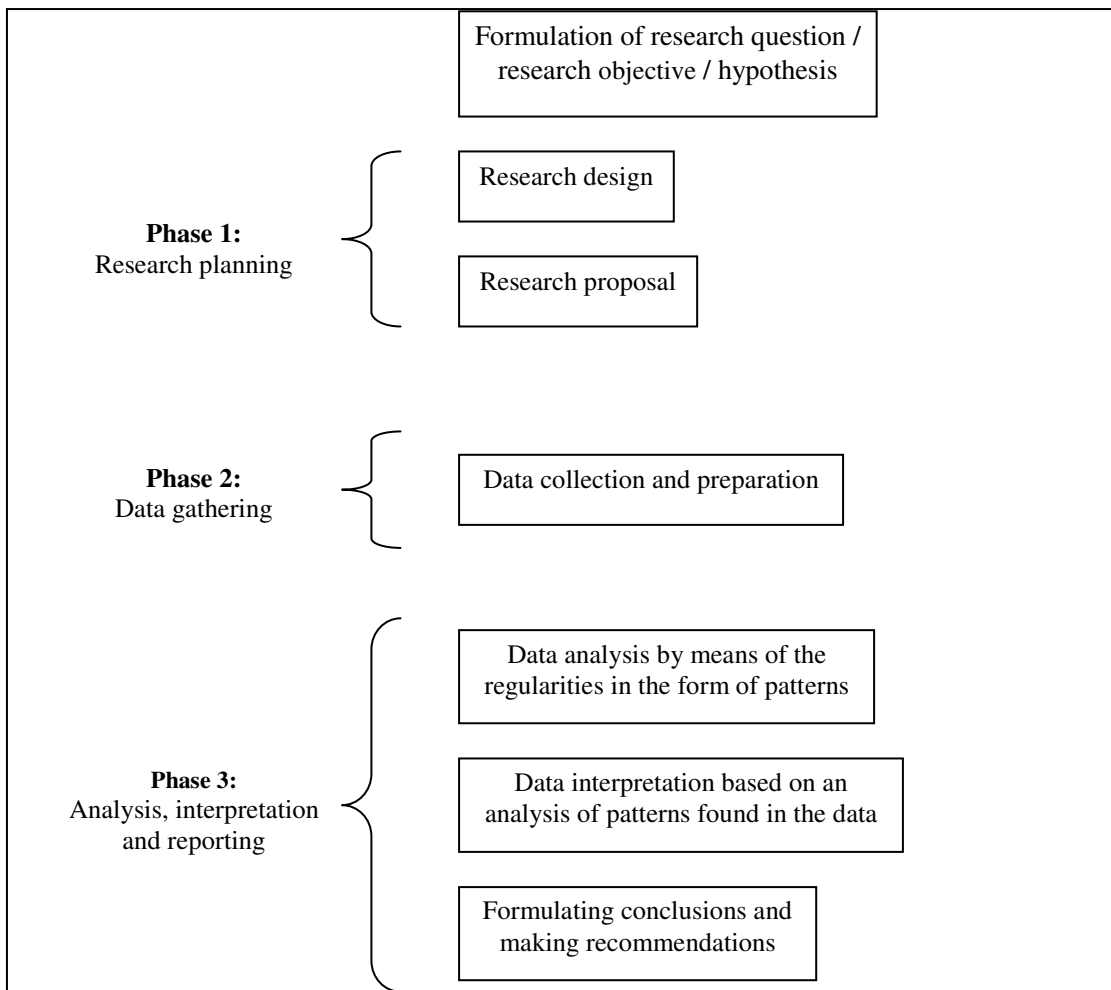


Figure 5.1 The research process (adapted from Cooper & Schindler, 2001:61; Mouton, 2001:47; Struwig & Stead, 2001:22-24; Neuman, 2003:51-52).

5.3 PHASE 1: RESEARCH PLANNING

The research planning phase of the research process consists of three activities, namely: the formulation of the research question(s) or the hypothesis as well as the aim(s) and objective(s) of the research; the design of the research process and culminate in a research proposal which serves as a guideline for the research process.

The first part of the research process entails the formulation of the research question(s) or the hypothesis as well as the aim(s) and objective(s) of the research. According to Cooper and Schindler (2001:60) the “origin, selection, statement, exploration, and refinement” of the research question is a crucial part of the research process. They (2001:60) quote Albert Einstein who stated as follow: “The formulation of a problem is far more often essential than its solution, which may be merely a matter of mathematical or experimental skill. To raise new questions, new possibilities, to regard old problems from a new angle require creative imagination and marks real advances in science.”

In the context of this thesis the research process was employed to accomplish the primary and secondary objectives as formulated in paragraph 1.3 of the study.

5.3.1 The research design

Cooper and Schindler (2001:771) and Mouton (2001:49) are of the opinion that the research design gives an indication of the “type of study that are undertaken in order to provide acceptable answers to the research problem or questions?” Phillips (1976:93) elaborates on this and explains: “The research design constitutes the blueprint for the collection, measurement, and analysis of data. It aids the scientist in the allocation of his limited resources by posing crucial choices: Is the blueprint to include experiments, interviews, observation, and the analysis of records, simulation, or some combination of these? Are the methods of data collection and the research situation to be highly structured? Is an intensive study of a small sample more effective than a less intensive study of a large sample? Should the analysis be primarily quantitative or qualitative?”

Research design includes the following aspects: design strategy, data collection design, sampling design, questions and instrument pilot testing and instrument revision.

5.3.1.1 Design strategy

Cooper and Schindler (2001:134-135) explain that research design includes eight key issues which should be taken into consideration when the research process is planned.

They describe these eight key issues as follows:

Category	Options
The degree to which the research question has been crystallised	<ul style="list-style-type: none"> • Exploratory study • Formal study
The method of data collection	<ul style="list-style-type: none"> • Monitoring • Interrogation/communication
The power of the researcher to produce effects in the variables under study	<ul style="list-style-type: none"> • Experimental • Ex post facto
The purpose of the study	<ul style="list-style-type: none"> • Descriptive • Causal
The time dimension	<ul style="list-style-type: none"> • Cross-sectional • Longitudinal
The topical scope – breadth and depth – of the study	<ul style="list-style-type: none"> • Case • Statistical study
The research environment	<ul style="list-style-type: none"> • Field setting • Laboratory research • Simulation
The subjects' perceptions of research activity	<ul style="list-style-type: none"> • Actual routine • Modified routine

Table 5.1 Research design

Degree of research question crystallisation: The difference between an exploratory and formal study is determined by the “degree of structure and the immediate objective of the study”. According to Cooper and Schindler (2001:134) “...exploratory studies tend toward loose structures with the objective of discovering future research tasks. The immediate purpose of exploration is usually to develop hypothesis or questions for further research. The formal study begins where the exploration leaves off – it begins with a hypothesis or research question and involves precise procedures and data source specifications. The goal of a formal research design is to test the hypothesis or answer the research question posed.”

The literature study undertaken in Chapters 2 to 4 of this thesis reflects the exploratory part of the research design. Exploratory research includes data from secondary sources, case studies, observation, unstructured individual and group interviews with knowledgeable persons (Struwig & Stead, 2001:7). The aim of this part is to develop an insight into the existing theories and perspectives on the relation between the strategic environment of companies and the nature and scope of strategic training in order to stimulate new ideas (Neuman, 2003:96). The bibliography of this thesis contains a comprehensive list of secondary sources consulted. The thesis includes 121 references to secondary sources and 29 references to primary sources [See Table 5.2] and thus falls, according to Mouton (2001:96) within an acceptable range of between 150 to 180 references for a doctoral thesis in the social sciences.

Method of data collection: According to Cooper and Schindler (2001:135) data are collected by means of monitoring or interrogation/communication. Monitoring “includes studies in which the researcher inspects the activities of a subject or the nature of some material without attempting to elicit responses from anyone.” The authors explain interrogation/communication in the following manner: “The researcher questions the subjects and collects their responses by personal or impersonal means. The collected data may result from (1) interview or telephone conversations, (2) self-administered or self-reported instruments sent through the mail, left in convenient locations, or transmitted

electronically or by other means, or (3) instruments presented before and/or after a treatment or stimulus condition in an experiment.” (Cooper & Schindler, 2001:135).

The data presented in Chapter 6 of the study will be collected by conducting semi-standardised interviews using the face-to-face interview method with respondents from a selection (24) of large South African companies. Data will therefore be collected by means of the interrogation/communication method as the researcher will elicit definite responses from respondents and will not only observe their behaviour.

Researcher control variables: In terms of the researcher’s ability to manipulate variables Cooper and Schindler (2001:135-136) distinguish between experimental and ex post facto design. They explain: “In an experiment, the researcher attempts to control and/or manipulate the variables in the study. With an ex post facto design investigators have no control over the variables in the sense of being able to manipulate them. They can only report what has happened or what is happening. It is important that the researchers using this design not influence the variables; to do so introduce bias.”

This study merely aims to report on the status quo regarding strategic training in a selection of large South African companies or on the manner in which these companies employ a strategic training process to address the strategic training needs of executives and managers. The research which will be conducted for the purposes of this thesis is therefore regarded as an ex post facto research design.

Purpose of the study: Research is regarded as casual or descriptive according to the purpose which it seeks to serve according to the research objectives (Mouton, 2001:113; Struwig & Stead, 2001:8) The difference between casual and descriptive research is described as follows: “If the research is concerned with finding out who, what, where, when, or how much, then the study is descriptive.” The research objective is thus to present a description of the nature and scope of a particular phenomenon. However, if the objective of the research is to present an explanation of the occurrence of a particular phenomenon or “if it is concerned with learning why – that is how one variable produces

changes in another – it is causal.” A study on the nature and scope of strategic training in a selection of large South African companies is descriptive while a study on the effect of strategic training on the competitiveness of a selection of large South African companies is regarded as causal in nature since it describes why strategic training contributes to the competitiveness of companies.

Time dimension: Research is cross-sectional or longitudinal in terms of the time dimension covered by the research. Data which are collected repeatedly over a period of time is regarded as longitudinal research while data which are collected once and therefore presents a snapshot of the phenomenon at a certain point in time is regarded as cross-sectional (Cooper & Schindler, 2001:136; Struwig & Stead 2001:40). In the context of this thesis a cross-sectional approach is followed as interviews will be conducted once (2003-2004) and will not be repeated at a later stage.

Topical scope: Research questions or the “topic” of the research are dealt with in varying degrees of depth and breadth. Case studies are regarded as a type of study that consists over the quality of depth. Mouton (2001:149) explains case studies as follows: “Studies that are usually qualitative in nature and that aim to provide an in-depth description of a small number (less than 50) of cases.” In contrast to case studies Cooper and Schindler (2001:137) explain “statistical studies are designed for breadth rather than depth. They attempt to capture a population’s characteristics by making inferences from a sample’s characteristics.” Research on the nature and scope of strategic training in a selection of large South African companies is regarded as a study that will provide depth on the topic rather than breadth as it provides an analysis of the research topic within a defined and limited sample rather than generalising from the sample to the larger population.

The research environment: The environment in which data are collected differs as to whether it occurred under actual environmental conditions for example within a specific selection of South African companies or under other conditions such as within a laboratory. However, the phenomenon which is researched can also be replicated or simulated to replicate the actual or original occurrence of the phenomenon.

The subject's perceptions of the research activity: The manner in which respondents experience the researcher and the activities of the researcher during the data collection process will influence the outcomes of the research. According to Cooper and Schindler (2001:139) respondents can perceive the research activity in three possible ways:

- “Subjects perceive no deviations from everyday routines.
- Subjects perceive deviations, but as unrelated to the researcher.
- Subjects perceive deviations as researcher-induced.”

The researcher will take great care to create conditions which are both conducive to the data collection process and which deviate as little as possible from the everyday routine of the respondent. This will be done by conducting face-to-face interviews with respondents within their physical work setting for example in their offices or even in a more informal meeting place within the head office of the company. Furthermore, the researcher will conduct the interviews in a conversational style rather than merely following a question- and-answer style during the interviews.

5.3.1.2 Data collection design

Data collection design includes determining the sources of data, defining the population and designing the sample. This part of the research process also includes determining the approach and method which will be followed to collect the data as well as the instrument that will be used.

Determine sources of data: Researchers make use of primary and/or secondary data in order to conduct research.

Primary data are regarded as raw data. This kind of data has not been subjected to the interpretation of any other party than that of the originator. Cooper and Schindler (2001:260) list the following examples of primary sources: “memos, letters, complete

interviews or speeches (in audio, video, or written transcript formats), laws, regulations, court decisions or standards, and most government data, including census, economic, and labor data.” Primary data are collected specifically for the purpose of addressing the research problem at hand.

Mouton (2001:71) and Struwig and Stead (2001:86, 98) indicate that primary sources may be qualitative or quantitative in nature. Qualitative data are described as any information that the researcher gathers that cannot be expressed by means of numbers and includes “words, pictures, drawings, paintings, photographs, films, videotapes, music and sound tracks.” (Struwig & Stead, 2001:13). Quantitative data can be expressed in numbers which imply that it can be quantified. “The most common methods used to conduct quantitative research are exploratory, descriptive, experimental, and quasi-experimental.” (Struwig & Stead, 2001:7).

Secondary data are primary data. This kind of data has been subjected to an interpretation by another party than the originator of the data. Typical examples of secondary sources are: “Encyclopedias, textbooks, handbooks, magazines and newspaper articles, and most newscasts are considered secondary information sources. Indeed, nearly all reference materials fall into this category.” (Cooper & Schindler, 2001:260).

In this study, extensive use is made of secondary sources on strategic training as is evident in the first three chapters. As indicated above, the other types of sources which are included in a study are primary sources. The empirical phase of this study will be based upon qualitative research, using semi-standardised interviews with predetermined aspects regarding strategic training which will be discussed with the respondents during the face-to-face interviews. (Berg, 1998:61; Mouton, 2001:99; Struwig & Stead, 2001:98).

Defining the population: Research usually has a bearing on some or other population. Cooper and Schindler (2001:769) differentiate between a population and a population element. They explain that the population is: “The total collection of elements about

which we wish to make some inferences” while the population element is “the individual subject on which the measurement is taken: also known as the population unit, case or record.” This definition by Cooper and Schindler (2001:769) implies that the population element can take the form of individuals, groups, organisations, human products and events, or the conditions to which they are exposed. The target population for this study will be South African companies listed on the JSE. In order for these companies to be included in the study they also have to meet the criteria for a “large company” as specified by the *National Small Business Act, No. 102 of 1996*.

Different parameters, such as type of industry (for example financial or information technology) or organisational demographics (for example a specific business unit) or geographic location (for example companies in the Western Cape), can be used to determine a research population in order to study the nature and scope of strategic training. However, the researcher decided that industry type would be the determining parameter for the research population and sample of this thesis. This is due to the fact that some industries are more dynamic in nature than others. The nature of the industry will influence the strategic orientation of the companies within a particular industry and thus also the nature and extent of strategic training. In this regard, 339 listed South African companies were identified as representing the unit of analysis of the population for a study on strategic training. These companies are representative of the 45 industries and nine broad sectors of the South African economy.

Sampling design: Since the size of the population makes it impractical and uneconomical to involve all members the researcher has to rely on the data obtained from a sample of the research population. Struwig and Stead (2001:109) are of the opinion that: “Obtaining information from a sample is often more practical and accurate than obtaining the same information from an entire universe or population.” The sampling technique which will be used to select the sample as well as the size of the sample is determined by the type of research which will be conducted. Qualitative research focuses primarily on the depth or richness of the data and therefore qualitative researchers generally select samples purposefully rather than randomly. Struwig and Stead (2001:122) discuss a variety of

purposeful sampling techniques including extreme case sampling, intensity sampling, maximum variation sampling, homogeneous sampling, typical case sampling, critical case sampling, stratified purposeful sampling, snowball or chain sampling, criterion sampling, theory-based sampling, confirming and disconfirming cases, opportunistic sampling, purposeful random sampling and convenience sampling.

The sampling technique that will be used for the purposes of this study is a combination of: criterion sampling, critical case sampling and purposeful random sampling. Companies that will be included in the research have to comply with two criteria, namely they should be listed on the JSE and should be regarded as large companies according to the criteria stated in the *National Small Business Act, No. 102 of 1996*. Some companies will specifically be included in the study due to their particular relevance or “centrality” to the topic of the research for example a consultancy firm and a business school (Struwig & Stead, 2001:123). These companies do not comply with the stated criteria for companies to be included in the study. The researcher furthermore purposefully aimed to include a minimum of any (random) two companies from each of the nine broad sectors of the economy (for example resources, basic industries, financial shares) as indicated on the JSE.

Struwig and Stead (2001:125) are of the opinion that qualitative researchers are more interested in whether the information from the sample is rich in data and thick in description than the extent to which the sample’s data can generalise to the population. The study will include responses from 29 interviews conducted at 24 large South African companies and two (2) interviews with representatives of the South African training and education sector. The researcher regards the sample size as satisfactory due to the following four reasons:

- Primary and secondary objectives of the thesis: The aim of the research is to determine the strategic training needs of managers in a selection of large South African companies. Companies who do not employ a strategic training process will be unable to indicate the strategic training needs of executives and managers.

However, in the cases where companies do make use of a strategic training process, the respondents will be provided with the opportunity to give a comprehensive overview on the skills that executives and managers need in terms of the emergent strategic orientation of the company and thus the strategic training need of executives and managers. The nature of the data collection method (semi-standardised interview approach using the face-to-face interview method) will provide respondents with the opportunity to provide examples of the skills and needs which executives and managers experience. The researcher expects that there might even be similarities in terms of the skills and needs as identified by the various companies. The researcher therefore regards the sample as representative since qualitative research focuses on depth rather than breadth in terms of data collection. Hence, further questions on the strategic training processes in companies will be included in the questionnaire. The response on the remainder of the questions included in the questionnaire will present in-depth data on the reasons why strategic training needs exist as well as the manner in which these needs are addressed.

- Comprehensiveness of the questionnaire in terms of quality and quantity of questions: The questionnaire can be regarded as comprehensive both in terms of the number of questions that will be included in the questionnaire as well as the quality or depth of responses required of respondents. The questionnaire will include nine demographic questions and 21 questions on the strategic training needs of managers as well as on the nature and extent of strategic training in a selection of large South African companies. The duration of interviews will be between 60 to 90 minutes which will provide the researcher with approximately 44 hours of data. Respondents will be provided with the opportunity to elaborate on questions especially since the questions are all open-ended or unstructured and the respondents will not be limited in terms of response time during the interviews. Both the researcher and the respondents will have the opportunity to explore the research topic in-depth.

- Affirmation of existing literature: The sample size is also regarded as satisfactory as the researcher is of the opinion that the data that will be gathered during the research process will be sufficient to corroborate the existing national and international literature on the research topic. This is of particular importance since it was explained in paragraph 1.2 that a dearth exists in terms of the literature on the strategic training needs of executives and managers in South African companies. The literature on the strategic environment of companies, strategic training and strategic training needs are discussed in Chapters 2, 3 and 4 while the data of the empirical component are analysed and interpreted in Chapter 6 of the thesis.
- Coverage of the sample: The sample size is regarded as satisfactory due to the fact that all the sectors of the economy are covered in the sample population. The companies which will be included in the research are indicated in Table 5.2 Sample of large South African companies listed on the JSE. This table gives an indication of the type of services companies deliver or the products they manufacture, the sector of the economy which they represent as well as the industry in which they operate. A minimum of two companies from each of the different sectors are included while in some sectors more than two companies are included. This is due to the diversified nature of a particular sector such as the financial sector which includes banks, non-life insurance, life insurance, real estate, general financial, equity investments or the dynamic nature of a particular sector such as the information technology sector.



Company	Service or manufacturing company	Sector of the economy (as indicated by the JSE)	Industry (as indicated by the JSE)	Date of interview	Number of interviews conducted at the company
A	Diamond mining	Resources	Diamonds and gemstones	25/09/2003	1
B	Diversified mining	Resources	General mining	22/04/2003	1
C (Not listed on the JSE on the New York Stock Exchange (NYSE))	Electricity supply	Basic industries	Electricity	12/03/2003	1
D	Oil and gas supply	Resources	Oil and gas producers	1/10/2003	1
E	Iron and steel manufacturer	Basic industries	Industrial metals	9/02/2004	1
F	Cement manufacturer	Basic industries	Construction and materials	20/11/2003	1
G	Financial institution	Financial	Banks	7/05/2003	1
H	Auditing firm	Financial	Speciality and other finance	12/02/2003	1
I	Financial institution	Financial	Life assurance	7/07/2003	1
J	Brewery	Non-cyclical consumer goods	Beverages	18/03/2003	1
K	Pharmaceutical company	Non-cyclical consumer goods	Pharmaceuticals and biotechnology	29/01/2004	1
L	Diversified technology company	Cyclical consumer goods	Household goods and textiles	22/08/2003	1



Company	Service or manufacturing company	Sector of the economy (as indicated by the JSE)	Industry (as indicated by the JSE)	Date of interview	Number of interviews conducted at the company
M	Motor vehicle industry	Cyclical consumer goods	Automobiles and parts	17/09/2003	1
N	Wholesaler	Cyclical services	General retailers	19/01/2004	1
O	Packaging firm	Cyclical services	Support services	3/10/2003	1
P	Diversified international industrial company	General industrial	Diversified industrials	2/12/2003	1
Q	Manufacturer of electronic and electrical components	General industrial	Electronic and electrical equipment	16/01/2004	1
R	Manufacturer of electronic and electrical components	General industrial	Electronic and electrical equipment	15/10/2003 20/10/2003	2
S	Information technology	Technology	Software and computer services	22/10/2003	1
T	Information technology	Technology	Software and computer services	12/02/2003	2
U	Information technology	Technology	Software and computer services	15/08/2003	1
V	Food and clothing retailer	Non-cyclical Services	Food and drug retailer	19/03/2003	1
W	Telecommunications company	Non-cyclical services	Fixed line telecommunication	24/11/2003	1
X	Telecommunications company	Non-cyclical services	Mobile telecommunication	18/08/2003	1



Company	Service or manufacturing company	Sector of the economy (as indicated by the JSE)	Industry (as indicated by the JSE)	Date of interview	Number of interviews conducted at the company
Y (Not listed company)	Training consultant	Training	Training	14/03/2003	1
Z (Not listed company)	Business school of a local university	Training	Business education	26/03/2003 23/02/2004	2

Table 5.2 Sample of large South African companies listed on the JSE and NYSE (Johannesburg Securities Exchange, 2005; Johannesburg Securities Exchange, 2006).

Sampling techniques in quantitative research are divided in two broad groups known as probability and non-probability techniques. A probability sampling technique implies that each of the population elements “has a known probability of being included in the sample.” (Struwig & Stead, 2001:112). Random probability sampling, stratified random sampling, cluster sampling, systematic sampling and multi-stage area sampling are all examples of non-probability sampling techniques. Struwig and Stead (2001:111) are of the opinion that non-probability sampling techniques imply that “The selection of sampling units is arbitrary as researchers rely heavily on personal judgment.” Non-probability sampling techniques include the following: convenience sampling, judgment sampling, quota sampling and snowball sampling.

Data collection methods and approaches: After finalising the design strategy and the sampling design a researcher has to consider which data collection method is most suitable in terms of the objectives of the research and the identified population. A variety of approaches and methods exist which are used to collect data. The approaches which can be followed towards data collection are surveys, observations, testing and the

selecting and analysing of texts (Chadwick, Bahr & Albrecht, 1984:100; Mouton, 2001:105):

- Surveys include the interview and questionnaire approaches to data collection. “Interviews are conducted in group settings, by telephone or by means of a face-to-face private encounter between interviewer and respondent. The interview may be highly structured, with specific questions to be asked of all respondents or it may be so unstructured that it resembles a conversation. Similarly, questionnaires may be administered to large groups in classrooms or other institutional settings, they may be mailed to respondents who fill them out in private and return them by mail, or they may be hand-delivered to respondents who are instructed to treat the questionnaire as if it were a self-administered interview.”
- “Observation includes experimental recordings, systematic field observations and participant observation.”
- “Testing includes psychological or psychometric testing.”
- “Selecting and analysing texts through textual analysis, discourse analysis and historic or narrative analysis.”

However, Cooper and Schindler (2001:295) are of the opinion that: “Research designs can be classified by the *approach* used to gather primary data. There are really only two alternatives. We can *observe* conditions, behavior, events, people, or processes. Or we can *communicate* with people about various topics.”

The data for the empirical component of this study will be collected by following the survey approach and more specifically by means of semi-standardised interviews. Chadwick, Bahr and Albrecht (1984:100) as well as Babbie and Mouton (2001:230) are of the opinion that survey research is regarded as one of the more popular methods of data collection used for research in the social sciences. Babbie and Mouton (2001:230)

explain: “Survey research is probably the best method available to social scientists interested in collecting original data for describing a population too large to observe directly.”

An interview entails that context specific questions are posed by the researcher in order to obtain relevant data from selected individuals or respondents in order to address the research objective. Cannell and Kahn (cited in Chadwick, Bahr & Albrecht, 1984:103) define an interview as “a two-person conversation, initiated by the interviewer for specific purpose of obtaining research-relevant information, and focused by him on content specified by research objectives of systematic description, prediction, or explanation.” Berg (1998:57) states: “Usually an interview is defined simply as conversation with a purpose. Specifically the purpose is to gather information.”

The primary advantage of the interview approach to data collection is its resourcefulness. Cooper and Schindler (2001:295) explain that an interview: “does not require that there be a visual or other objective perception of the information sought by the researcher. Abstract information of all types can be gathered by questioning others. We seldom learn much about opinions and attitudes except by questioning. This is also true of intentions and expectations. Information about past events is often available only through questioning of people who remember the events.” Disadvantages of the interview approach are (Cooper & Schindler, 2001:295):

- “The quality and quantity of information secured depends heavily on the ability and willingness of respondents to cooperate.
- Respondents may not have the knowledge sought or even have an opinion on the topic of concern.
- Respondents may interpret a question or concept differently from what was intended by the researcher.”

Three possible methods can be followed toward the interview approach to data collection, namely face-to-face interviews, telephonic interviews and self-administered inquiry.

- Face-to-face interviews: Face-to-face interviews are in the form of a conversation and require direct interaction between the researcher and the respondent.
- Telephonic interviews: Telephone surveys are conducted by means of a telephonic conversation or interview and no face-to-face interaction between the researcher and the respondent take place.
- Self-administered inquiry (including mail surveys, intercept interview, computer surveys, central location surveys): Mail surveys do not entail any interaction between the researcher and the respondent. Struwig and Stead (2001:88) explain: “In the case of mail surveys there is no interviewer to explain the purpose of the study, to induce co-operation, to ask questions or to record the answers.”

In the context of the research objectives of this thesis, the self-administered inquiry, observation, testing and textual analysis methods were regarded as impractical since the researcher aimed at developing an in-depth understanding of the nature and scope of strategic training in large South African companies and the strategic training needs of executives and managers in these companies. Hence, the face-to-face interview method will be used to obtain primary data since this method allows the respondent to probe the perspectives and views of the respondents on the research topic. Cooper and Schindler (2001:299) explain: “The greatest value [of personal interviewing] lies in the depth of information and detail that can be secured. It far exceeds the information secured from telephone and self-administered studies via intercepts, mail surveys, or computer. The interviewer can also do more things to improve the quality of the information received than with another method.”

5.3.1.3 Developing and testing the research instrument

As indicated previously, the researcher will collect primary data to achieve the research objective by means of the interview or survey method. In this regard, an unstructured questionnaire which will consist of open-ended will be developed to collect the data during the semi-standardised interviews. Berg (1998:61) explains: “This type of interview involves the implementation of a number of predetermined questions and/or special topics. These questions are typically asked of each respondent in a systematic and consistent order, but the respondents are allowed to digress; that is, the respondents are permitted (in fact expected) to probe far beyond the answers to their prepared and standardized questions.”

Cannell and Kahn (cited in Chadwick, Bahr & Albrecht, 1984:103-104) explain that an interview process consist of four steps, namely:

- “Creating or selecting an interview schedule or a set of questions and a set of rules or procedures for using the schedule.
- Conducting the interview or evoking the responses or events that is to be classified.
- Recording these responses by means of pen-and pencil notes, electronic equipment, or other devices.
- Creating a numerical code or a scale or other systems of numbers into which the recoded responses are to be translated, and a set of rules for making the translation.
- Coding the interview responses.”

It is clear from the above explanation by Cannell and Kahn that the first step of the interview process necessitates the researcher to develop or construct an instrument such

as a questionnaire and pre-test the instrument to ensure that accurate and relevant data are collected (cited in Chadwick, Bahr & Albrecht, 1984:103-104). Hence, the researcher will have to take great care during the construction of the questionnaire to avoid errors that are often made by researchers and ultimately lower the quality of data which are collected. Typical examples of errors are the inclusion of double-barrelled questions, including questions or items which are too complex for respondents, the inclusion of ambiguous or vague questions, posing questions in the wrong sequence and the use of leading questions (Chadwick, Bahr & Albrecht, 1984:116-118; Mouton, 2001:103.)

The development of a questionnaire necessitates that issues such as question content and phrasing, question sequence and question format are addressed.

Question content and phrasing: Cooper and Schindler (2001:337) explain that four questions should serve as the guideline for the inclusion of questions in a questionnaire. These four questions are:

- “Should this question be asked?”
- Is the question of proper scope and coverage?
- Can the respondent adequately answer this question, as asked?
- Will the respondent willingly answer this question, as asked?”

Chadwick, Bahr and Albrecht (1984:116-118) as well as Mouton (2001:103) explain that the content of the questionnaire should not be ambiguous, vague or complex while Berg (1998:70) is of the opinion that “... when researchers ask a long, involved question, the subjects may not really hear the question in its entirety. Their response, then, may be only to some small portion of greater concern woven into a complex question. Thus, keeping questions brief and concise allows clear responses and more effective analysis of the answers.” Cooper and Schindler (2001:341) as well as Berg (1998:61)

explain that researchers should avoid “long and complex sentences or involved phraseology” and should furthermore share a vocabulary. A shared vocabulary implies that the researcher and respondent “must understand what the other says, and this is possible only if the vocabulary used is common to both parties.” (Berg, 1998:61).

The conversational nature of semi-standardised interviews provides the researcher with the opportunity to explain the questions or terms to the respondents. However, researchers should guard against influencing the view or response of respondents while elaborating or explaining a particular problem or term.

Question sequence: Berg (1998:70) as well as Cooper and Schindler (2001:355-357) explain the importance of the correct sequence of questions in an interview in order to ensure that relevant data are collected. The principle that determines the sequence of questions in a questionnaire is: “The nature and needs of the respondent must determine the sequence of questions and the organisation of the interview schedule.” This principle is supported by four guidelines:

- “The question process must quickly awaken interest and motivate the respondent to participate in the interview. Put the more interesting topical target questions early.
- The respondent should not be confronted by early requests for information that might be considered personal or ego threatening. Put questions that might influence the respondent to discontinue or terminate the questioning process near the end.
- The questioning process should begin with simple items and move to the more complex, and move from general items to the more specific. Put taxing and challenging questions later in the questioning process.

- Changes in the frame of reference should be small and should be clearly pointed out. Use transition statements between different topics of the target question set.” (Cooper & Schindler, 2001:356).

In order to adhere to the above principles and guidelines, general topics in the questionnaire developed by the researcher will be placed at the beginning (for example corpographic questions) and those requiring more specific responses later. In this regard, the following topics were included in the questionnaire for this study:

- General information on the company and the position of the respondents in the company.
- Strategic orientation of the company.
- Strategic training and the strategic training needs of executives and managers in the company.
- Training methods and the use of strategic training as a knowledge management technique by the company.

In this study the questions were arranged to include general to more specific aspects regarding strategic training. Respondents had to indicate the general strategic orientation of the company and indicate the manner in which training types make provision for both traditional as well as strategic training. They also had to indicate specific strategic training needs that exist as a result of the emergent strategic orientation of the company. Lastly, they had to comment on training methods that specifically address the training needs mentioned in the previous question. They also had to give an indication of the status quo regarding knowledge management which can be regarded as a rather challenging question due to the unfamiliarity of the concept in many companies.

Question format: Two types of questions can be used in a questionnaire: structured or closed response and unstructured or open-ended questions. Once the question sequence has been determined the question format can be decided. Channel and Kahn (cited in Chadwick, Bahr and Albrecht, 1984:119) as well as Cooper and Schindler (2001:345) provide guidelines on which to base the decision between unstructured or structured questions.

Chadwick, Bahr and Albrecht (1984:118) explain that unstructured questions require respondents “to answer in their own words and to reveal their own definitions of the situation.” The authors are of the opinion that the responsibility of the researcher is to ensure that the respondent provides accurate and sufficient information and to record the information completely and correctly. Cooper and Schindler (2001:345) indicate that the response on a unstructured question “range from those in which the respondents express themselves extensively to those in which respondents’ latitude is restricted by space, layout, or instructions to choose one word or phrase, as in a “fill-in” question.”

The questions in the questionnaire for the study will consist of unstructured questions. This is attributed to the objectives of the research, namely to develop an in-depth understanding of the use of strategic training in South African companies and the impact of the current and emergent strategic orientation of companies on the training needs of executives and managers.

This also explains why the researcher will not restrict the respondents in any way and will provide them with the opportunity to express themselves in a comprehensive and detailed manner. Cooper and Schindler (2001:345) explain: “This response strategy [structured questions] ignores the full scope of the respondent’s opinion and its antecedents. If the objective is to explore a wider territory, then an open-ended question is preferable. Open-ended questions are appropriate when the objective is to discover opinions and degrees of knowledge.” In this study the use of unstructured questions was also preferred due to the fact that it was almost impossible for the researcher to ascertain the exact nature of the respondent’s knowledge and insight into the topic. Cooper and

Schindler (2001:346) explain: “Finally, it may be better to use open-ended questions when the interviewer does not have a clear idea of the respondent’s frame of reference or level of information.”

Structured questions are defined as questions which “require the respondent to select from among a series of alternative answers provided by the researcher” and therefore “the researcher maintains control over the form, length and content of the possible answer.” (Cannell and Kahn cited in Chadwick, Bahr & Albrecht, 1984:118). Structured questions “typically are categorized as dichotomous, multiple-choice, checklist, rating, or raking response strategies.” (Cooper & Schindler, 2001:345).

The researcher should test the instrument as soon as the issues regarding the questions that are included are finalised. This is necessary in order to ensure that the research objectives are achieved in a satisfactory manner. According to Babbie and Mouton (2001:245) testing involves subjecting the questionnaire to the scrutiny of a relevant but not necessarily a representative sample of respondents. This process will ensure the correctness of the formulation of questions, the meaningfulness of the questions and the ethical aspects of the questions included in the questionnaire. The questionnaire for this study will therefore be subjected to the scrutiny of two groups of individuals:

Academics: The questionnaire will be submitted to the Ethics Committee of the Faculty of Engineering, Built Environment and Information Technology of the University of Pretoria. The aim of this committee is to determine whether the questions which will be included in the questionnaire do not infringe on the privacy of the respondent and do not require the respondent to answer questions regarding the company which are of a confidential nature. The questions will also be scrutinised by the promoter of this thesis.

Sample of managers in a selection of large South African companies: Interviews will be conducted with seven managers of large South African companies. These individuals are all involved with strategic training and/or strategic processes in the companies which they represent. The purpose of this is to determine if the researcher and the respondents share

the same vocabulary or if the respondents understand the questions included in the questionnaire. The researcher will be able to determine whether meaningful responses can be obtained from the questions and to develop interview skills.

Based upon the feedback from the individuals included in the testing process, adjustments can subsequently be made to the final questionnaire. The questionnaire used in this study appears in Annexure B.

The first phase known as the research planning component of the research process is completed with a research proposal which serves as an outline of the research process which the researcher will follow in order to achieve the research objectives.

5.4 PHASE 2: DATA GATHERING

The empirical research conducted in this study will not be limited to a particular industry of sector of the economy. This is because the aim of the researcher is to determine the nature and scope of strategic training in South African companies and to establish if a link exists between the dynamics of a particular industry and the nature and scope of strategic training within companies. Furthermore, the study aims to determine the relation between the strategic orientation of companies and the strategic training needs of managers and executives in these companies. Against the backdrop of the foregoing, the empirical component of this thesis is perceived to be the practical acid test in which the use of strategic training in South African companies will be evaluated. Hence, the empirical research process will be preceded by various preliminary initiatives in an effort to obtain the acceptance of the respondents included in the research sample. The names of executives and managers or respondents responsible for strategic training and/or strategic management will be obtained from the companies included in the research population. In addition, two individuals, representing the training and education sector in South Africa will be contacted to enlist their participation in the study. Identified individuals will be contacted telephonically to ascertain their willingness to participate in the study and to ensure that they have the relevant knowledge and the necessary

experience to contribute to the study. The researcher will take great care during the initial conversation with individuals to convince them that the information will be used in its generic context and not to refer to an individual company's use of strategic training or even an individual company's lack of strategic training. Once the identified individuals indicate their willingness to participate in the study and the researcher is convinced of their level of knowledge these individuals will also be contacted by means of electronic mail. This purpose of this is to overcome the resistance of individuals and to facilitate their cooperation by:

- Introducing the researcher to the individuals.
- Introducing the nature and scope and the objectives of the research.
- Confirming the date and venue of the interview.

The electronic mail will give the identified individuals an opportunity to acquaint themselves with the researcher and the nature and scope of the study and to reconsider their participation in the research process.

5.4.1 Face-to-face interviews

The researcher will collect the data by means of face-to-face interviews with the identified individuals. These interviews will all be conducted at the physical location of the companies represented in the study. This will contribute positively to the data collection process as individuals will be more relaxed in the familiar setting and the setting can furthermore be used as a neutral point of departure for the interview. Berg (1998:87) states: "Never begin an interview cold. Remember to spend several minutes chatting and making small talk with the subject. If you are in the subject's home, use what's there for this chatting."

Face-to-face or personal interviews as previously explained are interviews which are in the form of a conversation and require direct interaction between the researcher and the respondent. Struwig and Stead (2001:87) state: “Although it has not been empirically substantiated, many researchers believe that personal interviews provide more accurate information than mail questionnaires and telephone interviews. Respondents have indicated that they prefer personal interviews to mail questionnaires, and mail questionnaires to telephone interviews.” Cooper and Schindler (2001:299) explain the nature of a personal or face-to-face interview method in the following manner: “[It entails] a two-way conversation initiated by an interviewer to obtain information from a respondent. The differences in the roles of interviewer and respondent are pronounced. They are typically strangers, and the interviewer generally controls the topics and patterns of discussion. The consequences of the event are usually insignificant for the respondent. The respondent is asked to provide information and has little hope of receiving any immediate or direct benefit from this cooperation.”

Cooper and Schindler (2001:300) explain that successful personal interviews depend on the following conditions:

- “The respondent must possess the information being targeted by the investigative questions.
- The respondent must understand his or her role in the interview as the provider of accurate information.
- The respondent must perceive adequate motivation to cooperate.”

On completion of a successful interview the individuals that participated in the study will be regarded as the “respondents” of the study.

Some of the advantages of using face-to-face interviews as a data collection method is discussed by Cooper and Schindler (2001:299-300), Babbie and Mouton (2001:250) as well as Mouton (2001:86).

- “The greatest value of personal interviews lies in the depth of information and detail that can be secured.
- The interviewer can do more things to improve the quality of the information received than with another method.
- Interviewers can note conditions of the interview, probe with additional questions, and gather supplemental information through observation.
- Interviewers have more control than with other kinds of interrogation – they can pre-screen to ensure the correct respondent is replying, and they can set up and control interviewing conditions.
- Face-to-face interviews have a good response rate, since the interviewer is often able to persuade individuals to take part in the research.
- The physical presence of the interviewer, especially in the case of interviews at home, tends to have a positive effect on the accuracy of the data obtained.”
- The presence of an interviewer also generally decreases the number of “don’t knows” and “no answers”. If it is important to the study to minimize “don’t know” responses, the interviewer can be instructed to probe for answers.

The disadvantages of face-to-face interviews are (Cooper & Schindler, 2001:299-300; Mouton, 2001:86; Babbie & Mouton, 2001:250):

- Face-to-face interviews are costly in terms of both money and time.



- Results of face-to-face interviews can be affected adversely by interviewers who alter the questions asked or in other ways bias the results.
- The interviewer can do little about the respondent's information level. Screening questions can qualify respondents when there is doubt about their ability to answer.
- Interviewers can influence respondents in many ways – an interviewer can explain what kind of answer is sought, how complete it should be, and in which terms it should be expressed.
- Respondent motivation is a responsibility of the interviewer – studies of reactions to many surveys show that respondents can be motivated to participate in personal interviews and, in fact, can even enjoy the experience.

The researcher gave due consideration to the above-mentioned disadvantages but kept to the decision to use face-to-face interviews as a method of data collection for the study. This decision is based on the fact that in-depth data were needed on the topic in order for the researcher to successfully address the objectives of the research.

The interviews will be recorded and an exact hard-copy transcription will be made of the content of the interview. Babbie and Mouton (2001:253) as well as Cooper and Schindler (2001:304) explain that interviews must be recorded accurately. Babbie and Mouton (2001:253) state: "Whenever the questionnaire contains open-ended questions, those soliciting the respondent's own answer it is very important for the interviewer to record that answer exactly as given. No attempt should be made to summarize, paraphrase, or correct bad grammar."

5.4.2 Evaluation of the reliability and validity of the research

According to Struwig and Stead (2001:130) researchers must report on the reliability and the validity of the data which they have collected.

Cooper and Schindler (2001:210) as well as Mouton (2001:100-102) and Struwig and Stead (2001:130) are of the opinion that reliability deals with the extent to which the measurement instrument is regarded as accurate and precise or the consistency of the measurement instrument. Validity deals with the extent to which the measurement instrument measure what the researcher “actually wish to measure” or the soundness of the measurement instrument.

The following types of reliability are encountered when quantitative research is conducted (Struwig & Stead, 2001:130):

- Quixotic reliability - reliability across repetition
- Diachronic reliability – reliability across time
- Synchronic reliability – reliability across sources

Struwig and Stead (2001:143) explain that validity imply the “trustworthiness or credibility” of the measurement instrument. They state that the use of validity in qualitative research is a “contentious issue in which some authors query the usefulness of validation from a qualitative perspective.” Although the authors explain that there are no widely accepted guidelines for testing validity in qualitative research they identify six “ways of confirming or validating qualitative data.” (2001:143).

5.4.2.1 Reliability of the study

In the context of the empirical component of this study, which is focused on research into the nature and scope of strategic training in a selection of large South African companies,

it will be extremely difficult to meet the requirement of reliability, because the use of strategic training and the training needs of executives and managers vary according to the political, economical, social and technological demands on a specific company at a specific time. The individuals, who will be interviewed on behalf of the different companies included in the sample, will base their responses upon their own views, which can be different from that of other individuals. During the empirical study, care will be taken to prevent any random errors in order to safeguard the reliability of the measurement device used in this study.

However in an attempt to ensure the reliability of the data the researcher will take the following measures:

Testing the questionnaire: The researcher will test the questionnaire after it is developed in order to ensure that the researcher and the respondents shares a vocabulary as Struwig and Stead (2001:130) state: “Interview schedules can be used in a pilot study to determine if the participants understand the questions and find them to be useful.

Presence of the researcher during the interviews: The presence of the researcher will enhance the reliability of the measurement instrument since it provides the researcher the opportunity to probe the responses to ensure that it is indeed accurate and correct.

Control questions: Control questions will be included in the questionnaire to ascertain the accuracy and correctness of responses. Respondents will be asked to give their view of a particular aspect related to strategic training and a control question will require an example to substantiate the response on the original question.

Written consent of respondents: The reliability of the measurement instrument will be enhanced by the fact that respondents will be asked to complete a written consent form in which the researcher formalise their willingness to participate in the research and to ensure their anonymity. Respondents will probably be more prepared to share

confidential information with the researcher and thus the reliability of the measurement instrument is enhanced [See Annexure A].

5.4.2.2 Validity of the study

Despite the fact that Struwig and Stead (2001:143-145) are of the opinion that the use of validity in qualitative research is a “contentious issue” the researcher will take great care to ensure the validity of the measurement instrument. In the context of the validity of the empirical component of this study, descriptive validity, or the accuracy and comprehensiveness of data included in the thesis, will be achieved by recording and transcribing the data that were collected. This will enable the researcher to make extensive use of direct quotes from the interviews in order to substantiate statements and to increase the descriptive validity of the measurement instrument.

Regarding theoretical validity, or the degree to which there is common agreement between the researcher and the respondent “about the concepts or theory used to refer to the phenomena that have been described” will be achieved through testing the questionnaire by conducting interviews with seven managers in large South African companies (Struwig & Stead, 2001:144). As indicated earlier, their comments on the questionnaire can lead to adjustment being made, before interviews will be conducted with the respondents included in the sample.

Triangulation, or the degree to which independent measures confirm or contradict the findings, can also be achieved through the measurement instrument. This will be clear if a correlation exists between the data that will be collected by means of the questionnaire and interviews (Chapter 6) and the literature study (Chapters 2, 3 and 4) on the strategic domains of companies and the use of strategic training by local and international companies.

The first two steps in the research process (See Figure 5.1) that is, research planning and data gathering were discussed in Chapter 5. The remaining step in the research process, namely analysis, interpretation and reporting will be discussed in Chapters 6.

5.5 CONCLUSION

This chapter outlined the research methodology which will be followed to complete the empirical component of the thesis.

The phases in the research process were outlined, and this includes planning the research and formulating the research problem and objectives, data gathering and analysis, interpretation and reporting. The first phase, namely defining the research problem and objectives, was discussed in Chapter 1. Chapter 5 focused in broader terms upon research planning and data gathering. It was shown that research planning consists of various steps, including determining the sources of data, defining the research population, determining the data collection approaches and methods and developing and testing the measurement instrument. To this end, it was decided to use a variety of sampling techniques in order to identify 29 individuals which represent companies from all the sectors of the South African economy. Chapter 6 will include an outline of the approach which was followed to analyse the data and the interpretation thereof.

As explained in this chapter, data will be collected from respondents by following the semi-standardised interview approach and using the face-to-face interview method. An unstructured questionnaire will be developed and tested on a sample of respondents, consisting of academics and managers at large South African companies. Based upon the feedback from the individuals included in the pre-test, minor adjustments will be made to the final questionnaire if necessary, after which the interview process will commence.

The remaining phase in the research process, namely analysis, interpretation and reporting will be discussed in Chapter 6.

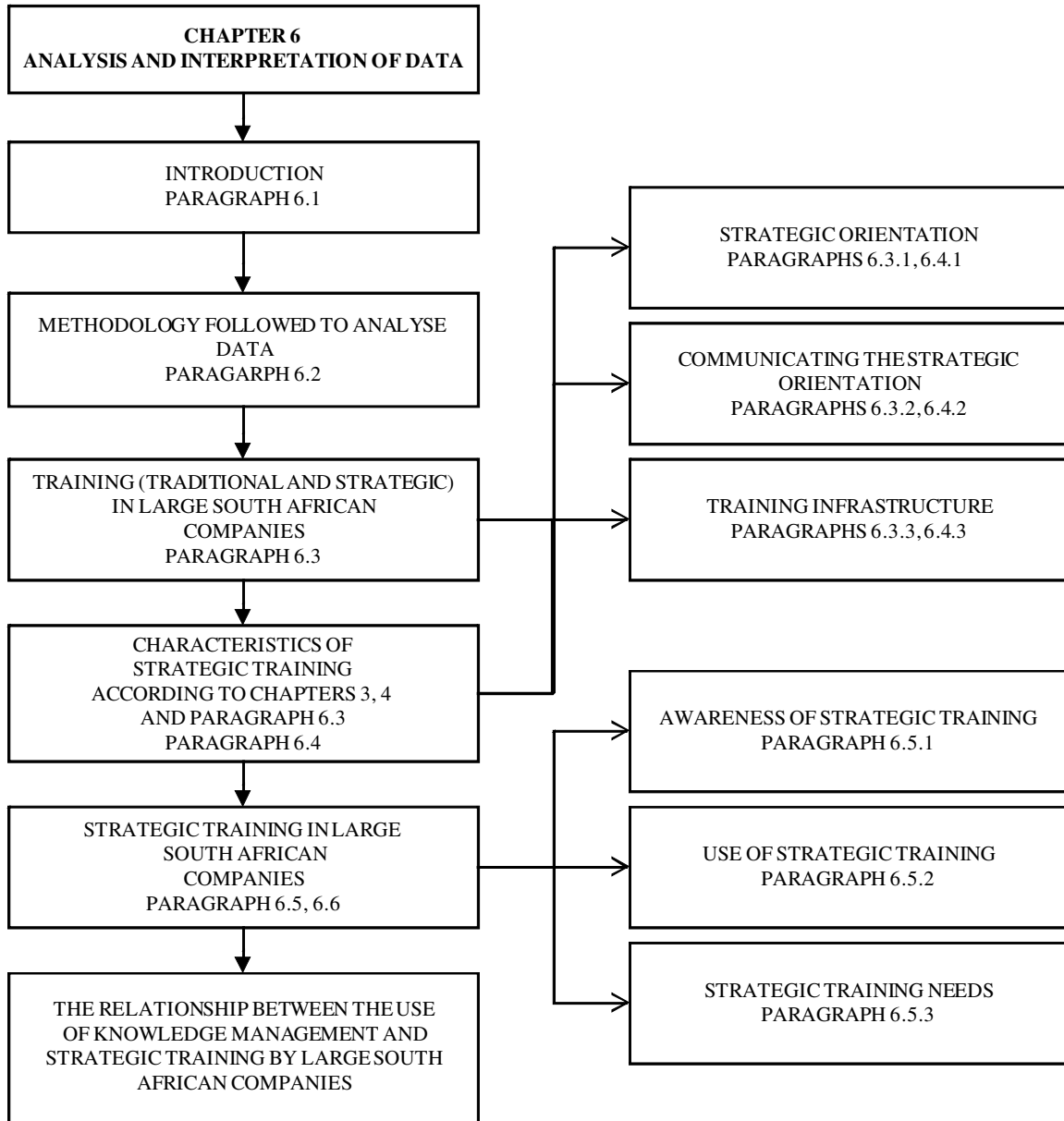


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CHAPTER 6

ANALYSIS AND INTERPRETATION OF DATA

GRAPHICAL REPRESENTATION OF CHAPTER 6



6.1 INTRODUCTION

The purpose of traditional and strategic training is to enable executives and managers to perform knowledge processes regarding the strategic orientation of the company in the ordered (known, knowable) domains and the two un-ordered (complex, chaos) domains which are emergent in nature [See paragraph 2.2]. Strategic training, unlike traditional training entails that knowledge processes are performed in terms of the emergent strategic orientation of the company. Knowledge processes which are performed during a strategic training process therefore focus on preparing executives and managers for changes in their working conditions as a result of the emergent strategic orientation of the company. Carrell, Elbert and Hatfield (2000:8) explain the importance of strategic training: “But undeniably, today’s organization seems to experience evolutionary change faster and revolutionary change more frequently. This has made it imperative for firms to manage knowledge actively.” The changes to which Carrell, Elbert and Hatfield (2000:8) refer are the result of the factors present in the external and the internal strategic environment of companies.

The above-mentioned changes require that the current strategic orientation of companies should be continually revised and sometimes amended in order to ensure that they retains their competitive position over the long term. Thus, executives and managers should be trained in order to prepare them for the changes that will occur in the current strategic orientation of the company and thus the work for which they will be responsible in future. Executives and managers need to perform knowledge processes or learn about the emergent strategic orientation of the company [See Chapter 3]. Learning in terms of the emergent strategic orientation of the company is enabled by means of a strategic training process [See Chapter 4]. The strategic training needs of executives and managers arise from the emergent strategic orientation of the company and thus the emergent performance of executives and managers. They are largely based on forecasts since they focus on the long-term competitiveness of the company. Rothwell and Kazanas (1994:429) explain: “...strategic needs assessment identifies possible future discrepancies between what employees know or do at present and what they should know or do in the future.”

Thus, if companies are unaware of strategic training as a method of strategic human resource development and do not identify and address the strategic training needs of executives and managers in particular, it could have a negative impact on the company's ability to retain a competitive edge in a particular industry [See Chapter 4].

The purpose of Chapter 6 is to present an analysis and interpretation of the data collected during the face-to-face interviews with executives and managers to ascertain the strategic training needs of executives and managers and the manner in which these training needs are addressed in a selection of large South African companies. The analysis and interpretation are necessary to refute or confirm the findings of the literature on the strategic environment of companies and strategic training presented in Chapters 2, 3 and 4. In order to achieve the purpose of Chapter 6 the following aspects are addressed:

- The research methodology that was followed to analyse and interpret the data collected during the face-to-face interviews as well as the structure that was followed to present the data [See paragraph 6.2].
- The manifestation of training in the large South African companies which were included in this study. This aspect is discussed to indicate whether training processes in large South African companies are traditional or strategic in nature. It is important to indicate that although this study does not focus primarily on traditional training the researcher in some instances had to refer to traditional training in order to indicate the reason why training is regarded as traditional and not strategic in nature and how these two training processes differ [See paragraph 1.4]. The discussion on the manifestation of training is presented in paragraph 6.3 and focuses on:
 - The strategic orientation of companies [See paragraph 6.3.1]
 - Communicating the strategic orientation [See paragraph 6.3.2]

- The training infrastructure [See paragraph 6.3.3]

The discussion on the manifestation of training in large South African companies is concluded with a synthesis on the use of strategic training as opposed to traditional training by large South African companies. This synthesis is based on the characteristics of strategic training and strategic human resource development as found in the literature and discussed in Chapters 3 and 4. These characteristics are used as the criteria to determine whether large South African companies make use of strategic human resource development and thus also strategic training. The synthesis is presented in paragraph 6.4.

- The knowledge of companies regarding the concept “strategic training” and the use of strategic training including the strategic training needs of executives and managers in a selection of large South African companies. The discussion on strategic training and the strategic training needs of executives and managers in large South African companies is based on an analysis and interpretation of the literature on strategic training and the data collected during the face-to-face interviews. This discussion is presented in paragraph 6.5. The discussion is enhanced with a comparative profile of large South African companies which have a strategic training process. This comparative profile provides a synopsis of the characteristics of large South African companies which make use of strategic training to enable their executives and managers to function effectively in all four the domains in the strategic environment of companies. This comparative profile is presented in paragraph 6.6.
- The importance of knowledge management to ensure that knowledge processes are conducted in terms of both the current and emergent strategic orientation of companies. This aspect is discussed in paragraph 6.7.

The analysis and interpretation of the literature on strategic training and the strategic training needs of executives and managers and the data collected during the face-to-face

interviews conducted with respondents provide a detailed description of the manifestation of strategic training in a selection of large South African companies and the strategic training needs of executives and managers in these companies.

Based on the researcher's analysis and the interpretation of the literature and the data presented in Chapter 6 it will be possible to make certain recommendations in Chapter 7 regarding the use of strategic training to address the strategic training needs of executives and managers by large companies who do not make use of strategic training.

6.2 PHENOMENOGRAPHY

The research methodology used to study strategic training and the strategic training needs of executives and managers in a selection of large South African companies was explained in Chapter 5. Data were collected amongst respondents representing 24 large South African companies. These companies were identified and included in the study by making use of a combination of criterion sampling, critical case sampling and purposeful random sampling. Semi-standardised interviews were conducted with 29 respondents following the face-to-face interview approach [See paragraph 5.3.1.2].

As indicated in Chapter 5 the data collection process focused on depth rather than breadth of data. This implies that the researcher aimed at providing an in-depth description of the nature and scope of strategic training and the strategic training needs of executives and managers in a small number of large South African companies. The researcher provided an analysis of the research topic within a defined and limited sample rather than generalising from the sample to the larger population.

The data obtained from 29 interviews were recorded and transcribed and then analysed to develop and understand strategic training and the strategic training needs of executives and managers in a selection of large South African companies [See Chapter 5]. The data were analysed by means of a phenomenographical research approach. Phenomenography, as indicated earlier, is "the empirical study of the differing ways in which people

experience, perceive, apprehend, understand, conceptualise various phenomena in and aspects of the world around us.” (Marton, 1994:4425). Löwstedt and Stjernberg (2006:55) state: “Compared to content analysis, the phenomenographic approach relies less on counting words, sentences or any other sub-unit of a text, and relies more on making intuitive interpretations and different types of (phenomenological) reflections upon, and logical investigations of, these interpretations.”

The next step in the research process, namely the analysis and interpretation of the research results is presented. Marton (1994:4427) explains the task of the researcher during the data analysis phase of the research process as follows: “When the interviews have been transcribed verbatim and the analysis has begun it is the researcher who is supposed to bracket preconceived ideas: instead of judging to what extent the responses reflect an understanding of the phenomenon in question which is similar to their own they are supposed to focus on similarities and differences between the ways in which the phenomenon appears to the participants.”

6.2.1 Phenomenographic analysis

Marton (1994:4428) describes the six steps which characterise phenomenographic analysis. He explains: “The different steps in phenomenographic analysis have to be taken interactively. As each consecutive step has implications not only for the steps that follow but also for the steps that precede it, the analysis has to go through several runs in which the different steps are considered to some extent simultaneously.” The steps in phenomenographic analysis are:

Step 1: “Distinguish between what is immediately relevant from the point of view of expressing a way of experiencing the phenomenon in question and that which is not.”

This step implies that the researcher continuously has to assess the data that were collected in terms of the problem statement and objectives of research.

The decision on the relevance of data was therefore based on the manner in which the collected data supported the research problem as well as the primary and secondary research objectives as stated in paragraph 1.3.

Marton (1994:4427) states further that decisions on the relevance of data should be considered throughout the research analysis process. He explains: “Such decisions may, of course, be reconsidered subsequently in the course of the continued course of analysis” and therefore some of the data that were collected will not be included in the study for example the responses to questions 4.4 and 4.5 [See Annexure B]. These questions served primarily as control questions to ascertain the nature and scope of training offered to executives and managers by companies and the responses to these questions were of a recurring nature. These questions failed to provide any “new” data which contributed substantially to an understanding of the manner in which respondents experienced strategic training and the strategic training needs of executives and managers [See paragraph 5.4.2.1].

Step 2: Organise the data according to “topic or phenomenon to begin with and the analysis has to be carried out for each topic or phenomenon, one at a time.”

This step implies that the researcher organises the collected data according to different topics in terms of which the phenomenon are experienced by the respondents.

For the purposes of this study the collected data were subsequently organised according to the following topics:

- The manifestation of training [See paragraphs 6.3 and 6.4]
- Strategic training and the strategic training needs of executives and managers [See paragraphs 6.5 and 6.6]
- Knowledge management and training [See paragraph 6.7]

Step 3: “Identify distinct ways of understanding (or experiencing) the phenomenon.”

This step implies that the researcher has to analyse the collected and organised [Step 2] data in order to identify the various manners in which respondents understand or experience the phenomenon.

The phenomenon can be understood by identifying similarities “two expressions which are different at the word level reflect the same meaning” or differences “two ways of understanding the phenomena may become thematized due to the contrast effect.”

For the purposes of this study differences and similarities were identified between the manners in which respondents understood each of the topics listed in Step 2. The researcher studied the data that were collected and organised according to the topics indicated in Step 2. Differences and similarities were determined in terms of the following aspects of the topics identified in Step 2:

- Whether executives and managers perform strategic processes in terms of the current and/or the emergent strategic orientation of companies.
- Whether executives and managers communicate with employees to inform them of the changes in the nature and scope of training and the connection between the current and emergent strategic orientation of the company and training processes.
- Whether the training infrastructure in companies enables traditional and strategic training.
- Whether companies are aware of the meaning of the concept strategic training and use a strategic training process to identify and address the strategic training needs of executives and managers.

- Whether companies are aware that training is a knowledge management technique.

The differences and similarities in terms of the above-mentioned five aspects were grouped and indicated by means of direct quotes or excerpts from the interviews in Step 4.

Step 4: “Identify and group expressed ways of experiencing the phenomenon (literally or metaphorically making excerpts from the interviews and putting them into piles).”

These groups of expressed ways or patterns must be “seen in relation to two contexts namely: the pool of meanings that derives from what all the participants have said about the same thing. The other context is what the same respondent has said about other things.” (Marton, 1994:4428).

This step implies that the researcher has to categorise the data according to the similarities and differences in terms of understanding the phenomenon as identified in Step 2 and 3 and pile them together by means of excerpts in Step 4. For the purposes of this study the excerpts from the interviews or the similarities and differences in the manner in which the respondents experience or understand the three topics indicated in Step 2 are indicated by means of italics throughout Chapter 6.

Step 5: After the quotes have been grouped it must be “established what are the critical attributes of each group and what are the distinguishing features between the groups.”

The critical attributes of each of the groups would be whether training is regarded as traditional or strategic in nature while the distinguishing features would indicate the reasons why training is regarded as traditional or strategic in nature. The attributes and distinguishing features of each of the groups identified in Step 3 and grouped and indicated in Step 4 are for the purpose of this study briefly referred to in terms of traditional training [See paragraphs 6.3 and 6.4]. However, a detailed discussion

regarding the use of strategic training and the strategic training needs of executives and managers is presented in paragraphs 6.5 and 6.6. The detailed discussion on strategic training is necessary because the problem statement and objectives of this study focus on strategic training as explained in paragraph 3.1.

Step 6: “Develop the set of categories of description in terms of which the variation in how a certain phenomenon is experienced, conceptualised and understood can be categorised. There are logical relations to be found between the categories of description and as they represent different capabilities for seeing the phenomenon in question, in relation to a given criterion, a hierarchy can be established.”

This step implies that categories are developed in terms of which the respondents experience or understand the phenomenon of strategic training and make use of a strategic training process to identify and address the strategic training needs of executives and managers.

The identification of categories of description and the relations between categories are the aims of a phenomenographic study. Marton (1994:4428) explains: “Once they are found they can be reapplied to the data from which they originate. They will thus be a judgement made in each individual case concerning what category – or categories – of description is (or are) applicable. We are then able to obtain the distribution of the frequencies of the categories of description.”

The categories of description or hierarchy between the categories of description in the study are based on the awareness or knowledge of the company regarding strategic training and the ability of the company to identify and address the strategic training needs of specifically executives and managers by means of a strategic training process. The categories of description for this study are:

- Companies which are knowledgeable or aware of the concept “strategic training” and “strategic training needs” and make use of a strategic training process.

- Companies which are knowledgeable or aware of the concept “strategic training” and “strategic training needs” but do not make use of a strategic training process.
- Companies which are unaware of the concept “strategic training” and “strategic training needs” and do not make use of a strategic training process.
- Companies which did not indicate the nature of alignment between the training and the strategic orientation of the company and thus also the nature of training offered to executives and managers.

For the purposes of this study, the use of the above-mentioned 6 steps of phenomenographic analysis are summarised in the following manner:

Understanding and experiencing the phenomenon of strategic training in large South African companies	
Step 1: Decision on relevance of collected data	Data were collected and a decision was made on the relevance thereof. Data were regarded as relevant if it addressed the problem statement and objectives of the study [See paragraph 1.3]
Step 2: Organise data according to topics	The data were organised according to the following three topics: <ul style="list-style-type: none"> • The manifestation of training • Strategic training and the strategic training needs of executives and managers • Knowledge management and training
Step 3: Identify similarities and differences in terms of aspects of the topics	Similarities and differences were identified in terms of the following five aspects of the three topics identified in Step 2: <ul style="list-style-type: none"> • Whether executives and managers perform strategic processes in terms of the current and/or the emergent strategic orientation of companies. • Whether executives and managers communicate with employees to inform them of the changes in the nature and scope of training and the connection between the current and emergent strategic orientation of the company and training processes. • Whether the training infrastructure in companies enables traditional and strategic training. • Whether companies are aware of the meaning of the concept strategic training and use a strategic training process to identify and address the strategic training needs of executives and managers. • Whether companies are aware that training is a knowledge management technique.
Step 4: Group and indicate similarities and differences between groups	Similarities and differences between groups indicated by means of italics

Understanding and experiencing the phenomenon of strategic training in large South African companies	
Step 5: Establish critical attributes and distinguishing features of groups	<p>The critical attributes and distinguishing features of the groups were established as follows:</p> <p>Critical attribute: Training is traditional or strategic in nature.</p> <p>Distinguishing features: Reasons why training is regarded as strategic in nature.</p>
Step 6: Develop categories in terms of which the phenomenon is understood and experienced by respondents	<p>Four categories were identified in terms of which the phenomenon of strategic training in large South African companies is understood and experienced:</p> <ul style="list-style-type: none"> • Companies which are knowledgeable or aware of the concept “strategic training” and “strategic training needs” and make use of a strategic training process. • Companies which are knowledgeable or aware of the concept “strategic training” and “strategic training needs” but do not make use of a strategic training process. • Companies which are unaware of the concept “strategic training” and “strategic training needs” and thus do not make use of a strategic training process. • Companies which did not indicate the nature of alignment between the training and the strategic orientation of the company and thus also the nature of training offered to executives and managers.

Table 6.1 Phenomenographic analysis

The literature study and the data that were collected during the face-to-face interviews to determine the nature and scope of strategic training and the strategic training needs of executives and managers in a selection of large South African companies will now be analysed and interpreted.

This will be done by analysing, interpreting and reporting on the differences and similarities [Step 3] in the responses of executives and managers of large South African companies regarding the five aspects [Step 3] of the three topics according to which the collected data were organised [Step 2].

6.3 THE MANIFESTATION OF TRAINING IN LARGE SOUTH AFRICAN COMPANIES

The purpose of studying the manifestation of training in the large South African companies which were included in this study was to ascertain whether training offered to executives and managers is traditional or strategic in nature.

The manifestation of training is studied in terms of:

- The strategic orientation of companies
- Communicating the strategic orientation
- The training infrastructure

6.3.1 The strategic orientation of companies

Part 2 of the questionnaire studied the strategic orientation of companies and the manner in which changes in the strategic orientation of companies are communicated to employees [See Annexure B].

The purpose of questions 2.1 to 2.3 was to develop an understanding of the nature and scope of the strategic orientation of companies, how frequently the strategic orientation of companies changes as well as the factors in the strategic environment of companies which necessitate them to revise and amend their current strategic orientation. Questions 2.1 to 2.3 were included in the questionnaire because all types of training, irrespective of the fact that it is strategic or traditional in nature, must be aligned with the strategic orientation of the company. This alignment implies that training offered to executives and managers should reflect the strategic orientation of the company.

As indicated in Chapters 3 and 4 there is a difference in the focus of traditional and strategic training. Traditional training focuses on the current strategic orientation of the company whilst strategic training focuses on the emergent strategic orientation of the company. Rothwell and Kazanas (1994:428) explain that traditional training focuses on the difference between “present, actual performance” and “present, desired performance”, while strategic training focuses on the difference between “expected changes over time in job requirements, actual performance” and “what should be in future”. The relationship between the strategic orientation of the company and training should be indicated in the training policy of the company [See paragraph 3.3].

Companies must translate both their current and emergent strategic orientation in terms of the training needs of executives and managers in particular. If the training of executives and managers is aligned with the current and emergent strategic orientation of the company, there must be a visible connection between the strategic orientation of the company and the nature and scope of training needs experienced by executives and managers. These training needs must be addressed through a suitable training unit which has the necessary infrastructure and training processes to address these training needs [See Chapters 3 and 4].

The responses to questions 2.1 to 2.3 enabled the researcher to ascertain what the connection between the strategic orientation of companies and traditional as well as strategic training should be or to ascertain the effect of the strategic orientation of the

company on the training offered to their executives and managers [See paragraph 6.3.1.4].

6.3.1.1 *The nature and scope of the strategic orientation*

Companies most often have a grand strategy that gives an indication of the manner in which the company wishes to position itself in a particular industry. The strategic orientation of companies is the enabler of the grand strategy of the company (M, O, P). Some companies have more than one strategic orientation as pointed out by two companies (W, X) in the telecommunications industry:

- Company W (2003): “*Grow and defend core markets* i.e. markets which generate profits for the company.”
- Company X (2003): “*Achieve growth in profits and cash flow*, while maintaining our *leading market position* in South Africa and *growing our operations in other select sub-Saharan African countries*.”

The strategic orientations of the companies that participated in the study are [See Table 6.2]:

- The positioning of the company within the industry through a national or international *growth strategy*. A growth strategy is identified in terms of growth of markets, the services that are rendered and the products manufactured by the company as well as a greater income through better or increased services rendered by the company (A, B, D, F, I, J, K, L, O, R, W, X).
- Developing and maintaining a *competitive position* in a particular industry. A difference is found between companies that must develop the ability to perform competitively (for example through a privatisation policy) and companies that focus on keeping or even reclaiming existing clients due to the presence of competitors in a particular industry (C, E, S, W, X).

- *An improvement in service rendering to clients and the associated development of a long-term relationship with clients.* It would appear that improved service rendering is an example of a strategic orientation that is particularly found at financial institutions whilst companies in the information technology industry increasingly focus on establishing a long-term relationship with clients rather than simply providing a mere product and is often described as follows: “Now selling a solution rather than a product” (G, H, Q, T).
- Being the *company of choice* for the provision of a service or making available a product (M, N, P, V) as well as:
- Improving the *competitiveness of a particular business unit* of the company as explained by Company U in the information technology industry: “To improve the profitability of our systems integration and consulting business.”

Growth strategy	Competitive positioning	Improved service rendering	Company of choice	Competitiveness of a particular business unit
12/24	5/24	4/24	4/24	1/24

Table 6.2 The strategic orientation of companies

It is evident from Table 6.2 that half of the large South African companies which participated in the study has a growth strategy.

6.3.1.2 Cause of change in the strategic orientation

The strategic orientation of companies is adjusted as the grand strategy of companies is revised and amended whenever necessary. The revision and amendment of the grand strategy is the result of factors present in the external and internal strategic environment of companies that may possibly influence the position of these companies in a particular

industry. Companies referred more to the impact of external factors (for example the presence of competitors in the industry, labour matters, availability of raw materials, legislation and consumer spending) on their strategic orientation than to the impact of internal factors. This is probably due to the fact that there is a large measure of interdependence between the external and internal factors and that the external factors have a leading influence on internal factors, for example the manner in which labour legislation leads to the presence of trade unions in companies as well as the manner in which companies provide for the effect of HIV/Aids on their sustainability. A company (N) in the general retail industry indicated that companies have less control over the impact of external factors on their position in a particular industry than over internal factors. This means that companies probably identify the effect of internal factors on the company much faster and can thus exercise greater control over these than is the case with external factors. This probably results in companies being less sensitive to factors present in the internal environment of the company. However, both the factors present in the external and internal environment of the company have an effect on the strategic orientation of the company and should be reflected in the training offered to executives and managers currently and in the future.

6.3.1.3 Frequency of change in the strategic orientation

Although, according to Carrell, Elbert and Hatfield (2000:8), companies are subject to fast and continuous change, five companies (A, K, L, O, T) indicated that their grand strategy remained unchanged for periods of:

- Three to four years (Company K)
- Five years (Company L)
- Five to ten to fifteen years (Company O)
- Six to seven years (Company T)

- Ten years (Company A)

Change in the strategic orientation of companies occurs more regularly and is revised annually (L, N, O, Q, R). These findings are confirmed in a study by McKinsey (2006) which indicated that the grand strategy of 55% of global companies cover two or three years and the grand strategy of 25% of global companies cover four to five years. The grand strategy of 14% of global companies cover a period of one year. The relatively longer periods during which the grand strategy of companies remains unchanged can be attributed to the fact that change in the grand strategy of companies is not regarded as radical interventions, but rather take place gradually and over time. A company (T) in the information technology industry describes the change that takes place in the company's strategy as follows: "more of an evolution than a revolution." Companies A, B, D, E, F, that are all located in the resources and basic industries categories of the JSE, indicated that their strategic orientation change less often or on an *ad-hoc* basis.

6.3.1.4 The strategic orientation of companies and training

Against the backdrop of the foregoing, the researcher came to the following conclusions regarding the connection between the strategic orientation of companies and training offered to executives and managers.

The nature of the strategic orientation of the large South African companies which participated in the study is diverse in nature. However, there are certain similarities for example growth, competitive positioning and improved service rendering. Although there are similarities in the strategic orientation of companies they will interpret and approach these strategic orientations differently depending on the nature of the factors present in their external and internal strategic environment. The internal and external strategic environment of companies can be divided in four domains (known, knowable, complex and chaos) [See paragraph 2.2]. These differences in the interpretation and approach that companies take regarding their current and emergent strategic orientation necessitate that the training of executives and managers should be highly customised according to the exact nature of the strategic orientation of companies. Furthermore, the uncertain and

emergent nature of the complex and chaos domains of the internal and external strategic environment of companies necessitate that the strategic training of executives and managers is “...based on predictions of future job requirements stemming from strategic necessity.” (Rothwell & Kazanas, 1994:425). Half of the companies (12/24) indicated that they have a growth strategy and thus the assumption can be made that companies would regard the training of executives and managers in terms of skills that would support and enhance this type of strategy as important.

Two companies (W, X) indicated that they have more than one strategic orientation however, the researcher is of the opinion that this might be the situation in more companies. This implies that executives and managers might have a variety of traditional and strategic training needs which should be addressed by means of a suitable training process. This is motivated by the fact that the respondents from the large South African companies included in the study were able to identify a vast variety of training needs. The strategic training needs of executives and managers of large South African companies are discussed in paragraph 6.5.3.

The strategic orientation of companies is adjusted according to factors in their external and internal strategic environment. Although companies are more conscious of the impact of external factors on the strategic orientation of the company they are also conscious of the presence of internal factors. Training processes, irrespective of the traditional or strategic nature thereof, should focus on skills that derive from both internal and external factors present in the strategic environments of companies. Executives and managers should, develop the ability to determine the impact of the external and internal factors present in all four the domains in the strategic environment of companies. The manner in which the factors in the known, knowable, complex and chaotic domains influence the current strategic orientation of the company necessitates a revision and possible amendment of the current strategic orientation of the company. This revision and amendment of the current strategic orientation of companies should manifest in the identification of the strategic training needs of executives and managers [See paragraph 6.5.3].

Equal numbers of companies indicated that their strategic orientation is revised annually (5/24) or on an *ad-hoc* basis (5/24). This means that companies must also regularly revise the nature and scope of the curriculum for both traditional and strategic training and adapt these, if necessary, according to the company's strategic orientation. The nature of the domain (known, knowable, complex and chaotic) in the strategic environment in which companies find themselves should thus be taken into consideration when training is revised and adapted. Particularly in terms of strategic training provision should be made for the fact that some industries are more dynamic than others. In industries which are more dynamic in nature companies frequently progress between domains [See paragraph 2.3]. This implies that the strategic orientation of the companies in industries which are more dynamic in nature should also be revised and adapted on a frequent basis. This characteristic of strategic training should be taken into account when the company makes decisions on the training unit, infrastructure and the providers of training used to offer strategic training to executives and managers.

Strategic training should take place on an ongoing basis since executives and managers must continuously be prepared for changes in the current strategic orientation of the company. Traditional training should take place on a less continuous basis as it is dictated by the current need for specific work-related skills. Traditional training is completed as soon as the executives and managers have acquired the work-related skills which they need to perform the work for which they are currently responsible. Training programmes through which the work-related skills of executives and managers are addressed are more specific in terms of scope and duration whilst strategic training is less specific in terms of scope and duration due to its emergent and tentative nature.

6.3.2 Communicating the strategic orientation

The purpose of question 2.4 was to study the manner in which employees are informed of change in the strategic orientation of the company and whether employees are informed of the effect of change in the strategic orientation of companies on the nature and scope of the strategic and traditional training offered to them [See Annexure B]. The responses

to question 2.4 enabled the researcher to ascertain the nature of the communication methods used by companies to inform employees of change in the nature and scope of training and of the connection between the current and emergent strategic orientation of the company and training processes.

Various methods are used to communicate change in the strategic orientation of companies to employees. These include electronic (e-mail) and printed publications (brochures, pamphlets, newsletters and posters), presentations and meetings with employees. Companies A, P, and Y indicated that they communicate the strategic orientation to employees through the use of the balanced scorecard. The balanced scorecard is a technique that is used by companies "...to clarify their vision and strategy and translate them into action. It provides feedback around both the internal business processes and external outcomes in order to continuously improve strategic performance and results." (Arveson, 1998). The balanced scorecard focuses on four perspectives, namely: the learning and growth perspective, business process perspective, customer perspective and a financial perspective.

Although various methods are used to communicate with employees companies indicated that communication with employees is problematic since the message or content that is to be communicated or the method or medium through which communication takes place must be aligned with the employees at whom the communication is directed. However, this problem should not be characteristic of a strategic training process since strategic training focuses on translating the emergent strategic orientation of the company into the training needs of executives and managers and eventually also employees. Executives and managers must ensure that the connection between the current and emergent strategic orientation of the company and the training of employees is communicated in such a manner that the message and the medium of communication are aligned with the employees to whom the message is communicated. The problems companies experience with aligning the message and the medium of communication with employees should therefore not impact negatively on a strategic training process for executives and managers.

6.3.2.1 Communicating the strategic orientation and training

Against the backdrop of the foregoing, the researcher came to the conclusion that companies use a variety of methods to communicate change in the strategic orientation to its employees. However, the use of a variety of communication methods does not necessarily imply that these communication methods are used optimally and that the effect of a change in the strategic orientation of the company on the training offered to employees is also explained to them. Furthermore, existing communication methods should enable dialogue between executives, managers and employees regarding changes in the strategic orientation of the company. Dialogue is necessary because the nature and scope of strategic training and strategic training needs are tentative and uncertain in nature and should be explained to employees.

Companies should therefore ensure that the communication methods which is used to communicate change in the strategic orientation of the company to employees result in them gaining an understanding of the manner in which their performance and training are aligned with the current and emergent strategic orientation of the company. Furthermore, communication should be such that the effect of change in the strategic orientation of the company and thus also change in the work-related skills that employees will need currently as well as in the future, is understood. If executives and managers are involved in communicating with employees by means of the various communication methods it should enable employees to develop an understanding of the reasons why a specific training process is used and why it is necessary for them to be trained in terms of specific work-related skills [See paragraph 4.4.3]. The nature and scope of the involvement of executives and managers in the strategic training of employees is discussed in paragraph 6.3.3.4.

Companies that proclaim that they have a strategic training process should make provision for the communication of the emergent strategic orientation of the company through various communication methods and by involving executives and managers in communicating with employees. The optimal use of existing communication methods would contribute to the effectiveness of a strategic training process since employees can

be informed about possible change in the current strategic orientation of the company prior to the commencement of a strategic training process. Furthermore, they can be informed of the work-related skills which they will need in future and in terms of which they will be trained during the strategic training process.

6.3.3 The training infrastructure

The purpose of questions 1.3, 3.1, 3.6 and part 4 of the questionnaire was to study the existing infrastructure for training that is currently used by companies to provide traditional and strategic training to their executives and managers [See Annexure B]. The responses to questions 1.3, 3.1, 3.6 and part 4 of the questionnaire enabled the researcher to develop an overview of the training infrastructure in existence in large South African companies in order to determine whether it merely provides for traditional training and whether there is initiatives according to which provision are made for the strategic training and strategic training needs of executives and managers.

The training infrastructure in companies was studied in terms of the following aspects:

- The nature and scope of training programmes
- Corporate universities and other training units
- External providers of training
- Involving executives in training
- The instructional methods and media that enable training
- The effectiveness and relevance of training
- Training the value chain



Most South African companies (20/24) have a training infrastructure that is managed from a centralised business unit responsible for human resource management including the development of the human resources of companies. The development of the human resources of large South African companies is managed by individuals with the following types of job titles as ascertained by means of question 1.3 [See Annexure B].

- Associate director: Learning and education (Company H)
- Organisational development manager (Company K)
- Group training and development manager (Company M)
- Director: Training and development (Company N)
- Group – People development manager (Company O)
- Manager: Organisational planning and development (Company B)
- Group – Learning manager (Company I)

The existence of a training infrastructure in large South African companies is enabled and supported by legislation and mechanisms which have characterised the South African training industry, particularly since 1998. Legislation such as the *Skills Development Act, no. 97 of 1998* and the *Skills Development Levies Act, no. 24 of 1999* and the establishment of mechanisms such as the National Qualifications Framework, South African Qualifications Authority, Sector Education and Training Authorities serve as examples of mechanisms in terms of which corporate training in South Africa is controlled (ASTD Global Network South Africa, 2003:9).

Against the backdrop of the foregoing, the researcher came to the conclusion that a large number (20/24) of South African companies are characterised by the existence of a training infrastructure. The training infrastructure is managed from business units responsible for the development of the human resources of companies. These business units are governed by assigned managers responsible for the training of the human resources. Furthermore, the functioning of the training infrastructure in large South African companies is enacted and regulated by training related legislation and mechanisms. However, the existence of a training infrastructure in large South African companies merely implies that a degree of knowledge exists in companies regarding the importance and value of training and that a training infrastructure is in all probability in existence which allows for the identification of the traditional and strategic training needs of executives and managers and by means of which these needs can be addressed. However, it does not imply that the training infrastructure allows for both traditional and strategic training processes.

It is therefore necessary to study further aspects regarding the training infrastructure in large South African companies to ascertain whether both traditional and strategic training are presented to executives and managers in particular. The training infrastructure in existence in the large South African companies which participated in the study is discussed further in paragraph 6.3.3.1 to 6.3.3.7.

6.3.3.1 The nature and scope of training programmes

The purpose of question 3.1 was to develop an understanding of the nature and scope of traditional and strategic training programmes that are currently offered to develop the skills of executives and managers by large South African companies and the training units which companies use to address these needs [See Annexure B]. The curriculum or instructional plan provides structure to the training programmes which are offered to executives, managers and employees [See paragraph 3.4]. The responses to question 3.1 enabled the researcher to ascertain the nature and scope of training programmes and thus the skills in terms of which executives and managers are trained and the training units which companies use to present training to executives and managers.

The responses to question 3.1 indicated that training programmes which are currently offered to executives and managers focuses on the development of four types of skills, namely:

- Job content skills: Training in job content skills equips individuals to master the technical aspects of their job. If individuals do not have particular job content skills, they would not be able to perform effectively and efficiently.
- Managerial skills: Training in managerial skills equips individuals to plan, organise, lead and exercise control over and with the assistance of other individuals.
- Leadership skills: Training in leadership skills equips individuals to influence and inspire other individuals. Some companies distinguish between management and leadership skills whilst others are of the opinion that the ability to manage also includes the ability to influence individuals and to motivate them and thus they do not distinguish between managerial and leadership skills.
- Soft skills, including interpersonal skills: Training in soft skills relates to the ability of individuals to be balanced and secure persons and therefore to perform better in their jobs. Interpersonal skills entail the ability of individuals to work with other individuals in an individual as well as in group context.

Apart from companies offering training to executives and managers in the above-mentioned four types of skills 11/24 of the companies (A, C, E, F, G, H, M, N, O, S, V) included in the study indicated that they make use of an internal training unit such as a training centre, institute or academy to present training to executives, managers and employees [See Table 6.3]. Half of these companies (5/11) provide training to executives and managers and half of the companies (5/11) subcontract the training of executives and managers to external providers of training. Company N (1/11) explained that although it

has a training unit it does not provide any training to executives and managers. In Companies B, K, Q, X (4/24) all the training offered to executives, managers and employees is subcontracted and only the job content skills of employees is addressed through on-the-job training in the company. These skills are more applied and practical in nature and the training offered by the internal training unit supplements and supports the training offered in the individual business units and is therefore regarded as on-the-job training. Five local (South African) companies (D, I, J, T and W) (5/24) indicated that they make use of a training unit in the form of a corporate university to train executives, managers and employees, while four multinational companies (4/24) indicated that they make use of a corporate university (L, P, R, U) [See Table 6.3]. The use of corporate universities and other training units to address the traditional and strategic training needs of executives, managers and employees by large South African companies are discussed in more detail in paragraph 6.3.3.2.

Large South African companies offer training programmes to executives and managers to address four types of skills and some companies (5/24) make use of a training unit or a corporate university (9/24) to offer training to executives and managers. Despite the variety of skills in terms of which training is offered to executives, managers and employees as well as the the existence of training units and corporate universities it would, however, appear that some companies are of the opinion that training should only be given to employees and does not necessarily add value at the executive level. A cement manufacturing company (F), pharmaceutical company (K) and a retail company (N) indicated that no provision is made for the formal and structured training of employees at the executive management level. The pharmaceutical company (K) further indicated that it was not in favour of employees undergoing advanced management qualifications at tertiary institutions, since employees did not truly use this qualification to the advantage of the company.

The use of corporate universities and other training units by large South African companies					
Corporate university		Training unit			No corporate university or training unit
Corporate universities attached to companies with their head office located locally in South Africa	Corporate universities attached to multinational companies with their head office located abroad	Training offered to executives, managers and employees by an internal training unit	Training offered to employees by a training unit but the training of executives and managers is subcontracted to external providers of training	Training offered to employees by a training unit but no training is offered to executives and managers	All training is subcontracted to external providers of training apart from training of job content skills or on-the-job training of employees
D, I, J, T, W	L, P, R, U	C, G, H, O, S	A, E, F, M, V	N	B, K, Q, X
5/24	4/24	5/24	5/24	1/24	4/24

Table 6.3 The use of corporate universities and other training units by large South African companies

Against the backdrop of the foregoing, the researcher came to the conclusion that large South African companies are characterised by a well-developed training infrastructure. This is evident from the following factors:

- The training infrastructure is managed from a centralised business unit responsible for the development of the human resources of the company.
- The business units responsible for managing the training infrastructure are administered by assigned managers.
- The training infrastructure in existence in large South African companies is enabled and supported by training-related legislation and mechanisms.
- Training programmes are offered to executives, managers and employees in terms of four types of skills.
- Training is offered to executives, managers and employees from a variety of training units including corporate universities.
- Companies which do not provide training to executives and managers make use of external providers of training to make provision for the training needs of these employees.

However, none of the above-mentioned factors ensure that all the training needs of executives and managers are addressed and existing training programmes might not be presented from the perspective of both the current (traditional training) as well as the emergent (strategic training) strategic orientation of company. Companies should be able to identify and address the training needs of executives and managers as they emerge from all four the domains in the strategic environment of companies. The identification of types of skills as mentioned above does not imply that training is presented from the perspective of the current as well as the emergent strategic orientation of companies.

The question thus arises whether corporate universities and other training units used by large South African companies succeed in addressing the traditional and the strategic training needs of executives and managers. This entails:

- Addressing traditional training needs with which companies need to comply as a result of the legislation and that emerge from the current strategic orientation of the company; and
- Strategic training needs of employees, but particularly executives and managers involved in strategic processes in the company and arising from the emergent strategic orientation of the company.

The specific manner in which corporate universities and other training units are used to address the traditional and strategic training needs of executives and managers and therefore as part of the training infrastructure of large South African companies are subsequently discussed.

6.3.3.2 Corporate universities and other training units

Questions 4.7, 4.8 and 4.9 were included in the questionnaire to examine the specific use of corporate universities and other training units [question 3.1] to train executives and managers in large South African companies. According to the Corporate University Xchange (2002b:1) a corporate university is regarded as “... the strategic umbrella for aligning, coordinating, and focusing all learning efforts for employees, customers, and suppliers in order to meet an organization’s business strategies and goals.” Since executives and managers are responsible for strategic processes the purpose of a corporate university should be to train executives and managers to perform strategic processes in terms of both the current and emergent strategic orientation of the company. The responses to questions 3.1, 4.7, 4.8 and 4.9 enabled the researcher to ascertain whether companies are aware that corporate universities and other training units should provide training to executives and managers regarding the strategic orientation of the

company but that this training should focus on both the current and emergent strategic orientation of the company.

Large South African companies can be grouped into six categories as regards the use of corporate universities and other training units to address the training needs of executives and managers. These six categories include:

- Local (South African) companies (5/24) that make use of corporate universities.
- Multinational companies (4/24) that make use of a combination of the corporate universities of the mother companies and the training units of the local subsidiaries of these multinational companies.
- Companies (5/24) that use a training unit other than a corporate university to offer training to executives, managers and employees .
- Companies (5/24) that subcontract the training offered to executives and managers.
- Companies (1/24) that have a training unit but do not provide training to executives and managers and;
- Companies (4/24) that do not have a corporate university or a training unit and subcontract the majority of training.

The specific nature of the training offered to executives and managers by the above-mentioned six categories of companies is described in the following manner:

Local (South African) companies that make use of corporate universities: Companies D, I, J, T and W indicated that they make use of a corporate university to address the training needs of their executives and managers [See paragraph 3.5]. These five

companies described the manner in which training at their corporate universities are aligned to the strategic orientation of the respective companies as follows:

- Company D: A company which is a supplier of oil and gas has a corporate university in the form of training centres. Company D described the alignment between the strategic orientation of the company and training offered at the corporate university in the following manner: *“It must be done in an integrated manner or where do you want to go to and which capabilities and competencies do you need. You also need a shared mindset and it must be driven by the necessary leadership.”* This statement implies that the training offered to executives and managers does not only focus on the current strategic orientation but also the direction in which the company wants to “go to” in the future or the emergent strategic orientation and therefore training is regarded as both traditional and strategic in nature.
- Company I: A financial institution (I) has a corporate university that is known as a business school. Company I described the alignment between the strategic orientation of the company and training offered at the corporate university in the following manner: *“Alignment with the current strategy of the company but also with the direction in which the company is currently moving on a global level.”* Although Company I is taking cognisance of the direction in which the company is “currently moving on a global level” this does not imply that Company I provides training to executives, managers and employees in terms of both the current as well as the emergent strategic orientation of the company. According to the researcher the training offered to the executives and managers of Company I is therefore regarded as traditional in nature.
- Company J: Company J refers to its training unit as a training institute. This training institute can be regarded as a corporate university. Company J described the alignment between the strategic orientation of this company and training in the following manner: *“We would analyse our strategy [and] look at competencies*

needed to execute strategy [and] one might also look at problem areas in business or non-strategy related or systemic issues and individual needs.

Although Company J explained that there should be an alignment between the strategic orientation of the company and training and that training should be proactive in nature the researcher could not find evidence that the training offered to executives and managers is strategic (emergent strategic orientation) in nature and it seems as if the company only focuses on traditional (current strategic orientation). Company J explained as follows: “[It is] *absolutely critical to review what you are doing on a regular basis. Human resource development people are closely involved with line managers on a senior level so that there is an immediate transmission of strategy – there is a dynamics – a close relationship when you have a proactive human resource development. Proactively looking for opportunities to see that strategy is converted into requisite learning.*”

- Company T: A company (T) in the information technology industry indicated that they have a corporate university where training in terms of strategic processes is offered to executives and managers. Company T merely referred to the effect of the current strategic orientation of the company on training offered to executives and managers: “*Redefining strategy and out of it develops certain training needs. After strategy formulation we must decide what are the things that we absolutely have to get right or the critical success factors. Each business region or unit decides what are the things we need to do here and now or what are the actionable points.*” The researcher could not find an indication that the nature of the emergent strategic orientation of the company is reflected in training offered to executives and managers at the corporate university of Company T and the researcher concludes that Company T only provides training of a traditional nature to executives and managers.
- Company W: The corporate university of a company (W) in the telecommunications industry is known as a Centre for Learning and

Organisational Capacity. This company described the nature of the alignment between the strategic orientation of the company and training offered to executives and managers as follows: “*Identifying future and current capabilities and competencies required by the company to deliver business results.*” Company W decided to make use of a corporate university since the company realised the need to identify new and emerging capabilities and competencies which their executives and managers will need in future to be able to deliver business results. From the above-mentioned response the researcher concludes that Company W provides training to executives and managers in terms of both the current and the emergent strategic orientation of the company.

- Company V: A food and clothing retailer (V) has a training unit which is referred to as a training institute. The institute is a for-profit business unit and therefore has to generate its own income and is not centrally funded. Although its funding model is characteristic of a corporate university this institute merely provides training of a practical nature to address the job content skills of employees (Meister, 1998:71). Furthermore, the institute only provides training to executives and managers in three modules, namely: Financing and accounting, Budgeting and Industrial relations. Company V also offers an in-house developed Management Development Programme which extends over a two week period. The remainder of the training of executives and managers is subcontracted. The institute is not regarded as a corporate university due to the limited nature and scope of the training programmes which are offered to executives and managers.

Multinational companies that make use of corporate universities: Companies L, P, R, U (4/24) are local subsidiaries of multinational companies. These companies all indicated that the mother company has a corporate university. It appeared that the local subsidiaries of these four multinational companies also have their own training units and that the interaction between the training units of local subsidiaries and the corporate universities of the mother companies is limited. This is confirmed by the following statements made by local subsidiaries of multinational companies:

- A diversified technology company (L): *“Given some direction but allowed to do our own thing.”*
- A diversified international industrial (P): *“Very limited interaction between us [local subsidiary] and the corporate university [situated at the mother company].”*
- An international manufacturer of electronic equipment (R) explains: *“We send one person per year to the corporate university.”*
- An international company in the information technology industry (U) explains: *“...business units together with curriculum committees drive training. Locally [South Africa] we are not involved with curriculum committees.”*

From the above-mentioned explanations it is evident that the interaction between the training units of local subsidiaries and the corporate universities of multinational companies is limited. Due to the limited interaction between the training units of local subsidiaries and the corporate universities of multinational companies it can be assumed that the training offered to executives and managers of the local subsidiaries of multinational companies is more traditional in nature and thus focus on the training of executives and managers in terms of the current strategic orientation of the company. Furthermore, the above-mentioned four companies did not indicate that they are involved in the strategic processes of the mother company which serve as further evidence of the dearth of strategic training at these companies.

Companies that make use of training units other than corporate universities: A total of 11/24 of companies (A, C, E, F, G, H, M, N, O, S, V) indicated that they use training units to address the training needs of executives and managers but they do not regard these training units as corporate universities. Four companies indicated that they do not have a training unit or corporate university (B, K, Q, X) [See Table 6.3]. The differences

between corporate universities and other training units are described by Arnone (1998:199), Meister (1998:23) and the Corporate University Xchange (2002:1) and discussed in paragraph 3.5. The differences between corporate universities and training units as found in the literature was also referred to by Company I and Y. They explained:

- Company I: *“A corporate university brings about change within the company on the whole and is aimed at high performance and therefore supports the strategy of the organisation. It makes a specific statement on the importance of training to develop the knowledge of employees according to specific business capabilities.”*
- Company Y: *“A corporate university can be differentiated from a training department in the sense that it must become a real interest to the company. It depends on how it is driven from the top if it actually fulfills the function of a corporate university or not.”*

Due to a variety of reasons not all companies make use of corporate universities to address the training needs of their executives and managers. Some companies indicated that although they had investigated the possibility of implementing a corporate university they decided to rather not make use of this particular type of training unit to offer training to executives and managers in particular. This response implies that the absence of a corporate university does not mean that companies do not provide training to executives and managers.

Some of the reasons why companies prefer training units other than corporate universities are:

- *“Training is not done on a continuous basis it is more once-off and does not take place on such a large scale.”* (Company E).
- “Company H explained that training is not part of the core business of the company and therefore they preferred not to invest in a corporate university:

“We did consider it but we do not have a need for it. We are not in the education business - we are auditors.”

- Company N is of the opinion that the infrastructure of a corporate university is too elaborate for the company: *“There is not really a strong motivation to start an initiative on that scale.”*
- Company O explained: *“We did consider it a while ago but it is not cost-effective and training is not our core business.”*
- Company K explained that a large component of the workforce of this Gauteng-based company is situated in the Eastern Cape. This would necessitate employees to travel large distances to be trained at a corporate university which is situated at the head office in Gauteng. They explain: *“The Company consists over 1500 employees of which 700-800 are situated at the factory in the Eastern Cape.”*
- Company M stated that a corporate university is: *“Not financially viable.”*
- *“Changes in industry take place too rapidly for this type of facility.”* (Company Q);
- *“[The training unit of Company S] ...is not a corporate university we exist as a result of our clients and not as a result of our organisation.”* The training unit of Company S exist primarily to offer training to their clients in terms of the use of the products of the company however, some training is also offered to the executives, managers and employees of the company.
- *“The company is too small to justify the infrastructure of a corporate university.”* (Company X).

A diversified mining company (B) used the term “corporate university” to refer to its training unit. However, Company B also explained that although training at this company is managed by the human resources department all the training apart from on-the-job training is subcontracted to a consulting firm. Training to executives and managers is presented by a variety of local and international universities and a consulting firm. The training unit of Company B cannot be regarded as a corporate university since the training offered to executives and managers is not customised in terms of the specific strategic orientation of the company. The use of the term “corporate university” is probably the result of the fact that Company B in the past investigated the possibility of implementing a corporate university at the company.

Irrespective of the fact that Companies A, C, E, F, G, H, M, N, O, S and V make use of a training unit other than a corporate university to provide training to executives and managers they should still be able to provide training of a traditional and strategic nature. The type of training unit which is used by companies to offer training to executives and managers does not indicate the absence or presence of a particular type of training process.

Companies C, G, H, O and S indicated that they provide training to their executives and managers while companies A, E, F, M and V subcontract the majority of training to executives and managers. Company N does not provide any training to executives and managers. Companies C, A and F describes the alignment between training and the strategic orientation of the company in the following manner:

- Company C: Company C which is a supplier of electricity did not specifically refer to the alignment between training of executives and managers and the strategic orientation of this company. However, the respondent merely stated that: *“South African companies are not very good at this [provision of training to executives and managers in terms of the emergent strategic orientation of the company] regard”*. This statement implies that Company C only offer traditional training to their executives and managers.

The absence of strategic training at Company C is also evident from the responses by Companies G, H and S. It should be noted that a packaging firm (O) indicated that it has a training unit in the form of a training college. However, it is not a true “college” but rather a term used by the company to drive training regarding their “strategic agenda”. The purpose of this “college” is to enable the executives, managers and employees to “compete globally” and to ensure that the “practices” of Company O should be “worldclass.” Although this statement does not indicate that traditional and strategic training are offered it does imply that there exists an awareness in the company regarding the training of executives and managers with regards to global trends in the packaging industry. The researcher does not regard the training offered by Company O as strategic in nature.

- Company A: A diamond mining company only referred to the translation of the current “*strategy and the strategic imperatives of the company into skills and competencies in order to compile a personal development plan*” and did not state whether the emergent strategy and strategic imperatives of the company are also translated into the skills and competencies which executives and managers will need to ensure the competitiveness of the company. Training is therefore regarded as traditional in nature. This company subcontracts the training of executives and managers to external providers of training.

The absence of strategic training at Company A is also evident from the responses by Companies E, M and V. These companies all indicated that they subcontract the training of their executives and managers to external providers of training.

- Company F: A cement manufacturer stated as follows: “*Where is the company going to and what should be done in terms of manpower provisioning.*” Although this statement indicates that Company F considers the implications of their emergent strategy on the availability and thus the management of human resources it does not imply that the emergent strategy of the company is translated

into the strategic training needs of executives and managers. Training at this company is therefore also regarded as only traditional in nature.

Against the backdrop of the foregoing discussion on the use of corporate universities and other training units by large South African companies the researcher came to the conclusion that there are three issues which characterise the use of corporate universities and other training units by the large South African companies which participated in the study to offer traditional and strategic training to executives and managers in particular. These three issues are listed and discussed below:

- The interchangeable use of the terms “corporate universities” and “training units”.
- The use of corporate universities and other training units to present strategic (emergent strategic orientation) and traditional training (current strategic orientation) which is customised in terms of the specific strategic orientation of the company. This implies that a corporate university or any other type of training unit can be used to offer strategic and traditional training to executives and managers. Companies do not necessarily have to make use of a corporate university to offer strategic training to executives and managers.
- The propensity of large South African companies to outsource the training of executives and managers to external providers of training.

Corporate universities are distinguished from other types of training units by the nature and scope of the training that they provide to executives, managers and employees. In paragraph 3.5 it was explained that corporate universities are characterised by training which is of a proactive and strategic nature as opposed to the reactive and “tactical” or more operational training offered by training units (Meister, 1998:24). Companies, such as Company B, therefore cannot not claim that their training unit is a corporate university if it does not offer training of a strategic nature to its employees and more importantly to its executives and managers. The training units of some companies (V) even have some

characteristics (for example the funding model of the training unit) in common with corporate universities however these training units cannot be regarded as corporate universities if they do not offer training of a strategic nature as previously explained. Furthermore, if training training units and corporate universities offer training of a strategic nature to executives and managers this training should be aligned with both the current as well as the emergent strategic orientation of the company in order to ensure the competitiveness of the company.

Nine companies which were included in the study offer training to executives and managers through a training unit in the form of a corporate university. Some of the companies which use a corporate university are local (South African) (5/9) companies while others are multinational (4/9). Corporate universities are regarded as a type of training unit which focuses on providing training in terms of the strategic orientation of the company to executives, managers and employees. However, the existence of a corporate university and training of a strategic nature does not necessarily imply that the training needs of executives and managers are addressed in terms of both the current as well as the emergent strategic orientation of the company. This is particularly evident from the fact that only two companies (D, W) which make use of a corporate university indicated that they offer training in terms of the current and emergent strategic orientation of the company. Due to the limited interaction between the training units of local subsidiaries and the corporate universities of the mother company of multinational companies the training offered to executives and managers at the local subsidiaries is regarded as traditional training.

Several (11/24) companies indicated that they have a training unit other than a corporate university to offer training to executives, managers and employees [See Table 6.3]. A number of companies did consider the use of a corporate university, but decided not to use this type of training unit. Some of these companies confirmed the statement made by Rowles (2002:38) that corporate universities are not often used by South African companies. He ascribed this to the “massive infrastructural and specialized fixed resources costs required for this.” Half of the companies (5/11) which make use of a

training unit other than a corporate university subcontract the training of executives and managers to external providers of training [See paragraph 6.3.3.1]. Only one company (O) is cognisant of international trends within the industry which it represents and incorporates these trends in the training of executives and managers. None of the large South African companies which participated in the study and make use of a training unit other than a corporate university indicated that they offer training to executives and managers in terms of both the current and emergent strategic orientation of the company. This situation does not seem to differ between companies (C, G, H, O, S) which offer training to executives and managers from their training unit and companies (A, E, F, M, V) which make use of an external provider of training to offer training to executives and managers.

All but one (23/24) of the companies (N) make use of external providers to assume responsibility for training or parts of the training offered to executives and managers. However, the extent to which companies make use of external providers of training varies. Some companies (B, K, Q, X) subcontract all the training of executives and managers while other companies merely collaborate with external providers of training to address certain parts of the training of executives and managers. It is evident from the responses that the use of external providers to address the training or even parts of the training of executives and managers does not necessarily imply that companies offer training to executives and managers in terms of both the current and emergent strategic orientation of the company. Only two (2/23) companies (D, W) which indicated that they make use of external providers of training offer both strategic and traditional training to executives and managers. The use of external providers of training by large South African companies is elaborated on in paragraph 6.3.3.3.

6.3.3.3 External providers of training

The majority of respondents (23/24) at the large South African companies which participated in the study indicated that they make use of external providers of training to address the training or even parts of the training offered to executives and managers. In

paragraph 3.5 it was explained that external providers of training are regarded as business schools and consulting firms.

The purpose of question 4.6 was to determine which external providers of training are preferred by companies to develop and provide training of a traditional and strategic nature to executives and managers of large South African companies. The responses to this question enabled the researcher to ascertain the type (business school or consulting firm) of external providers of training preferred by large South African companies.

Examples of local (South African) business schools which provide training to large South African companies are: GIBS, University van Pretoria (A, D, F, M, O, P, Q, V, W); School for Business Leadership, Unisa (B, K, R, X). Company I and V indicated that they use the services of the business schools of the University of Cape Town; University of the Free State; University of Stellenbosch; University of the Witwatersrand Business School and the Durban Institute of Technology.

Some companies indicated that their executives and managers receive training at business schools abroad. The question therefore arises what the differences are between the training that executives and managers receive at business schools abroad and the training offered to executives and managers by the training units of companies and local (South African) business schools and consulting firms. Examples of international business schools which provide training to large South African companies are: INSEAD in France (A, M, U); University of Warwick in Britain; University of Darden in the United States of America; London Business School in Britain as well as the Harvard Business School in the United States of America (U) to provide training to executives and managers.

Examples of local and international consulting firms used by large South African companies are: Macauvlei Training Centre (Vereeniging); Growth Link (Pretoria) as well as Operational Improvement Management (Cape Town), Itisa (Randburg), Bizzcom (Johannesburg) and an international consulting company called Wilson Learning.

Companies I, Y and Z elaborated on the use of external providers of training. A training consultant (Y) and a financial institution (I) explained that the nature and extent of the training needs of executives and managers determine whether companies use an internal training unit or whether an external provider of training is used to address the training needs of executives and managers. Company I explained the reason why they make use of an external provider of training: “[The training unit of Company I] ...has exclusive rights on the curriculum and can therefore use a variety of academics from different institutions, which improve quality, and brings about a higher level of customisation. It [training] is customised for Company I but still generic enough so that the employability of employees is improved.” Company Z articulated the typical factors that impact on the formulation of the strategic orientation of companies and that should therefore be taken into consideration by business schools and consulting firms when offering strategic training to executives and managers involved in strategic processes in companies. Company Z explained: “An issue which impacts on the formulation of strategy is the industry in which you are in and the country in which you are located.” Furthermore, Company Z explained the approach they use to ensure that training offered by tertiary institutions is focused on the strategic orientation of the company. “In a lot of our programs we say: What are the five strategic thrusts on your agenda? How can we help you bring these about – it must be strategic, it must involve learning and it must be doable”.

Against the backdrop of the foregoing it is concluded that a large number of companies (23/24) make use of external providers of training such as consulting firms and especially business schools to offer training to employees on executive and middle management level. Furthermore, it seems as if large South African companies prefer to make use of business schools as opposed to consulting firms to provide training to executives and managers. Only three (H, S, T) of the companies (23/24) which make use of external providers of training indicated that they do not make use of a business school but prefer the services of consultings firms. However, it is important that large South African companies do not only make use of external providers of training but they must ensure that the training offered by external providers are customised in terms of the current and

emergent strategic orientation of companies. The question thus arises to what extent does external providers of training succeed in developing training programmes that reflect the factors that are present in all four domains of the strategic environment of companies [See paragraph 2.2]. This question was also expressed by Meyer (2004:10) and Birkin (2006:44). They indicated that external providers of training do not always succeed in customising training according to the needs of the customer [See paragraph 3.5].

6.3.3.4 Involving executives and managers in training

Question 3.6 was included in the questionnaire to ascertain the extent and nature of the involvement of executives and managers in the training of employees [See Appendix B]. In paragraph 6.3.2 it was explained that companies make use of a variety of communication methods to inform employees of changes in the strategic orientation of the company and the effect of these changes on the skills which they will need and thus the training which they will receive. The purpose of question 3.6 was twofold. Firstly, it focused on the extent or level of involvement by executives and managers and secondly, on the nature or scope of involvement of executives and managers. The purpose of including a question on the nature of involvement was to determine if the involvement of executives and managers is limited to communicating the current and emergent strategic orientation of the company to employees or whether executives and managers are involved in more ways than merely communicating the current and emergent strategic orientation of the company to employees during training. Strategic training is first and foremost focused on the executives and managers of the company since they are responsible for strategic processes in the company. Executives and managers should be involved in the training of employees in order for them to understand the manner in which the current and the emergent strategic orientation of the company impact on the work for which they are currently responsible as well as the work for which they will be responsible in future. The involvement of executives and managers will enable employees to understand the nature and scope of training offered to them currently and in the future and will ensure that changes in the strategic orientation of the company are accurately reflected in training programmes. This will ensure that training is effective and relevant.

The responses to question 3.6 enabled the researcher to determine whether training in companies can be regarded as strategic in nature since the involvement of executives and managers in training is regarded as a characteristic of strategic human resource development and thus also of strategic training as discussed in paragraph 4.4.

The responses to question 3.6 indicated that the extent of the involvement of executives and managers in the training of employees varies between “extensively involved” (J) to “not a large part of their function” (H) to “no involvement” (M).

Companies D, I, J, L, O, R, T and W (8/24) indicated that their executives and managers are extremely involved in the training of employees.

The respondent at a company (D) which is a oil and gas supplier stated: “*Senior managers are very involved and support programs.*” In a similar vein a brewery (J) stated that their executives and managers are: “*Extensively involved at their training unit situated in Kyalami.*”

Companies A, B, K, H, V and X (6/24) indicated that their executives and managers are moderately involved in the training of employees.

Company A: Company A which is a diamond mining company and described the involvement of executives and managers in the training of employees as follows: “*I would like to see a higher degree of involvement.*”

Company B: Company B indicated that all training apart from the operational or on-the-job training of employees is subcontracted to external providers of training, however the respondent at this coal mining company indicated that executives and managers are: “*Fairly involved in mentoring.*”

Companies H and V: An auditing company (H) and a food and clothing retailer (V) indicated that their line managers are involved in the training of employees. Company V explained that a large number (70%) of their “*Line managers are heavily involved in presenting and evaluation of training.*” However, these line managers are on a supervisory level and therefore not responsible for strategic processes in the company and although they are involved in “presenting and evaluation of training” the training is of an operational rather than a strategic nature.

Companies E, C, F, G, M, P, Q, S and U (9/24) explained that their executives and managers are not involved in the training of employees.

Company U: A multinational company in the technology industry indicated that the executives and managers at the local (South African) subsidiary of the company are not involved with the training of employees. The respondent at Company U described the involvement of executives and managers in the training of the employees at the corporate university (situated in Pennsylvania, United States of America) of the company in the following manner: “*[The] senior management team are very involved in curriculum committees [there is] participation on all levels (executive management; senior management; business unit leader).*” However, in terms of the involvement of executives and managers at the local subsidiary of the company the respondent explained: “*[The] business units together with the curriculum committee drive training. Locally [in South Africa] the executives and managers are not involved with curriculum committees.*” It is therefore assumed that the leaders of business units are involved with training but there is no involvement by executives and managers in the training of employees at the local subsidiary of the company.

Company N (1) indicated that it was impossible to determine the extent of the involvement by executives and managers in the training of employees and stated: “*Depends on the individual – some are extremely involved in presenting while others are not involved at all.*” From the response by Company N it is evident that the involvement

of executives and managers in the training of employees does not take place in a formally structured and organised manner but are more *ad-hoc* in nature.

In addition to the extent of the involvement of executives and managers which varies between companies it seems as if the nature of the involvement of executives and managers in the training of employees also varies between companies. Company X indicated that their executives and managers provide training to employees by means of their “*involvement in projects which are of strategic importance*” while Company R indicated that their executives and managers are involved in training by enhancing the theory of what is presented to employees during training “*with a view on what is happening within Company R.*” However, the majority of companies (4/7) which indicated that executives and managers are involved in the training of employees explained that the role of executives and managers are to “*contextualise*” (Company O) or to “*present a company perspective*” (Company W) on training.

Against the backdrop of the foregoing discussion the researcher came to the conclusion that the extent and nature of the involvement of executives and managers in the training of employees in large South African companies corroborates the findings of the ASTD Global Network South Africa report (2003:13). This study indicated that executives play a more active role in training than they did in the past and this is also evident from the fact that 15/24 large South African companies indicated that their executives and managers are involved in the training of employees. Some of these executives are extensively involved in the training of employees while others are only moderately involved. However, the involvement of these executives and managers does not only vary in extent (extensively involved, moderately involved to no involvement) but it also varies in terms of the nature of the involvement of executives and managers. The majority of companies which indicated that their executives and managers are extensively involved in the training of employees are responsible for presenting the perspective of the company or contextualising the content of the training offered to employees. This implies that employees are informed of the reason why a specific training programme is necessary and the importance of the training programme for the company. Executives and

managers are therefore involved in the traditional training of employees. It is however, also necessary that executives and managers inform employees of the knowledge and skills which they will need in the future in order to contribute to the competitiveness of the company. This implies that executives and managers should also be involved in the strategic training of employees and thus participate in training to prepare employees for the emergent strategic orientation of the company.

It is also evident from the responses to question 3.6 that the executives and managers of local (South African) companies with corporate universities have realised the importance of involving executives and managers in the training of employees. All five of the local companies (D, I, J, T and W) which indicated that they have a corporate university explained that their executives and managers are extensively involved in the training of employees while two multinational companies (L, R) which have a corporate university indicated that their executives and managers are extensively involved in the training of employees [See paragraph 6.3.3.2]. Since the majority of companies (7/8) which indicated that their executives and managers are extensively involved in the training of employees make use of a corporate university it seems as if a corporate university can be regarded as a mechanism to enable the involvement of executives and managers in the training of employees. However, as previously explained the involvement of executives and managers should be in terms of both traditional and strategic training.

6.3.3.5 The instructional methods and media that enable training

Question 4.1 addressed the instructional methods and media which are used by companies to enable the training of executives and managers [See Annexure B]. Instructional methods comprise the ways in which instruction is presented to students and the manner in which companies enable learners to acquire knowledge and skills. Instructional media "...encompasses all the materials and physical means an instructor might use to implement instruction and facilitate students' achievement of instructional objectives. This may include traditional materials such as chalkboards, handouts, charts, slides, overheads, real objects, and videotape or film, as well as newer materials and

methods such as computers, DVDs, CD-ROMs, the Internet, and interactive video conferencing.” (Scanlan, 2000).

The instructional methods and media which are used to enable strategic training should support the creation of new knowledge and support “the sharing of insights, ideas, and innovative techniques among learners.” (Rothwell & Kazanas, 1994:433-434). However, the instructional methods and media which are used by companies to train executives and managers should not only enable the creation and sharing of knowledge in terms of the known and knowable domains of the internal and external environment of companies but also in terms of the complex and chaotic domains which are more emergent in nature [See paragraph 2.2]. Instructional methods and media should therefore enable the training of executives and managers in terms of the current and emergent strategic orientation of the company.

The fact that the training of executives and managers in terms of the emergent strategic orientation of the company is also characterised by a large degree of speculation and projection, influences the choice of suitable instructional methods and media. Rothwell and Kazanas (1994:432) state: “In strategic training, the HRD practitioner has to visualize the future job or work environment and create an instructional environment to simulate it. The idea is to use the instructional setting to simulate future, but not yet existing, job conditions, so that learners gain experience without incurring the costly consequences of doing so in a real setting.”

Rothwell and Kazanas (1994:434) explain that “...many delivery methods [instructional methods] can be used to provide information, reinforce learning, evoke new insights or new ideas and simulate future job conditions or problems” and thus to enable the traditional and strategic training of executives and managers. However, the tentative and uncertain nature of the emergent strategic orientation of companies necessitates that training in all probability requires a large degree of interaction between executives and managers as well as the facilitator or trainer since executives and managers need to engage in dialogue to determine the factors which will impact on the current strategic

orientation of the company and which are thus emergent in nature [See paragraph 2.1]. A large degree of interaction between executives and managers as well as the facilitator or trainer implies that companies need to include a learner-centred approach when offering training to executives and managers in terms of the emergent strategic orientation while a teacher-centred approach would probably be more applicable to a traditional training process. The more certain and known nature of the current strategic orientation would in all probability require less interaction between executives and managers as well as the trainer and can thus sufficiently be dealt with by means of traditional lectures. It is therefore necessary that companies include a learner-centred and teacher-centred approach when training is offered to executives and managers responsible for strategic processes.

Furthermore, the use of technology-based instructional media such as e-learning will in all probability not always succeed in fully supporting the training of executives and managers in terms of the emergent strategic orientation of the company, although it can be used to address certain parts of it such as communication, project and group work. Company A stated that *“E-learning is very generic and classroom-based learning is more customised.”* while Company S explained that *“a lot of work needs to be done before e-learning can be employed to provide strategic training.”*

The purpose of question 4.1 was to ascertain which instructional methods and media are used by companies to enable the training of executives and managers. The responses to these questions would enable the researcher to determine whether the instructional methods and media which are used by large South African companies enable traditional training but even more importantly provide for the unique nature and scope of strategic training as described in Chapter 4.

Eleven (11/24) large South African companies use only classroom-based learning as medium of instruction. Although some companies (13/24) also use technology-based learning as instructional medium, none of the companies (0/24) indicated that they only use technology-based learning. Even a company (T) in the information technology

industry that indicated that it uses a virtual corporate university as its training unit indicated that in some situations they also make use of classroom-based learning: “Classroom learning to senior management and leadership forum however the rest of the company is trained by means of technology based-learning.” The situation in Company T is similar to Companies W and X in the telecommunications industry that refer to their initiatives as a “virtual campus” and a “virtual learning centre” respectively, and thus make comprehensive use of technology-based learning. However, even in these two companies (W, X) technology-based learning still merely supports classroom-based learning.

Although companies make use of technology-based learning, it is evident from the responses by Companies D, G, I, S, U and V that technology-based learning has not reached its full potential as an instructional method in some large South African companies.

- Company D: “*Very little e-learning.*”
- Company G: The respondent at this financial institution indicated that the use of e-learning to enable the training of executives and managers is still a challenge to the company since they have only recently implemented e-learning: “*E-learning implemented since January 2003.*”
- Company I: “*E-learning remains a challenge.*”
- Company S: “*E-learning is thus complimentary. Blended learning would increase. The use of e-learning would depend on material [content of training programme] and the mindset of the individual [learner]. Still a lot of work needs to be done before e-learning can be employed to provide strategic training. Culture of company should embrace methods such as e-learning and blended learning.*”

- Company U: *“There are some things which we will never ever be able to do via e-learning – it has to involve people.”*
- Company V: *“Classroom learning, lots of practical experience with very little e-learning.”*

The above-mentioned responses by Companies D, G, I, S, U and V are confirmed by the ASTD Global Network South Africa (2003:10) report which explains as follows: “However, [e-learning] it is only used for a small percentage of training content (6%) which indicates that e-learning is still very much in an experimental phase.”

Technology is, however, not only used as instructional media since the administration and management of training in six companies (A, M, T, U, W, X) are done through an electronic learning management system. Hall (2003) describes a learning management system as follows: “A learning management system provides the platform for the enterprise’s online learning environment by enabling the management, delivery and tracking of blended learning (i.e. online and traditional classroom) for employees, stakeholders and customers” (Hall, 2003). Malone (2003:33) is more specific in his description of a learning management system. He explains that learning management systems: “...carry out all the recording necessary (such as time, type and description of course, and booth allocated) in booking learners into courses, tracking e-learning programmes, keeping tabs on learners’ progress and recording loan-outs and returns of books, audio, CD and video packages.”

It is evident from the responses to question 4.1 that the majority (24/24) of large South African companies make use of classroom-based learning as opposed to technology-based learning (0/24) as instructional medium to enable the training of executives and managers. This response confirms the finding of ASTD Global Network South Africa report which indicated that 69,8% of training in South African companies takes place through the traditional lecturing method and are thus classroom-based in nature (ASTD Global Network South Africa, 2003:35). However, companies make use of technology-



based learning in addition to classroom-based learning and some companies (A, M, T, U, W and X) consist over a well developed infrastructure to enable technology-based learning. Although companies make use of technology-based learning and some of them have a well developed infrastructure to enable technology-based learning not all companies have succeeded in using technology-based learning in its full potential. It is also evident that companies do not only make use of teacher-centered approaches such as traditional lectures to enable the training of executives and managers but also include learner-centered approaches where the trainer merely acts as a facilitator and learners must construct their own understandings of the content of the training programme.

Large South African companies also make use of a variety of instructional methods to enable the training of executives and managers. Instructional methods do not only manifest in traditional lectures, since alternative instructional methods such as mentorship, simulations, experiential learning, action learning, case studies, rotation and project work are also used in companies. Some companies also referred to the use of less conventional instructional methods which are more learner-centred than teacher-centred in nature. These instructional methods include games, role-play and industrial theatre.

As regards the use of instructional methods for strategic training preference will have to be given to the use of methods such as simulations, action learning, role play and mentorship that are more interactive than the mere use of traditional lectures.

Against the backdrop of the foregoing, the researcher came to the conclusion that the nature and scope of strategic training poses distinctive challenges to companies in terms of the use of instructional media and methods and more specifically in terms of technology-based learning. All the companies that participated in the study make use of a combination of technology and classroom-based learning and therefore both the creation and sharing of new knowledge in terms of the current and emergent strategic orientation of companies should be successfully accommodated by means of these types of technologies. Furthermore, the manifestation of classroom-based technology in instructional methods such as mentorship, simulations, case studies and project work are

also regarded as conducive to the creation of an environment in which both traditional and strategic training can take place.

In addition to the use of suitable instructional methods and media to enable the training of executives and managers in terms of the current and emergent strategic orientation of the company it is also necessary that training offered to executives and managers is effective and relevant and thus questions 4.2 and 4.3 were included in the questionnaire.

6.3.3.6 The effectiveness and relevance of training

In questions 4.2 and 4.3 companies were asked to give their view on the effectiveness and relevance of traditional and strategic training offered to executives and managers and the methods which companies use to assess the effectiveness and relevance of training [See Annexure B]. Training should not only be effective in bringing about an increase or improvement in the skills of executives and managers, but should also be regarded as relevant. Training is regarded as relevant if there is a visible alignment between the strategic orientation of companies and the nature and scope of training offered to executives and managers.

The purpose of questions 4.2 and 4.3 was to ascertain the reasons why respondents regard the training of executives and managers as effective and relevant and the manner in which companies assess the effectiveness and relevance of traditional and strategic training. The responses to these questions would enable the researcher to determine whether companies are aware that training is regarded as effective and relevant if it is aligned with both the current and emergent strategic orientation of the company. Furthermore, training should also have an effect on the manner in which the emergent strategic orientation of the company is formulated. Training should not merely be offered as a reactive measure to address current performance deficiencies or as a result of the current personal development plans of executives, managers and employees [See paragraph 4.4.4.1].

The reasons why companies (15/24) regard their training as effective and relevant are:

- Companies A, D, R indicated that they regard the training of executives and managers as effective due to the substantial “*financial investment*” which companies make in the training of executives and managers. Companies A, D and R are of the opinion that the training offered to executives and managers are effective since these companies spent large amounts of money on the training of executives and managers.
- Company (D) that manufactures chemical products indicated that the training offered to executives and managers is effective and relevant because “*the company is successful.*”
- The training is *integrated* with existing business processes and thus “*relates to the performance of the executives and managers of the company.*” (D, V).
- Company D explained that training is effective because executives and managers indicated that they had “*a positive experience*” of training in the company.
- Company F that manufactures cement indicated that training is effective and relevant since it offers executives and managers “*a holistic or broader perspective*” on their responsibilities.
- “*Yes, because it is cost effective and we use empirical studies to link impact of technical training to shareholder value. Impact of sales training to enhanced performance on sales.*” (J).
- A company (M) in the motor vehicle industry indicated that training is aligned with particular outcomes to be achieved. “*Executives and managers must thus be able to apply the skills they acquired through training successfully in the performance of their jobs.*”



- A company (O) in the packaging industry is of the opinion that training is effective and relevant because “*it is designed and developed by curriculum committees.*” The company regards the involvement of curriculum committees in the design and development of training programmes as an indication of the effectiveness and relevancy thereof.
- A manufacturer (R) of electronic equipment is of the opinion that training is effective and relevant because the implementation of research projects conducted during “*training resulted in a 20% profit for the company.*”
- Companies K and T explained that training is effective and relevant because executives and managers “*successfully completed the training courses which are offered to them.*”
- Companies G and W indicated that they regard training as effective and relevant since it is “*based on an analysis of the training needs*” of executives and managers.
- A company (W) in the telecommunication industry indicated that training is effective and relevant because “*its content is revised regularly and thus reflects changes in the strategic orientation of the company.*”

From the above-mentioned reasons it is evident that some companies (15/14) regard their training as effective and relevant. It seems as if the effectiveness of training is interpreted in terms of both quantitative (6/24) (cost of training, increase in profitability, number of executives and managers that have successfully completed the training) and qualitative (9/24) (performance of executives and managers, positive experience, a holistic perspective, application of skills) measures, however few companies (2/24) indicated that they regard training as relevant due to the fact that it is aligned with the current but more importantly the emergent strategic orientation of the company and thus have an effect on the current and emergent competitiveness of the company. Training is regarded as

effective if it has an influence on the current job performance of executives and managers and as relevant if it is aligned with the current strategic orientation of companies. Only one company (W) in the telecommunications industry indicated that training is effective and relevant due to the fact that it reflects the strategic orientation of the company.

A respondent involved with a business school (Company Z) at a South African university is of the opinion that large South African companies offer training programmes of a high quality to executives, managers and employees: “Great corporate [training] programmes are available like those offered by Companies I, J and V.”

The methods which companies use to assess the effectiveness and relevance of training include:

- A company (A) in the mining industry uses the “*360° assessment method*” but also takes into cognisance the “*promotion rate*” of managers that underwent training.
- “*Evaluation of learners on commencement*” of the training and the “*evaluation of both the learners and the trainer or facilitator on completion*” of the training (E, H, K, T).
- The “*application of newly required skills*” by executives and managers and/or “*an improvement in the current performance of managers*” (D, F, O, T, V).
- A financial institution (G) measures the effectiveness and relevance of training by using indices such as a “*client satisfaction index*” and a “*staff satisfaction index.*”
- The use of the “*balanced scorecard*” (G, P, R).
- “*Interviews*” are conducted with learners on completion of training (J, X).

- A brewery (J) conducts empirical studies to measure “*the effect of training on the return the shareholder gets*” on his investment in the company.
- A company (X) in the telecommunications industry determines the effectiveness and relevance of training based on a formula in terms of which the following factors are taken into account: “*value and importance of the job skill, number of trainees, performance improvement, training effectiveness, duration of training, application of skills in job setting, benefits of training and amount of investment in training or the cost of training.*”
- A supplier of electronic equipment (R) has found a method of determining “*the value of projects that are undertaken as part of training.*” This company found that these projects result in a 20% return on investment for the company.
- A company (W) in the telecommunications industry measures the effectiveness and relevance of the training offered to executives and managers in their company through a method that is based on a variation of the Donald L. Kirkpatrick model (1998) for evaluating training. The method used by Company W consists of the following levels:
 - Level 1 Reaction of the learner: “If training is going to be effective, it is important that students react favorably to it.” (Global Learning Alliance and Knowledge Advisors, [2003]).
 - Level 2 Learning that has taken place: “To determine if the learning transfer occurred.” (Global Learning Alliance and Knowledge Advisors, [2003]).
 - Level 3 Application of knowledge and skills in the workplace: “In other words, what change in job behavior occurred because people attended a

training program?” (Global Learning Alliance and Knowledge Advisors, [2003]).

- Level 4 Impact of learning on the company: “Look at the business results that accrued because of the training.” (Global Learning Alliance and Knowledge Advisors, [2003]).
- Level 5 Return on investment: The measure “... of perceived value” of training for the company. (Global Learning Alliance and Knowledge Advisors, [2003]).

In addition to the afore-mentioned methods which companies use to assess the effectiveness and relevance of training the ASTD Global Network South Africa study (2003:39) indicated: “In response to the question on training evaluation methods used by organizations, 72% of respondents indicated that they use reaction evaluation, in other words the typical “smile sheets” in which learners indicate the extent to which they enjoyed the training programme and the perceived value thereof.”

It is thus clear that companies make use of a diverse range of methods to assess the effectiveness and relevance of training. However, Companies K, O, Q and T indicated that they find it difficult to assess the effectiveness and relevance of training as articulated by Company O which is in the packaging industry: “One wishes and hopes that your bottom line will improve. We do not have a way of measuring the effect of the actual training” as well as a company (U) in the information technology industry: “We do not measure the return on investment of training we only measure bums on seats.”

Companies D, F, O, T, V, X, W indicated that they assess the effectiveness and relevance of training in terms of the current job performance or application of knowledge and skills in the workplace by executives and managers. Few companies (5/21) are aware of the alignment that should be present between the emergent strategic orientation of companies and training and the influence of training and specifically the strategic training of

executives and managers on the manner in which the emergent strategic orientation of companies is formulated and eventually implemented and the continued competitiveness of companies.

Against the backdrop of the foregoing, the researcher came to the conclusion that the majority of companies are unaware of the fact that the effectiveness and relevance of training should also be interpreted in terms of the alignment of training with both the current and the emergent strategic orientation of companies. The alignment of training with the strategic orientation of the company implies that:

- Training is regarded as effective if it prepares executives and managers in terms of the skills and knowledge which they need currently and in the future and is thus traditional and strategic in nature.
- Training is regarded as relevant if the content of training programmes reflect the current and the emergent strategic orientation of the company.

Regarding the methods which companies use to assess the effectiveness and relevance of training it seems as if companies assess training in terms of its effect on the current performance of executives and managers and not in terms of the effect of training on the emergent strategic orientation of the company. Training is measured in terms of its effect on work performance and not on its effect on strategic processes and specifically the formulation and implementation of the emergent strategic orientation of the firm. However, McCracken and Wallace (2000b:286) as well as Lee (1996:71) are of the opinion that the absence of methods to assess the effectiveness of strategic training should not be regarded as a lack of strategic human resource development and consequently also strategic training since the absence of these measures can be regarded as a sign of a mature company. Therefore, the absence of methods to assess the effectiveness of training should not be regarded as an indication of the lack of strategic training in large South African companies [See paragraph 4.4.4.1].

6.3.3.7 *Training the value chain*

In question 4.10 companies were asked whether they provide training to their value chain and the nature and scope of training offered to the value chain [See Annexure B]. The value chain of a company is regarded as all role-players that add value to the company namely, clients, suppliers, distributors, representatives, dealers, agents, contractors, vendors and manufacturers of the products of the company. Question 4.10 was included in the questionnaire since the value chain of companies has valuable knowledge regarding the external strategic environment of companies. It is therefore important that the value chain of companies is included in the training of executives and managers regarding the current and the emergent strategic orientation of the company. The inclusion of the value chain of the company in the training of executives and managers is regarded as managing the knowledge of the value chain to the benefit of the company. The purpose of the question was to ascertain whether companies make use of training to share knowledge with their value chain regarding the factors present in the four (known, knowable, complex and chaos) domains of the strategic environment of companies. The responses to this question enabled the researcher to determine whether large South African companies include their value chain when knowledge processes are performed by means of training [See Chapter 2].

In response to question 4.10 large South African indicated that they provide training to three types of external groups and/or institutions, namely:

Provincial and local government authorities as well as communities and schools: Training is given to provincial and local authorities as well as communities and schools as part of companies' social responsibility. The training is mainly aimed at teaching learners basic life skills and/or management skills such as financial management. The training is thus not of a strategic nature (A, C, G, H, M).

Clients, contractors, suppliers and vendors: The clients, contractors, suppliers and vendors of Companies D, F, J, K, S, W and X are trained in terms of the products and services the company provides. However, this training focuses on the use of particular

products and services and does not entail training in terms of the strategic orientation of the company. A company (S) in the information technology industry has a training centre, which offers training in information technology to companies that are clients of this company as well as other companies that have a training need in terms of information technology. Company S explained: “The client has a specific environment in which the need to up-skill the administrator is recognized, they will look at the selection of our courses and the price list and then identify a relevant course – we have no knowledge of their business strategy what so ever. However, Company S is not a corporate university we exist as a result of our clients and not as a result of our organisation.”

Other companies: A diversified international industrial company (P) and a manufacturer of electronic equipment (Q) indicated that they offer technical training in the maintenance of a particular product to employees of other companies as well as employees of their clients. Companies P and Q explained that it is often more cost-effective if a local company or representative is responsible for presenting training to other companies in terms of the maintenance and use of a product that is manufactured abroad.

Five companies (N, O, T, U, V) indicated that they only provide training to their own executives, managers and employees.

The responses to question 4.10 indicated that value chain of large South African companies is seldom included in any training offered by companies to their executives and managers. The importance of companies including their value chain in training arises from the fact that the value chain forms an integral part of the external environment in particular and thus of the strategic environment of companies. Value chains are often knowledgeable regarding essential changes required in the services, products, processes, procedures and working methods of companies and thus provide valuable inputs to companies. These inputs should be reflected in both the emergent strategic orientation of companies and the strategic training offered to executives and managers. Similarly the value chains of companies must be made aware through training of the manner in which services, products, processes, procedures and working methods change.



Against the backdrop of the foregoing, the researcher came to the conclusion that large South African companies have not succeeded in providing training and strategic training in particular to their value chain. This is apparent from the fact that the training offered by Companies D, F, J, K, P, Q, S, W and X to their value chain is technical in nature and focuses on the products and services which are currently offered by these companies. The training does not focus on emergent products and services. Although it is clear that companies are aware of their social responsibility towards authorities, communities and schools they are less aware of the contribution their value chain could make to the training of executives and managers in terms of the emergent strategic orientation of the company.

6.4 STRATEGIC TRAINING *VERSUS* TRADITIONAL TRAINING IN LARGE SOUTH AFRICAN COMPANIES

It is evident from the above-mentioned discussion on the manifestation of training in large South African companies that the training offered to executives and managers differs between companies. Differences are found in terms of a variety of aspects such as the nature and scope of training programmes, the use of corporate universities and training units, the involvement of executives and managers in training and many other aspects as explained in paragraph 6.3. In addition to these aspects it is also evident that companies differ in terms of the use of two different types of training processes, namely a traditional and a strategic training process to enable executives and managers to perform strategic processes.

A synthesis is therefore presented in paragraph 6.4 on the use of strategic training (emergent strategic orientation) as opposed to traditional training (current strategic orientation) by large South African companies. The aim of this synthesis is to present an overview of the characteristics of strategic training as discussed in Chapters 3 and 4 and to present additional characteristics based on the responses of the large South African companies which make use of a strategic training process and which were included in this

study. The absence or presence of these characteristics in large South African companies serve as an indication of the use of strategic training by large South African companies. The knowledge of companies regarding the concept “strategic training” and the use of a strategic training process including the strategic training needs of executives and managers will be further elaborated on in paragraphs 6.5 and 6.6.

This synthesis is based on an analysis and interpretation of the literature on strategic training (Chapters 3 and 4) and data on the manifestation of training (traditional and strategic) as discussed in paragraph 6.3. The synthesis focuses on the same aspects as paragraph 6.3, namely: The strategic orientation of companies, communicating the strategic orientation and the training infrastructure of large South African companies.

6.4.1 The relationship between the emergent strategic orientation of companies and strategic training

The emergent strategic orientation of companies is highly customised according to the factors present in the external and internal strategic environment of companies. Although similarities may exist between the emergent strategic orientation of companies the manner in which the strategic orientation of companies manifests in training programmes depend on the specific manner in which companies wish to operate within a particular industry in future. This implies that strategic training should be customised to the specific needs of the company and should be aligned with the emergent strategic orientation of the company.

An equal number (10/24) of large South African companies indicated that their strategic orientation changes on an annual or *ad-hoc* basis depending on the dynamic nature of the industry in which companies are situated. However, strategic training cannot only be offered on an annual or *ad-hoc* basis since executives and managers are involved in strategic processes on a continuous basis. This implies that a strategic training process should be continuous in nature. Executives and managers should be proactively prepared

for changes in the strategic environment of companies if a strategic training process is continuous in nature.

Companies are more focused on the external factors than on the internal factors in their strategic environment which will have an effect on the strategic orientation of the company. Although it is necessary that companies should place equal emphasis on both external and internal factors a strategic training process implies that companies take cognisance of both external and internal factors but from the perspective of the effect of these two types of factors on the emergent strategic orientation of the company.

Characteristic of strategic training: Strategic training is aligned with the emergent strategic orientation of the company and is presented on a continuous basis to prepare executives and managers for changes in the external and internal strategic environment of companies.

6.4.2 Communicating the emergent strategic orientation

Companies make use of a variety of methods to communicate the strategic orientation to their employees. However, it is necessary that these communication methods are suitable in order to convey the emergent strategic orientation of the company to employees and thus also the effect of the emergent strategic orientation on the training of employees. A strategic training process should make provision for the involvement of executives and managers in the training of employees. The involvement of executives and managers implies that the manner in which the performance and training of employees are aligned with the emergent strategic orientation of the company are communicated to employees by means of the various communication methods used by companies.

Characteristic of strategic training: Executives and managers are involved in the strategic training of employees. This involvement should entail that executives and managers make use of the various communication methods in companies to communicate with

employees as regards the emergent strategic orientation of the company and the effect thereof on their performance and the training which will be offered to them.

6.4.3 The training infrastructure and strategic training

Large South African companies are characterised by a training infrastructure in the form of a centralised business unit governed by managers which are responsible for the development of the human resources of companies. The functions of these managers are enabled by training-related legislation and mechanisms.

Characteristic of strategic training: Managers responsible for human resource development identify the strategic training needs of executives and managers and make use of a suitable strategic training process to address the training needs of executives and managers.

6.4.3.1 Nature and scope of strategic training programmes

Companies provide training to executives and managers in terms of a variety of training programmes which address the development of the skills of executives and managers. This implies that companies can make provision for the training of executives and managers to address a diverse range of training needs. These training programmes should focus on addressing the strategic training needs of employees and in particular the needs of executives and managers involved in strategic processes.

Characteristic of strategic training: Training programmes address the strategic training needs of executives and managers.

6.4.3.2 Corporate universities and other training units

Large South African companies make use of internal training units (5/24) or corporate universities (9/24) to address the training needs of executives and managers while other companies (9/24) subcontract the training of executives and managers. Training units and corporate universities which provide training of a strategic nature to employees and in

particular to executives and managers should provide training which is aligned with the emergent strategic orientation of the company. Two local (South African) companies (D and W) (2/9) which make use of corporate universities were able to indicate that the training offered to their executives and managers is presented from the perspective of the emergent strategic orientation of the company. While none of the multinational companies (4/9) which make use of a corporate university or any of the companies (14/24) which make use of a training unit (5/24) or an external provider of training (9/24) were able to indicate that they present training to executives and managers in terms of the emergent strategic orientation of the company.

Characteristic of strategic training: Strategic training focuses on the emergent strategic orientation of the company irrespective of the type of training unit or corporate university which is used to offer this type of training. However, it seems as if companies prefer to make use of corporate universities to offer strategic training.

6.4.3.3 External providers of strategic training

The majority of large South African companies make use of external providers of training such as business schools and consulting firms to address the training or even parts of the training of executives and managers. The training offered to executives and managers needs to be customised according to the emergent strategic orientation of the company and thus necessitates continuous interaction between the company and external providers of training. The continuous interaction between external providers of training and companies will ensure that external providers of training develop an understanding of the factors present in the external and internal strategic environment of companies and can customise training according to these factors. [See Chapter 2]. Both the companies (D, W) which indicated that they provide strategic training to their executives and managers make use of the services of the business school of a local (South African) university.

Characteristic of strategic training: Companies ensure that external providers of training develop an understanding of the emergent strategic orientation of the company to

customise the training of executives and managers according to the factors present in the strategic environment of companies.

6.4.3.4 Involving executives and managers in strategic training

In the majority of large South African companies (15/24) executives and managers are involved in the training of employees although the nature and scope of their involvement varies. In the companies (D and W) which provide training to their employees in terms of the emergent strategic orientation of the company the executives and managers are extensively involved in presenting the perspective of the company or contextualising the content of the training offered to employees. Employees are therefore informed of the manner in which training is aligned with the emergent strategic orientation of the company and thus also the alignment between the emergent strategic orientation of the company and their work performance.

Characteristic of strategic training: Executives and managers are involved in training and present the perspective of the company on the training offered to employees.

6.4.3.5 The instructional methods and media that enable strategic training

Companies make use of a variety of instructional methods (teacher-centred versus learner-centred) and media (classroom-based versus technology-based) to present training to executives and managers. However, companies do not only make use of a teacher-centred approach but it is also evident that companies are aware of the importance of a learner-centred approach. A learner-centred approach to training is of particular importance for strategic training which requires interaction between the learner and facilitator due to the tentative and uncertain nature of the emergent strategic orientation of companies. Furthermore companies seem to prefer the use of classroom-based learning as opposed to technology-based learning and in some cases make use of technology-based learning to support classroom-based learning. This is due to the fact that strategic training requires "... a detailed understanding of the trends and how they will affect the company but also to facilitate open dialogue within the top team about what the future will bring (Becker & Freeman, 2006). It seems as if strategic training is particularly

enabled by a learner-centered approach to training supported by classroom-based learning.

Characteristic of strategic training: The nature of strategic training requires interaction and specifically dialogue between learners which can be enabled by means of a learner-centred instructional method and by making use of classroom-based learning supported by technology-based learning.

6.4.3.6 The effectiveness and relevance of strategic training

Large South African companies interpret the effectiveness and relevance of training in terms of quantitative as well as qualitative measures. Only one company (W) indicated that it is aware of the fact that the effectiveness and relevance of training should be measured in terms of the alignment of training with the emergent strategic orientation of the company. Training should be regarded as effective if it improves the knowledge and skills of executives and managers in terms of the emergent strategic orientation of the company and relevant if the content of training programmes reflects the emergent strategic orientation of the company. Furthermore companies make use of a variety of methods to assess the effectiveness and relevance of training programs. Although some authors (Lee, 1996:71; McCracken & Wallace, 2000b:286) are of the opinion that the dearth of a method to assess the effectiveness and relevance of training cannot be regarded as an indication of the absence of strategic training. However, if companies do make use of methods to assess the effectiveness and relevance of strategic training these methods should be measured in terms of the effect of strategic training on the ability of executives and managers to conduct strategic processes in terms of the emergent strategic orientation of the company.

Characteristic of strategic training: Strategic training is effective and relevant if it supports the emergent strategic orientation of the company. Furthermore, strategic training should be regarded as part of the strategic processes which take place in the company and does not necessarily have to be assessed in the same manner than traditional training.

6.4.3.7 Training the value chain and strategic training

The majority of large South African companies do not include their value chain in strategic training and thus knowledge processes are not performed as regards the factors present in the four domains of the strategic environment of the company. and which would influence the manner in which the emergent strategic orientation of the company is formulated.

Characteristic of strategic training: Companies include their value chain in strategic training in order for executives and managers to share in the knowledge of the value chain as regards the external strategic environment of the company.

Against the backdrop of the foregoing discussion on the manifestation of traditional and strategic training in large South African companies (paragraph 6.3) and the resultant synopsis on the characteristics which exemplify the absence or presence of a strategic training process (paragraph 6.4) in large South African companies it is evident that only a few companies make use of a strategic training process.

The second section of Chapter 6 therefore focuses further on the phenomenon of strategic training in large South African companies. In this section the knowledge of companies regarding the meaning of the concept “strategic training” and the use of strategic training including the strategic training needs of executives and managers in large South African companies are studied.

6.5 STRATEGIC TRAINING IN LARGE SOUTH AFRICAN COMPANIES

It is evident from the discussion on the manifestation of training in large South African companies as presented in paragraphs 6.3 and 6.4 that few (2/21) companies make use of a strategic training process to prepare executives and managers to perform strategic processes in terms of the emergent strategic orientation of the company. Three aspects

regarding strategic training were therefore studied in order to further explore strategic training in large South African companies. These aspects are:

- The knowledge or awareness of large South African companies regarding the meaning of the concept “strategic training” or training that is aligned with the emergent strategic orientation of the company [See paragraph 6.5.1].
- The use of training that is aligned with and thus supports the emergent strategic orientation of the company [See paragraph 6.5.2].
- The strategic training needs of executives and managers [See paragraph 6.5.3].

6.5.1 Awareness of strategic training

In question 3.2 respondents were asked to indicate whether they are aware of the concept “strategic training needs” [See Annexure B]. The purpose of this question was to ascertain whether respondents are aware of the fact that a strategic training process and strategic training needs and a traditional training process and training needs differ in the sense that strategic training focuses on the emergent strategic orientation of the company. The responses to this question enabled the researcher to develop an understanding of the level of awareness regarding strategic training that exist in large companies in South Africa.

Some of the responses to question 3.2 in which companies expressed their awareness of the concept “strategic training” are:

- A company (A) in the mining industry: *“Take strategy and strategic imperative of company and translate it into skills and competencies in order to compile a personal development plan.”*



- Company D which is a supplier of oil and gas: *“It must be done in an integrated manner or where do you want to go to? You need capabilities and competencies as well as a shared mindset and this must be driven by the necessary leadership.”*
- A financial institution (G): *“Company determines its strategic objectives and then determine what performance matches those strategic objectives. What are the training and learning requirements in order to improve the performance to achieve the objectives?”*
- A brewery (J): *“We would analyse our strategy and look at the competencies needed to execute strategy – one might also look at problem areas in the business or non-strategy related or systemic issues and individual needs.”*
- A company (K) in the pharmaceutical industry explained: *“Process according to which key performance areas are identified and then we have a personal development plan for each individual. The manager of the employee who knows the strategy of the company need to filter the strategy into these key performance areas and in the personal development plan for the employee. The personal development plan will indicate the manner in which the employee needs to develop over a specified period.”* Company K only provides training of an operational nature to employees and subcontract all other training to external providers of training. Although the respondent at Company K interpreted question 3.2 in terms of the operational training needs of employees it seems as if this company is aware of the fact that the strategy of the company should be translated into the training needs of employees.
- A diversified technology company (L) explained: *“Identify [strategic] objectives – do we have the skills in place? Analysis of competency levels in company. Areas are identified for improvement and we put processes in place to “up-skill” people. Competency assessments are done and a holistic view is developed of where the gaps are. We get input from the necessary bodies to put processes in*



place to close the gap. A year later another gap analysis is done to see if the gaps have been addressed. All development and training are going to give effect to your strategic objectives otherwise within your training program you do not have an audit system in place.”

- A company (O) in the packaging industry stated: *“You have to define for the [company] what are the competencies required – do we have the right people, knowledge and skill from a technical point of view as well as a non-technical point of view to drive the strategy. [Strategic] interventions are translated into development programs.”*
- A company (T) in the information technology industry explained: *“Redefining strategy and out of it develops certain training needs. After strategy formulation we must decide what the things we absolutely have to get right are or the critical success factors.”*
- A company (W) in the telecommunications industry explained: *“[It is] a process of identifying future and current capabilities and competencies required by the company to deliver business results. Identify new and emerging competencies and create career opportunities for employees in a fast developing ICT [information communication and telecommunication] environment. It draws on scientific methods of identifying new growth business areas, as well as business areas that are likely to become obsolete.”*

The responses to question 3.2 indicated that the majority of companies (21/24) are aware that the strategic orientation of the company must be translated into skills or competencies which executives and managers should have to be able to attain the strategic orientation of the company [See Table 6.4] . These skills and competencies must be acquired by means of training programmes which are offered to executives and managers.

Three companies (N, P, S) were unable to indicate the manner in which the current and the emergent strategic orientation of the company are aligned with existing training initiatives. This is illustrated by the following quote from Company N: *“It [training] is a process of evolution – often you do not need training and the experience of executives and managers will enable them to deal with the situation”*. Company N also indicated that: *“Executive management does not receive any training at all. They can go on training courses if they wish but there are no formal initiatives in this regard.”*

Although the majority of companies (21/24) indicated that they are aware of the concept “strategic training needs” it is evident from the responses that not all of these companies understand strategic training and strategic training needs as a training process and training needs which should be aligned with the emergent strategic orientation of the company. Companies seem to regard strategic training and the strategic training needs of executives and managers in terms of the current strategic orientation of the company and the training and training needs of executives and managers which are prevalent in the majority of large South African companies should therefore be regarded as traditional rather than strategic in nature.

It was therefore necessary to differentiate between companies (16/21) which interpret training as strategic because the training offered to executives and managers is aligned with the current strategic orientation of the company and companies which correctly interpret training as strategic because the training offered to executives and managers is aligned with the emergent strategic orientation of the company. Based on the responses to question 3.2 it was evident that only a few (5/21) companies are aware of the precise meaning of the concept strategic training and thus also strategic training needs. These companies are Companies C, D, Q, R, and W.

In Companies C and R research projects are conducted by executives and managers. These research projects form part of the training programmes which are offered to executives and managers. The topics of these research projects address strategic issues which are emergent in nature.

Company R: “Training is planned in close cooperation with Director: Group Strategy. He [Director: Group Strategy] identifies certain issues, which need to be analysed. A group of people (usually about five) will apply what they have learnt in theory to analyse the identified issue: “... *tell me what the issues are for this company next year*”. Groups get allocated a champion as well as a budget to enable them to conduct research. They have to produce results in report and presentation. Impact of study on company is calculated - 20% of projects proved to be of business value to company.”

Company Q: Company Q explained that it does not make use of a strategic training process however the respondent indicated that he is aware of the concept “strategic training”: “*At present there seems to be a lack with regards to strategic training. During the period when it went well with the industry there was no time for these types of things. It is only recently that enterprises have a long-term perspective and to prepare them for what is about to happen.*”

Companies B, F and X also indicated that they are aware of the meaning of the concept “strategic training”. However, Company B failed to explain the meaning of the concept sufficiently and Companies F and X interpreted strategic training in terms of the future provision of manpower. Companies B, F and X are therefore not regarded as companies which are aware of the meaning of the concept “strategic training” and thus also “strategic training needs”.

Although companies (5/21) might be knowledgeable or aware of the correct or precise meaning of the concept “strategic training” and the “strategic training needs” of executives and managers this awareness does not necessarily imply that companies make use of a strategic training process to identify and address the strategic training needs of executives and managers. It was therefore necessary to examine the nature of existing training programmes which are offered to executives and managers in order to further explore the use of strategic training or training which is aligned with the emergent strategic orientation of large South African companies.

6.5.2 The use of strategic training

In question 3.3 companies were asked to indicate if existing training programmes support the emergent strategic objectives of the company [See Annexure B]. The purpose of this question was to ascertain the manner in which existing training programmes are aligned with the emergent strategic orientation of companies. The responses to this question enabled the researcher to determine the extent to which companies align training programmes with the emergent strategic orientation of the company and thus the extent to which they make use of a strategic training process to identify and address the strategic training needs of executives and managers.

From the responses to question 3.3 it is evident that large South African companies are divided in four distinct groups regarding the alignment of their training with the emergent strategic orientation of companies and thus the use of strategic training to identify and address the training needs of executives and managers [See Table 6.4].

- Group 1: Companies D and W (2/21) which are aware of the concept “strategic training” and “strategic training needs” and make use of a strategic training process.
- Group 2: Companies C, Q and R (3/21) which are aware of the concept “strategic training” and “strategic training needs” but do not make use of a strategic training process.
- Group 3: Companies A, B, E, F, G, H, I, J, K, L, M, O, T, U, V and X (16/21) which are unaware of the concept “strategic training” and “strategic training needs” and thus do not make use of a strategic training process.

- Group 4: Companies N, P and S (3/24) which did not indicate the nature of alignment between the training and the strategic orientation of the company and thus also the nature of training offered to executives and managers.

The manner in which the above-mentioned four distinct groups of companies vary in terms of the alignment of the training programmes which are offered to executives and managers and the emergent strategic orientation of the company or the use of strategic training is subsequently discussed.

6.5.2.1 Companies which are aware of the concept “strategic training” and make use of a strategic training process

It seems as if the current training processes of two large South African companies (D and W) to a great extent provide for the training of executives and managers in terms of the emergent strategic orientation of the company.

A company that manufactures chemical products (D) explained: “...*where do you want to go to? You need capabilities/competencies as well as a shared mindset and driven by the necessary leadership.*”

A telecommunications company (W): “*The strategic human capital plan of the company entails: a process of identifying future and current capabilities and competencies required by the company to deliver business results. Identify new and emerging competencies and create career opportunities for employees in a fast developing ICT environment. It draws on scientific methods of identifying new growth business areas, as well as business areas that are likely to become obsolete.*”

6.5.2.2 Companies which are aware of the concept “strategic training” but do not make use of a strategic training process

The training programmes which are offered to executives and managers at Companies C, R and Q are not aligned with the emergent strategic orientation of the company and therefore not strategic in nature. However, these companies indicated that they are

familiar with the meaning of the concept “strategic training” or conduct research projects regarding strategic issues which are emergent in nature [See paragraph 6.5.1]. Although the researcher did not establish the precise reasons why companies C, R and Q decided not to make use of a strategic training process it can be assumed that the unique nature of strategic training as described in Chapters 3 and 4 can possibly be regarded as a contributing factor. In Chapter 7 the researcher therefore presents a framework for the implementation of a cyclical strategic training process to address the possible need for a training process of this nature by large South African companies which are familiar with strategic training but do not make use of this type of strategic training process.

6.5.2.3 Companies which are unaware of the concept “strategic training” and do not make use of a strategic training process

In paragraph 6.5.1 it was explained that a number of companies (21/24) indicated that the strategic orientation of the company must be translated into skills or competencies which executives and managers should have to be able to achieve the strategic orientation of the company. These companies are aware that the training programmes which are offered to executives and managers should be aligned with the strategic orientation of the company. From the responses to question 3.3 it is evident that a large number (16/21) of the companies which were included in the study are aware that training should be aligned with the current strategic orientation of the company. This exclude companies P, N and S which were unable to indicate the alignment between training and the strategic orientation of the company. However, a smaller number (5/21) of companies are aware that training should also be aligned with the emergent strategic orientation of companies. This lack of alignment between training and the emergent strategic orientation of the company implies that companies (19/21) do not make use of a strategic training process to prepare executives and managers for the factors present in the four domains of the strategic environment of companies [See Chapter 2]. Some examples of the responses of companies on the alignment between the emergent strategic orientation of companies and training are as follows:

- Company A: *“Take strategy and strategic imperative of company and translate it into skills and competencies in order to compile a personal development plan.”*
The company did not indicate the alignment between training and the skills needed by executives and managers based on the emergent strategic orientation.
- Company E: *“In most cases training relates to things that are currently happening.”*
- Company G: *“Company determines its strategic objectives and then determines what performance matches those strategic objectives. What are the training and learning requirements in order to improve the performance to achieve the objectives?”* The company did not indicate the alignment between training and the skills needed by executives and managers based on the emergent strategic orientation.
- Company H: *“...have to equip people with the information they need through training courses to achieve the desired strategy. Training should assist strategy.”*
The company did not indicate the alignment between training and the skills needed by executives and managers based on the emergent strategic orientation. Furthermore the company stated that training merely assists strategy while strategic training should impact on the formulation of the strategy [See paragraph 4.4].
- Company I: *“Alignment with current strategy of company but also with the direction in which the company is currently moving on a global level.”*
- Company J: *“We would analyse our strategy – look at competencies needed to execute strategy – one might also look at problem areas in business or non-strategy related or systemic issues – and individual needs. Strategy is the starting point but there are also other diagnostics that you need to undertake. Proactively looking for opportunities to see that strategy is converted into requisite learning.”*

Although the respondent indicated that they “proactively look for opportunities to see that strategy is converted into requisite learning” the respondent did not indicate that the emergent strategic orientation of the company is also converted into requisite learning.

- Company K: *“Process according to which key performance areas are identified and then we have a personal development plan for each individual. The manager of the employee who knows the strategy of the company needs to filter the strategy into these key performance areas and personal development plans for the employee. The personal development plan will indicate the manner in which the employee needs to develop over a specified period.”* Company K only provides training of an operational nature to employees and subcontract all other training to external providers of training.
- Companies L, O, T, U, V: Companies L, O, T, U and V confirmed the view of Company K which implies that training at these companies focuses on the personal development plans of executives and managers. This is regarded as reactive to the current strategic orientation of the company and address the “what should be”. Companies should rather make use of training in a proactive manner to address the training needs of executives and managers in anticipation of the emergent strategic orientation of the company and thus address the “what should be in future” as explained by Rothwell and Kazanas (1994:424).
- Company X: *“Senior management determines on a strategic level what capabilities are necessary for the company to achieve its objectives. This is then used to design development interventions and projects that will ensure the accelerated development of those capabilities in the company. Training is not necessarily aligned to strategic objectives. Changes in strategy are not reflected in training in a satisfactory manner.”* Although senior management in conjunction with an advisory committee takes responsibility for determining

which skills should be developed the company did not indicate the alignment between training and the emergent strategic orientation of the company.

It is evident from the above discussion on the alignment of training with the emergent orientation of companies that the majority of large South African companies have not succeeded in aligning the training of executives and managers with the emergent strategic orientation of the company. This lack of alignment between training and the emergent strategic orientation of companies are confirmed by Company Z. The respondent at Company Z which is a business school that forms part of a South African university confirmed the above discussion: “That [strategic training] is a general, universal timeless problem.” The respondent also explained that: “One of the major errors probably the biggest cause of failure is the failure to anticipate and execute around that anticipation.”

The researcher did not establish the reasons why the above-mentioned companies do not make use of a strategic training process, however it can be assumed that the unique nature of strategic training as described in Chapters 3 and 4 can possibly be regarded as a contributing factor. In Chapter 7 the researcher therefore presents a framework for the implementation of a cyclical strategic training process to address the possible need for a training process of this nature by large South African companies which do not provide strategic training to their executives and managers.

Against the backdrop of the foregoing it is evident that companies are to a large extent knowledgeable or aware that training offered to executives and managers should be aligned with the current strategy of the company. However, only 2/21 companies offer training to their executives and managers in terms of the emergent strategic orientation of the company and thus make use of a strategic training process to identify and address the strategic training needs of executives and managers. This dearth confirm the findings of the ASTD Global Network South Africa study (2003:13). In this study the alignment of training with the strategic orientation of the company is regarded as an important trend that characterises training in South African companies. Companies regard the proactive management of training as the second most important trend that characterises training.

However, the ASTD Global Network South Africa study (2003:13) furthermore indicated that although companies regard the proactive management of training as an important trend training still manifests in South African companies in a reactive rather than a proactive manner.

The above-mentioned responses regarding the knowledge or awareness of companies regarding the concept “strategic training” and the use of a strategic training process to identify and address the strategic training needs of executives and managers can be explained in the following manner:

- Companies that are aware of meaning of the term “strategic training” but do not make use of this type of training process are a supplier of electricity (C) which resides in the basic industries sector of the economy and two companies (Q, R) that are manufacturers of electronic and electrical components which reside in the general industries sector of the economy.
- Companies D and W that offer strategic training to executives and managers in terms of the emergent strategic orientation of the company. These companies which are an oil and gas supplier (D) and a telecommunications company (W) reside in the resources and non-cyclical services sectors of the economy.

It would thus appear that companies Q and R which are manufacturers of electronic and electric components which reside in the general industries sectors of the economy in particular have an awareness of strategic training. This can be attributed to the fact that companies which manufacture electronic and electric components for companies in the telecommunications industry were affected by the “difficult period” which the companies in the telecommunications industry experienced. Company Q explained: “There was a boom period in the late nineties in telecommunications industry but since then the industry underwent a difficult period and competition became more intense.” The effect of this “difficult period” necessitated companies which manufacture electric and electronic components for companies in the telecommunications industry to be mindful

of the factors present in their external as well as internal environments that could affect their future competitiveness. This mindfulness might have caused Companies Q and R to take cognisance of the importance of a strategic training process for executives and managers.

Furthermore, the progressively more global presence of large South African companies and the deregulation of key economic sectors such as the telecommunications sectors might have necessitated large South African companies such as Companies D and W to become more mindful of the factors present in their external as well as internal environment that could affect their future competitiveness. This mindfulness might have necessitated these companies to make use of a strategic training process to identify and address the strategic training needs of executives and managers.

The global presence of Company D is described in the following manner: “The company has developed world-leading technology for the conversion of low grade coal into value-added synfuels and chemicals. Today our operational footprint extends to more than 20 countries and we export to over 100. Company D is one of the top five publicly listed companies in South Africa and is quoted on the JSE and the NYSE.” (Company D, 2006).

Company W which was previously a state-controlled company and was privatised in 1990 is currently largely influenced by the presence of local as well as international competitors. The competitiveness of companies in the telecommunications industry is also to a large extent influenced by legislation. These factors probably cause companies in the telecommunications industry to be more aware of the importance of training in terms of the emergent strategic orientation of the company in order to contribute to their competitiveness.

The responses to questions 3.2 and 3.3 indicated that companies are aware of the fact that training should be aligned to the strategic orientation of the company [See Annexure B]. Companies have succeeded in aligning training to the current strategic orientation of the company however, it was established that only two companies (D, W) make use of a

strategic training process to prepare executives and managers for the factors present in all four domains in the strategic environment of companies. Two companies (C, R) prepare executives and managers by means of research projects. The responses to questions 3.2 and 3.3 therefor confirm that although large South African companies make use of two types of training processes (traditional and strategic) to offer training to executives and managers the majority (16/21) of large South African companies only offer training to executives and managers from the perspective of the current strategic orientation of the company and thus make use of a traditional training process rather than a strategic training process.

Company	Sector of the economy	Group 1 Awareness and use of strategic training (2/21)	Group 2 Awareness of strategic training (3/21)	Group 3 Companies that are unaware of the meaning of the concept strategic training (16/21)	Group 4 Companies which did not indicate the alignment between strategic processes and training (3/24)
A	Resources			The alignment between training and the emergent strategic orientation of the company was not indicated	
B	Resources			Training is revised in a reactive manner	
C (Listed on the NYSE but not on the JSE)	Basic industries		Research of a strategic nature is conducted		
D	Resources	The company has a shared mindset or shared understanding of strategic training supported by the necessary leadership			
E	Basic industries			Training relates to current events in the company	

Company	Sector of the economy	Group 1 Awareness and use of strategic training (2/21)	Group 2 Awareness of strategic training (3/21)	Group 3 Companies that are unaware of the meaning of the concept strategic training (16/21)	Group 4 Companies which did not indicate the alignment between strategic processes and training (3/24)
F	Basic industries			Performance of executives and managers are reviewed according to the emergent strategy but not necessarily the training of executives and managers	
G	Financial			The alignment between training and the emergent strategic orientation of the company was not indicated	
H	Financial			The alignment between training and the emergent strategic orientation was not indicated	
I	Financial			Alignment of training with the current strategy of the company	

Company	Sector of the economy	Group 1 Awareness and use of strategic training (2/21)	Group 2 Awareness of strategic training (3/21)	Group 3 Companies that are unaware of the meaning of the concept strategic training (16/21)	Group 4 Companies which did not indicate the alignment between strategic processes and training (3/24)
J	Non-cyclical consumer goods			Alignment between training and the emergent strategic orientation of the company was not indicated	
K	Non-cyclical consumer goods			No indication that the emergent strategic orientation is translated into key performance areas and a personal development plan	
L	Cyclical consumer goods			No indication that the emergent strategic orientation is translated into key performance areas and a personal development plan	
M	Cyclical consumer goods			No indication of alignment with emergent strategic orientation	
N	Cyclical				No indication was given

Company	Sector of the economy	Group 1 Awareness and use of strategic training (2/21)	Group 2 Awareness of strategic training (3/21)	Group 3 Companies that are unaware of the meaning of the concept strategic training (16/21)	Group 4 Companies which did not indicate the alignment between strategic processes and training (3/24)
	services				that the company understand the relationship which should exist between the strategic orientation of the company and training
O	Cyclical services			No indication of alignment with emergent strategic orientation	
P	General industrial				No indication was given that the company understand the relationship which should exist between the strategic orientation of the company and training
Q	General industrial		Awareness of a long term view on training to prepare	No indication of alignment with emergent strategic	

Company	Sector of the economy	Group 1 Awareness and use of strategic training (2/21)	Group 2 Awareness of strategic training (3/21)	Group 3 Companies that are unaware of the meaning of the concept strategic training (16/21)	Group 4 Companies which did not indicate the alignment between strategic processes and training (3/24)
			the company for the future	orientation	
R	General industrial		The Director: Group Strategy identifies topics which are of long term significance for the company which are then analysed		
S	Technology				No indication was given that the company understand the relationship which should exist between the strategic orientation of the company and training
T	Technology			No indication of alignment with emergent strategic orientation	
U	Technology			No indication of alignment	

Company	Sector of the economy	Group 1 Awareness and use of strategic training (2/21)	Group 2 Awareness of strategic training (3/21)	Group 3 Companies that are unaware of the meaning of the concept strategic training (16/21)	Group 4 Companies which did not indicate the alignment between strategic processes and training (3/24)
				with emergent strategic orientation	
V	Non-cyclical Services			No indication of alignment with emergent strategic orientation	
W	Non-cyclical services			deliver business results	
X	Non-cyclical services			No indication of alignment with emergent strategic orientation	

Table 6.4 Strategic training in large South African companies

6.5.3 Strategic training needs of executives and managers

In an attempt to determine the nature and scope of the strategic training needs of executives and managers in large South African companies the focus is on two aspects, namely:

- The skills which executives and managers need to achieve the emergent strategic orientation of the company.
- The strategic training needs of executives and managers or the training which executives and managers need to address the “what should be in the future” as explained by Rothwell and Kazanas (1994:424) in Chapter 4.

The purpose of questions 3.4 and 3.5 was to ascertain whether companies have succeeded in identifying the skills which executives and managers need to acquire to be able to manage in the domains in the strategic environment of companies which are more emergent in nature (complex and chaos). The identification of skills will result in traditional and strategic training needs which need to be addressed by traditional and strategic training processes. The responses to these questions enabled the researcher to develop an understanding of the nature and scope of the skills in terms of which executives and managers need to be trained and thus the strategic training needs of executives and managers in large South African companies.

Companies identified a variety of training needs that can be divided into six broad categories. This corroborates to a large extent the findings of the literature on the training needs of executives and managers in South African companies as discussed in paragraph 4.8 and the responses to question 3.1 on the nature and scope of training in large South African companies as discussed in paragraph 6.3.3.1.

The six broad categories of training needs are:

- Strategic skills
- Managerial skills
- Leadership skills
- Interpersonal skills
- Job content skills
- Generic skills

The training needs which were identified by companies are indicated according to the above-mentioned six broad categories of training needs.

- Strategic insight: *“Strategic thinking”; “Lead and manage change”; “Entrepreneurial thinking”; “How to deal with mergers and alliances”; “How to manage a company which is increasingly becoming globalised” and “The ability to have an overall understanding of the company.”*
- Managerial skills: *“The ability to recognise and reward the performance of employees”; “Managing the performance of employees in a consistent manner”; “Manage the aspirations of employees”; “Corporate governance”; “Skill to manage wasteful expenditure”; “Project management skills”; “Proper appreciation of modern business management practices”; “The ability to ensure that processes and systems are in place to allow the employee who deals with clients to be effective and efficient”; “The ability to create new products”; “Ability to understand the economics in which the client operates” and*



“Customer relationship management in terms of the changing demographics of the client base.”

- Leadership skills: *“Ability to be a leader as defined by specific company but also in terms of a personal leadership style.”*
- Interpersonal skills: *“Human skills”; “The ability to work in inter-departmental teams”; “Interpersonal skills and specifically an ability to understand cultural diversity on a local as well as international basis.”*
- Job content skills: *“Energy risk programme or the ability to understand the principles of risk and energy trading”; “The ability to understand the diverse products and services offered by the company for example an understanding of the rental business offered by a company that manufacture and rent earthmoving equipment”; “To be able to deliver a service and/or a solution to the client and not only to sell a product to the client”; “The ability to assist and facilitate change after implementation of products and services”; “The ability to “raise the bar” which can be translated as improving the level of service to customers”; “Improve manufacturing efficiencies” and “Establish an awareness and demand for a product and therefore to create a market (market competencies) and sales (sales competencies) for the product in order to add value to the customer.”*
- Generic skills: *“Ethical behaviour”; “Presentation skills”; “Dealing with the media”; “Mentoring ability”; “Negotiation skills”; “Communication skills”; “Holistic person in terms of behaviour as well as technical skills”; “Attitude or executives and managers must have a need to improve and gain knowledge”; “Executives and managers must be energetic or have a high level of energy”; “Have a competitive mindset”; “Innovative”; “Emotional intelligence”; “Personal effectiveness”; “Spirit and tenacity that goes along with being a manager” and “Integrity and psychological wellness”.*

In paragraphs 6.5.1 and 6.5.2 it was explained that only two companies (D, W) make use of a strategic training process while three companies (C, R and Q) are aware of the meaning of the concept “strategic training”. These five companies described the strategic training needs of their executives and managers as follows:

- Company C which is a supplier of electricity explained: *“Ethics, corporate governance, wasteful expenditure and the ability to understand the principles of risk and energy trading with a view on the privatisation of the company.”*
- Company D which is a supplier of oil and gas identified *strategic insight* as a strategic training need: *“The ability of companies to “come together” when aligning and merging; how to integrate two companies into a whole; how to manage a globalised company in terms of activities that should resort in South Africa and activities that should resort outside of South Africa.”*
- Company Q which is a manufacturer of electronic and electrical components identified leadership and communication skills as examples of strategic training needs. The company indicated that executives and managers need the skill to reassure employees of the present situation in which the company finds itself since it went through a period of restructuring. Furthermore, the company is of the opinion that it is necessary for executives and managers to create trust in the company. Company Q explained: *“Due to the restructuring of the company employees need to be assured of the current situation of company, employee wellness, create trust in company”*. The company furthermore explained that *“Training is not always the solution – communication is more important in this instance.”*
- Company R which is a manufacturer of electronic and electrical equipment identified a variety of skills including managerial, interpersonal, generic as well as operational skills. Company R explained: *“A proper appreciation of modern business management practices; project management skills, working in teams*

across business units, how to handle people or people skills, communication, rewards and recognition, people being aware of investing in their own development; skill to manage your service to client – not product based but service based.”

- Company W which is in the telecommunications industry identified operational, managerial as well as interpersonal skills, but emphasised the importance of leadership: *“Both operational and soft skills like leadership and managerial skills. Leadership is an important skill in any company. It is one of the determining factors of the success as well as the culture (retention, performance, productivity) of the company. Strong focus on interpersonal skills. Integrity or a personal leadership style – people must be able to trust you. Recently there is much more focus on psychological wellness than pure managerial skills.”*
- Company Y which is a training consultancy referred to the importance of communication skills as an example of a strategic training need that executives and managers experience at present. This company explained: *“All levels (managers, supervisors, shop stewards) must be included in the [communication] process. If the levels at the bottom are included then you have communication in all directions. Not all managers are good at communicating. If you have passion and enthusiasm coupled with good communication skills then you can achieve anything.”*
- Company Z which is a business school attached to a local (South African) university is of the opinion that the strategic insight of executives and managers should be developed to enable them to ensure the competitiveness of the company. This company explained: *“Entrepreneurial skills because the business market is more competitive than it was previously, the competitive intensity has increased as well as the speed of change; interpersonal skills and specifically an ability to understand cultural diversity on a local as well as international basis.”*

Only the training needs which were identified by the companies which are aware of the precise meaning of the concept “strategic training” and the two companies which make use of a strategic training process can be regarded as strictly strategic in nature. In addition to the strategic training needs identified by Companies C, D, R, Q and W the training needs identified by Companies Y and Z can also be regarded as strategic in nature due to the involvement of these companies with the training of executives and managers of large South African companies. This implies that all of the above-mentioned training needs which were divided into six broad categories (strategic insight, managerial skills, leadership skills, interpersonal skills, job content skills and generic skills) of skills in terms of which executives and managers need training can be regarded as strategic in nature but only those identified by Companies C, D, R, Q, W, Y and Z [See Table 6.5].

A further noteworthy finding which might be regarded as a further possible indication of the inability of large South African companies to identify the strategic training needs of executives and managers in particular is the large measure of overlap between the findings of the researcher (2003/2004) and two studies (Grant, 1999; ASTD Global Network South Africa, 2003) conducted [See Table 6.5]. The similarities in the findings of these three studies confirm the statement that companies find it problematic to distinguish between training needs that flow from the current and emergent strategic orientation of the company. These three studies are:

- The Grant study conducted in 1999 at the instruction of GIBS, University of Pretoria. This study focuses on the following topic: “*Main business education and development needs of senior level/potential senior level executives or high performers in South Africa today. What are these executives not able to do effectively that they should be able to do?*” This study focuses on the training needs of executives and managers in terms of the current strategic orientation of companies [See Annexure C].
- The ASTD Global Network South Africa study conducted in 2003 in South African companies. In this study respondents were asked: “*Which types of*

training are generally available to employees and the relative importance of the training types for the company.” (ASTD Global Network South Africa, 2003:33). This study focuses on ranking identified skills in terms of their importance to companies. There is no indication that the skills identified in the ASTD Global Network South Africa study focuses specifically on the strategic training needs of executives and managers in terms of the emergent strategic orientation of the company [See Annexure D].

- The findings of the researcher that focus pertinently on the strategic training needs of executives and managers in terms of the emergent strategic orientation of a selection of large South African companies during the period 2003/2004. In this study companies were asked to give examples of strategic training needs that flow from the strategic orientation of the company: *“Give a typical example of a strategic training need that is derived from one of the emergent strategic objectives of the company.”* The study makes a distinction between traditional (current strategic orientation) and strategic training needs (emergent strategic orientation) by specifically asking for an example of a *strategic training need* rather than a traditional training need. Companies were also asked to indicate *Which skills do executives and managers need for the company to achieve its emergent strategic objectives* [See Annexure B].

A comparison between the findings of the Grant study (1999), the ASTD Global Network South Africa study (2003) and the researcher (2003/2004) is presented in Table 6.5. In Table 6.5 the findings of the above-mentioned three studies are organised according to the the following six broad categories of training needs.

- Strategic skills
- Managerial skills
- Leadership skills



- Interpersonal skills
- Job content skills
- Generic skills

Broad category of training needs	Grant study (1999) [See Annexure C]	ASTD Global Network South Africa study (2003) [See Annexure D]	Findings of the researcher (2003/2004)
<ul style="list-style-type: none"> • Strategic insight 	<ul style="list-style-type: none"> • Vision and global competitiveness 	<ul style="list-style-type: none"> • Problem solving and decision making • Strategic planning 	<p>Company D</p> <ul style="list-style-type: none"> • “The ability of companies to “come together” when aligning and merging; how to integrate two companies into a whole; how to manage a globalised company in terms of activities that should resort in South Africa and activities that should resort outside of South Africa.” <p>Company Z</p> <ul style="list-style-type: none"> • “Strategic insight” • “Entrepreneurial skills because the business market is more competitive than it was previously, the competitive intensity has increased as well as the speed of change.”
<ul style="list-style-type: none"> • Managerial skills 	<ul style="list-style-type: none"> • Financial management; • Team management • Succession planning / Measurement of performance • Affirmative action / Black empowerment 	<ul style="list-style-type: none"> • Financial skills • Performance management / Appraisals • Change management • Process / Quality improvement 	<p>Company Z</p> <ul style="list-style-type: none"> • “Managerial skills” <p>Company C:</p> <ul style="list-style-type: none"> • “Corporate governance”

	<ul style="list-style-type: none"> • Knowledge management 		<p>Company R</p> <ul style="list-style-type: none"> • “A proper appreciation of modern business management practices” • “Project management skills” • “The ability to recognise and reward the performance of employees.”
<ul style="list-style-type: none"> • Leadership 	<ul style="list-style-type: none"> • Leadership 	<ul style="list-style-type: none"> • Leadership 	<p>Company Q</p> <ul style="list-style-type: none"> • “Due to the restructuring of the company employees need to be assured of the current situation of company, employee wellness, create trust in company.” <p>Company W</p> <ul style="list-style-type: none"> • “Leadership or the ability to be a leader as defined by specific company; integrity or a personal leadership style – people must be able to trust you.”
<ul style="list-style-type: none"> • Job content skills 	<ul style="list-style-type: none"> • Technical/Information technology skills 	<ul style="list-style-type: none"> • Computer/Information technology skills • New equipment operation • Product knowledge • Customer services 	<p>Company R</p> <ul style="list-style-type: none"> • “Skill to manage your service to client – not product based but service based.” <p>Company C</p> <ul style="list-style-type: none"> • “Managing wasteful

			expenditure; energy risk programme - ability to understand principles of risk and energy trading with a view on privatisation of company.”
<ul style="list-style-type: none"> • Interpersonal skills 	<ul style="list-style-type: none"> • People skills / Relationships • Diversity / Cultural links 	<ul style="list-style-type: none"> • Team work • Team building • Diversity 	<p>Company W</p> <ul style="list-style-type: none"> • “Interpersonal skills” <p>Company R</p> <ul style="list-style-type: none"> • “Working in teams across business units; how to handle people or people skills.” <p>Company Z</p> <ul style="list-style-type: none"> • “Interpersonal skills and specifically an ability to understand cultural diversity on a local as well as international basis.”
<ul style="list-style-type: none"> • Generic skills 	<ul style="list-style-type: none"> • Personal development (the ability to be confident in themselves articulate, be a person of high integrity, be able to network at every level) • Innovation • Emotional intelligence • Communication 	<ul style="list-style-type: none"> • Professional development • Business / technical writing • Speaking / presentation skills • Wellness • Ethics • Creativity 	<p>Company R</p> <ul style="list-style-type: none"> • “People being aware of investing in their own development.” <p>Company W</p> <ul style="list-style-type: none"> • “Recently there is much more focus on psychological wellness than pure managerial skills.”

			<p>Company C</p> <ul style="list-style-type: none"> • “Communication skills” <p>Company Y</p> <ul style="list-style-type: none"> • “Communication skills” <p>Company C</p> <ul style="list-style-type: none"> • “Ethics” [ethical behaviour].
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Table 6.5 A comparison between the findings of the Grant study (1999), the ASTD Global Network South Africa study (2003) and the findings of this researcher (2003/2004)

Against the backdrop of the foregoing, it is evident that a correlation exists between the findings of the above-mentioned three studies although the focus of the studies is entirely dissimilar. This correlation serves as a further possible confirmation of the responses which indicated that companies are often not knowledgeable or aware of the meaning of the concept “strategic training” and do not make use of a strategic training process to identify the strategic training needs of executives and managers as explained in paragraph 5.2.1. Although the three studies have in all probability not included the same companies and the current and emergent strategic orientation of these companies are largely unknown it seems as if few differences exist between the nature and extent of the traditional and emergent strategic training needs of the executives and managers of large South African companies as indicated by means of Table 6.5.

It is also important to note that few changes have taken place in terms of the nature and scope of the strategic training needs of executives and managers as they arise from the current and emergent strategic orientation in the four-year period between the Grant study (1999) and this study (2003/2004). The similarities between the traditional (Grant, 1999) and the strategic (2003/2004) training needs of executives and managers imply that the strategic orientation of companies has remained the same from 1999 until 2003/2004. However, it is unlikely that the strategic orientation of companies will not change in a four-year period since it was explained in paragraph 6.3.1.1 that the strategic orientation of companies changes on an annual or *ad-hoc* basis depending on the dynamic nature of the particular industry as represented by the various companies included in the study.

Some significant differences between the Grant study (1999) and the findings of the researcher (2003/2004) are listed below. Both these studies focused on the training needs of executives and managers, but differ in the nature of the strategic orientation (current *versus* emergent) that is used as point of departure. The Grant study (1999) focused on traditional training needs (current strategic orientation) while the researcher focused on strategic training needs.

- **Managerial skills:** the most significant difference between the Grant study (1999) and the findings of the researcher regarding the training needs of executives and managers is in terms of corporate governance. Corporate governance is defined as: ...“the method, by which an organisation is directed, administered or controlled. It includes the laws and customs affecting that direction, as well as the goals for which it is governed. The principal participants are the shareholders, management and the board of directors. Other participants include regulators, employees, suppliers, partners, customers, constituents (for elected bodies) and the general community.” (Corporate governance, 1995). This skill entails that executives and managers are trained to have the ability to manage companies effectively.
- **Leadership:** Leadership is mentioned in the Grant study (1999) as a skill which executives and managers should have. However, the findings of the researcher (2003/2004) indicated that executives and managers are increasingly expected to contextualise leadership in terms of the specific company, but also in terms of personal leadership or integrity.
- **Interpersonal skills:** Both the Grant study (1999) and the findings of the researcher (2003/2004) indicated that interpersonal skills are interpreted as a sensitivity to cultural diversity. The findings the researcher indicated that both executives and managers must develop sensitivity to cultural diversity on a local (South African) and international level.
- **Job content skills:** In terms of job content skills Company R indicated that managers should be empowered to render a service rather than merely provide a product to the value chain of the company. This requires that executives and managers should be intensely involved with the value chain and should be able to form and maintain long-term relationships with the value chain of companies.

- Generic skills: Company W referred to the ability of executives and managers to have a sound psychological disposition or “wellness”. Although the Grant study (1999) referred to emotional intelligence as a necessary skill, in 2003/2004 respondents referred to the importance of a sound psychological disposition or “wellness”. This response is significant because it indicates that companies realised that executives and managers also need skills which differ from conventional skills such as managerial skills. Company W explained: “Recently much more focus on psychological wellness than pure management skills.”
- Strategic insight: Both the Grant study (1999) and the findings of the researcher (2003/2004) indicated the importance of global competitiveness. However, the findings of the researcher (2003/2004) indicated that it is important for executives and managers to develop the skill to manage acquisitions and mergers.

From the above discussion on the strategic training needs of executives and managers in companies six skills in particular are identified in terms of which training should be offered to executives and managers. These skills will empower executives and managers to manage effectively in the domains in the strategic environment of companies which are more emergent in nature. These skills are:

- Corporate governance
- Contextualised leadership and integrity
- Forming and maintaining a relationship with the value chain of the company
- Sensitivity towards cultural diversity on a local (South African) and global level
- Psychological wellness
- Managing mergers and acquisitions

6.6 COMPARATIVE PROFILE OF COMPANIES D AND W

In paragraph 6.5.1 it was indicated that Companies D and W are knowledgeable or aware of the importance of providing strategic training to executives and managers. These two companies also indicated that they make use a strategic training process to offer training to executives and managers that is aligned with the emergent strategic orientation of the company. [See paragraph 6.5.2]. Table 6.6 therefore gives an exposition of the manner in which strategic training manifests in these two companies.

Characteristic	Company D	Company W
Nature of company, sector of economy and industry [See Annexure B question 1.4.1]	Manufacturer of chemical products, resources sector, oil and gas	Telecommunications, non-cyclical services, fixed line communications
Strategic orientation [See Annexure B question 2.1]	Growth strategy	Growth and protection of existing markets
Frequency of change in strategic orientation [See Annexure B question 2.2]	“Strategic objectives do not change often.”	“Strategy gets reviewed annually.”
Cause of change in the strategic orientation [See Annexure B question 2.3]	External and internal factors: “Competition, availability of raw materials, labour issues etc.”	External factors: “Changes in legislation, competition in the industry, economical situation in the country.”
Method according to which the strategic orientation is communicated [See Annexure B question 2.4]	Printed and electronic publications Leadership forums	Printed and electronic publications Briefing sessions
Training unit [See Annexure B question 3.1]	No	No
Corporate university	Corporate university in the form of	Corporate university in the form of Centre for

Characteristic	Company D	Company W
[See Annexure B question 4.7-4.9]	training centres	Learning and Organisational Capacity and a virtual campus
Involvement of executive management in training [See Annexure B question 3.6]	Yes	Yes
Cooperation with external providers of training [See Annexure B question 4.6]	Business school affiliated to a local university	Business schools affiliated to a variety of local universities
Instructional methods and media [See Annexure B question 4.1]	Classroom-based learning and “Very little e-learning.”	Classroom-based learning or “Lectures and a virtual campus.”
Reason why training is regarded as effective and relevant [See Annexure B question 4.2]	The company is successful. Training is integrated with existing business processes. Executives and managers had a positive experience of training.	Based on an analysis of the training needs of executives and managers. The content of training is revised regularly. Training is linked to the strategic orientation of the company.
Method by means of which the effectiveness and relevance of training is assessed	“Effectiveness not measured on a regular basis.”	Variation of the Donald E. Kirkpatrick model [See paragraph 6.3.3.6]

Characteristic	Company D	Company W
[See Annexure B question 4.3]		
Training the value chain [See Annexure B question 4.10]	Product training to clients, suppliers and contractors	Product training to clients, suppliers and contractors
Training aligned with emergent strategic orientation and presence of a strategic training process [See Annexure B questions 3.2-3.3]	Yes: "...where do you want to go to – need capabilities/competencies as well as a shared mindset and driven by the necessary leadership.”	Yes: “The strategic human capital plan of the company entails: a process of identifying future and current capabilities and competencies required by the company to deliver business results.”
Strategic training needs of executives and managers [See Annexure B questions 3.4-3.5]	Strategic insight	Managerial skills Leadership Psychological wellness
Knowledge management [See Annexure B question 4.11]	Yes	Yes

Table 6.6 Comparative profile of companies D and W

According to the comparative profile presented in Table 6.6 there exists similarities between Companies D and W, which gives some indication of the characteristics or best practices in terms of the use of strategic training in large South African companies.

6.7 KNOWLEDGE MANAGEMENT IN LARGE SOUTH AFRICAN COMPANIES

In question 4.11 respondents were asked to indicate the manner in which knowledge management is practised in companies [See Annexure B]. The purpose of this question was to ascertain whether respondents are aware of the fact that strategic training entails that knowledge processes are conducted in terms of the emergent strategic orientation of companies. Knowledge management is a managerial discipline which concerns itself with the creation of an environment in which knowledge processes (creation, codification, sharing, organising and use of knowledge) are performed. These knowledge processes should be aligned with the current and emergent strategic orientation of the company and should contribute to the competitiveness of the company. The outcome of the creation, sharing and use of knowledge is learning. Hence a relationship exists between knowledge management and the nature and scope of the training (traditional or strategic) offered to executives and managers in order for them to perform knowledge processes and thus to learn [See paragraphs 2.5 and 3.2]. The responses to question 4.11 enabled the researcher to develop an understanding of the awareness which is present in large South African companies regarding strategic training as a knowledge management technique which enables the creation, sharing and use of knowledge regarding the emergent strategic orientation of the company.

Companies A, B, D, G, H, I, J, R, T and W (10/24) have business units led by knowledge managers that are responsible for the management of the company's knowledge assets or intellectual capital. These companies make use of knowledge management in a formal and structured manner. Companies C, E, F, K, L, M, N, O, P, Q, S, U, V and X (14/24) indicated that they do not make use of knowledge management in a formal and structured manner and either use knowledge management on an *ad-hoc* basis or not at all. Company

R which indicated that it is knowledgeable or aware of the meaning of the concept “strategic training” makes use of knowledge management while both Companies D and W which indicated that they make use of strategic training also practise knowledge management in a formal and structured manner [See paragraphs 6.5.1 and 6.5.2]. Some companies (A, C, H, L, T, X) indicated that their knowledge management tools and techniques are mostly technological in nature and entail the use of databases and systems such as the Internet, corporate intranet, Livelink (document management system) as well as the establishment and use of a database of best practices. Other knowledge management tools and techniques used by companies are:

- Communities of practice (Company B)
- Protection of intellectual property (Company L)
- Benchmarking (Company M)
- Market research and analysis (Company O)

From the above responses regarding the use of knowledge management it is concluded that the absence of a business unit led by a knowledge manager does not necessarily imply that a company is not aware of knowledge management or does not use it. It merely implies that the company does not attempt in a formal and structured manner to create an environment in which knowledge processes are performed and the knowledge of the individual executive, manager and employee into the collective knowledge of the company [See paragraph 3.2]. An organic rather than a mechanistic approach to knowledge management is thus followed. An organic approach to knowledge management implies that the assumption is not made that tacit knowledge can and should be made explicit. Knowledge management should preferably manifest in a formal and structured manner if a comprehensive knowledge management techniques such as strategic training is used to enable knowledge processes on a strategic level to contribute to the competitiveness of companies in the knowledge economy.

Companies A, C, H, L, T and X (6/24) translate their knowledge management initiatives in terms of technology. This confirms the prevailing misconception that knowledge management simply entails the use of technology. However, technology is only an enabler of explicit knowledge or information and does not fully support tacit knowledge and thus knowledge management in totality (Tiwana, 2002:45). If companies translate their knowledge management initiatives in terms of technology they would be unable to use both the explicit and tacit knowledge of employees to perform knowledge processes. Training is then viewed in isolation to knowledge management and is not regarded as a knowledge management technique [See paragraph 3.2].

The lack of an awareness regarding the true meaning of the term “knowledge management” is also indicated in the ASTD Global Network South Africa study (1993:22-23) in which a further misconception regarding the relationship between information and knowledge management is revealed. In this study the awareness of companies regarding knowledge management is merely defined in terms of explicit knowledge or information. No mention is made of attempts to create an environment in which knowledge processes in terms of both the explicit and tacit knowledge of employees are conducted. The findings of the ASTD Global Network South Africa study (2003) indicated that 75% of companies acknowledge the importance of the learning organisation and knowledge management, but only 21% of companies indicated that their company has formal initiatives regarding knowledge management. The findings of the ASTD Global Network South Africa study (2003) are therefore confirmed by the researcher (2003/2004). A further finding to confirm the importance of knowledge management is the fact that in 1999 already the Grant study revealed that managers should be trained in terms of knowledge management to be able to manage effectively.

Against the backdrop of the foregoing, the researcher came to the conclusion that companies D and W which provide strategic training to their executives and managers or which (R) conduct research of a strategic nature make use of knowledge management in a formal and structured manner. Company C which supports strategic training by means of

research projects and Company Q which is knowledgeable or aware of the meaning of the concept “strategic training” does not make use of knowledge management in a formal and structured manner. The use of knowledge management by both Companies D and W which provide training of a strategic nature to executives and managers indicates the importance of using knowledge management in a formal and structured manner. If companies make use of knowledge management in a formal and structured manner it implies that both the tacit and explicit knowledge of individual executives and managers regarding the emergent strategic orientation of companies can become the collective knowledge of the company through knowledge management initiatives such as strategic training.

6.8 CONCLUSION

Three aspects as regards training in large South African companies were analysed and interpreted. These three aspects are the manifestation of training; strategic training including strategic training needs and knowledge management.

From the responses on the manifestation of training in large South African companies it was evident that training manifests primarily in a traditional manner in large South African companies and little evidence (Companies D and W) could be found of training which is offered to executives and managers which are aligned with the emergent strategic orientation of companies [See paragraphs 6.3.3 and 6.4.3].

Furthermore it was evident that large South African companies (21/24) understand the relationship between the strategic orientation of the company and training. Only a few (3/24) companies could not indicate the relationship between the training and the strategic orientation of the company. Companies are to a large extent (16/21) unaware of the meaning of the concept strategic training. Only 5/21 companies were able to indicate that they are aware of the meaning of the concept strategic training while two companies 2/21 indicated that they make use of a strategic training process [See paragraph 6.5.1].

Companies most probably are not able to identify and address the strategic training needs of executives and managers because they do not make use of a strategic training process [See paragraph 6.5.2]. Six skills have been identified by companies which are aware of the meaning of the concept “strategic training” in terms of which executives and managers need to be trained in order to manage effectively in the domains in the strategic environment of companies which are more emergent in nature [See paragraph 6.5.3]. These skills are:

- Corporate governance
- Contextualised leadership and integrity
- Forming and maintaining a relationship with the value chain of the company
- Sensitivity towards cultural diversity on a local (South African) and global level
- Psychological wellness
- Managing mergers and acquisitions

Various differences and similarities exist between the large South African companies which make use of strategic training. Some of the similarities between companies D and W which make use of strategic training have been identified and can possibly serve as an indication of best practices in terms of the use of a strategic training process [See paragraph 6.6].

Some companies (10/24) make use of knowledge management in a formal and structured manner. Both companies (D and W) which indicated that they make use of a strategic training process also make use of knowledge management in a formal and structured manner. However, these companies view knowledge management in isolation to

knowledge management and is not regarded as a knowledge management technique [See paragraph 6.7].

From the findings discussed in Chapter 6 it appeared that not all companies are knowledgeable or aware of the importance of strategic training and the manner in which a strategic training process is to be used. A method thus needs to be found to make companies aware of the importance of this type of training in order to enable executives and managers to manage in all four the domains of the strategic environment of companies. Furthermore, guidelines should be developed that companies could follow if they wish to make use of a strategic training process to empower their executives and managers to manage in the known and knowable, but especially in the complex and chaotic domains of the strategic environment of companies. It is also evident that companies need to be informed regarding the relationship between knowledge management and strategic training. In Chapter 7 a framework is proposed for the implementation and use of a strategic training process to address the training needs of executives and managers as regards the emergent strategic orientation of large South African companies. Chapter 8 concludes the research process with a synthesis of the findings and recommendations of the study.



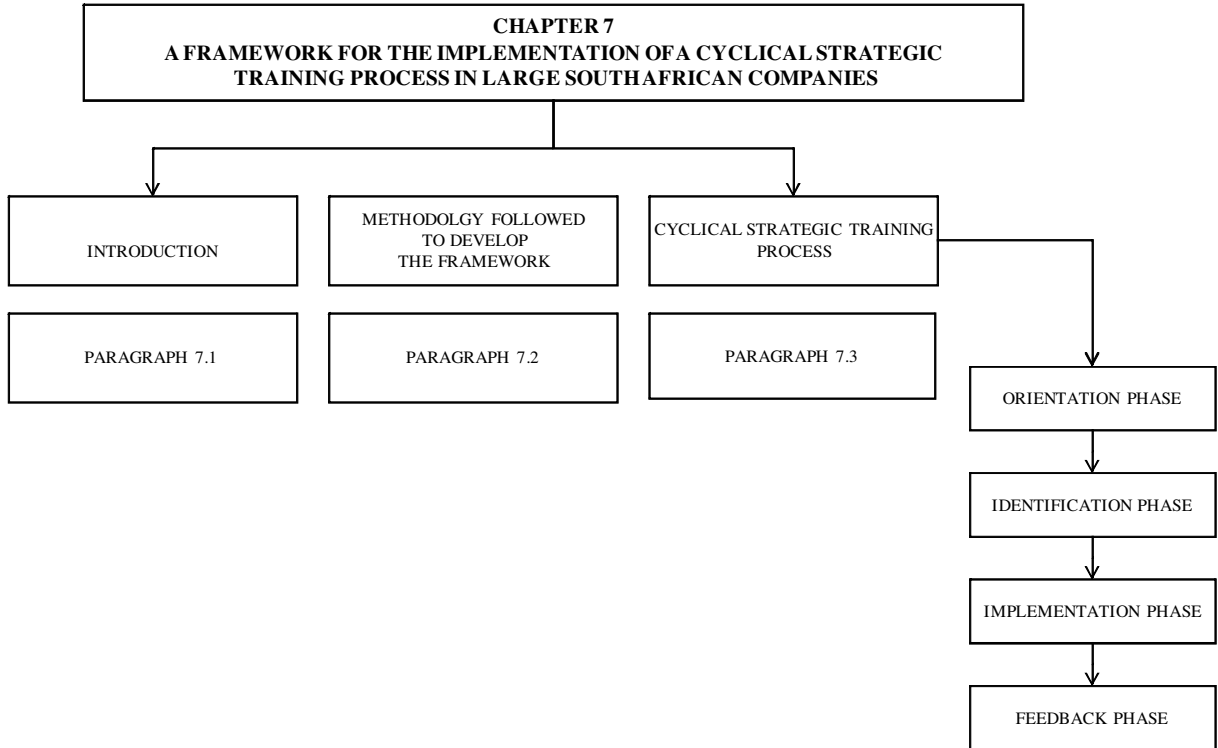
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CHAPTER 7

A FRAMEWORK FOR THE IMPLEMENTATION OF A CYCLICAL STRATEGIC TRAINING PROCESS IN LARGE SOUTH AFRICAN COMPANIES



GRAPHICAL REPRESENTATION OF CHAPTER 7



7.1 INTRODUCTION

Having surveyed the literature on strategic training as an example of a method of strategic human resource development as well as the strategic training needs of executives and managers and having evaluated the empirical research conducted as part of this thesis, the need for a strategic training process is reaffirmed and ever more apparent. The literature and the empirical research presented in Chapter 6 indicated that only a small number (2) of the sample (24) of large South African companies have a strategic training process which enables them to identify and address the strategic training needs of executives and managers. The dearth of a strategic process in a number of large South African companies severely limited the ability of the researcher to address the primary objective of the thesis which was elucidated in Chapter 1 as follows:

What are the strategic training needs of executives and managers involved in strategic processes in large South African companies and how are they addressed?

Chapter 7 is thus an enhancement to the stages of the research process, as presented in Chapter 5 since it provides a generic framework for the implementation of a strategic training process by companies which are unable to identify and address the strategic training needs of executives and managers. Chapter 7 poses a framework of a cyclical strategic training process for use by large South African companies. This framework will address the need for a method through which executives and managers in the large South African companies that participated in the study can be made aware of the importance of strategic training and at the same time provide guidelines that can be used to implement a strategic training process. It also indicates the manner in which strategic training can be used as a knowledge management technique by large South African companies. The aim is to empower executives and managers to manage in all four (known, knowable, chaos and complex domains of the strategic environment of companies and thus to contribute to the competitiveness of these companies [See Chapter 2]. The proposed framework is also briefly compared with the Rothwell and Kazanas (1994) model of strategic training [See paragraph 4.6.1].

7.2 INDUCTIVE GENERALISATION

As indicated in Chapter 5 the primary objective of the thesis is achieved by means of an inductive generalisation, according to the principles of phenomenography (Mouton, 2001:117; Struwig & Stead 2001:15). In such an inductive approach the researcher begins with a detailed examination of the world or phenomena in the world and moves towards a more generalised explanation of the world or the phenomena (strategic training) in the world. In Chapters 3 and 4 of this thesis, the researcher examines the phenomenon of strategic training and move to an explanation of the nature of strategic training and strategic training needs of executives and managers within a selection (24) of large South African companies in Chapter 6. The phenomenon of strategic training and the strategic training needs of executives and managers are examined by identifying regularities and differences in the form of patterns which emerged during the interviews with respondents (Struwig & Stead, 2001:15). The inductive approach as explained in Chapter 5 and followed in Chapters 3, 4 and 6 is also followed in Chapter 7 since a generic framework or an explanation are presented of the manner in which executives and managers can be made aware of the importance of strategic training and the manner in which a strategic strategic training process should be implemented in companies are proposed.

7.3 CYCLICAL STRATEGIC TRAINING PROCESS

The framework provides a method to make executives and managers aware of the importance of strategic training and guidelines for the implementation of a strategic training process in a cyclical manner. A strategic training process will enable companies to identify and address the strategic training needs of executives and managers. Companies should, however, adjust this generic framework according to their unique needs and circumstances. The proposed framework is explained and discussed according to Figure 7.1 Cyclical strategic training process.

The process consists of four sequential phases. These four phases are the:

- Orientation phase
- Identification phase
- Implementation phase
- Feedback phase

Although the phases sometimes overlap, the effective implementation of the process will be hampered if each of the phases is not carried out. The process is also regarded as cyclical because there is an opportunity at different stages for managers and executives to give feedback on matters that may influence the strategic orientation of the company and should therefore be taken into account in a next iteration of the training process.

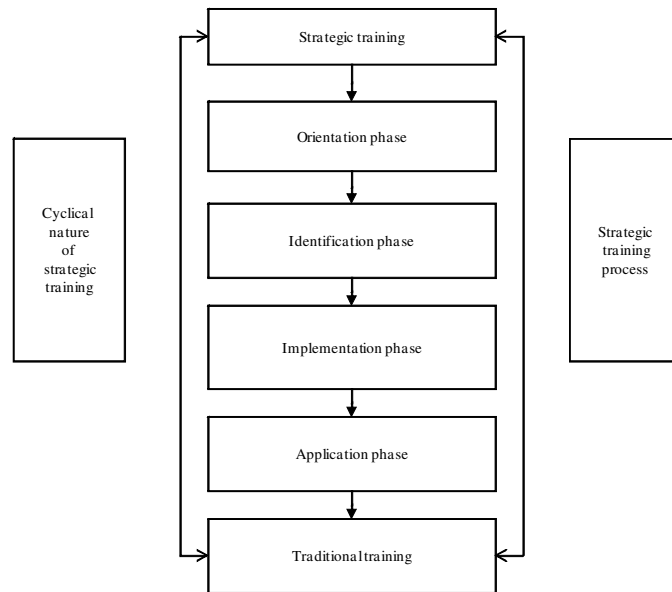


Figure 7.1 Cyclical strategic training process

The above-mentioned four phases of a strategic training process are briefly discussed below:

7.3.1 Orientation phase

The orientation phase of the strategic training process is considered to be the most significant phase of the process. The aim of this phase is to purposefully orientate executives and managers in respect of various aspects regarding the concept of “strategic training”, the nature and scope of the strategic training process and knowledge management. These aspects include:

- The relationship between the emergent strategic orientation of the company and strategic training.
- The differences between a traditional and a strategic training process.
- The nature and scope of strategic training.
- The outcome of strategic training.
- The relationship between knowledge management and strategic processes.
- The use of strategic training as a knowledge management technique.

The orientation phase entails that executives and managers are made aware of the cyclical relationship between the strategic orientation of the company and training and more specifically between the emergent strategic orientation and strategic training [See paragraphs 4.4.1 and 6.5]. If the relationship between the strategic orientation of the company and strategic training is of a cyclical nature it implies that a strategic training process will have an effect on the current strategic orientation of the company and thus the traditional training of executives and managers [See paragraph 4.4.1.1]. During the orientation phase executives and managers are made aware of the manner in which a strategic training process should influence the current strategic orientation of the

company and thus also the nature and scope of traditional training which is currently offered to executives and managers.

Executives and managers are furthermore made aware that the nature and scope of strategic training is such that it manifests in a different manner than traditional training. It is also essential that executives and managers are aware of the differences between strategic training and traditional training as well as the training processes used to make the different types of training possible. The differences between traditional and strategic training is discussed in Chapter 4.

Furthermore the use of strategic training as an example of a structured initiative in terms of which knowledge processes relating to the emergent strategic orientation of the company are performed are explained to executives and managers and/or confirmed to them. They must become aware of the relationship between knowledge management and strategic training. This will cause executives and managers to understand the importance of creating an environment within which knowledge processes regarding the strategic orientation of the company are performed. Knowledge management entails that executives, managers and employees are made aware of the importance and value of knowledge processes and the establishment of an environment within which knowledge processes can be performed. The purpose of knowledge management is to transform the knowledge of the individual employee into the shared knowledge of the company. Knowledge processes entail the creation, codifying, sharing, organising and use of knowledge. Training is an example of a technique that companies can use to perform knowledge processes [See paragraph 3.2]. Strategic training implies that knowledge processes are performed regarding the strategic orientation of the company in a structured manner in order for it to contribute to the shared knowledge of executives and managers involved in strategic processes. Rothwell and Kazanas explain (1994:433) that the purpose of strategic training is twofold. It fosters the creation and sharing of tacit knowledge and explicit knowledge or information: “Training is used to come up with new ideas / information” and it enables the sharing of explicit knowledge by means of strategic training: “... training is designed and delivered in anticipation of a future need”.



If training, and strategic training in particular, does not form part of the knowledge strategy, and thus also the knowledge management strategy of a company, it will have a negative impact on the cyclical relationship that should be present between strategic processes and the training processes found within the company [See paragraphs 4.4.4.3 and 6.7]. From the above it is clear that the cyclical relationship that should be present between strategic processes and training processes can only be used optimally if it forms part of the knowledge management initiatives used by the company. These knowledge management initiatives form part of the formal knowledge management strategy of the company to give effect to the knowledge strategy of the company. The current and emergent strategic orientation of the company serves as point of departure for the knowledge strategy of companies.

During the orientation phase the executives and managers are informed of the outcome of a strategic training process. They should develop an understanding of the fact that a strategic training process will enable them to be effective in all four the domains of the strategic environment of companies. Furthermore creating an understanding of the outcomes of the process will ensure that executives and managers have a positive experience of the process and will support it through active participation during their own training as well as during the training of the employees of the company [See paragraphs 4.4.3, 6.3.3.4 and 6.4.3.4].

The orientation phase of the strategic training process requires continuous interaction between executives and managers involved in strategic processes and individuals responsible for the strategic training process. This includes external providers of training [See paragraphs 6.3.3.3 and 6.4.3.3]. Interaction is crucial for the successful manifestation of the cyclical relationship between the strategic processes and strategic training. If there is no ongoing interaction between the said three groups, the strategic training process will take place in isolation from strategic processes. During the orientation phase individuals responsible for the strategic training process need to participate actively in orientating executives and managers regarding the relationship

between the strategic orientation of the company and training, the nature and scope of the various training processes in the company, the relationship between knowledge management and strategic processes as well as the outcome of a strategic training process [See paragraph 4.4.3.]

The above discussion explains that during the orientation phase executives and managers are oriented in terms of the nature and scope of key aspects of strategic training and the strategic training process. In this discussion it is explained that a strategic training process should not simply start with identifying opportunities during which strategic training should be used as suggested by Rothwell and Kazanas (1994:427) Rothwell and Kazanas (1994:427) explain that strategic training focuses on “identifying opportune occasions to use it based on problem-finding” rather than problem-“solving”. This approach is, however, regarded as reactive since it is premised on the use of strategic training if a particular opportunity or the presence of a problem forces the need for such training. Since strategic processes take place on an ongoing basis strategic training for managers should also take place on an ongoing and “parallel” basis to strategic processes. Strategic training should therefore focus on the needs of executives and managers as it arises from both an ongoing monitoring of the industry in order to make strategic decisions and take strategic actions and for early warning signals in the industry or “problem” as stated by Rothwell and Kazanas (1994:426). The necessity of the ongoing monitoring of the industry is also evident from the findings of the empirical phase of this thesis indicated that changes in the strategic orientation of companies depend on the dynamic nature of the industry and thus do not always change on a regular basis. Executives and managers should constantly monitor the strategic environment of the company. Furthermore they should be trained to be able to manage effectively in all the domains of their strategic environments. It is therefore important that training which are offered to executives and managers should be aligned with the current and emergent strategic orientation of the company.

As soon as executives and managers are oriented with regard to the strategic training process, the following phase takes place during which the strategic training needs of managers are identified.

7.3.2 Identification phase

During the orientation phase it is necessary that there is interaction between executives and managers involved in strategic processes and individuals responsible for strategic training processes. This will result in executives and managers developing an awareness of the nature and scope of the strategic training process. However, during the identification phase individuals responsible for the strategic training process must become involved with executives and managers on a more individual basis than during the orientation phase. This is the result of the fact that the strategic training process can only take place effectively if the individuals responsible for strategic training are fully aware of the nature and scope of the training needs of executives and managers. This requires that the individuals responsible for the strategic training process to be involved in strategic processes. If they are involved in strategic processes they will have the necessary understanding of the strategic environment of companies and the dynamic nature of the industries in which companies are situated. The nature of the factors present in the strategic environment determines the skills which executives and managers need to acquire and thus also their training needs. At the same time they must also be aware of the manner in which the strategic training process gives rise to the revision and possible amendment of the current strategic orientation of the company and its effect on individual business units for which executives and managers are responsible. The above-mentioned aspects should thus all be taken into account when identifying the training needs of executives and managers and determining the manner in which the identified trainings needs are to be addressed.

If training is contextualised in this manner the results of the strategic training process can be taken up in recommendations regarding the revision of the current strategic orientation

of the company and the formulation and eventually the implementation of the emergent strategic orientation of the company.

This interaction between the above-mentioned two groups will result in the strategic training process remaining relevant to the strategic orientation and thus effectively contributing to the competitiveness of the company.

The strategic orientation of the company, as it emerges from the strategic environment of companies, is translated into skills executives and managers should have to be able to provide for future events. The identified skills give rise to particular strategic training needs that are to be addressed through a strategic training process. However, the revision of the current strategic orientation of the company will not necessarily always result in an amendment of the current strategic orientation of the company, and thus no new strategic trainings needs are identified. This is closely linked to the dynamic nature of the industry in which the company finds itself.

The strategic trainings needs of executives and managers are a result of the manner in which individual executives and managers interpret the emergent strategic orientation of the company in the context of the company and individual business units. Executives and managers will therefore have certain similar training needs, but naturally the training needs identified will differ as they flow from the unique circumstances of each of the respective business units.

Since the known and knowable domains are characterised by a certain measure of order, training programmes are probably already present in the company to address some of the training needs of executives and managers flowing from these domains [See Chapter 2]. In these domains executives and managers are able to make sense of the factors present in the strategic environment of the company. It should thus largely be possible to address the training needs that flow from these two domains through existing training programmes. This is, however, not the case with the complex and chaotic or unordered domains because executives and managers in these domains must first “probe” and “act”

before they can make sense of the factors present in these strategic domains. The extremely variable and unpredictable nature of these domains is such that training programmes do not always exist in companies to fully address the training needs of executives and managers.

The identification of strategic training needs are a result of the manner in which the emergent strategic orientation of the company is formulated and not – as in the case of traditional training – from the performance of executives and managers not meeting certain criteria or performance standards [See paragraph 4.3]. Each of the identified strategic training needs must be analysed in terms of aspects such as:

- The precise nature and scope of the strategic training needs of executives and managers.
- The level of criticality of each of the identified strategic training needs or the importance of addressing a particular training need.
- The strategic environment in which the need has been identified since training needs that flow from the ordered domains are probably less complex to address than training needs that flow from the complex and chaotic domains.
- The suitability of the training infrastructure of companies to accommodate the strategic training needs of executives and managers.
- The effect of training needs being addressed or the outcome to be achieved through the strategic training process.
- The effect of the training needs of executives and managers not being addressed on the continued competitiveness of the company.

- The effect of the training needs of executives and managers not being addressed on the company and the business unit for which a particular executive and manager is responsible.

The identification and analysis of the training needs of executives and managers will result in an ability to make decisions regarding the manner in which the strategic training needs of executives and managers should be addressed during Phase 3 of the strategic training process. It will also give an indication of the curriculum that is to be followed during the strategic training process and the training infrastructure which is needed to address the identified needs.

It is important that the identification phase should focus on all the various categories of strategic trainings needs experienced by executives and managers. The researcher's findings (2003/2004) indicated that there should be a focus on the conventional skills such as managerial and job content skills as well as soft skills [See paragraph 6.5]. In addition to the skills identified in paragraph 6.5 the empirical findings confirm the literature that executives and managers should also have the following skills:

- Trend and pattern management: Although the skill to manage patterns and trends can also be understood as strategic insight it requires the specific ability to identify and analyse patterns and trends in the industry which companies represent and related industries. Furthermore it requires of executives and managers to synthesise the identified and analysed patterns and trends and determine the impact thereof on the company [See paragraph 2.2.3].
- Crisis management: The ability to manage in a crisis situation necessitates that executives and managers should be able to manage in uncertain and complex situations. Executives and managers should have the ability to make decisions prior to analysing a situation and its perceived effect on the company. [See paragraph 2.2.4].

- Intellectual capital management: Executives and managers need the ability to recognise the importance of managing knowledge assets or intellectual capital of companies. This includes the human, structural, relationship and competitive capital of companies. Although knowledge management has been identified as an important skill for executives and managers it is evident that they need to be trained to value human and relationship capital. This entails managing both the tacit and explicit knowledge of employees (human capital) as well as the relationship between the company and its value chain (relationship capital) [See paragraphs 6.3.3.7 and 6.4.3.7].
- Change management: Executives and managers need the ability to manage change in companies. The nature of the products and services which companies deliver are becoming increasingly knowledge intensive in nature and requires of companies to focus on both tangible or physical resources (capital, equipment, property) as well as intangible resources (skills, relationships, processes and procedures as well as databases and networks). Executives and managers should take a leading role in establishing a culture in the organisation in which knowledge is recognised as the primary resource which will contribute to the sustainability of the company in the knowledge economy. This entails that executives and managers should be able to manage in a strategic environment which is characterised by “uncertainty” and participate and support training processes which focus on developing the skills that executives and managers need to be able to manage the company in an “uncertain” strategic environment. It also entails that executives and managers should be able to lead the change in companies regarding managing merely the information or explicit knowledge of employees to managing both the tacit as well as the explicit knowledge of employees to the benefit of the organisation.
- Strategic foresight: Executives and managers need the ability to identify and analyse early warning signals in their strategic environment. If early warning signals are identified and analysed in a timely manner companies can discover a

preferred direction to prepare them for changes in their strategic environment which will necessitate a review and amendment of their strategic orientation. The need for strategic foresight is explained by Marsh (2007:14): “The inability of businesses to deal with change quickly enough or to be pro-active in the face of change, has led to volatility in companies, sectors and shareholder value. This highlights the advantage that can be gained for the company that develops skills which will help it anticipate and respond to change in a timely way.”

The above-mentioned skills will result in training needs which should be addressed by a strategic training process. According to the Rothwell and Kazanas (1994:429) model for strategic training, training needs are established in the following manner: “The real difference between traditional and strategic needs assessment has to do with criteria. Present criteria are what managers and other employees expect by way of job performance from a job incumbent at this time. If job standards have been established, they are the criteria by which to assess present performance. Future criteria are what managers expect after job requirements and standards have been affected by changing conditions inside and outside the firm. To predict future criteria, HRD practitioners and others should determine what major changes will affect the organization, and how these changes should affect job standards or job performance requirements.”

However, Rothwell and Kazanas (1994:429) also explain that the process of establishing criteria for the manner in which the performance of executives and managers should manifest in the future is extremely tentative and subjective. It is therefore more appropriate to determine the training needs of executives and managers based on the emergent strategic orientation rather than on what the performance of executives and managers should be like in future. This is due to the nature of the complex and chaotic domains which is largely unordered and turbulent and thus it is difficult to determine the criteria for the performance of executives and managers in these domains. Furthermore, the complex domain is also an adaptable system while the chaotic domain is characterised by crisis management, for which no planning can, of course, take place in advance [See paragraphs 2.2.3 and 2.2.4].

The cyclical nature of the strategic training process requires that there should always be an alignment between the emergent strategic orientation of the company and the strategic training needs of executives and managers. This cyclical or recurring nature of the strategic training process therefore implies that the strategic training of executives and managers should enable them to be able to revise and if necessary amend the current strategic orientation of the company. When the current strategic orientation of the company has been revised and amended according to factors present in the external and internal strategic domains of companies the training needs of executives, managers and employees take place by means of a traditional training process since it enable executives, managers and employees to be able to function efficiently and effectively in terms of the current strategic orientation of the company [See Figure 7.1].

On conclusion of Phase 2 the identified strategic training needs of executives and managers are addressed by means of a strategic training process as part of the implementation phase.

7.3.3 Implementation phase

In paragraph 3.2 it is explained that an environment must be created where the strategic training of executives and managers takes place through a strategic training process. During the implementation phase, various decisions are made regarding the manner in which an environment will be created which is conducive to a strategic training process and in which the identified strategic training needs of executives and managers can be addressed.

7.3.3.1 Corporate universities and other training units

It should be possible to incorporate a strategic training process in the existing training units and corporate universities of large South African companies as indicated in paragraphs 6.3.3.2 and 6.4.3.2. Different training processes must, however, be present in these training units and corporate universities to make provision for the various types of

training companies offer to executives and managers. These different training processes should provide for the unique nature and scope of traditional and strategic training as explained in Chapter 4.

Companies can use any term (for example academy, centre for learning, business school, institute) to refer to their training unit and/or corporate university. Training offered from a corporate university as opposed to training offered from a training unit is customised according to the specific strategic orientation of the company [See paragraphs 6.3.3.2 and 6.4.3.2]. Any training unit or corporate university could be regarded as conducive to a strategic training process as long as the concept “strategic training” is understood correctly and the correct processes are followed to address the strategic trainings needs of executives and managers and, over time, of other employees also.

The Rothwell and Kazanas model of strategic training does not mention the type of training unit that should be used to offer strategic training to executives, managers and employees [See paragraph 4.6.1].

7.3.3.2 Target group

Rothwell and Kazanas (1994:425) explain: Strategic training requires HRD practitioners and managers to envision what future job requirements should be under future conditions and prepare people for those conditions.” This confirms that a strategic training process should start with executives and managers who are responsible for strategic processes during which the future of the company is planned. The company’s strategy contains a statement of the manner in which it wishes to position itself in a particular industry currently and in the future [See paragraphs 3.3, 6.3.1 and 6.4.1]. Obviously, executives and managers should be empowered to identify their training needs and be offered the necessary opportunities that will enable them to acquire the skills they will need in future as they result from the emergent strategic orientation of the company. As soon as this process has been completed, executives and managers and individuals responsible for human resource development will be able to equip employees for future circumstances. Rothwell and Kazanas (1994:431) describe the characteristics employees should have to

be involved in a strategic training process [See paragraph 4.6.1.3]. The strategic training process is thus not limited to executives and managers, but is first and foremost aimed at executives and managers involved in strategic processes.

7.3.3.3 External providers of training

The use of business schools and other external training providers to address the strategic trainings needs of executives and managers requires a particular interaction between the training institution and the company. This interaction is necessary since external providers of training should be well informed regarding the various aspects that could have an effect on the effectiveness of the training process. These aspects include the factors present in the internal and external strategic environment of companies, the emergent strategic orientation of the company, nature and scope of strategic training as well as the strategic training needs of executives and managers. The successful interaction between the company and external providers of training is dependent on a high level of trust between external providers of training and the executives and managers involved in strategic processes. This is due to the fact that external providers of strategic training need to be informed regarding the emergent strategic orientation of the company. If the above-mentioned trust between external providers of training and the company has not been established the training offered to executives and managers might be superficial in nature and will not be customised according to the emergent strategic orientation of the company [See paragraphs 3.5, 6.3.3.3 and 6.4.3.3].

Rothwell and Kazanas (1994:442) only mention the use of externally prepared training material for directive training as opposed to non-directive training. They explain: “If strategic training is directive, then instructional content is prepared in-house or selected from externally prepared training materials in precisely the same way that traditional instruction is prepared. On the other hand, nondirective training produces new information, stimulates new insights, motivates trainees to prepare for the future, provides a means to simulate future conditions, and gives trainees a chance to gain experience before it is needed.” Furthermore, the authors do not refer to the use of external providers to provide training of a strategic nature to executives and managers.

7.3.3.4 Involving executives and managers in training

The Rothwell and Kazanas (1994) model of strategic training does not mention the manner in which the executives and managers of companies should be involved in the strategic training process [See paragraph 4.6.1].

The contextualised nature of strategic training requires that the executives and managers of the company should not only be involved in the strategic training process as learners or participants in the process, but that they should at the same time contribute to the strategic training process. The contribution of the executives and managers of companies entails that they ensure that strategic training is contextualised or place training in the perspective of the company and its strategic environment. This necessitates the use of instructional methods and media which enable the contextualisation of strategic training by executives and managers [See paragraphs 4.4.3, 6.3.3.4 and 6.4.3.4].

7.3.3.5 The instructional methods and media that enable training

The instructional methods and media used during a strategic training process must provide for the unique nature and scope of the strategic training needs of executives and managers. The instructional media that can be used consist of classroom-based learning, technology-based or a combination of these, which is known as blended learning while the instructional methods include lectures, case studies, role play, simulations, action learning and mentoring [See paragraphs 6.3.3.5 and 6.4.3.5.]. The factors that should influence the choice of instructional media and methods that will be used during a strategic training process are:

- The instructional methods and methods should represent the strategic environment (known, knowable, chaos, complex) within which companies find themselves.

- The instructional methods and media should facilitate training offered from the perspective of the emergent strategic orientation of companies. Strategic training is tentative in nature since it is based on a prediction of the factors present in the emergent strategic environment of companies.
- The instructional methods and media should make provision for the changing nature of the strategic training needs of executives and managers as they flow from the revision and amendment of the current strategic orientation of companies.
- The instructional methods and media should enhance and support knowledge processes. The creation and sharing of both explicit and tacit knowledge requires the use of instructional media and methods which are interactive in nature in order to “foster the sharing of insights, ideas, and innovative techniques among learners.” (Rothwell & Kazanas, 1994:433).

From the above-mentioned factors it would appear that the strategic training of executives and managers can only take place effectively if their strategic training needs are addressed through training that reflects the company and its strategic environment. Companies will therefore prefer to use classroom-based or blended learning to technology-based learning to offer strategic training to executives and managers. This is due to the ability of classroom-based and blended learning to enable conversation and dialogue regarding the company and its strategic environment.

The instructional methods that are used should provide for interaction between the trainer and/or facilitator and learners. Various instructional methods can be used for the purpose of strategic training including lectures, case studies, role-play, simulations, mentorship and the use of narrative techniques. These instructional methods should be evaluated in order to determine whether they are suitable to address the specific strategic training needs of executives and managers.

Kurtz and Snowden (2003:496) give the following explanation of the value of the use of narrative techniques, in particular in the unordered domain of the strategic environments of companies: “Understanding this space requires us to gain *multiple perspectives* on the nature of the system. This is the time to “stand still” (but pay attention) and gain new perspective on the situation rather than “run for your life”, relying on the entrained patterns of past experience to determine our response. The methods, tools and techniques of the known and knowable domains do not work here. Narrative techniques are particularly powerful in this space.”

Rothwell and Kazanas (1994:434) confirm that: “The selection and use of appropriate delivery methods depends on the purpose of strategic training. If the purpose is purely nondirective, specific outcomes are not necessarily fixed. The learning event is a discovery session where new ideas are created and new learning needs are identified.”

The extremely interactive and contextualised nature of strategic training explains why the trainer and/or facilitator need to be involved in the training process from the beginning of a strategic training process. This is confirmed by Rothwell and Kazanas (1994:443): “Nondirective training is dependent on the skills of the group facilitator, who stimulates group thinking. Content stems from the “training” session and is a function of group interaction and methods used to elicit new ideas.”

7.3.3.6 The effectiveness and relevance of training

As indicated in the above paragraphs effective and relevant strategic training is enabled and supported by the continuous interaction between individuals responsible for the strategic training process and executives and managers responsible for strategic processes. This interaction entails that training is continuously aligned with the emergent strategic orientation of the company and the emergent strategic orientation of the company is translated in the strategic training needs of executives and managers.

It is more complicated to determine the effectiveness and relevance of strategic training than is the case with traditional training. This is because strategic training is based on the

identification of the training needs of executives and managers as they flow from of the domains (chaos, complex) in the strategic environment of companies which are emergent in nature [See Chapter 2]. These domains are largely unordered and thus it is difficult to determine the nature and scope of the work performance of executives and managers and to establish a standard or criteria for effective and relevant work performance. Measuring the effectiveness of strategic training is further complicated by the fact that the training focuses on future performance and thus not on the current manifestation of performance in the company. Assessment methods that measure the use or application of newly acquired skills and knowledge cannot be used. The above explains why, during a strategic training process, the only assessment methods that can be used are those that determine whether new knowledge was created and shared, in other words whether learning took place during training, and not whether executives and managers were able to use or apply newly acquired knowledge in order to contribute to the competitiveness of the company.

Rothwell and Kazanas (1994:478-486) explain the manner in which formative, summative, concurrent and post-instructional evaluation should be conducted to make provision for assessing the effectiveness and relevance of strategic training programmes. However, the researcher is of the opinion that a strategic training process should be regarded as an integral part of the strategic processes of the company. This implies that a strategic training process should not be assessed in terms of the conventional methods used to measure the effectiveness and relevance of training. The effectiveness and relevance of strategic training should probably be determined in the same manner as that which is used to determine the effectiveness of strategic processes [See paragraphs 3.7, 6.3.3.6 and 6.4.3.6]. The reasons why a strategic training process should not be assessed in terms of the conventional methods used to measure the effectiveness and relevance of training are:

- The unique nature and scope of strategic training.
- The extremely customised content of strategic training programmes.

- The lack of standards or criteria for work performance.
- Newly acquired knowledge and skills cannot be used or applied immediately and can only be measured if and when used or applied.

Furthermore, there should rather be a focus on the outcomes to be achieved through strategic training, namely to prepare executives and managers to manage effectively in terms of the emergent strategic orientation of the company, than on finding suitable methods to assess the effectiveness and relevance of the strategic training process.

7.3.3.7 Training the value chain

Companies should develop an awareness of the contribution their value chain can make to the strategic training process. The value chain of companies consists of suppliers, clients, distributors and manufacturers of the company's services and/or products. Companies that are involved in related industries should, of course, also form part of the value chain of companies. Although the Rothwell and Kazanas (1994) model of strategic training does not mention the manner in which the value chain of companies should be involved in the strategic training process the value chain of companies can make a significant contribution to the strategic training process [See paragraph 4.6.1]. This is due to the value chain having a perspective of the industry and/or related industries which companies represent. The value chain can indicate trends and patterns in the industry which should be taken into consideration when the emergent strategic orientation of companies is formulated. This emergent strategic orientation should be translated into the strategic training needs of executives and managers. The input of the value chain of companies should be taken into consideration during the orientation and identification phases of the strategic training process [See paragraphs 6.3.3.7 and 6.4.3.7].

As soon as the training of executives and managers has been completed, the following and final phase of the strategic training process starts. During this phase provision must be made for feedback on the possible application of skills in the future.

7.3.4 Feedback phase

The final phase of the strategic training process is known as the feedback phase. This phase entails that executives and managers must provide feedback on the manner in which they foresee that they will in future use or apply the skills in terms of which they have been trained. The nature and scope of this feedback should at the same time also give an early indication of the effectiveness and relevance of the strategic training process. Executives and managers are thus given an opportunity to indicate which knowledge was created and shared during the strategic training process, since it is not possible at this stage for them to give feedback on the manner in which this knowledge was used or applied in the context of their job.

The feedback of executives and managers should focus on two levels, namely a strategic and operational level.

- Strategic level: Executives and managers must give feedback on the manner in which newly acquired skills will enable them to manage effectively in the two domains which are emergent in nature. Similarly, executives and managers should, through a strategic training process, be empowered to apply new skills or new knowledge to the advantage of the strategic processes that take place in the company. Executives and managers should thus use strategic training in order to contribute to the process during which the revision and if necessary also the amendment of the current strategic orientation of the company takes place. The revision and amendment of the current strategic orientation of the company must be addressed through a next iteration of the strategic training process and result in the strategic training process being of a cyclical nature [see Figure 7.1].
- Operational level: Executives and managers and individuals responsible for strategic training should be involved in translating the emergent strategic orientation of the company in terms of the future performance of employees.

Since these employees are not directly involved in strategic processes it often requires the active involvement of executives and managers in the training of employees. This means that executives and managers are responsible for communicating the emergent strategic orientation of the company to employees and to indicate the manner in which it will manifest in future performance [See paragraphs 6.3.2. and 6.4.2]. They must therefore contextualise the strategic training of employees according to emergent strategic orientation of the company and individual business units.

The Rothwell and Kazanas (1994) model of strategic training ends with the provision of strategic training. The model thus does not mention the effect of the strategic training process on the current strategic orientation of the company and the manner in which traditional training manifests in the company. The Rothwell and Kazanas (1994) model of strategic training is therefore not regarded as cyclical in nature [See paragraph 4.6.1].

7.4 CONCLUSION

Against the backdrop of the Rothwell and Kazanas (1994) model of strategic training, the literature on strategic training presented in Chapters 3 and 4 as well as the empirical research conducted and reported on in Chapter 6 as part of this thesis, the aim of Chapter 7 was to develop a framework of a cyclical strategic training process for use by large South African companies.

This framework addresses the need for a method through which executives and managers in the large South African companies that participated in the study can be made aware of the importance of strategic training and at the same time provides guidelines that can be used to implement a strategic training process.

Only if companies are aware of the meaning of the concept “strategic training”, and have guidelines for the implementation of a strategic training process, will they succeed in the identification and addressing the strategic training needs of executives, managers and

employees in a structured and visible manner. This will ensure that strategic training truly contributes to the competitiveness of companies.



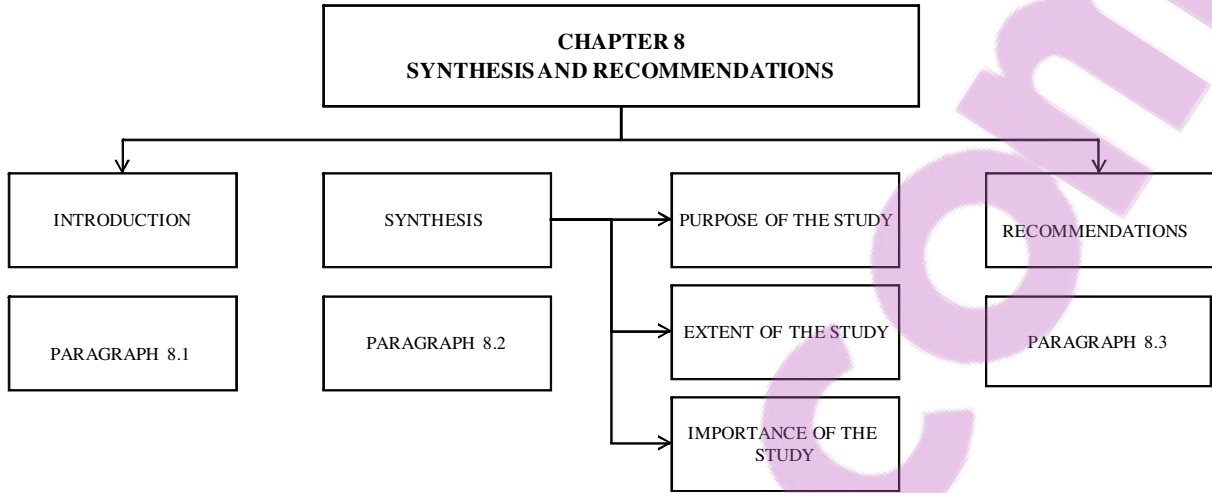
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CHAPTER 8

SYNTHESIS AND RECOMMENDATIONS



GRAPHICAL REPRESENTATION OF CHAPTER 8



8.1 INTRODUCTION

Knowledge is the most important resource of the 21st century or knowledge-centered companies. Stewart (2001:12) describes the increasing importance of knowledge as a resource for companies as follows: “Conventional assets – financial and physical capital – have not disappeared and will not; but given how important knowledge has become, as a product and in processes that add value to work, it is inevitable that knowledge would come to be a more and more important asset for organisations – their most important asset.”

The importance and value of knowledge as a resource is such that companies can no longer take for granted that knowledge processes will be performed by executives, managers and employees. Companies should therefore continually attempt, through a structured approach, to create an environment in which knowledge processes will be performed. In this environment the knowledge of individual executives and managers and employees is transformed and used for the benefit of the company as a whole.

Knowledge processes should, however, not only focus on factors that are currently present in the strategic environment of companies or the manner in which strategic and operational processes currently manifest in companies. If the scope of knowledge processes is limited to factors that are currently present in the strategic environment of companies, these processes will only contribute to the immediate and short-term competitiveness of companies. It is important for companies to also conduct knowledge processes that will result in the future competitiveness of the company.

Strategic training is a type of process that can be used to enable knowledge processes relating to the future of companies. This type of training process is closely linked to the strategic processes that are conducted to bring about the future competitiveness of companies. The point of departure for strategic training is thus the future strategic orientation of the company and thus the way in which future knowledge is managed. As a result a strategic training process initially only focuses on enabling executives and

executives and managers involved in strategic processes to manage effectively in the future. Over time strategic training will, however, also be offered to employees to be capable of effective performance in the future.

During a strategic training process training is thus used to perform knowledge processes relating to skills executives and managers will need in the future and in terms of which they experience certain training needs. These training needs are a result of the emergent strategic orientation of the company.

The effective use of a strategic training process is largely determined by the correct alignment of the strategic training process with the emergent strategic orientation of the company and the manner in which the emergent strategic orientation of the company is translated into the strategic training needs of executives and managers in particular.

The impetus for this study arose from preliminary research of the literature on strategic training as a specific type of strategic human resource development that enables executives, managers and employees involved in strategic processes to be able to give effect to the “articulated” emergent strategic orientation of the company (Rothwell & Kazanas, 1998:425). Strategic human resource development is a method according to which the human capital or knowledge assets of a company are developed and managed. During strategic human resource development and the development of the human capital of the company knowledge processes in terms of the emergent strategic orientation of the company are conducted. This preliminary research revealed that a need exists for a more pragmatic discussion of the concept strategic human resource development and also strategic training as a form of human capital development. Furthermore the preliminary research also indicated a gap in terms of the South African literature regarding strategic human resource development and also strategic training. This gives rise to a further gap in terms of the South African literature namely: The connection between the emergent strategic orientation of companies more specifically the strategic training needs of executives and managers in large South African companies. Based on the preliminary research the primary objective of the study was formulated as follows:

- To determine what the strategic training needs of executives and managers involved in strategic processes in large South African companies are and how they are they addressed.

The secondary objectives of the study were:

- To determine the relationship between the current and emergent strategic orientation of the company and training.
- To develop an insight into the nature and scope of training that is prevalent in companies.
- To determine the manner in which strategic training is addressed in large South African companies.
- To determine the type of training unit that is required to offer strategic training to executives and managers.
- To develop an understanding of the relationship that exists between knowledge management and strategic training in companies.

In accordance with the aforementioned objectives, a literature study was conducted of the nature and scope of the strategic environment of companies, the extent and scope of learning that takes place as a result of strategic training and the concept strategic training as a specific example of a future-oriented method of strategic human resource development. The findings of the literature study was empirically tested within a selection of large South African companies in order to determine the nature and scope of strategic training and the strategic training needs of executives and managers in particular as they come to light from the emergent strategic orientation of these companies.

8.2 SYNTHESIS

The nature and scope of the research are synthesised in terms of the purpose, the extent and the importance of the study.

8.2.1 The purpose of the study

The purpose of the study was to determine the nature and scope of strategic training, as well as the strategic training needs of executives and managers in a selection of large South African companies. An attempt was also made to give an indication of the connection between knowledge management and strategic training and, as a result, the manner in which strategic training as a knowledge management technique contributes to the competitiveness of companies.

The researcher has through both the literature that was consulted and the empirical research undertaken established that most large South African companies that participated in the study are essentially inexperienced regarding the concept of “strategic training”, and thus do not make use of a strategic training process to identify and address the strategic training needs of executives and managers. It was also found that companies are unaware of the use of training as a formal knowledge management initiative which supports the management of both the tacit and explicit knowledge of executives and managers.

The above had a negative effect on the execution of the study and the researcher had to address the above-mentioned obstacles by, during the course of the study, focusing on possible ways in which companies could be made aware of the concept “strategic training” and the establishment of guidelines for the use of a strategic training process. A generic framework was therefore proposed to provide a possible method to make companies aware of the importance of strategic training and to present guidelines on the implementation of a cyclical strategic training process [See Chapter 7]. This process specifically indicates the manner in which the strategic training needs of executives and

managers should be identified and addressed. The guidelines were also used in an attempt to indicate the manner in which knowledge management and strategic training could manifest in an integrated manner.

8.2.2 Extent of the study

According to the Cynefin framework for organisational sense making (Cynefin Centre for Organisational Complexity, 2004:4) the internal and external strategic environment of companies consist of four domains that are delimited by a central domain. These domains are branded as the known, knowable, complex and chaos domains. The central domain is characterised by disorder and is therefore known as the domain of disorder. The known and knowable domains are regarded as ordered and the complex and chaos domains are characteristically unordered. Each of these domains is distinguished by unique characteristics, meaning that sense has to be made in different ways of the factors present in the various domains. The manner in which companies make sense of the factors present in the known and knowable domains determines the manner in which companies formulate their current strategic orientation. Companies must, however, be able to identify and make sense of the manner in which the factors in the domains which are more emergent in nature will influence them in the future. The manner in which companies make sense of factors that will influence them in future gives rise to the formulation of the emergent strategic orientation of companies. The presence of these factors requires that the current strategic orientation of companies should be revised and amended in order to ensure the future competitiveness of companies. Companies should, however, make use of the correct training processes to empower executives and managers and employees to manage and/or work effectively in the present as well as in the future resulting from both the current and the emergent strategic orientation.

Learning occurs when knowledge processes are performed during training. Effective learning and thus knowledge processes are dependent on a suitable training environment and the right type of training process to identify and address the training needs of

executives, managers and employees. The environment that is created to allow training to occur usually has the following typical characteristics:

- A training philosophy, policy and strategy that indicate the manner in which learning will take place in the company and/or the views of the company regarding learning.
- A corporate university or other training unit that is used to present training to executives, managers and employees.
- A curriculum that sets out the nature and scope of the training offered to executives, managers and employees.
- The instructional methods and media that enable training offered to executives, managers and employees.
- A method in terms of which the effectiveness and relevance of training can be measured.
- Cooperation with a variety of external training providers to support and enhance the training provided by the company to its executives, managers and employees.
- The provision of training to the value chain of the company.

The manner in which the above-mentioned characteristics manifest in companies is determined by the type of training processes that will be used.

Two types of training processes that are found in companies are traditional and strategic training. Traditional training is used to address the training needs of executives, managers and employees in terms of the current strategic orientation of companies. Strategic training is used in the first instance to identify and address the training needs of

executives and managers involved in strategic processes as a result of the emergent strategic orientation of companies. As soon as the strategic training needs of executives and managers have been addressed, the rest of the employees' strategic training needs should be identified and addressed through a strategic training process. Strategic training enhances the ability of individual executives and managers to manage effectively and individual employees to be capable of effective performance in the future. Strategic training is one of the three methods used to equip executives, managers and employees for working in companies in the future. Methods that are used to equip executives, executives, managers and employees for the future circumstances in companies are known as strategic human resource development. Strategic human resource development thus differs from traditional human resource development, in that the latter focuses on equipping executives, managers and employees for managing and working effectively in companies as they manifest at present. The point of departure for strategic human resource development is the emergent strategic orientation of the company since it is difficult to determine the exact nature and scope of future performance. The point of departure for traditional human resource development is the current performance of executives, managers and employees.

A study was conducted in a selection of large South African companies to determine the use of strategic training in these companies. The following aspects were the focus of the study conducted in the selection of large South African companies:

- The awareness of companies as regards the alignment of their current and emergent strategic orientation with their training processes.
- The manner in which training processes are supported by the training infrastructure in companies.
- The knowledge of companies regarding the meaning of the concept “strategic training” and the use of strategic training to equip executives and managers to manage and work effectively in the future.

- The strategic training needs of executives and managers flowing from the emergent strategic orientation of companies.
- The use of training as a technique by means of which knowledge management can be conducted in a structured manner.

The results of the study indicated that the large South African companies (24) that participated in the study are not aware of the correct or precise meaning of the concept “strategic training” and consequently do not make use of this type of training process to prepare executives and managers for the future.

Certain recommendations are therefore made at a macro or national level and at a micro or organisational level to address the above-mentioned situation in the large South African companies that participated in the study. These recommendations entail making companies aware of the importance of strategic training and establishing guidelines that will assist companies in using a strategic training process. The use of a strategic training process is proposed and explained using four consecutive phases known as the orientation phase, identification phase, implementation phase and the feedback phase. If the strategic training process consists of these four phases it will be cyclical in nature. This entails that the results of the strategic training process are used to contribute to the execution of strategic processes during which the current strategic orientation is revised and amended and the emergent strategic orientation of the company is formulated.

8.2.3 Importance of the study

The study makes a contribution in terms of both the use of knowledge management as well as human resource management. These contributions are:

8.2.3.1 The use of knowledge management at a strategic level

The study indicates the manner in which knowledge management should be used at a strategic level in companies rather than merely at an operational level. The strategic training of executives and managers in particular has the outcome that knowledge processes regarding strategic processes take place in a structured manner. Strategic training thus allows executives and managers to appreciate the importance of knowledge management or the establishment of a structured environment in which knowledge processes can be performed in order to make a contribution to both management processes and work performance in the company. If executives and managers experience the value of knowledge management at a strategic level through the use of strategic training, it should naturally also result in further support for the use of knowledge management initiatives at an operational level. Knowledge management should thus be applied at both a strategic and operational level, and particularly from the framework of a knowledge management strategy that supports the knowledge strategy of the company as determined by the grand strategy of the company in order to contribute to the competitiveness of the company.

8.2.3.2 Training in strategic domains

Various aspects regarding the different domains of the Cynefin framework for organisational sense making are already known and have been described in the literature (Cynefin Centre for Organisational Complexity, 2003:1) [See Chapter 2]. However, the researcher attempts to indicate the manner in which this model should be interpreted in terms of training. Since the ordered domains focus on factors that are regarded as known and knowable, immediate sense can be made of the factors present in these domains. Thus training needs in these domains should largely be addressed through traditional training. In the unordered domains sense is made by stimulating or suppressing patterns (complex domain) or through immediate action (chaos domain). The uncertain nature of these domains means that training needs should be determined based on predictions and projections and will thus typically be addressed by way of strategic training.

8.2.3.3 *The use of strategic training*

The study indicates the manner in which the use of strategic training should be promoted at a macro or national level through various mechanisms such as legislation. Certain guidelines are, however, also laid down to empower companies to make use of the strategic training process at a micro or organisational level in order to identify and address the strategic training needs of executives and managers in particular.

8.3 RECOMMENDATIONS

The primary objective of the study was to ascertain the strategic training needs of executives and managers involved in strategic processes in large South African companies and the manner in which these training needs are addressed. Based on the analysis and interpretation of the findings of the literature study and the empirical research conducted to achieve the primary objective of the study the following recommendations are made.

8.3.1 Recommendation 1

On a macro- or national level it is recommended that the South African government encourage and support the use of both traditional and strategic training.

It was apparent from the empirical component of the study that large South African companies have a well-developed training infrastructure for traditional training [See paragraph 6.3.3]. This is attributed to a variety of legislation and mechanisms through which especially traditional in companies are encouraged and supported by the South African government.

The use of a strategic training process to ensure the effectiveness of executives and managers and also the competitiveness of companies is dependent on companies being aware of the meaning of the concept “strategic training”. An awareness of the meaning “strategic training” entails that companies understand the nature and scope of strategic training as well as the importance and value of this type of training process. The South

African government should thus encourage and support the use of strategic training through similar legislation and mechanisms as is the case with traditional training. Companies should also be empowered, through the said legislation and mechanisms to establish an infrastructure and environment within which the strategic training needs of executives and managers can be identified and addressed through a strategic training process. Legislation and the establishment of mechanisms will also have an influence on the nature and scope of management training that is offered to companies by external providers of training since they will have to make provision for addressing the strategic training needs of executives and managers.

Only if the South African government encourages and support the use of strategic training in a visible manner will companies realise the importance of offering training opportunities to executives and managers to enable them to manage effectively in all four the strategic domains of companies. The researcher suggests that legislation such as the *Skills Development Act, no. 97 of 1998* and the *Skills Development Levies Act, no. 24 of 1999* and mechanisms such as the National Qualifications Framework, South African Qualifications Authority, Sector Education and Training Authorities should make provision for both traditional and strategic training.

8.3.2 Recommendation 2

On a micro- or organisational level it is recommended that executives and managers involved in strategic processes constantly monitor the factors present in the complex and chaos domains which are emergent in nature in order to determine the effect of these factors on the current strategic orientation of the company.

The establishment of measures by government that will encourage companies to use strategic training and that will support such training does not necessarily imply that companies will make use of strategic training. It is also not ensured by the availability of training programmes provided by external providers of training. Companies will only

make use of strategic training if they are aware of the effect of strategic training on the long-term competitiveness of the company.

It was evident from the literature that the strategic orientation of companies must be formulated in terms of factors present in both the external and the internal environment of companies and the manner in which the external and internal factors influence one another. The internal and external environments of companies are divided into four domains, namely the known, knowable, chaos and chaotic domains [See Chapter 2]. Executives and managers involved in strategic process should develop the skills to monitor the strategic environment of the company on an ongoing basis and to formulate the current as well as the emergent strategic orientation of the company according to the factors present in the domains in the strategic environment of companies.

The skills that executives and managers need to be able to formulate the current strategic orientation are acquired by means of traditional training while strategic training will enable executives and managers to acquire the skills they will need to formulate the emergent strategic orientation. However, strategic training should have an effect on the manner in which the current strategic orientation of the company is formulated. Executives, managers and employees should thus be prepared for possible revisions and amendments in the current strategic orientation of the company through a strategic training process [See paragraphs 6.3.1.4 and 6.4.1].

8.3.3 Recommendation 3

It is recommended that the alignment between the company's strategic orientation and training is established by means of a cyclical relationship which exists between strategic processes and strategic training.

The literature study demonstrated that the current and emergent strategic orientation of the company should be aligned with the traditional and strategic training processes in the company. However, the empirical research indicated that this is not necessarily the

situation in large South African companies. A cyclical relationship between strategic processes and strategic training implies that the emergent strategic orientation of the company should be aligned with strategic processes. Likewise it means that the results of the strategic training process must be used to revise the current strategic orientation and to amend or revise it if necessary. The presence of a cyclical relationship between strategic processes and strategic training requires that the strategic training process provides for amendments in the strategic orientation of the company being reflected in the strategic training offered to executives and managers.

If a cyclical relationship exists between strategic training and strategic processes it will ensure that strategic training is effective and relevant to the emergent strategic orientation of the company and thus contributes to the competitiveness of the company [See Chapter 7].

8.3.4 Recommendation 4

It is recommended that a cyclical strategic training process that is aligned with the emergent strategic orientation of the company should be used to enable strategic training..

The empirical research conducted in a selection of large South African companies demonstrated an absence of strategic training processes in these companies. This absence should be addressed through the implementation of a cyclical strategic training process. A strategic training process of this nature would ensure that the strategic training needs of executives and managers are identified and addressed [See Chapter 7].

8.3.5 Recommendation 5

It is recommended that the executives and managers of companies are purposefully sensitised or orientated regarding the concept “strategic training” as well as the nature and scope of a strategic training process.

It was evident from the findings of the literature study and the empirical research that large South African companies are for the most part unaware of the correct or precise meaning of strategic training. Furthermore, the literature study as well as the empirical research indicated that although some companies might be knowledgeable or aware of the concept “strategic training” they do not necessarily know how to implement a training process of this nature and therefore do not succeed in identifying and addressing the strategic training needs of executives and managers.

This recommendation is fully motivated in Phase 1 Orientation phase of the cyclical strategic training process presented in Chapter 7.

8.3.6 Recommendation 6

It is recommended that the cyclical strategic training process makes specific provision for the involvement and participation of individuals who are responsible for strategic processes such as executives and managers and individuals who are responsible for training in the strategic training process.

It was apparent from the literature study that a relationship should exist between the strategic processes of the company and strategic training. This explains why effective strategic training is dependent on the intense involvement of both the executives and managers involved in strategic processes and individuals responsible for the development of human resources of the company.

This recommendation is fully motivated in Phase 1 Orientation phase of the cyclical strategic training process presented in Chapter 7.

8.3.7 Recommendation 7

It is recommended that the use of strategic training as a structured initiative in terms of which knowledge processes regarding the emergent strategic orientation of the company are performed must be explained to executives and managers by individuals responsible for the strategic training process and/or individuals responsible for knowledge management such as a Chief Knowledge Officer.

It was evident from the findings of the research that strategic training is not regarded as a structured initiative that can be used to create an environment in which knowledge processes (creation, codification, sharing, organise, use) regarding the emergent strategic orientation of the company can be performed. Furthermore, companies place emphasis on managing explicit knowledge or information rather than managing both explicit and tacit knowledge regarding the emergent strategic orientation of the company.

This recommendation is fully motivated in Phase 1 Orientation phase of the cyclical strategic training process presented in Chapter 7.

8.3.8 Recommendation 8

It is recommended that the emergent strategic orientation of the company must be translated into the strategic training needs of executives and managers.

The empirical research revealed that only a two of the 24 large South African companies makes use of a strategic training process. This finding implies that large South African companies are for the most part uninformed regarding the strategic training needs of executives and managers and are in need of guidelines to assist them in translating the emergent strategic orientation of the company into the strategic training needs of executives and managers.

This recommendation is fully motivated in Phase 2 Identification phase of the cyclical strategic training process presented in Chapter 7.

8.3.9 Recommendation 9

It is recommended that the cyclical strategic training process should provide for the entire spectrum of training needs of executives and managers as they flow from the emergent strategic orientation of the company.

The literature study and empirical research revealed that strategic training needs vary according to the nature of the strategic domain (known, knowable, complex and chaos) in which the company is situated. However, a strategic training process should enable and support the identification of the training needs of executives and managers in terms of both conventional and soft skills including strategic insight, managerial skills, leadership, interpersonal skills, job content skills and generic skills as it flow from the emergent strategic orientation of the company.

This recommendation is fully motivated in Phase 2 Identification phase of the cyclical strategic training process presented in Chapter 7.

8.3.10 Recommendation 10

It is recommended that the manner in which training is addressed within the company should make provision for the unique nature and scope of strategic training.

The literature study and the empirical component clearly demonstrated that companies are largely uninformed regarding the nature and scope of strategic training [See Chapter 4]. The nature and scope of strategic training entails the following:

- Strategic training focuses primarily on executives and managers involved in strategic processes.
- Strategic training necessitates the involvement and participation of executives involved in strategic processes as well as individuals responsible for training

processes in both the formulation of the emergent strategic orientation of the company and the strategic training process.

- Strategic training is dependent on instructional methods and media that are interactive in nature.
- Strategic training can be provided by external providers of training on the condition that the training which is offered should be highly customised according to the emergent strategic orientation of the company and the specific training needs of executive management as it flow from the emergent strategic orientation of the company.
- A different set of standards or criteria should be developed to measure the effectiveness and relevance of strategic training as opposed to traditional training. Furthermore, companies should consider the necessity of measuring the effectiveness and relevancy of strategic training as it should be regarded as part of the strategic processes of the company.
- Strategic training requires the inclusion of the value chain of the company in the training process.

This recommendation is fully motivated in Phase 3 Implementation phase of the cyclical strategic training process presented in Chapter 7.

8.3.11 Recommendation 11

It is recommended that companies make use of their existing training units to provide strategic training to companies. However, the processes which are followed by existing training units to provide strategic and traditional training to executives, managers and employees should be different. The provision of strategic training is not dependent on the use of a corporate university although the customised nature of training which is

characteristic of corporate universities seems to be conducive to a strategic training process.

Companies can use any type of relevant training unit including a corporate university to provide training of a strategic nature as long as the nature and scope of the training programmes are dictated by the emergent strategic orientation of the company.

This recommendation is fully motivated in Phase 3 Implementation phase of the cyclical strategic training process presented in Chapter 7.

8.3.12 Recommendation 12

It is recommended that the executives and managers involved in a strategic training process provide feedback regarding the outcome or effect of training programmes at a strategic and operational level.

The research indicated that companies are unaware of the effect of strategic training on the competitiveness of the company. Executives and managers should therefore provide feedback on the effect of strategic training at a strategic and operational level. Executives and managers will indicate the manner in which they can use or apply their newly acquired skills to the advantage of the strategic processes that take place in the company. Furthermore, executives and managers will indicate the manner in which they can use or apply their newly acquired skills to contextualise the strategic training of employees. Executives and managers can then indicate to employees which skills will be required of them in future.

This recommendation is fully motivated in Phase 4 Feedback phase of the cyclical strategic training process presented in Chapter 7.

8.3.13 Recommendation 13

It is recommended that strategic training is included in the knowledge management strategy of companies and recognised as a knowledge management technique.

The use of strategic training as a formal knowledge management technique should be recognised by companies. During a strategic training process knowledge regarding the emergent strategic orientation of the company is created and shared and eventually used or applied. This would ensure that knowledge processes which were performed during strategic training enhance and support the revision and amendment of the current strategic orientation of the company. Furthermore, the knowledge processes which were performed during the strategic training process would enable executives and managers to be effective in terms of future work performance.

8.4 FURTHER AREAS OF RESEARCH

The researcher could, of course, not address all aspects of strategic training, and the strategic training needs of executives and managers in particular, within the scope of this study. Related aspects regarding the topic of the study that could require further research are:

- The development of a model to establish the necessary mechanisms at a macro or national level to support the use of a strategic training process in companies;
- The critical success factors of strategic training as a knowledge management technique. Specific examples of critical success factors which need to be addressed are organisational culture and structure as well as management style.
- The development of a model according to which the “return on investment” of strategic training can be measured and that could serve as a motivation for the use of a strategic training process by companies;



- A comprehensive benchmark study of large South African companies that make use of strategic training that could guide companies in the implementation and maintenance of a strategic training process; and
- The effectiveness of the use of conventional knowledge management techniques such as communities of practice, expert forums and knowledge fairs that focus on both the tacit as well as the explicit knowledge of executives and managers during strategic training.
- The specific role and responsibility of Chief Knowledge Officers in the process of identifying and addressing the strategic training needs of executives, managers and employees.

In conclusion, the researcher is of the opinion that the framework for the implementation of a cyclical strategic training process in large South African companies as set out in Chapter 7 should merely be regarded as a proposal regarding the manner in which companies should be made aware of strategic training and the manner in which a strategic training process should manifest in companies. These guidelines are still untested and should be adapted and refined further according to the unique needs, environments and circumstances of companies.

8.5 CONCLUSIONARY REMARKS

The presence of a training infrastructure with various training processes that will provide for the different types of training needs of executives, managers and employees does not guarantee effective strategic training. The success of a strategic training process is also dependent on the support and involvement of the executives and managers of the company in a training process of this nature and a culture which is conducive to learning. A suitable training infrastructure, the support and involvement of executives and managers and a culture which is conducive to learning will ensure that a strategic training

process can contribute to the long-term competitiveness of companies including large South African companies.



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ANNEXURE A
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DEPARTMENT OF INFORMATION SCIENCE

Consent form

Researcher

I, the undersigned At Botha have fully explained to the research participant the nature and purpose of the research for which I have asked his/hers participation.

Research participant

I, the undersigned A ELWEN understands that my participation in this research is voluntary and that my responses will be treated as confidential if I so wish. I may at any time and for any reason withdraw my participation.

Researcher :

At Botha

Research participant (not compulsory)

A Elwen

Witness

T Keyn

Place

Isando

Date

2/12/03

Barloworld Equipment **CAT**

Adrian Elwen
Manager: Management & Functional Development

Barloworld Equipment (Pty) Ltd
Electron Avenue Extension Isando
PO Box 11 Isando 1600
South Africa
Telephone +27 (11) 929 0000 Direct Line +27 (11) 929 0420
Direct Fax +27 (11) 929 0033 Mobile +27 (82) 902 4958
aelwen@bec.co.za

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ANNEXURE B

A list of aspects which were discussed during the semi-standardised interviews conducted with respondents at large South African companies.

The strategic continuing training needs of executives and managers in a selection of large South African companies

Compiled by Deonie Botha

1 GENERAL

1.1 Name of company:

1.2 Name of interviewee:

1.3 Job title of interviewee:

1.4 Brief description of company

1.4.1 Type (industry/sector) of company:

1.4.2 Location of company:

1.4.3 National/multinational:

1.4.4 Number of employees:

1.4.5 Annual report or other publication on the strategic orientation of company

2 STRATEGIC ORIENTATION

2.1 Name one of the major strategic objectives of the company.



- 2.2 How often do the strategic objectives of the company change?
- 2.3 What will cause the strategic objectives to change?
- 2.4 How will the employees be informed about changes occurring in the strategic objectives of the company?

3 STRATEGIC TRAINING NEEDS

- 3.1 Describe the nature of training and the type of training unit that the company uses to provide training to executives and managers.
- 3.2 Are you familiar with the concept “strategic training needs”?
- 3.3 Do the training programmes in the company support the emergent strategic objectives of the company?
- 3.4 Which skills do executives and managers need for the company to reach its emergent strategic objectives?
- 3.5 Give a typical example of a strategic training need that is derived from one of the emergent strategic objectives of the company?
- 3.6 How involved are the executives and managers of the company in the training of employees?

4 TRAINING METHODS AND MEDIA USED BY COMPANIES

- 4.1 What training methods and media does the company use?
- 4.2 Why do you think the method referred to in question 4.1 is effective or not effective? Please motivate your answer.
- 4.3 How does the company determine the effectiveness and relevance of training?



- 4.4 Does the company provide executives and managers with the opportunity for continuous education?
- 4.5 If so, provide examples of the type of continuous education your executives and managers are currently involved with?
- 4.6 Which external providers of training (business school, consulting firm) are involved in the development and provision of training to the executives and managers of the company?
- 4.7 Is the company currently using a corporate university to train executives and managers?
- 4.8 Did the company consider using a corporate university in order to provide continuous education to executives and managers?
- 4.9 Why did the company decide to use/not use a corporate university?
- 4.10 Who does the company provide training to apart from their executives, managers and employees?
- 4.11 How is knowledge management practised in the company?



ANNEXURE C

Main business education and development needs of senior level/potential senior level executives or performers in South Africa today. What are the executives not able to do effectively that they should be able to do? (Grant, 1999:15-25)

Business education and development need	Brief description of need as indicated in the Grant study (1999).
Technical skills	“Technical skills are vital – all business people should be comfortable with PC’s / IT.”
Personal development	“People need to be confident in themselves, articulate, be a person of high integrity, be able to network at every level in the company.”
Knowledge management	“Knowledge managers developed extensive and detailed customer profiles by asking questions such as: <ul style="list-style-type: none">• How much do we know about our customers?• How can we leverage what we do know?• What do our customers require?• Where are they going?• What is their vision and future strategic direction?• What is the range of relationships we have with our customers?”
Development/training/education	“There is a great need to have a transition course that enables high flyers to function better in a situation where they haven’t had much experience.”
General management	“Managers do not know how to manage today and hence a consulting company can make a significant difference by instilling some discipline into an organisation.”



Finance/bottom line	“Managers need to be trained to run their bottom line better and to manage costs better. They are great at meeting people in the lobby and making guests feel welcome but their business skills are poor and therefore they have little direction with their planning.”
Vision/global competitiveness	“SA managers are generally well thought of internationally because they can do virtually anything but they lack vision and leadership. They lack those elements of big thinking because they are not part of the global thought programme.”
Succession planning	“Managers have never been taught to think. Are managers clear in their own minds what are expected of people and are they able to convey it to them? Managers have never been taught how to coach, or give feedback to improve performance so that the person develops.”
Affirmative action/black empowerment	“Transformation of the corporate culture is a much more fundamental issue – is it inclusive enough so that black managers feel integrated or do they continue to feel isolated? It is worrying that this issue appears to have moved off the agenda of CEO’s – a tendency to think that the issue has been dealt with when in fact we are just beginning to deal with some of these issues.”
Loss of skills/Lack of skills	“A lot of young, well educated whites are leaving the country. They are not emigrating, they are just leaving. We now have to transfer skills from one generation to the next.”
Medium company sector	“... the need to create larger amounts of medium sized companies in South Africa is essential for growth and



	job creation.”
Team management	“Have management and executives have confidence to engage each other, ask questions without ridiculing others, not to play politics and really learn about the different areas within the organisation so that the organization would benefit by the team addressing a problem or issue.”
Measurement of performance	“Managers do not know what to measure to improve performance down into the organization.”
Leadership/people skills/relationships	“Management in South Africa has good technical skills but lacks people skills. Managers care only about the bottom line and don’t care about relationships or building organisational culture – yet it is essential that we take people along with us.”
Cultural links	“Cultural links with all the different population groups in the broadest of terms are lacking. Most white managers have no experience of professional Black people. These managers shouldn’t be surprised that there are good black professional people available for key jobs.”
Communication	“Knowledge sharing and effective leadership will create a culture where knowledge will flow – encourage people to share information.”
Integration of knowledge/practical <i>versus</i> theory	“Too often MBA’s can’t integrate their knowledge into their organisations or translate it into real practice.”
Emotional intelligence	“... you need to have a broad mind in order to understand the role of business in society. Too often business in South Africa is seen as an end in itself and big business tends to see society’s role as satisfying business rather than the other way around.”



Innovation	“One of the most important areas for business to concentrate on is in the area of innovation. This requires training and adaptation to new ideas and new trends, especially in the workplace. People need to be encouraged to be innovative.”
Miscellaneous	“The new managers are specialists doing specialised work but across the board – they are cross-linked and can take on another role if necessary. For example, the finance director needs the flexibility to be able to interact with customers and factories. All managers need to be able to manage knowledge.”

ANNEXURE D

Prevalence of training provided to employees (including executives and managers) in large South African companies (ASTD Global Network South Africa, 2003:34-35).

The underneath table provides an “indication of the availability of certain types of training to employees in South African companies. From this table we can see 100% of respondents indicated that Employee induction and Leadership/Management training are provided to employees whereas only 15% of companies provide training on Self-directed learning skills and 20% of companies provide training related to Ethics.”

Training type	Prevalence %
Employee induction	100
Leadership/management	100
Computer/IT Skills	94
HIV/Aids awareness	94
Safety	92
Product knowledge	85
Customer service	85
Financial skills	79
Performance management/Appraisals	79
Speaking/Presentation skills	73
Team building	73
Apprenticeship/Learnerships	73
New equipment operation	69
Time management	68
Train-the-trainer	68
Process/Quality improvement	66
Teamworking	66
Problem solving and decision making	63



Recruiting/Hiring/Interviewing	63
ABET-all levels	58
Change management	58
Professional development	53
Diversity	53
Business/Technical writing	50
Basic life/work skills	48
Strategic planning	44
Outplacement/retirement	37
Sexual harassment	31
Wellness (stress etc.)	27
Foreign/other language	26
Ethics	26
Creativity	23
Self-directed learning skills	15
Other	13