

**A STRATEGIC CONVERSATION MODEL TO OPTIMISE RETURN ON
OCCUPATIONAL TRAINING EXPECTATIONS**

by

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submitted in accordance with the requirements
for the degree of

DOCTOR OF EDUCATION

in the subject

EDUCATION MANAGEMENT

at the

UNIVERSITY OF SOUTH AFRICA

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February 2013

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I declare that

**" A STRATEGIC CONVERSATION MODEL TO OPTIMISE RETURN ON
OCCUPATIONAL TRAINING EXPECTATIONS"**

is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

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(C Moorhouse)

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DATE

Acknowledgements

For my highest aspiration, during strategic conversations, is to say:

"Let the words of my mouth and the meditation of my heart be acceptable in Your sight, O Lord, my Rock and my Redeemer."

Psalm 19 verse 14

Special thanks are also due to the following persons:

- My promoter, Professor G.D. Kamper, for his patience, guidance, support and prayers through this life-changing endeavour.
- My loving husband Connal for his continuous patience, love and support. You were my strength when I was weak. Without you, I would never have realised my dream.
- My wonderful children, Wicus, Christené and Justine, who had to make so many sacrifices. I trust that you will one day understand and reap the benefits of this endeavour.
- My parents, Rex and Christine for their unconditional love and continuous prayers.
- Granny Nonnie who's last words inspired me to take on this endeavour.
- Kate for being a wonderful grandmother to my children, in sickness and in health, especially during my times of absence.
- My friend Adèle who was always there listening; who sponsored my computer; and who literally saved my thesis from the ashes.
- My lifelong friend Estelle who believed in me.
- All my family and friends who supported me throughout and remained my friends despite my "silence".

Summary

For more than three decades, the World Economic Forum's annual *Global Competitiveness Reports* have studied and benchmarked the many factors underpinning national competitiveness. The quality of higher education and training is considered particularly crucial to ensure national competitiveness. The globalizing economy requires countries to nurture pools of well-educated workers who are able to perform complex tasks and adapt rapidly to their changing environment and the evolving needs of the economy. Vocational and continuous on-the-job training and the constant upgrading of workers' skills is critical to sustain the economical status of the country.

Despite the acknowledgement that education, training and development (ETD) is a key driver for a country's economical sustainability and growth, the contributions that companies make to this effect are a concern. This is ascribed to the difficulties experienced in companies regarding the management of ETD. In this study it is postulated that communication problems are at the heart of the challenges which are experienced in managing ETD.

Strategic conversation is proposed as one of the methods to address the communication and performance shortcomings experienced by business and ETD managers. It is argued that if the level of conversations is raised to make them strategic, the potential to optimise results and make an impact at organisational and national level is increased. Hence, the purpose of this study was to propose a Strategic ETD Conversation (SETDC) model to optimise Return on Occupational Training Expectations (ROTE) that would contribute towards the achievement of organisational and national strategic goals.

In lieu of the limited empirical research available on the strategic conversation phenomenon in general, the purpose of this study was *inter alia* to conduct empirical research to explore the essence of strategic ETD conversations in order to propose a model of practical value to ETD managers. Hence, the empirical research was situated in both an explorative paradigm and a pragmatic paradigm with the aim to

provide practical solutions and an instrument to successfully engage in strategic ETD conversations which would enhance the quality of ETD and thus contribute to global competitiveness.

Key terms

Strategic education, training and development conversation; Return on Occupational Training Expectations; Return on Investment; Return on Expectations; strategic management; education, training and development management.

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Chapter 1

Orientation

1.1 BACKGROUND

For more than three decades, the World Economic Forum's annual *Global Competitiveness Reports* have studied and benchmarked the many factors underpinning national competitiveness (Schwab, 2013:4). Many determinants drive productivity and competitiveness. Higher education and training is one of drivers of productivity and competitiveness. The quality of higher education and training is considered particularly crucial to ensure national competitiveness. The globalizing economy requires countries to nurture pools of well-educated workers who are able to perform complex tasks and adapt rapidly to their changing environment and the evolving needs of the economy. Vocational and continuous on-the-job training and the constant upgrading of workers' skills is critical to sustain the economical status of the country (Schwab, 2013:5).

Despite acknowledgement that education, training and development (ETD) is a key driver for a country's economical sustainability and growth, the contributions that companies make to this effect is a concern. Bersin and Associates (2005:9) stated that it remains notoriously difficult to manage and measure ETD. Further to this, the Chartered Institute of Personnel and Development (Anderson, 2007:2) found that only one-third of business managers in their study took ETD implications into account when overall organisational strategy is discussed and formulated. In addition, in almost half of the organisations the ETD function is not a key stakeholder in determining organisational strategy (Anderson, 2007:2). Nickols (2004:1-7) found that in the majority of cases there existed a "them and us" attitude between the different stakeholders in organisations.

In addition, from my experience, stakeholders tend to articulate Return on Occupational Training Expectations (ROTE) either within a business excellence framework or within an ETD framework. This dissonance in articulation causes a constant feeling of dissatisfaction by stakeholders in terms of the achievement of their articulated ROTE. This dissonance in the articulation of ROTE impedes the formulation and implementation of ETD strategies that are aligned with business strategies.

It furthermore complicates the analyses and understanding of the "what and why" things are wrong regarding ETD, as well as "where, when and how" ETD could be improved. A need has therefore been identified to develop a framework in the form of a Strategic ETD Conversation (SETDC) model to facilitate the articulation of ROTE. SETDC is required to facilitate the synchronous oscillation between ETD and business acumen to formulate and implement strategies that would optimise ROTE, to ensure the competitive advantage and sustainability of the company.

1.2 THE RATIONALE FOR THE DEVELOPMENT OF A STRATEGIC EDUCATION, TRAINING AND DEVELOPMENT CONVERSATION MODEL TO OPTIMISE RETURN ON OCCUPATIONAL TRAINING EXPECTATIONS

In the preceding section it was mentioned that there exists a dissonance between ETD and business managers' articulation of ROTE. ROTE refers to a combination of a variety of ETD expectations and is founded on the perceptions of the participants (see section 1.6.1). From my experience the ETD paradigm that is favoured by each business manager is a key factor in determining the way in which ROTE is articulated and perceived. In order to facilitate the achievement of ROTE in an environment where managers' ETD paradigms differ requires a thorough understanding of the various ETD paradigms. Further to this, several shifts also occurred within the ETD paradigms over time. Hence, ROTE is not always articulated from a specific perspective within a paradigm, but could be articulated on a continuum of the various perspectives within a paradigm.

In my view, the articulation of ROTE and a common understanding between stakeholders is critical to align ETD and business strategies. I am postulating in this study that a common understanding of ROTE will be achieved through successful engagement in SETDC. Furthermore, I am convinced that SETDC to optimise ROTE is the key to address the dissatisfaction with the value added by ETD. Since the ultimate aim of SETDCs is to optimise ROTE, this section focuses on describing the key ETD paradigms that are of importance to articulate ROTE. In Chapter 3 the nature, principles and key factors that determines successful engagement in SETDC to optimise ROTE are described.

1.2.1 A shift from training to learning

Due to global dynamics and increasing competitiveness, organisations must learn faster to adapt to rapid changes. Ensuring the competitive edge in a hyper turbulent environment depends on adaptability, and adaptability depends on the capability to learn, which in turn depends on the motivation for continuous learning of everybody in the organisation (Van Dyk, Nel, Loedolff & Haasbroek, 2001:121). According to Anderson (2007:IX), and Galloway (2007), organisations are increasingly aware of the knowledge-intensive nature of the competitive environment. However, the fact that knowledge is more readily available and accessed, does not mean that learning occurred. In addition, ETD does not always ensure learning or the transfer of learning to the workplace environment. A need for a culture of learning in organisations has therefore transpired and organisations are increasingly accepting the importance of learning rather than ETD. As a result a paradigm shift occurred from ETD to learning. There is now a requirement to develop work-based learning opportunities in addition to the provision of task-focused ETD interventions.

ETD refers to the acquisition of knowledge, skills, and competencies to do a job as a result of content-based and instructor-led interventions with the aim to achieve organisational objectives (Anderson, 2007:1; Van Dyk, Nel, Loedolff & Haasbroek, 2001:148). Learning, on the other hand, refers to permanent change in knowledge, skills, attitudes or behaviour that occurs as a result of formal or informal exercises and/or experiences (Anderson, 2006:1; Erasmus & Van Dyk, 2003:2). In the

occupational environment, learning is thus regarded as the individual's ability to do something that he/she was previously not able to do. Hence, the learner needs to be able to transfer the acquired knowledge and skills to the workplace environment and be able to perform optimally against the workplace performance expectations.

An understanding of the difference between ETD and learning is important to engage in SETDCs to articulate ROTE. ETD does not necessarily imply that productive learning occurs. Consequently it is necessary to manage a business manager's perception of ROTE. The differentiation is furthermore important to identify the causes and constraints of unproductive learning in order to find suitable solutions for continual improvement. For example, although the ETD methodology could have been sound, insufficient or inappropriate learning could have occurred as a result of inappropriate learning content. The selection of inappropriate content might only be a symptom of another problem. The cause of the selection of the wrong content might only be revealed by evaluating the instructional design process, starting with the initial articulation of ROTE.

This shift in emphasis from ETD to learning to accommodate both the individual and organisational needs has significant consequences for SETDCs to optimise ROTE. The primary concern with the value of the ETD experience for learners has now been replaced by the need to focus on the value of learning processes for the organisation as a whole. Therefore, SETDCs should not only focus on ETD aspects, but also on the implications of the impact of learning on ROTE.

1.2.2 A shift towards a business oriented approach during the evaluation of education, training and development, and learning

Rothwell and Sredl (1992b:420) confirm that evaluations conducted in the past, typically focussed on feedback about ETD rather than on the impact of learning on job performance. More recent research indicates, however, that executives increasingly describe a need for corporate, business-related measures of learning effectiveness. There is an increasing demand for a more flexible and business

oriented approach to learning impact measurement and evaluation (Accenture, 2004:1; Anderson, 2007:8; Bersin & Associates, 2006:9; Galloway, 2007).

An analysis of the research conducted by Accenture (2004), the Chartered Institute of Personnel and Development (Anderson, 2007), and Bersin and Associates (2005) confirm that there is indeed a trend to focus the evaluation of learning impact on business related aspects. However, in my view, the implication and concern regarding this approach to evaluation is that it merely creates a shift in focus from ETD-centeredness to business-centeredness. This might lead to an overemphasis of the achievement of business strategies and goals which will subsequently induce the compromising of ETD and learning principles. This would mean, once again, the disregard of a holistic approach to manage ETD. Subsequently, the need to develop a holistically designed SETDC model to optimise ROTE is re-emphasised. The SETDC model to optimise ROTE should aim to avoid overemphasis on business aspects at the expense of ETD best practices during the evaluation of the value added by ETD, and vice versa.

1.2.3 The shift to a partnership approach to align education, training and development, and business strategies in the organisation

There is an increasing demand to align ETD strategies with the business strategies of the organisation. Furthermore, the contribution that ETD can make to business success needs to be emphasised. A strategic approach to people development requires ETD management methods, evaluation methods and reasoning processes that reflect the concerns of key stakeholders in an organisation (Anderson, 2007:29, Nickols, 2004:1-7).

The Chartered Institute of Personnel and Development (Anderson, 2007:2) found that only one-third of business managers in their study took ETD implications into account when overall organisational strategy is discussed and formulated. In addition, in almost half of the organisations the ETD function is not a key stakeholder in determining organisational strategy (Anderson, 2007:2). Nickols (2004:1-7) found that in the majority of cases there existed a "them and us" attitude between the

different stakeholders in organisations. Nickols (2004:1-7) underlines the importance of a stakeholder approach where the expectations of all the key stakeholders in ETD are included. Such a partnership approach will ensure that several groups within an organisation have a say in the formulation and implementation of ETD strategies. He emphasises that any effort to design, develop, deliver and evaluate ETD and learning must take into account the needs and requirements of the various stakeholder groups. He stresses that failure to do so will result in failure to satisfy key stakeholder expectations. Hence, there is a need for a SETDC model to enhance partnering between both ETD and business managers to optimise ROTE.

1.2.4 Dissatisfaction with traditional education, training and development evaluation models

The idea to determine the value added by ETD to the organisation, at various levels and in particular at organisational level, is not new. Kirkpatrick's (1994) model in which he identified four levels of evaluation is often used as the basis for evaluations at different levels. The four levels are:

- Level 1: Learners are satisfied with the training (learner satisfaction).
- Level 2: Participants changed their attitudes, increased their knowledge and/or their skill as a result of attending the programme (learning).
- Level 3: A change in behaviour has occurred in the workplace as a result of the learning programme (job impact).
- Level 4: The training system and the learning programme impact on the organisation business performance.

Phillips added a fifth "level" (Return on Investment, referred to as ROI) (Wolfson, 2001:251). While Kirkpatrick does not necessarily believe that ROI is the fifth level, it is often considered as the ultimate measure of ETD impact.

Several authors express dissatisfaction with traditional models, primarily Kirkpatrick's and Phillip's. Galloway's (2007) research finds that although Kirkpatrick's model

hugely contributes towards the theory of evaluation, it is impractical and too expensive and time-consuming to get to level 5. He suggests that one should rather find a measurement system that uses what is already in place. Anderson (2007:29) states that "[t]raditional evaluation methods, which focus on the experiences of learners and trainers, can offer some information about the efficiency and effectiveness of learning operations but they do not address the wider organisational expectations of the learning value contribution". Accenture (2004:1) observed that executives responsible for ETD are increasingly expressing the opinion that the processes, metrics and techniques that were fine for a decade or two ago, are no longer adequate.

Bersin (2006:9) states that although these models are widely understood and have done much to help ETD managers understand some of the possibilities of ETD measurement, they tend to limit an organisation's thinking and make the measurement process difficult to implement. Bersin (2006:9) is also of the opinion that the characterisation of the levels as a hierarchy is incorrect. They furthermore criticize Kirkpatrick's model for its learning-centric view of a service-delivery function.

The dissatisfaction with the traditional models of evaluation implies that a different approach is required in the development of a model to determine the value of learning. This approach needs to investigate an alternative to a hierarchical supposition, as well as the extent of learning evaluation required in a business environment. In my view, SETDCs will provide the required alternative to a hierarchical supposition, since SETDCs aim to determine the articulation of ROTE from different paradigms by business managers from various organisational levels.

1.2.5 A shift away from Return on Investment towards Return on Expectation

The shift towards Return on Expectation (ROE) is the result of dissatisfaction and difficulties experienced with the Return on Investment (ROI) measures that include amongst others the following.

- ROI evaluation requires that the training is already completed and costs are known.
- ROI metrics and measures do not take future benefits into consideration.
- The quantification of consequences of learning that are intangible poses a challenge.
- Because of the interrelated nature of many processes and variables that is characteristic of organizations, it is not reasonable or possible to identify simple cause and effect variables attributable to learning (Anderson, 2007:32, Swanson & Holton III, 1997:39; Trochim, n.d.).

According to these authors, ROI evaluation is mostly appropriate when:

- the costs of the intervention can be calculated in a straightforward way,
- the goals of the intervention are clearly specified and relate to defined performance targets; and
- the impact of the training can be assessed over a defined period of time.

On the other hand, with ROE the anticipated benefits of learning interventions or investments are established "up front" with key stakeholders, where after the extent to which the anticipated benefits have then been realised is compared with the initial vision (Anderson, 2007:32; Trochim, n.d.). The advantage of such an approach is that it provides a clear idea of critical success factors without endless and tiresome meetings. In addition, no precious corporate time and resources are wasted to "work some number" of questionable utility (Trochim, n.d.). Strategic ETD conversations provide the means to establish and articulate ROTE up front in terms of ROE.

1.2.6 An increasingly positive attitude towards education, training and development evaluation

Studies by Accenture (2004:5) and Anderson (2007: 29, 35) confirm the findings by Rothwell and Sredl (1992:420) that cost-benefit analyses are less frequently conducted than expected. According to a study by Bersin (2006:9), only four percent to five percent of organisations measure ROI (and they do so for a small percentage of their programs) and fewer than ten percent regularly measure business impact.

One of the reasons given for the lack of post-delivery evaluation is that not enough attention is paid to upfront needs analyses with the result that organisations do not clearly understand what should be evaluated after ETD delivery has taken place (Rothwell & Sredl, 1992:420). The measurement of business impact and defining appropriate accountability metrics and measures beyond throughput and pass rates and satisfaction surveys are still considered the single biggest challenge for learning executives (Accenture, 2004:5; Bersin, 2006:8).

Despite the evidence that the majority of organisations still fail to measure the financial return and value added by learning, it seems as though the attitudes of learning executives about ETD measurements are changing. Organisations have come to realise that in order for them to differentiate themselves in a competitive environment they need to measure the value added by ETD (Accenture, 2004:5; Anderson, 2007:29, 35; Nickols, 2004:1).

Therefore, although executives are still finding it challenging to evaluate and measure ETD impact, a much more opportune climate exists for introducing a SETDC model to articulate and optimise ROTE.

1.2.7 Dissatisfaction with quantitative approaches

Another one of the complaints against ETD measures is that it often results in "death by data". The management saying that "what gets measured gets managed" is, according to Manning (2001:86), overused. Galloway (2007) agrees and states that

too much time is spent in compiling data and reports that do not mean anything to customers. Measurements such as total learning hours, laboratory and equipment utilisation hours, number of courses presented, pass and failure rates have little if any value to internal and external customers.

Seddon (n.d.) and Galloway (2007) suggest that instead of analysing large amounts of quantitative data, organisations should rather start with a definition of the strategic goals of the organisation and their operational processes. This implies that organisations should focus on the value of work – how they deliver is what matters to their customers. In order to effect change, an organisation should start with a thorough understanding of the "what and why" of performance.

It is therefore deduced that the emphasis on the quantitative approach to collect management information is not adequate to articulate ROTE and explain the value and impact of ETD. The phenomenological understanding of systems, processes and value added by ETD requires the inclusion of qualitative procedures in addition to quantitative measures to ensure optimal ETD management to optimise Return on Occupational Training Expectations. Hence, during SETDCs it is necessary to highlight the use of both quantitative and qualitative measures to articulate ROTE.

1.2.8 Disenchantment with quality and business excellence models

Users of quality models and business excellence models, which are also often used to evaluate the value and impact of ETD, are disenchanted as they have not seen a rise in quality, excellence or the triple bottom line (see section 1.6.3). It is argued that organisations do not get the quantum leap in monetary terms that they are hoping for, because they take the scoring route (Seddon, n.d., Seddon, 2008).

Another reason for the disenchantment with Quality Assurance lies within the definition of "quality". Quality is commonly defined as "conformance to requirement" (ISO, 2000:7). The implication of this definition for ETD is that quality can be expressed in terms of the extent to which an ETD solution meets the expectations and requirements of the various ETD stakeholders. However, Goldberg and Lam

(2006:3) found that "quality" had meanings for the organisation that differed from traditional quality measures for ETD. They observed that standardised ETD deliverables rarely meet organisational needs, nor do traditional academic quality measures despite their rigour, breadth and depth of coverage. Therefore, in order to determine whether quality service was rendered, it is necessary to clarify the meaning of the expression of quality by various stakeholders and this becomes another key issue to articulate ROTE.

As stated in section 1.2.2, these observations again emphasise the importance of a holistic approach in the development of a model to optimise ROTE. It also implies that the stakeholders involved in ETD management should have a sound knowledge and experience of both business excellence, and ETD principles. Alternatively, should the existence of both these competences in one single person pose a challenge, teamwork is proposed. In my view, SETDCs provide a useful tool to enhance teamwork to articulate, clarify and optimise ROTE.

1.2.9 Disenchantment with the quality system instituted by the South African Qualifications Authority

A disenchantment is experienced in South Africa regarding quality structures and processes as prescribed by the South African Qualifications Authority. Not only are these processes complex and time consuming, but they also do not ensure conformance to national, organisational and individual requirements (Keevy & Blom, 2007:11).

In the context of the South African Qualifications Authority (SAQA) and the National Qualifications Framework (NQF), evaluation of ETD has introduced, in addition to the above discussion, a new significance to the meaning of evaluation with the emphasis on quality management and quality assurance. The NQF objectives – and the principles embedded in them – constitute the quality indicators in respect of national outcomes and the requirements of the NQF. Every qualification and standard registered on the NQF is evaluated against these objectives and principles to ensure that they meet the criteria for an integrated system of lifelong learning. The quality

indicators are furthermore the criteria for judging whether learning programmes are educationally sound. (Isaacs, 2000:2-5)

SAQA has based its quality management systems on total quality management (TQM) and conformance to specifications (CTS) models (SAQA, 2001a, 2001b:11-17). Theoretically the quality model and procedures proposed by SAQA (2001a; 2001b:11-17) are sound, but in practice these are not always practicable and achievable. In fact, in my view, where the quality model and procedures are implemented, this very goal to achieve quality often leads to the decrease of quality in training and learning instead.

The following are examples of how the institutionalised quality procedures ironically contribute to the deterioration of Education, Training and Development in South Africa. These examples are from my personal experience and observations. For example, a unit standard is selected based on the title for the development of a learning programme. Scientific needs analyses are seldom performed and subsequently a unit standard is often selected that is not appropriate to meet the expectations of the client. Therefore, because the unit standard has not been analysed and aligned with the client expectation, the learning programme developer is not complying with the business prescript of customer satisfaction (a business excellence prescript). This type of behaviour is often the result of pressure to produce training material within a limited time period because of competition in the corporate environment (i.e. the requirement for fast-paced innovation in terms of business excellence.) Designing learning programmes and developing learning material under pressure also result in the compromising of training and learning principles.

Furthermore, templates are provided by Sector Education and Training Authorities (SETAs) for learning programme development and approval under the auspice to ensure quality. The ETD designers mostly complete the templates to satisfy the Sector Education and Training Authorities' requirements, but at a high cost (in terms of both finances and time), because of the repetitive nature of some of the templates and the unnecessary detail required in the templates. The completion of templates without the necessary insight, accuracy and dedication (because of the tedious

process and limited time spans) reduces validity, reliability, sufficiency and appropriateness. This in turn results in non-compliance with ETD principles, which subsequently leads to the deterioration of quality education, training and development in South Africa.

It is argued, based on the above examples, that such a modus operandi will most probably not add ETD value to the organisation and optimise ROTE, since the expectations of the stakeholders will not be met sufficiently.

1.2.10 Concluding remarks

In lieu of the paradigms and paradigm shifts described in the preceding sections it is concluded that there exists a need to develop a SETDC model that will facilitate the articulation and optimisation of ROTE. The SETDC model should facilitate the recognition of those paradigms that will optimise ROTE and insight into those paradigms that might compromise ROTE for ETD in South Africa, an organisation, and individuals.

1.3 PROBLEM STATEMENT AND PROBLEM ANALYSIS

1.3.1 Problem statement

According to Manning (2001:27), the primary concern of any company is financial growth. Financial growth is the ultimate measure of corporate success or failure. Executives must grow sales, profits, and people. Resources are primarily utilised to satisfy stakeholders with many agendas to ensure continuous growth. This necessitates companies to continuously rejuvenate, replenish and develop their organisational capabilities and resources (money and people).

Bersin and Associates (2005:9) confirm that, despite the large investment in ETD, it remains notoriously difficult to manage and measure ETD. In most organisations, ETD is distributed into various business units and geographies, often managed by their line executives with their own budgets, their own programs, and their own

technology strategy. In other organisations, ETD is tightly controlled centrally. It takes the form of a corporate university and is run by a senior ETD manager.

Apart from the geographical distribution of ETD centres, the paradigm shifts that occurred in ETD (see section 1.2) contribute, in my view, to miscommunication regarding ROTE between ETD and business managers. This miscommunication results in dissatisfaction with the ETD that is provided. According to Manning (2004:50), surveys have shown that communication is the number one organisational problem and the cause of many others. He states that one reason is that we talk *at* each other rather than *with* each other. Secondly, the wrong issues get preferential treatment. Thirdly, too much communication is left to the wrong people.

In addition to Manning's reasons for communication challenges, there are from my experience two other main reasons for ineffective communication between ETD and business managers and the consequent dissatisfaction with ETD results. On the one hand, ETD managers do not have the necessary business acumen to communicate effectively with business managers. On the other hand, business managers do not sufficiently understand ETD processes and activities. As a result it is a challenge for ETD managers to translate business expectations into learning outcomes and to align and present ETD strategies with business strategies in such a way that the former are understandable and acceptable to the business managers.

Manning (2004:52) states that strategic conversation is one of the best methods to address the communication and performance shortcomings experienced by managers. His view is based on the rationale that firstly, everything in business revolves around people talking to each other; and secondly, that strategic conversation is dialogue that is focused on achieving business goals. Therefore, when the level of conversations is raised to make them strategic, the potential to optimise results and make an impact is increased. Hence, I am arguing that to optimise Return on Occupational Training Expectations (ROTE) in South Africa it is necessary to design a SETDC model that would assist managers to engage successfully in strategic conversations.

The research problem is, therefore, formulated as follows: What are the constituting elements of a SETDC model, to optimise return on Return on Occupational Training Expectations?

1.3.2 Problem analysis

To direct the empirical research to find answers to the research problem the following questions were formulated.

1. What does strategic management mean from a strategic business perspective; as well as from a strategic education training and development perspective; and what are the implications for strategic ETD conversations?
2. What does the term strategic ETD conversation mean?
3. What is the nature of strategic ETD conversations?
4. What are the different levels of strategic management and strategic thinking within the business and education, training and development environments; and what are the implications thereof for strategic ETD conversations?
5. What is the repertoire of topics that are discussed on each strategic ETD conversation level?
6. What are the determinants of successful strategic ETD conversations?

1.4 AIM AND OBJECTIVES OF THE RESEARCH

1.4.1 Aim

This research project endeavoured to design a model to engage in SETDCs to optimise ROTE in enhancing the alignment of ETD strategies with the business strategies within an organisation.

1.4.2 Objectives

The research project endeavoured to pursue the following objectives:

- Enable successful engagement in SETDCs to formulate ETD strategies that are aligned with business strategies in order to optimise ROTE.
- Identify a repertoire of topics that could be expected during SETDCs, that would assist the ETD manager to prepare for SETDCs.
- Enable the identification and management of factors that determine the extent of success in SETDCs to optimise ROTE.

1.5 SCOPE, VALUE AND LIMITATIONS OF THE STUDY

1.5.1 Scope

Although a need has been identified to answer the problem of value added by ETD on a national level, this study was limited to the organisational level for feasibility reasons. Qualitative research was conducted within a purposely selected company to obtain examples of best practices to engage in SETDCs that were used to design the model.

The purpose of this research project was to design a SETDC model, to optimise ROTE. In order to achieve this outcome, the aim of the research was to qualitatively explore the SETDC practices and challenges experienced in a company. This facilitated an understanding of the best practices and dilemmas faced by ETD stakeholders. Such an understanding in turn facilitated the identification of those dimensions and elements that had to be included in the development of a model to engage in SETDCs to optimise ROTE.

The research project was founded on a theoretical exploration of the following areas in particular:

- Strategic management principles.
- ETD management principles.
- The nature and principles of SETDCs.

1.5.2 Value of the study for organisations

The most important output of this study is the design of a SETDC model to optimise ROTE. It is anticipated that the model will have pertinent benefits. The model will be structured and organised to ensure the following:

- Successful engagement in SETDCs to articulate and optimise ROTE.
- The formulation and implementation of ETD strategies that are aligned with business strategies.
- Increased satisfaction by ETD stakeholders with the formulated and implemented ETD strategies.
- Timely identification of risk factors that might compromise the ROTE.

A SETDC model to optimise ROTE will have the additional benefit that it will provide a means:

- for critical questioning and identifying solutions to the applied problems that influence ROTE;
- for anticipating and responding to new problems that do not have a previously set of identified solutions;
- by which measurement data and evaluation results can be interpreted and coded to determine ROTE;
- for identifying and defining applied problems in the organisation and workplace environments that influence ROTE;
- for analysing and determining ETD priorities within the business environment; and

- for reviewing old and existing ETD management models and ETD methods to find new ways.

Furthermore, the intended SETDC model:

- Will have the potential value for guiding scientific understanding, explanation, and prediction of the interrelationship between the ETD and business environments.
- Could be used to facilitate the acquisition of necessary business acumen, quality concepts and ETD principles to empower stakeholders to participate meaningfully in the conversation process which is a requirement for strategy development, planning and implementation in the business environment.
- Will have the potential of providing a framework to review traditional instructional design models.

1.5.3 Value to national education, training development

Although the research focus is on strategic ETD conversations to optimise ROTE at organisational level, it should be possible to transfer the model proposed in this study to national level. The value perceived and experienced at organisational level should ultimately contribute towards the satisfaction of national requirements regarding a competent work force.

1.5.4 Limitations of the study

The identification of SETDC best practices criteria to optimise ROTE in a rapidly changing environment is hampered by the limited information available in literature. Most of the traditional and current ETD management models do not satisfy key ETD stakeholder expectations to optimise ROTE. However, this challenge creates the opportunity to do exploratory research.

Due to the rapidly changing environment it is to be expected that key ETD stakeholders' expectations will continuously change and therefore the proposed

SETDC model has to be flexible enough to ensure that it will remain relevant, appropriate and suitable for a prolonged period.

1.6. EXPLANATION OF CONCEPTS

1.6.1 Return on occupational training expectations

During the course of this study the need arose to develop a new term, i.e. Return on Occupational Training Expectations (ROTE). ROTE refers to the combination of expectations expressed regarding the facilitation of education, training and development (ETD) within the business environment. The aim of ROTE is to determine the value added by ETD, as well as the quality of ETD as defined by the participant in the strategic ETD conversations. According to Manning (2004:61), value is in the eye of person on the receiving end. What counts primarily is what “value added” means for the business managers involved in the strategic ETD conversations. Further to this, Manning (2004:62) states that value is a “moving target”. Therefore, the articulation of ROTE will continuously evolve. This implies that the ETD manager has to continuously review ROTE articulated by the business managers.

Hence, the articulation of ETD expectations is not pre-defined in this study in terms of a set of predetermined ETD measures. Instead, the approach is followed that ETD expectations would be determined by the business' ETD requirements at that point in time.

1.6.2 Education, training, development and learning

1.6.2.1 Education

Education is the deliberate, systematic and sustained effort to transmit, evoke or acquire knowledge, skills, attitudes and values to influence and shape the behaviour of children and adults (Van Dyk, Nel, Loedolff & Haasbroek, 2001:147).

1.6.2.2 Training

Training refers to the acquisition of knowledge, skills, and competencies to do a job as a result of content-based and instructor-led interventions with the aim to achieve organisational objectives (Anderson, 2007:1; Van Dyk, et al., 2001:148).

1.6.2.3 Development

Development is aimed at preparing employees for career progression into supervisory and managerial positions at subsequently higher levels of management (Van Dyk, et al., 2001:148).

1.6.2.4 Learning

Learning refers to permanent change in knowledge, skills, attitudes or behaviour that occurs as a result of formal or informal exercises and/or experiences (Anderson, 2006:1; Erasmus & Van Dyk, 2003:2). In the vocational environment, learning is thus regarded as the individual's ability to do something that he/she was previously not able to do.

1.6.3 Triple bottom line

The triple bottom line refers to the financial, social and environmental effects of a firm's policies and actions that determines its viability as a sustainable organisation (Businessdictionary, available from <http://www.businessdictionary.com>). Companies are part of the world and should conduct their affairs in harmony with their environment. They should also satisfy the expectations of their stakeholders. However, Manning (2004:63) warns that a business is first and foremost a "results machine". Although a business operates in harmony with its environment, and delivers value to a range of stakeholders, the first result it must produce is profit.

1.7 RESEARCH DESIGN

1.7.1 Rationale for the research design

During my theoretical exploration I found that despite continuous reference to the importance of strategic conversation by several authors (Johnson & Johnson, 2006a, 2006b, 2010; Manning, 2001, 2004; Illbury & Sunter, 2007; Ungerer, Pretorius & Herholdt, 2007:303-304; Van der Merwe, Chermack, Kulikowich & Yang, 2007:215) little empirical research exists to describe what really happens during strategic conversations and *how* to successfully engage in a strategic conversation. Where theorists do attend to the problem of strategic conversation they often do so either presumptively (assuming we all know what strategic conversation is) or with insufficient reference to theory and efforts to understand and describe the strategic conversation phenomenon itself. Further to this, I found that there are even less empirical research findings available on how to engage in strategic ETD conversations to align business and ETD strategies.

Given the paradigm shifts discussed in section 1.2, as well as the importance of strategic conversations in strategy formulation and implementation, I am postulating that the ability to engage successfully in strategic ETD conversations will become increasingly important to optimise ROTE. In lieu of the limited empirically researched information available on the strategic conversation phenomenon in general, the purpose of this study is to conduct empirical research to explore the essence of strategic ETD conversations in order to propose a model of practical value to ETD and business managers to optimise ROTE.

1.7.2 Research design of the study

This study was designed from the exploratory and pragmatic research paradigms (see section 4.2 for a detailed discussion of these paradigms). The exploratory paradigm underpins the qualitative research approach followed in the study. In keeping with the nature of a qualitative research approach (Fouché, in De Vos,

Strydom, Fouché & Delpont, 2005:268; Durrheim, 2006:35), the research design of this study developed as the research went along and new insights were gained.

Although qualitative research is characterised by inductive reasoning (Terre Blanche & Durrheim, 2006:7), Mouton (2001:177) argues that both inductive and deductive reasoning are necessary to build models. Since the purpose of this study was to construct a model, I chose Mouton's premise as the foundation of the research design. In addition, the pragmatic paradigm (discussed in more detail in section 5.2), enabled me to move back and forth between inductive and deductive reasoning.

Since the purpose of the study was to develop a model, a grounded theory strategy was followed. The decision to use a grounded theory approach was stimulated by the limited empirical evidence available on strategic ETD conversations. A grounded theory strategy was followed to generate an abstract analytical schema of the, relatively unknown, strategic conversation phenomenon with the aim to explore and explain the elements, interaction patterns and processes typical of strategic conversations (Fouché, in De Vos, Strydom, Fouché & Delpont, 2005:270). Through the use of a grounded theory strategy the model evolved as I made more discoveries, and developed and provisionally verified the schema of the model through systematic data collection and the analysis of the data. Hence, data collection, analysis and theory happened reciprocally.

1.8 RESEARCH METHODS

The main aim of the research methods that were used were to collect and generate "texts" that would allow for interpreting and understanding (Kelly, 2006a:286) the SETDC phenomenon in order to construct the model that would optimise ROTE.

Company X was purposefully selected as a case study because of the ease and convenience of access to internal sources at various managerial levels and from various departments within the company. This company was also selected because it is ranked high on the performance and excellence reviews and awards, such as that of Deloitte's and Ask Africa. Further to this, the company is within an industry that is

highly competitive and hyper-turbulent, which provided deeper insights into the dynamics and challenges of strategic ETD conversations to optimise ROTE under these challenging conditions that prevail in profit driven organisations.

In correspondence with the exploratory paradigm and qualitative research approach, the data collection methods that were used to obtain texts for this study included observations and interviews. These methods allowed me collect detailed and in-depth data. Observations occurred during both formal settings (e.g. official meetings and individual interviews with managers) and informal settings (e.g. brief interactions with individual managers). Where interviews were conducted in formal settings, both semi-structured and unstructured interview techniques were used. During informal settings, unstructured interview techniques were used.

The data collection methods included the recording of conversations as far as possible and making notes during and after the formal and informal conversations and interviews. These notes included recordings of who attended, where and when; the nature and content of the strategic conversations; empirical observations of the nature of the strategic conversations; and factors that influenced the content and nature of the strategic conversations. I continuously made notes of and recorded my reflections of my observations and notes, exploring the implications for further research and the crafting of a SETDC model. I downloaded the recordings on my computer for further analysis and the notes were organised according to date in note books.

1.9 PROGRAMME OF THE STUDY

Chapter 2 aims to provide a conceptual strategic management framework to engage in strategic ETD conversations to optimise ROTE. It outlines the essence of strategic management terms and the implications thereof for strategic education, training and development management. It also describes the concept strategy, as referred to in the ETD context.

Chapter 3 provides an exposition of the meaning of SETDCs and the principles to successfully engage in SETDCs, as well as the determinants of successful SETDCs. Further to this, the aspects that influence the nature and success of SETDCs are explored with the aim to optimise the alignment of education, training and development strategies with business strategies.

Chapter 4 provides an overview of the research design and methods of the empirical study. Since limited information is available on the SETDC phenomenon the chapter explains the explorative paradigm within which the phenomenon was studied. Further to this, since a need was identified for a SETDC model with practical value, the pragmatic paradigm as relevant to this study is also described.

Chapter 5 describes the results of the analysis and interpretation of the research data that were collected for this study to address the research problem to design a model to engage in SETDCs to optimise ROTE. The SETDC model is presented and explained in this chapter.

Chapter 6 summarises the literature study and empirical research findings. In addition, research conclusions and recommendations are made for the implementation of the SETDC model to optimise ROTE.

Chapter 2

Conceptualisation of Strategic Management

2.1 INTRODUCTION

All over the world organisations endeavour to establish and retain a competitive advantage in an environment that is characterised by increasing competition, globalisation, rapid technological changes and the continuously changing needs of customers and the workforce. Business strategies are used to understand the internal and external environment to plan and decide suitable goals and activities for greater profitability and success. The strategies deployed to create a competitive advantage invariably aim to increase profit, decrease cost and provide value.

As a result of the challenges experienced in the business environment, a paradigm shift occurred in education, training and development (ETD) management. Where ETD was regarded in the past as an obligatory cost factor, it is now regarded as a weapon in the battle for competitive advantage in the business environment. It is currently widely recognised that the ETD of employees is essential to enhance workplace performance, which is in turn critical to ensure a competitive advantage (Danielson & Wiggernhorn, 2003:17; Van Dyk, Nel, Loedolff & Haasbroek, 2001:4). The focus of ETD in organisations is increasingly on the maximisation of transfer of learning to the workplace to ensure a winning position in the marketplace. Svenson and Rinderer (1992:1) state that it is not merely the maximisation of transfer of learning that has emerged as a critical issue. These authors state that management has also realised that competence itself is relative to the context and the competition. Therefore, a person who is competent today will not necessarily be competent tomorrow as a result of continuous environmental changes. Consequently, strategic ETD planning, that emphasises the past, present and future, is considered the key to ensure the leading edge in a highly competitive global marketplace (SHRM, 2008:3; Svenson & Rinderer, 1992:1).

Danielson and Wiggenhorn (2003:16) argue that today's ETD involves three fundamental challenges: aligning ETD with the business, organising for impact and affecting real learning.

In addition to these challenges ETD faces the same challenge that the business environment experiences in terms of the formulation and implementation of strategies.

According to Rossouw, Le Roux and Groenewald (2007:1), the key to success in a dynamic and competitive environment is the development, implementation, monitoring and evaluation of a business strategy. Nevertheless, having a strategy does not guarantee success. Kaplan and Norton (2004:5-6) and Rossouw, et al. (2007:1) note that strategies often fail as a result of bad execution and not as a result of bad strategies. This problem arises because:

- Strategic planners often overlook the barriers to implementation and execution.
- There does not exist a standard model that defines exactly what an organisation must do to ensure successful implementation.
- People in organisations have not really been part of strategic plans.

In my view, the reasons for unsuccessful implementation of ETD strategies concur with those found by Rossouw, et al. (2007:1). However, the reason for the failure of, or dissatisfaction with ETD results, does not simply lie in the unsuccessful implementation of the ETD. I am arguing that, in the case of ETD, the problem also lies in the way that ETD strategies are formulated.

The oversight of barriers to strategic implementation is something that is not only experienced in the strategic business environment, but also in the ETD environment. Oversight of barriers results in the development of unrealistic Return on Occupational Training Expectations (ROTE) and consequently a perceived dissatisfaction with ETD develops.

I am further arguing that not all the relevant ETD role players are included in the process of ETD strategy formulation. As a result key role players often do not buy into the proposed ETD strategies. In addition, valuable insights into the formulation of feasible ETD strategies are lost because of the absence of key role players and their inputs.

Strategic conversation is considered a crucial management instrument to address barriers to the formulation of feasible strategies (Manning, 2001; Ungerer, Pretorius & Herholdt, 2007:299-344). Hence, in my view, strategic ETD conversations (SETDCs) are critical for the formulation and implementation of ETD strategies. Strategic ETD conversations, in which key role players (from both the business and ETD environments) participate, will ensure clarification and formulation of feasible Return on Training Expectations; the development of ETD strategies that will satisfy ROTE; identifying and overcoming ETD barriers; and developing and implementing ETD evaluation processes and measures to report on the impact made.

The aim of this chapter is to investigate and elucidate strategic management concepts and principles that are relevant and imperative for ETD and business managers to engage successfully in SETDCs to ensure alignment between ETD and business strategies. Hence, the first objective of this chapter is to state the strategic management case for ETD management. This is followed by an exploration of the term "strategic management" as defined from a business perspective. The different views on strategic management that exist is also described. Thereafter the concept strategy as defined in the ETD environment is elucidated. The chapter is concluded with an exploration of the various levels of organisational management, as well as the different levels of managerial thinking and the implications of these different levels for strategic ETD management.

2.2 THE STRATEGIC MANAGEMENT CASE FOR EDUCATION, TRAINING AND DEVELOPMENT MANAGEMENT

Several authors (Manning, 2001:34; Peters, 1987:27; Ungerer, et al., 2007:118; Van Dyk, et al., 2001:4) agree that a highly trained workforce is the principal means to ensure institutional competitiveness, since ETD is the most powerful lever to add value and increase productivity. The workforce should be considered a strategic resource that contributes towards achieving the organisation's vision, mission and strategic objectives (Rossouw, et al., 2007:2).

By definition, ETD refers to the process to obtain or transfer knowledge, skills and abilities needed to carry out a specific activity or task (Erasmus & Van Dyk, 2003:65; HR Magazine, March 2008). However, the benefits of ETD are much broader than this for both the employer and employee. To meet current and future business demands, ETD encompasses not only a wide range of learning actions to ensure learning transfer to immediate workplace performance, but also transfer of learning to improve customer service and career development, which expand to the individual, group, as well as organisational effectiveness.

Strategic positioning of ETD promotes organisational business goals and objectives (HR Magazine, March 2008). To be successful, companies have to thoughtfully plan and evaluate their business strategies; and determine the required talent, skills and knowledge. Consequently a key objective of this chapter is to describe a strategic approach to ETD in the business environment. To understand strategic ETD management it is essential to understand the process of strategic management in the business environment.

Further to this, a debate is infused on how ETD should be managed to ensure a highly trained and competent workforce that will add value to the achievement of organisational goals and objectives in a rapidly changing environment. In my view, it has become paramount to regard both business strategies and ETD strategies, in particular the alignment between them, as a key to business success. A focus on

either the one or the other might lead to failure to notice key issues that will determine business success or failure.

Erasmus and Van Dyk (2003:66-67), furthermore, state that research supports the idea that organisations with clear ETD policies and structures are more successful than those who do not have it. They hold the view that if ETD is well planned and executed everyone benefits from it, i.e. the individual, the organisation, as well as the nation.

Erasmus and Van Dyk (2003:67) emphasise that it is unrealistic to think that a single ETD strategy will cater for all ETD related eventualities in an organisation. The secret for the successful development and presentation of strategic ETD plans to business executives is to prepare enough strategic ETD plans to cater for both unforeseen immediate needs, as well as long term needs. It is important to provide business executive decision makers with a selection of scenarios they can choose from and decide which meets the needs of the business best. The ETD strategies presented should fit both the organisation and the individual executives in the decision-making group. In addition, good preparation, with emphasis on flexibility, speed and timing, is essential for effective ETD in organisations. (Erasmus & Van Dyk, 2003:67; Svenson & Rinderer, 1992:181, 252 to 253, 305).

In conclusion, since the strategic positioning of ETD is considered the principal means to ensure institutional competitiveness through the promotion of organisational business goals and objectives, it is a prerequisite for the ETD strategist to understand strategic management concepts and principles. Furthermore, an in-depth understanding of strategic management is necessary to engage successfully in strategic ETD conversations (SETDCs) to align ETD strategies with business strategies. Hence the concept strategic management will be explored in the section that follows.

2.3 THE CONCEPT "STRATEGIC MANAGEMENT"

This section aims to outline the essence of strategic management and the implications thereof for strategic ETD management. In addition, it aims to provide a conceptual framework to engage in SETDCs to optimise ROTE.

2.3.1 The concept "strategy"

2.3.1.1 Origin of the concept strategy

The concept 'strategy' has its origins in the Ancient Greek word "strategos" which meant "the art of generals" or being a general, commander in chief or chief magistrate (Erasmus & Van Dyk, 2003:64; Illbury & Sunter, 2007:28; Louw & Venter, 2006:10; Rossouw, et al., 2007:3, Sharplin, 1985:6). It was originally used in a military context as a plan to overpower the enemy. With time the meaning of the term *strategos* has changed from reference to a person or his position, to the decisions made by such a person (Erasmus & Van Dyk, 2003:64; Louw & Venter, 2006:10; Rossouw, et al., 2007:3).

The English equivalent *strategy* was derived from the latter development of the word. Over time, the term *strategy* has evolved to refer to the planning and conducting of warfare, the movement of forces on the ground, the allocation of resources in support of those forces and the deception of the enemy. Given the competitiveness and aggressiveness of corporate campaigns, the term *strategy* was later introduced in the business world. (Illbury & Sunter, 2007:28).

2.3.1.2 Definition of strategy

In modern times strategy is considered a key element of managerial activity. Several definitions of strategy exist. Many of the definitions of strategy emphasise the importance of defining direction and the development of action plans to corroborate direction to ensure a competitive advantage and sustainable survival (Erasmus &

Van Dyk, 2003:64; Pearce & Robinson, 2007:3; Rossouw, et al., 2007:3; Sharplin,1985:6; Ungerer, et al., 2007:14).

The definitions provided by Kaplan and Norton (2004:29), as well as Porter (1996:45,55,65) correspond with that of the previous authors. However, they include two further dimensions: First, the importance of *integrating the activities* and second, the importance of *sustained value for its shareholder* to ensure a competitive advantage.

Although there is consensus amongst authors (Erasmus & Van Dyk, 2003:64; Pearce & Robinson, 2007:3; Rossouw, et al., 2007:3; Sharplin,1985:6; Ungerer, et al., 2007:14) that strategic plans are an essential element for success, Illbury and Sunter (2007:29) warn that extensive and elaborate strategic plans are unnecessary. They caution against exhaustive lists of actions that might paralyse overall implementation. These authors argue that detailed action plans lead to more confusion as businesses tend to lose their focus. They believe that it is better to make one or two simple and clear decisions on the *direction* of the business and then a prioritised list of the actions, or tactics, on how to achieve the desired direction. Hence, only a few strategic decisions are required to determine all the operational decisions and activities in a business. In addition, they emphasise that limited action plans are particularly important when time constraints and resource limitations exist.

In conclusion, strategy entails the creation of (1) a unique and valuable proposition that defines the direction of the business for stakeholders; and (2) a focused strategic action plan that involves not only a different set of activities, but the integration of the different company activities as well.

2.3.1.3 Strategy and tactics

Some authors (Illbury & Sunter, 2007:29; Pearce & Robinson, 2007:300), distinguish between strategy and tactics. According to Illbury and Sunter (2007:28), the shift from the military to the business environment resulted in confusion between the terms *strategy* and *tactics*. They quote an old nineteenth-century saying to explain

the difference: "Strategy differs materially from tactics; the latter belonging only to the mechanical movement of bodies, set in motion by the former." Therefore, according to these authors, *strategy* refers to the direction of the business and *tactics* to the activities of how to get there.

Pearce and Robinson (2007:300) are more specific about the differences between business strategies and functional tactics. They note that functional tactics are different from business or corporate strategies in three fundamental ways:

- **Time Horizon.** Functional tactics focus on the short term, i.e. the "now", whereas business strategies focus on the longer term, i.e. three to five years in the future. Functional tactics are necessary to ensure the successful implementation of a business strategy for two reasons. First, functional tactics focus the attention of the functional managers on the present requirements to make the business strategy work. Second, functional tactics allow functional managers to adjust to continuously changing conditions.
- **Specificity.** Functional tactics are more specific than business strategies. Whereas business strategies provide general direction, functional tactics focus on the specific activities that need to be undertaken in each functional area to pursue short-term objectives that contribute to the long term strategy.
- **Participants.** Business strategy is the responsibility of the general manager. It is this person's responsibility to establish long-term objectives and a strategy that contributes to corporate-level goals. Functional managers and key operational managers establish short-term objectives and operational strategies that contribute to business level goals. Business strategies and objectives are approved through negotiation between corporate managers and business managers. Short term objectives and functional tactics are approved through negotiation between business managers and operational managers.

Contrary to the preceding distinction between strategy and tactics, Sharplin (1985) does not distinguish between strategy and tactics. Instead, he distinguishes between

the *formulation* and *implementation* of strategy. According to this author, strategy formulation refers to the "*what*" that should be done to achieve the company objectives, whereas strategy implementation refers to the "*how*" to implement the strategy to achieve the company objectives. Sharplin (1985) argues that a strategic approach includes both the "what" (formulation) and the "how" (implementation) of *strategic plans*.

In this study I support Sharplin's (1985) view that the debate about whether or not a distinction should be made between strategy and tactics is less important. It is far more important to understand that it is necessary to include both the "what" and the "how" in strategic planning. Therefore, the purpose of a SETDC should be to compile strategic ETD plans that: (1) define and confirm the direction in which the company needs to go (i.e. strategy formulation); as well as (2) the identification of those focused and limited activities that need to be implemented to get the company where it aims to be (i.e. strategy implementation). With reference to the context of this study, SETDCs should focus on the design of ETD strategies that include both ETD strategy formulation ("what needs to be achieved") and ETD strategy implementation ("how will it be achieved").

2.3.2 The concept "strategic management"

In correspondence with the definition of strategy, strategic management is defined as a set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives (Erasmus & Van Dyk, 2003:64; Pearce & Robinson, 2007:3; Sharplin, 1985:6). The purpose of strategic management is to bridge the gap between the current situation and the envisaged situation of an organisation (Rossouw, et al., 2007:2). To bridge this gap, the organisation has to continuously adjust to survive and grow in a dynamic environment.

According to Rossouw, et al. (2007), strategic management is purposeful management from the top management. On the other hand, Pearce and Robinson (2007:300) and Sharplin (1985) argue that strategic management is the responsibility

of managers at all levels. It is mainly the type and level of strategic management that differs from one level to another. Whereas business strategy is the responsibility of the general manager, functional managers and key operational managers establish operational strategies that contribute to business level goals. In concurrence with the latter perspective, the ETD manager will just as much be responsible for strategic management as any other manager, although with the focus to align ETD strategies with business strategies.

Lamb (1984:ix) summarise the process of strategic management as:

...an ongoing process that evaluates and controls the business and the industries in which the company is involved; assesses its competitors and sets goals and strategies to meet all existing and potential competitors; and then reassesses each strategy annually or quarterly to determine how it has been implemented and whether it has succeeded or needs replacement by a new strategy to meet changed circumstances, new technology, new competitors, a new economic environment, or a new social, financial, or political environment.

Therefore, strategic management is a process that is followed by managers at different levels and from different functionalities in the company to achieve a company's objectives to survive and grow in a dynamic environment. The process, albeit applied at different organisational levels, and by and for different functions (including ETD), remains generic and is characterised by:

- Continuous assessment and reassessment of the environment.
- Formulation of strategic plans.
- Implementation of strategic plans.
- Continuous evaluation of the effectiveness of the formulated and implemented strategic plans.

Hence, it stands to reason that the primary goal of SETDCs is to optimise ROTE, to promote the strategic management processes.

2.3.3 Strategic paradoxes

In addition to the understanding that strategic management is in essence a process, Ungerer, et al. (2007:15-16) emphasise that the formulation of strategies is becoming increasingly complex. Hence, developing a strategy requires paradoxical thinking. Although Ungerer, et al. (2007:15-16) referred to strategy formulation in the business environment, it is confirmed by Vermaak (interview April 2011) that the same paradoxical thinking applies to strategy development in the ETD environment. The team responsible for developing a strategy, irrespective of whether it is a business or ETD strategy, has to contend with both sides of many paradoxes, i.e. balancing what seem like opposites (Vermaak, 2011). (See Table 2.1.)

Table 2.1 Examples of strategic paradoxes

| Examples of strategic paradoxes | | |
|---------------------------------|-----|---|
| On the one hand | | On the other hand |
| imagination and passion | and | analysis and reason |
| many possibilities | and | few opportunities |
| the future | and | the present |
| Dreams | and | practical reality |
| process (how we plan) | and | content (what we plan) |
| growth engines | and | gap-closing initiatives |
| the long term | and | the short term |
| Thinking | and | doing |
| holism (big picture) | and | focus (making choices) |
| taking care of business | and | taking care of people |
| the bottom line | and | drivers (customers, processes, employees and other resources) |
| your problem is your problem | and | your problem is my problem (the key to good customer service) |

(Source: Adapted from Ungerer, et al., 2007:14)

The strategist faces many paradoxes and dealing with the inherent power of paradoxes is one of the key skills the strategist needs to master, irrespective of the environment or function that the strategist represents. Hence, the ETD strategist will encounter similar paradoxes, as well as ETD-specific paradoxes, in the endeavour to align business and ETD strategies. Ungerer, et al. (2007:15) state that the dilemma of strategic paradoxes is that one does not decide for and act on one side of a paradox or the other. Both sides of a paradox are true at the same time and strategists should avoid treating paradoxes as contradictions.

Likewise, the strategist should realise that understanding others is the way to get them to understand you. The strategist should avoid just talking – the strategist should also listen (Ungerer, et al., 2007:15). Therefore, successful strategy is developed through strategic conversation, which involves several role players, not only the top few, who are actively communicating (in particular listening) to one another. In Chapter 3 an in-depth discussion on the principles of strategic conversation, and strategic ETD conversation *per se*, is presented.

2.4 STRATEGIC MANAGEMENT VIEWS

To facilitate an understanding of strategic management it is important to accept that strategy making is not about discovering the one, ultimate strategy, but about constructing one that corresponds with the ideas which organisational participants have about themselves, one another, the organisation and the world (Ungerer, et al., 2007:23). The ETD strategist will encounter different strategic and management views in the business environment during strategic conversations. To engage effectively in SETDCs, it is important to understand the strategic and management paradigms managers might prefer and which influence their business decisions. The foremost managerial paradigms include the classical paradigm; the behavioural paradigm; the systems paradigm; and contemporary paradigms.

In my view, a manager's preferred managerial paradigm influences the strategic approach that will be taken during a SETDC, as the manager's managerial paradigm will influence his approach towards ETD and how he will articulate measures to

determine return on expectations. Table 2.2 presents my view of the relationship between managerial paradigms and the SETDC themes that might emerge.

Table 2.2 The implication of managerial paradigms on ETD strategy formulation

| Classical paradigm | |
|---|---|
| Managerial approach | A top-down approach. A linear, hierarchical approach. Business managers give ETD managers clear instructions on what they expect from ETD, as well as how to design, deliver and measure ETD. |
| ETD approach | Improve the performance of individual workers. Job-task analysis to identify and describe performance outcomes, sequence of tasks and performance standards. Eliminate or retrain the incompetent worker. |
| Core capabilities to be developed | Job and task specific capabilities. |
| Return on Occupational Training Expectation measures | Measurements such as total learning hours, laboratory and equipment utilisation hours, number of courses presented, pass and failure rates. Focus on Return on Investment (ROI). Compile quantitative data and reports. |
| Behavioural paradigm | |
| Managerial approach | Business managers liaise with and build partnerships with ETD managers to find the best learning solution. |
| ETD approach | The individual must be given the opportunity for development through improved human relationships and team building. |
| Core capabilities to be developed | Teamwork capabilities. Deep understanding of the work situation capabilities. |
| Return on Occupational Training Expectation measures | Measurements to determine whether an ETD solution meets the expectations and requirements of the various stakeholders, e.g. the learners and/or the organisation. Focus on Return on Expectation (ROE). Compile qualitative data and reports. |

| Systems paradigms | |
|---|--|
| Managerial approach | <p>The purpose of management is to ensure that the organisation remains in balance (equilibrium).</p> <p>The interaction between the external environment and the organisation is the focus of this approach.</p> <p>There is no single best way to manage and it is often necessary to use the principles of the other management approaches or even a combination of them.</p> <p>The application of management principles depends on the particular situation that management faces at a given point in time.</p> |
| ETD approach | ETD strategic approaches will be determined by environmental changes and the identification of the most suitable ETD solution at that given point in time. |
| Core capabilities to be developed | <p>Flexibility and resilience to change capabilities.</p> <p>Problem solving capabilities.</p> <p>Systems thinking capabilities.</p> |
| Return on Occupational Training Expectation measures | Measurements and reports will depend on the predominant managerial approach adopted and business solutions selected at a given point in time. |
| Contemporary paradigms | |
| Managerial approach | <p>Challenge assumptions and generalisations about the organisation and the world around it.</p> <p>A shared vision for the organisation.</p> <p>Dialogue between business and ETD managers to ensure alignment of business and ETD strategies.</p> |
| ETD approach | <p>Align ETD with the strategy and vision of the business.</p> <p>Create a learning organisation and promote an intrinsic motivation for learning instead of merely relying on extrinsic punishments and rewards.</p> |
| Core capabilities to be developed | <p>Cultivate a lifelong learning attitude.</p> <p>Quality management capabilities.</p> <p>Active dialogue capabilities.</p> <p>Systems thinking capabilities.</p> |
| Return on Occupational Training Expectation measures | <p>Measurements such as statistical control to reduce variability and ensure uniform quality and predictable quantity of output.</p> <p>Compile quantitative and qualitative data and reports.</p> |

It is deduced from the preceding table that ETD managers need to determine the preferred managerial paradigm for a specific business unit to ensure that the ETD strategy will meet the manager's business and ETD expectations. Managers articulate their business goals and objectives in terms of their preferred managerial paradigm. It is postulated that in order to engage successfully in SETDCs it is necessary to understand the implications of the articulated business goals and objectives to optimise ROTE through the alignment of ETD and business strategies.

2.5 THE CONCEPT STRATEGY IN EDUCATION, TRAINING AND DEVELOPMENT

In the following sections the concept strategy, as referred to in the ETD context, will be delineated.

In ETD the term strategy is most often used within the context of and with reference to learning programme design. To create an understanding of the meaning of ETD strategy, as referred to in this study, an overview is provided in this section to differentiate between curricula, learning programme strategies and ETD strategies from a macro perspective, as well as from a micro perspective.

In order to elucidate the term strategy within the ETD context it is necessary to describe the didactic mechanisms that are used to describe strategy in the ETD context. To set the foundation for SETDCs the meaning of the following concepts used in a didactic context are analysed: Strategic perspective, approach, model and strategy.

2.5.1 Strategic education, training and development perspectives

Van Dyk, et al. (2001:21) provide a definition of strategic ETD from a macro perspective. They define strategic national ETD management as "co-ordinated attempts by government, research institutions, and the organised private sector to provide the entire spectrum of manufacturing and service industries with job-related ETD in accordance with existing forecast surpluses and deficits". Therefore, a macro

strategic perspective on ETD management emphasises the importance of and value added by ETD at national and industry level.

Grobler, Wörnich, Carrell, Elbert and Hatfield (2006:304) define strategic ETD from a micro perspective. According to them ETD is strategic when it "develops essential worker capabilities; encourages adaptability to change; promotes ongoing learning in the organisation; creates and disseminates new knowledge throughout the organisation and facilitates communication and focus." This definition of strategic ETD from a micro strategic perspective emphasises the importance of and value added by ETD at organisational level.

These two definitions mentioned in the preceding paragraphs capture the essence of the difference between the macro and micro strategic perspectives on ETD. Whereas the macro strategic perspective focuses on national and industry levels, the micro perspective focuses on the promotion of ETD at the individual's level.

Further to this it emerged that ETD strategies are defined from either a macro or micro ETD perspective. Hence, the meso strategic perspectives on ETD are neglected. As a result I am postulating that the absence of a meso level strategic perspective on ETD impedes the alignment of ETD strategies with business strategies at the various organisational levels. This in turn impedes the optimisation of ROTE. Consequently it is one of the objectives of the empirical study to explore the SETDC phenomenon at the meso level to ensure optimisation of ROTE.

2.5.2 A systems approach to education, training and development

An approach reflects a specific value or set of values, or conviction, or assumption or set of assumptions. An approach is a way of seeing things, a way of constructing things, a way of doing things. It describes how people see things, what people do and explains why they do it. A systems approach therefore aims to describe how people perceive activities and how this is influenced by their assumptions and/or values (Bellis, 2001:180).

In this study a systems approach to ETD management has been adopted. It is argued in this study that different stakeholders express their perceptions and opinions of their ETD needs differently at the different system levels, i.e. organizational levels. Their perceptions of the ETD systems/sub-system relevant to them will determine their articulation of ROTE. Further to this, the continuously evolving nature of any system and the mechanisms that contribute to sustaining and improving a forever-changing system should be kept in mind when formulating ETD strategies in the business context. Hence, in order to engage in a SETDC to optimise ROTE it is necessary to understand the different system levels, their respective components, the interrelationships between the components and the cybernetic processes that govern continuing existence (George, 1970:22-33).

Furthermore, the systems approach is not limited to that of a philosophy or a way of thought, i.e. a procedure to figure out structures and processes. It is also a methodological approach to problem-solving through the provision of clearly defined conceptual tools and a description of general activities and stages, which is in my view a critical way of thinking to facilitate SETDCs to optimise ROTE. The following authors capture the essence of this dualistic nature of the systems approach:

- Davis, Alexander and Yelon (1974:6) distinguish between: "... a philosophy that conditions the attitude of the system designer towards reality" on the one hand and "a process and set of conceptual tools" on the other hand.
- Romiszowski (1984:50) describes the two aspects as follows: "...the systems approach is essentially a way of thought – a tendency to think about problems in systems terms. But it is also a methodology – scientific method applied to complex systems."

This dualistic nature of the systems approach makes it appropriate for this study, since it stimulates the articulation of ROTE during SETDCs in system terms. At the same time it provides a mechanism to determine and analyse the components that are relevant for the formulation of an ETD strategy.

2.5.3 Education, training and development models

Rothwell and Sredl (1992a:261) define a model as a "simplified representation of an otherwise complex phenomenon". A model describes the components or elements of a system and the interrelationship between the components or elements. A model refers to something that has been tested, established and that is in use. Most models for the design of instruction (teaching-learning) have five common elements, according to Van Dyk, et al. (2001:163):

- data collection;
- assessment of learner entry skill;
- specification of behavioural objectives or performance requirements;
- a procedure for selecting presentation methods and media; and
- a procedure for implementation, evaluation and revision.

It is sometimes possible to present a model diagrammatically or graphically. In the ETD environment several models exist. Some of the most commonly known ETD models include: Romiszowski's instructional systems design model; Dick and Carey's systems approach model for designing instruction; the outcomes-based curriculum design model that describes the specific requirements in order to fulfil the prescripts of the National Qualifications Framework; Nadler's "critical events model" that describes the ETD process in holistic terms; the ETD model of Camp, Blanchard and Huszco that focuses on the ETD process in holistic terms; the high impact ETD model that focuses on providing effective, targeted ETD; and Caffarella's integrated model to plan learning programmes (Bellis, 2001:181, Caffarella, 2002; Erasmus & Van Dyk, 2003:55 - 61; Romiszowski 1981 and 1984; Van Dyk, et al., 2001:163-171).

Should the ETD manager decide to use an ETD model as a framework for facilitating a SETDC, caution should be taken to ensure that equilibrium is achieved between ETD and business aspects during the articulation of ROTE and the formulation of ETD strategies.

2.5.4 Education, training and development strategies

As will become apparent in the rest of this chapter, the concept *strategy* is mostly used from a micro perspective in the ETD context (see section 2.5.1). In addition, in the ETD context, *strategy* is usually used in combination with other terms to indicate a variety of ETD concepts with specific meanings. For example, an ETD strategy could be referred to as a teaching strategy, an instructional strategy, or a learning programme strategy. The following two definitions are typical examples of the use of the concept strategy in ETD.

- Van der Horst and McDonald (2003:121) define a teaching strategy as "a broad plan of action for teaching activities with a view to achieving an outcome".
- Rothwell and Kazanas (2004:221) define instructional strategy in a broader sense as "an overall plan governing instructional content (what will be taught) and process (how will it be taught)".

When applied to the ETD environment, an instructional strategy is a "blue-print" that describes all those instructional materials, procedures and activities employed in order to achieve a learning outcome or an instructional objective (Dick & Carey, 1996:183; Nadler & Tracy cited in Van Dyk, et al., 2001:246; Rothwell & Kazanas, 2004:221; Rous, 2004b:11). It may include methods of ETD, techniques, media, material, devices, and so forth. Any learning situation involves the use of a combination of methods, devices and techniques and the concept strategy is seen as embracing all of these enabling mechanisms that are required to plan and deliver ETD successfully. The use of the concept strategy in this sense, is in the researcher's view restrictive, since it focuses and limits strategy making on the planning and delivery of ETD interventions. The articulation of ROTE at the organizational, business unit and corporate level is not sufficiently addressed and the alignment of ETD strategies with business strategies is impeded.

Hence, the definition of an ETD strategic plan as introduced by Svenson and Rinderer (1992:22) is considered more appropriate for the purpose of this study.

They define a strategic plan as "the training needed to achieve the goals of the business and lays out a comprehensive roadmap for meeting these needs". However, since other authors (Manning, 2001:55; Kotter, 1996:71) distinguish between a strategy and a plan, the term ETD strategy is used instead of the term strategic training plan. Consequently, for the sake of clarity, the term strategic training plan as described by Svenson and Rinderer (1992), will be replaced by the term ETD strategy in this study.

According to Svenson and Rinderer (1992:22-23), an ETD strategy aims to answer the following questions:

1. What are the challenges faced by the organization and what are the strategies and goals for dealing with these challenges?
2. What skills, knowledge, and competencies are needed in the organization to achieve our goals?
3. How can one ensure that employees, suppliers, and customers know what to do and how to do it; what is the role of ETD?
4. How adequate is the present ETD system to address these needs successfully?
5. What kind of a ETD system is needed? What should it look like three to five years from now?
6. What strategic goals should be established for ETD?
7. What ETD strategies will most effectively and efficiently achieve these goals?
8. What is the estimated ETD workload to execute these strategies?
9. What resources should be committed, and what is the expected return on investment?
10. What organisational, management, and administrative systems are needed to deploy the resources effectively and get the job done?
11. How should the plan be implemented?

An analysis of the definition and questions provided by Svenson and Rinderer (1992:22-23) indicates that a comprehensive ETD strategy includes much more than just the ETD plan and process to deliver an ETD event. It is necessary to investigate

the wider ETD context to identify the critical aspects that should be included in a SETDC to optimise ROTE.

As mentioned earlier, the term *strategy* is usually used in combination with other terms in the ETD context. In the remainder of this section these terms (curriculum, learning programme strategy, learning strategy, instructional strategy, trainer-centred strategy and learner-centred strategy) are discussed in order to clarify their meaning and the term ETD strategy further.

2.5.4.1 Curriculum

The term curriculum means different things to different people and definitions of curriculum range from narrow interpretations to wide all-encompassing ones (Bellis, 2001:177; Nkomo, 2000:3). When the definition of *curriculum* is analysed, it constitutes a strategy since it encompasses to a large extent the elements that are part of a strategy. In addition, Van Rooy (1993:92) provides a definition of curriculum that has profound implications for the use and application of the term curriculum as an ETD strategy in the business context. Van Rooy (1993:92) captures the essence of a curriculum as "the interrelated totality of aims, learning content, evaluation procedures and teaching-learning activities, opportunities and experiences which guide and implement the didactic activities in a planned and justified manner". A curriculum, therefore, serves as the system that provides the starting point, guidelines, criteria and instructions that will ensure an orderly, planned and well-founded course for the interaction.

Svenson and Rinderer (1992:202) state that a curriculum is "a multidimensional map or logic diagram that relates modules of training to segments of the target audience and to other modules of training." This definition corresponds with that of Van Rooy. However, contrary to Van Rooy, they elaborate on this idea and define it with specific reference to the business environment, stating that the curriculum should indicate how the ETD is linked to job performance, as well as how it will be appropriate for people in different types of jobs.

SAQA differentiates between the terms "curriculum" and "learning programme strategy" (see section 2.5.4.2) (Bellis, 2001:177-178; Nkomo, 2000:5; Rous, 2004a:35; SAQA, 2005a:3). SAQA takes a broad view of the term "curriculum" and defines a curriculum as being more than a syllabus. In the SAQA context a curriculum refers to all of the teaching and learning opportunities that take place in learning institutions.

In the SAQA context it is argued that, irrespective of the interpretation of the curriculum or even learning programme strategy, the following elements should be present (Bellis, 2001:178; Killen, 2000:6):

- Determining the purpose and values of the learning.
- Analysing the needs and nature of the learners.
- Deciding on the outcomes or learning objectives.
- Selecting the content, the subject matter that will support achievement of the outcomes.
- Deciding on the activities, the methods and media for facilitation and learning.
- Planning how assessment will be done.
- Planning how the overall effectiveness of the delivery of the curriculum will be evaluated.

The National Qualifications Framework (SAQA, 2005a:3) accepts Bellis' (2001:178) description of a curriculum and distinguishes between three parts of a curriculum. According to Bellis' description a curriculum deals with:

- standards setting;
- learning programme development and delivery, including assessment; and
- quality assurance of delivery and assessment processes.

2.5.4.2 Learning programme strategy

A learning programme strategy constitutes the plan for getting the learner to meet the specified outcomes as set out by the curriculum. The learning programme strategy refers to the what, the when and the how of ETD facilitation.

Reinecke (2005) summarised the components of a learning programme strategy in the SAQA context (see Figure 2.1).

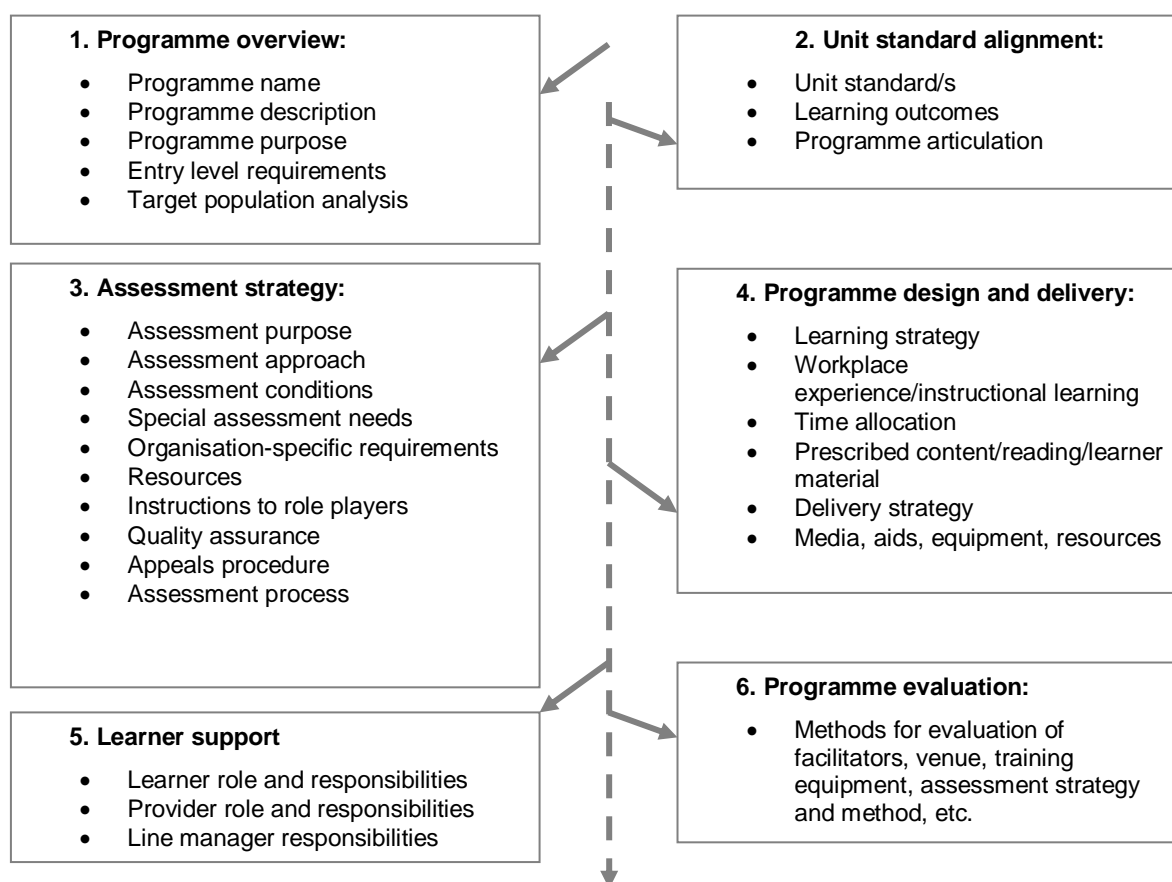


Figure 2.1 Learning programme strategy components

2.5.4.3 Needs analysis and curriculum levels

Van Rooy (1993:104) notes that curricula can be developed at three levels. In accord with Van Rooy's curriculum levels, Erasmus and Van Dyk (2003:143-144) argue that ETD needs are found at various levels in an organisation. Since a curriculum is the result of needs analysis, these two elements of the ETD process will be discussed simultaneously. According to Van Rooy (1993:104), and Erasmus and Van Dyk three

main levels are identified for curricula and needs analysis respectively, namely the macro-level, meso-level and micro-level.

- **Macro-level needs analysis and curriculum development.** Macro-level needs analysis focus on both national and internal needs. Political, social, economic, technological and welfare conditions have an impact on the ETD approach followed by an organization and needs to be taken into consideration during ETD strategy development (Erasmus & Van Dyk, 2003:144). Curriculum development at this level mainly focuses on the general and all inclusive ETD policies, educational aims and provision of education in a particular country, province, school or organisation that provides ETD (Van Rooy, 1993:104). The result of needs analysis at this level is typically an organisational curriculum where the general aims and ETD policy concerning all its qualifications and learning facilitation activities are spelled out. In an organisation the development of a curriculum statement will primarily be the combined responsibility of managers at the executive, business entity, divisional and departmental levels.
- **Meso-level needs analysis and curriculum development.** At this level needs analysis focuses on the organization as a whole and on factors such as the organisational objective, the availability and utilisation of resources, the organisational structure, as well as the changing organisational climate (Erasmus & Van Dyk, 2003:144). Meso-level curriculum development concerns curriculum development within an individual department or section of a particular didactic environment, or a particular subject, course or year of study within such a department or section (Van Rooy, 1993:104). Mainly subject curricula or learning programme strategies are developed at the meso-level. In an organisation, learning programme strategies will primarily be developed at the business unit or division level taking into consideration the results of the needs analysis at this level.

Svenson and Rinderer (1992:203) identify three types of curricula that will be designed at this level (summarised in Table 2.3):

Table 2.3 Types of curricula

| Type of need | Type of curricula |
|--|--|
| <ul style="list-style-type: none"> • Functional or job specific • Cross-functional needs | <ul style="list-style-type: none"> • Core curriculum for function or job • Cross-functional curricula such as: <ul style="list-style-type: none"> • Generic management skills • Personal skills • Quality skills |
| <ul style="list-style-type: none"> • System or product related | <ul style="list-style-type: none"> • Cross-functional curricula to support a system or product |

(Adapted from Svenson and Rinderer, 1992:203)

- **Micro-level curriculum development.** According to Erasmus and Van Dyk (2003:144), two aspects are studied at this level: the content of the employees work, and employee performance. **Work content analysis** involves an investigation into the competencies required in terms of knowledge and skills, as well as the standard of performance. This enables the identification of performance gaps that provide an indication of the ETD gaps. Individual performance is measured by means of formal performance assessment, evaluation centres, psychological tests, the opinions of employees and simulation exercises. The results obtained are an indication of the areas in which the individual is lacking in terms of knowledge, skills and/attitude and the possible ETD gap. According to Van Rooy (1993:104), micro-level curriculum development pertains to individual didactic situations. The micro-level curriculum would typically refer to a specific subject/module or learning facilitation session and would be in the form of learning programmes, learning facilitation plans and learning events to address specific ETD gaps. In an organisation the responsibility for the development of learning facilitation plans and learning event plans will primarily be with the ETD practitioners, also known as content developers and trainers.

Van Rooy (1993:105) notes that curriculum development should continually occur at all three levels. Therefore, curriculum development at a specific level should not be carried out independently of curriculum development at any of the other levels. Whatever changes are made to a curriculum at one level will influence the other

levels. This view, once again supports the importance of a systems approach (see section 2.5.2) to successfully engage in SETDCs to optimise ROTE.

2.5.4.4 Learning strategy versus instructional strategy

In addition to the differentiation between a curriculum and a learning programme strategy, SAQA also distinguishes between a learning strategy and an instructional strategy (Rous 2004b:11). According to this distinction the learning strategy refers to how and where learning takes place. In a learning strategy the focus is on "what the learner must do". The instructional strategy refers to the approach and methods used to establish an environment that is conducive to the facilitation of learning. In an instructional strategy the focus is on "what the provider must do". Both the learning strategy and the instructional strategy have to be addressed in the learning programme strategy. The differences between the learning strategy and the instructional strategy are illustrated in Table 2.4 (Rous, 2004b:11).

Table 2.4 Learning strategy versus instructional strategy

| Learning strategy | Instructional strategy |
|---|---|
| Who: <ul style="list-style-type: none"> • Individuals • Small groups • Large groups | Strategy: <ul style="list-style-type: none"> • Trainer centred • Learner centred • Combination (Trainer- and learner centred) |
| Where: <ul style="list-style-type: none"> • On-the-job • At home • In a formal learning environment | Approach: <ul style="list-style-type: none"> • Direct learning • Indirect learning • Interactive learning |
| How: <ul style="list-style-type: none"> • Text-based • Computer-based • Television (satellite) • Video/Audio • Research | Delivery method: <ul style="list-style-type: none"> • Lecture • Practice • Case studies • Role play • Etc. |
| | Training aids and equipment: <ul style="list-style-type: none"> • Materials • Classroom equipment • Products, etc |

2.5.4.5 Trainer-centred strategies versus learner-centred strategies

Rous (2004b:12-17) distinguishes between three instructional strategies in the SAQA context: A trainer-centred strategy; a learner-centred strategy; and a combination strategy (trainer- and learner-centred). Since the combination strategy is a combination of the trainer-centred and learner-centred strategies, only these two strategies will be described.

Trainer-centred strategies refer to direct instruction, deductive teaching or expository teaching. Lectures and demonstrations are examples of methods used. The facilitator controls what is to be taught and how learners are presented with the information they are to learn.

Learner-centred strategies refer to discovery learning, inductive learning, or inquiry learning. These approaches emphasise learners' role in the learning process. Examples of methods that are used are co-operative learning and learner research projects. In a learner-centred approach, the facilitator still sets the learning agenda but has much less direct control over what and how learners learn. The facilitator is no longer a filter through which all information must pass before reaching the learners.

The interrelationship between the instructional strategies, instructional approaches and instructional methods are summarised in Table 2.4.

2.5.5 Concluding remarks

It is evident from the discussion in this section that the meaning of the concept strategy in the ETD context differs significantly from the meaning of the concept strategy in the corporate environment. The different meanings of strategy have decisive implications for SETDCs which aim at designing ETD strategies in the corporate environment to optimise ROTE. Managers from the ETD and business environments communicate from different managerial and strategic perspectives.

A second observation from the preceding discussion is that the term strategy in the ETD context is mostly conceptualised from a micro strategic perspective (see section 2.5.1). However, when Erasmus and Van Dyk's and Van Rooy's levels of needs analysis and curriculum are analysed, three levels emerge, i.e. a macro level, a meso level and a micro level. Categorising the ETD strategy in terms of either a macro or micro strategic perspective is too simplistic. It is necessary to include the meso level strategic perspective when engaging in SETDCS to optimise ROTE that is representative of the different ETD strategy and organisational levels. To justify this argument further, the different organisational and strategic levels will be discussed in the following sections.

2.6 THE IMPLICATION OF LEVELS OF STRATEGIC MANAGEMENT AND LEVELS OF THINKING FOR EDUCATION, TRAINING AND DEVELOPMENT STRATEGIES TO OPTIMISE RETURN ON OCCUPATIONAL TRAINING EXPECTATIONS

2.6.1 Levels of strategic management

In large and complex organisations strategies are managed at different organisational levels. Sharplin (1985:6), Louw and Venter (2006:18-19), Meyer (1999:140) and Ungerer, et al. (2007:29-30) identified three distinctive levels, i.e. the corporate level, the business level and the functional level. Meyer's (1999:14) levels correspond to these levels although he refers to them as the development, delivery and application environments. The strategies are developed in correspondence with each of these levels. A *corporate strategy* is formulated for the company and all of its businesses as a whole. The *business strategies* are formulated for each separate business the company has diversified into. The *functional strategies* are formulated for each specific functional unit within a business. Thompson and Strickland (2003:49-50), add a fourth level. At this level there are *operational strategies* for basic operating units, e.g. plants, sales districts and regions, and departments within functional areas. In single-business organisations, only the first three levels of strategy making exist, unless diversification into other businesses is considered.

2.6.1.1 Corporate level strategic management

Corporate level strategic management is the management of activities which define the overall character and mission of the organisation, the product/service segments it will enter and leave, and the allocation of resources and management of synergies among its business units. Corporate level strategy is concerned with the overall purpose, scope, range and diversity of the organisation. In general corporate level strategies are designed from an organisational perspective (Louw & Venter, 2006:18-19). Corporate strategy concerns how a diversified company intends to establish business positions in different industries and the actions and approaches employed to improve the performance of the group of businesses the company has diversified into (Thompson & Strickland, 2003:50-54). In addition, the corporate strategy should be in harmony with national strategies and legislation (Meyer, 1999:140).

Typical questions asked at this level are the following (Sharplin, 1985:6-8; Louw & Venter, 2006:19; Ungerer, et al., 2007:29):

- What are the purposes of this organisation?
- What image should the organisation project?
- What are the ideals and philosophies the organisation desires its members to possess?
- What is the organisation's business or businesses?
- How can the organisation's resources best be used to fulfil corporate purposes?
- What is the organisation's attitude towards strategic change?

The following initiatives are characteristic of corporate strategies (Thompson & Strickland, 2003:50-54):

- **Moves to establish positions in different businesses and achieve diversification.** A key activity in corporate strategy is to decide how many and what kinds of business the company should be in. This entails specifically, what industries to enter and whether to enter the industries by starting a new business or acquiring another company.

- ***Initiating actions to boost the combined performance of the businesses the firm has diversified into.*** The aim is to improve performance companywide. To facilitate performance improvement corporate parent entities can help business subsidiaries to be more successful by financing additional capacity and efficiency improvement, by supplying missing skills and managerial knowledge, by acquiring another company in the same industry and merging the two operations into a stronger business, or by acquiring new businesses that strongly complement existing businesses. Furthermore, with this initiative companies pursue rapid-growth strategies in the most promising businesses, keeping the other core businesses healthy, initiating turnaround efforts in weak-performing businesses with potential, and divesting businesses that are no longer attractive or that do not fit into the organisation's long-range plans.
- ***Pursue ways to capture valuable cross-business strategic fits and turn them into competitive advantage.*** When a company diversifies into businesses with related technologies, similar operating characteristics, common distribution channels or customers, or some other synergistic factor, it gains competitive advantage potential which is not open to a company that diversifies into totally unrelated businesses. This strategy enables the company to transfer skills and expertise, use the same distribution facilities, use the same brand name and/or to extend its reach into other product lines which might initiate a one-stop shopping experience for customers.
- ***Establish investment priorities and steering corporate resources into the most attractive business units.*** This initiative involves channelling resources into areas where earnings potentials are higher and away from areas where they are lower. Corporate strategy may include divesting business units that are chronically poor performers or those in an increasingly unattractive industry.

In order to develop meso level ETD strategies at the business unit level that are aligned with the corporate strategy, it is necessary to analyse the corporate strategy. Since the company's strategy needs to be aligned with the national strategy; ETD strategies at this level also need to be aligned with and comply with national

legislation on ETD (Moorhouse, 2007:93). Furthermore, it is important to understand the overall company vision and objectives; the relationship between business units; and the strategic initiatives in order to design pro-active or just-in-time ETD strategies. Therefore, a SETDC at this level aims to understand the company at large and the direction the company is moving towards, i.e. the company's macro strategy in order to determine the possible macro level ETD strategy implications.

Corporate level strategic management is primarily the responsibility of the organisation's top executives. The primary focus of corporate level strategic management is on formulating and implementing strategies to accomplish the organisation's mission.

2.6.1.2 Business unit level strategic management

Business unit level strategic management is the management of a business unit's effort to compete effectively in a particular line of business and to contribute to overall organisational purposes. Complex organisations are often divided into business units to facilitate the management of the organisation. A business unit is a part of a business organisation which is treated separately for strategic management purposes. It usually engages in a single line of business. However, although it happens less frequently, several related operations could be combined to form a business unit (Louw & Venter, 2006:19; Thompson & Strickland, 2003:54-56).

Business unit level strategy concerns the actions and the approaches crafted by management to produce successful performance for a single business. The central business strategy issue is *how* to build a stronger long-term competitive position (Louw & Venter, 2006:19; Thompson & Strickland, 2003:54-56). Toward this end, business strategy is concerned principally with: (1) forming responses to changes under way in the industry, the economy at large, the regulatory and political arena, and other relevant areas; (2) crafting competitive moves and market approaches that can lead to sustainable competitive advantage; (3) building competitively valuable competencies and capabilities; (4) uniting the strategic issues facing the company's business (Thompson & Strickland, 2003: 54-56).

A strategy at this level aims to match a company's external and internal situation. Therefore continuous analysis of the external and internal business drivers is a key activity to ensure that a company establishes and sustains its competitive advantage.

Typical strategic initiatives at this level include:

- Deciding what product/service attributes (lower costs and prices, a better product, a wider product line, superior customer service, emphasis on a particular market niche) offer the best chance to win a competitive edge.
- Developing expertise, resource strengths, and competitive capabilities that set the company apart from rivals.
- Focusing on a narrow market niche and doing a better job than rivals of serving the special needs and tastes of its buyers.

According to Thompson and Strickland (2003:55;139), the most successful business strategies typically aim at building uniquely strong or distinctive competencies in one or more areas crucial to strategic success and then using them as a basis for winning competitive edge over rivals. Superior internal resource strengths and competitive capabilities are an important way to outcompete rivals. With rare exceptions, a company's products or services are not a dependable basis for sustained competitive advantage; it is too easy for resourceful competitors to clone, improve on, or find an effective substitute for them. A company's competitive edge is best found in competencies and capabilities critical to market success and to pleasing customers – competencies and capabilities that rivals do not have or cannot match. Distinctive competencies include leading-edge product innovation, better mastery of a technological process, expertise in defect-free manufacturing, specialised marketing and merchandising knowledge, potent global sales and distribution capability, superior e-commerce capabilities and better customer service.

At the business unit level, business strategic questions include the following (Sharplin,1985:6-8; Louw & Venter, 2006:19; Ungerer, et al., 2007:29):

- What is the business' sustainable competitive advantage?
- What value does the business add? Where? Why? How?

- What specific products or services does the business unit produce?
- What markets should the business compete in?
- Who are the business unit's customers or clients?
- How can the business unit best compete in its particular product/service segments?
- How can the business unit best conform to the total organisation's ideals and philosophies and support organisational purposes?
- How can the business innovate?
- What competencies and capabilities are needed?

All of the above decisions have implications for the ETD strategies. In order to ensure that ETD strategies are aligned with the preceding business strategic issues, it is deduced that, at the business unit level, typical ETD strategic questions will include the following:

- Which learning programmes should be trained?
- How should ETD be adapted to accommodate industry, innovation and technological changes?
- How should ETD be designed to ensure customer satisfaction?
- How can ETD facilitate performance improvement to ensure competitive leadership in the particular product/service segments?
- What is the interrelationship between the business unit and other business units and the larger organisation, and how can ETD facilitate optimisation of the relationships?

The business unit level needs to be aligned with the corporate strategy. Therefore, formulating an ETD strategy for the development of appropriate knowledge, skills and attitude for superior internal resource strengths and competitive capabilities should be considered a key strategic initiative at this level. In addition, because of this level's sensitivity towards external and internal business drivers, continuous analysis of these drivers by the ETD manager is required to ensure the development of proactive ETD strategies. To enable the design of a meso level ETD strategy that will

facilitate achievement of the business unit's strategic objectives and ROTE requires a SETDC between the ETD manager and relevant role players.

The business unit level strategic management is usually the responsibility of the second tier of executives, vice presidents or division heads, in large organisations. An ETD strategy at this level will therefore be the responsibility of the ETD manager who has access to managers at this business level. In a single business unit organisation, senior executives have both corporate and business unit level responsibilities.

2.6.1.3 Functional level strategic management

Functional level strategic management is the management of relatively narrow areas of activity which are of vital, pervasive, or continuing importance to the total organisation. Functional strategy concerns the managerial game plan for running a major functional activity or process within a business, such as research and development, production, marketing, customer service, distribution, finance, human resources. A business needs a functional strategy for every major business activity and organisational unit. Functional strategy is narrower in scope than business strategy. However, similar to business strategy, functional strategy must support the company's overall business strategy and competitive approach (Thompson & Strickland, 2003:56-57).

Strategic management at the functional level does not include the supervision of day-to-day activities but mainly general direction and oversight through setting and enforcing policies. The manager who designs a functional strategy needs to consider inputs from the subordinates and managers of other functions/processes and the business head. Functional strategies that are developed independently of each other lead to uncoordinated or conflicting strategies. Compatible, collaborative, mutually reinforcing functional strategies are essential for the overall business strategy to have maximum impact. A business' marketing strategy, production strategy, finance strategy, customer service strategy, new product development strategy, and human resources strategy should be synchronised rather than serving their own narrower

purposes. Coordination and consistency among the various functional and process strategies are best accomplished during the deliberation stage (Thompson & Strickland, 2003:56-57).

At the functional level, strategic questions include the following (Louw & Venter, 2006:19; Ungerer, et al., 2007:29):

- What is the role of this department/function in delivering the business level strategy?
- How is strategy implemented and co-ordinated at functional levels?
- Does the organisational architecture support strategy implementation?
- What should we do to support the business strategy?
- What should we do in the short term to ensure long-term results?
- How can we improve our efficiencies?

Therefore, the importance of a SETDC to facilitate coordinated and consistent functional level ETD strategies to optimise ROTE is emphasised.

The responsibility for designing functional level strategies for each of the various important business functions and processes is normally delegated to the respective functional department heads and process managers.

2.6.1.4 Operational level strategy management

Operational level strategy management concerns the management of front line organisational units within a business (plants, sales districts, distribution centres) and how to perform strategically significant operating tasks (materials purchasing, inventory control, maintenance, shipping, advertising campaigns, and so forth) (Thompson & Strickland, 2003:57). Operating strategies are limited in scope. However, they provide detail and completeness to functional strategies and to the overall business plan. ETD strategies that focus only on the operating level are at risk of being misaligned to the broader business and corporate level strategies. On the other hand, ETD strategies that exclude consideration of operational strategies are at

risk of being poorly implemented and executed or even, at worst, impractical and not executable.

At this level, learning is transferred to the workplace. ETD managers focus at this level on the detailed planning and management of the design, development, delivery and evaluation of learning programmes (Moorhouse, 2007:94). Hence, to ensure that ETD strategies are successfully implemented at this level, it is important that the ETD manager conducts SETDCs with managers at the operating level to determine their ROTE.

The responsibility for operating strategies is usually delegated to front-line managers, subject to review and approval by higher-ranking managers.

2.6.1.5 Concluding remarks

The discussion in the preceding section underscores that a company's strategic plan is a collection of strategies developed by different managers at different levels in the organisational hierarchy. A company's strategy is at full power only when unity is achieved between the different strategic levels. Management's direction-setting effort is not complete until the separate layers and pieces of strategy are unified into a coherent, supportive pattern (Louw & Venter, 2006:20; Thompson & Strickland, 2003:49-54).

However, the creation of such a unified strategic plan renders a paradox in itself. On the one hand the strategic management process is best achieved through a top-down approach. Direction and guidance is required from the corporate level, which in turn is cascaded down to the business level and from the business level to the functional and operating levels. Lower-level managers cannot design practicable and aligned strategies without understanding the company's long-term direction and higher-level strategies (Louw & Venter, 2006:20; Thompson & Strickland, 2003:57-58). Yet top-down strategies run the danger of being power oriented rather than content oriented. This approach fails to create a performance culture of innovative

and differentiated strategies. Top-down strategies usually ensure compliance, but not commitment (Ungerer, et al., 2007:28).

On the other hand people at the bottom of the organisational hierarchy are best at providing answers to what systems and processes are working and *vice versa*, as well as what resources are required. However, people at the bottom of the organisational hierarchy generally have too little insight into and understanding of the bigger corporate picture or context.

Consequently, to ensure that objectives and strategies are unified from top-to-bottom of the organisational hierarchy it is necessary to follow both a top-down and bottom-up process by means of strategic conversation (Ungerer, et al., 2007:29). Cross-unit and top-down coordination is essential to ensure innovative idea-building processes. This approach facilitates large and small business opportunities, and the mobilisation of resources at a wider front (Louw & Venter, 2006:20; Thompson & Strickland, 2003:57-58; Ungerer, et al., 2007:29).

Therefore, in order to design feasible ETD strategies that are aligned with strategies at the corporate level, it is necessary for the ETD manager to analyse and understand the corporate level strategies without necessarily being involved in the formulation of corporate level strategies. In addition, it is imperative that the ETD managers are included in SETDCs at all the business unit, functional and operational level strategic discussions and meetings to ensure the formulation of ETD strategies to optimise ROTE and alignment with the business strategies at the various organisational levels.

Finally, although the levels were described according to their differences, Sharplin (1985:11) notes that in essence, business level decisions are similar to corporate level decisions. At corporate level, resources such as money, material, and managerial energies are allocated among different businesses or product areas. At business unit level, resources are allocated among functional departments or areas of activity. Hence, it is deduced that ETD strategies will comprise business decisions similar to those in the business environment. Education, training and development

strategies include on the one hand business decisions (and strategies) and on the other hand ETD decisions (and strategies). Consequently SETDCS need to include both ETD and business related topics to ensure alignment between ETD and business strategies to optimise ROTE.

2.6.2 Levels of strategic management thinking

Apart from the different organisational levels of strategy, Ungerer, et al. (2007:30) distinguish between different levels of strategic thinking. The international benchmark definitions for levels of work are based on the concepts of Elliot Jacques (quoted in Ungerer, et al., 2007:30) and are applicable to all organisations, especially those wanting to compete internationally. The following summary is based on Elliot Jacques' framework in which seven distinct levels of strategic contribution are identified and described. Each level has an implication for ETD strategies, as indicated in table 2.5. In my view, these levels need to be taken into consideration during engagements in SETDCs, as it will impact on the nature of the SETDC as well as the articulation of ROTE.

Table 2.5, once again, illustrates the distinguishable levels in an organisation. However, what transpire from this table are the respective business and ETD outcomes that need to be achieved. The identification and understanding of these outcomes is necessary to facilitate SETDCs to enhance ROTE.

2.6.3 Concluding remarks

The existence of different strategic management levels is undisputable. For that reason, it is necessary that the ETD manager understands the levels and processes of strategic management in order to design and implement ETD strategies that are aligned with business strategies. In addition, it is imperative that the ETD manager understands the thinking levels of the managers in order to engage in SETDCs that will facilitate the optimisation of ROTE at the different organisational levels.

Table 2.5 Levels of strategic thinking

| Strategic Thinking level | Unique Contribution Domains | Time-Span Consequence (See Note) | Reach and Impact | ETD Strategy Implications |
|---|---|----------------------------------|---|---|
| 7 Global organisational viability and sustainability | <ul style="list-style-type: none"> Work with "fuzzy" information without distinct probabilities and define it for organisational use. Cope with and integrate hierarchical but chaotic relationships. Co-create the industry and global direction. Influence global socio-economic philosophy. | Fuzzy, extended, very long term | Global presence; determined only by global industry design. | Analyse global and national trends to compile national ETD strategies. Outcome: The development of national ETD strategies. |
| 6 National and regional organisational viability and sustainability | <ul style="list-style-type: none"> Anticipate global trends and identify probabilities. Interpret but mainly the potential impact of global trends. Use defined "fuzzy" information to formulate scenarios. Define the probability of scenarios and initiate proactive responses. Define "big picture" and key strategic objectives. | Long term | <ul style="list-style-type: none"> Worldwide international alliances. | Analyse global, national and industry trends to: <ul style="list-style-type: none"> Ensure compliance with national legislation Compile leading ETD strategies for the industry. |
| 5 Local viability and sustainability of multiple organisational entities | <ul style="list-style-type: none"> Interpret global trends and pre-empt national/regional trends. Align the external and internal supply chain. Inform the formulation of scenarios. Translate strategy to be meaningful to operational entities. Select a balanced scorecard of performance indicators. | Medium to long term | National focus; total supply chain integration total; supply chain competitiveness. | <ul style="list-style-type: none"> Analyse national, industry and organisation trend to design cross-divisional ETD strategies aligned with national and corporate level strategies. Outcome: The development of cross-divisional curriculum architecture. |
| 4 Business unit viability and sustainability by integrating across operational processes | <ul style="list-style-type: none"> Translate information into meaningful operational targets. Integrate and optimise the internal supply tracking. Comprehend and integrate internal stakeholder perspectives. Establish balanced scorecards for divisional levels. | Medium term | <ul style="list-style-type: none"> Organisation-wide focus: internal supply chain integration; focus on divisional excellence. Introduce new developments within long terms strategy. | <ul style="list-style-type: none"> Analyse organisation and business units to design ETD strategies at business unit (divisional) level. Outcome: The development of business unit (divisional) curriculum architecture. |

| Strategic Thinking level | Unique Contribution Domains | Time-Span Consequence (See Note) | Reach and Impact | ETD Strategy Implications |
|---|--|----------------------------------|--|--|
| 3 Operational effectiveness of units within the business | <ul style="list-style-type: none"> Benchmark competitive performance measures. Tangible, past-based information tracking. Determine, create and track performance criteria. Establish a balanced scorecard of operational measures. | Short to medium term | Localised focus; nationally competitive; performance; departmental excellence. | <ul style="list-style-type: none"> Analyse operational units to design micro level ETD strategies. Outcome: The development of learning programmes. |
| 2 Supervisory control and feedback | <ul style="list-style-type: none"> Identify variances from benchmarked norms/standards. Apply basic statistical analysis to track performance variations. Resolve operational performance variations. Escalate unresolved problems to higher levels. | Short term | Functional, specialised excellence; project teams. | <ul style="list-style-type: none"> Analyse performance standards to design micro level ETD strategies that are aligned with the operational performance standards. Outcome: The development of learning outcomes. |
| 1 Micro unit excellence | <ul style="list-style-type: none"> Access and respond to concrete performance information. Drive immediate response times. Use information to deliver built-in excellence. Initiate resolution of operational problems. | Less than three months | Micro unit excellence; operational teams; individuals. | |

Note: Time-span of consequence is the time it takes before the result of a decision becomes clearly noticeable.

(Source: Adapted from Ungerer, et al., 2007:31-33)

2.7 SYNTHESIS

It is deduced from the preceding sections that there exists a significant difference between the meaning of the concept strategy in the business environment and the ETD environment. This could therefore be one of the main contributors of the perception that ETD is not meeting the business expectations. It is deduced that the differences in views and meaning attached to the concept strategy will impede strategic conversations. Hence, to conduct successful SETDCs to optimise ROTE and ensure the alignment of ETD strategies with business strategies, clarification of the meaning of the concept "strategy" is required.

During the exploration of the concept strategy, it became evident from the literature review that there exist different levels of strategies within both the business and ETD environments. Hence, it is deduced that is imperative to situate SETDCs at the intended level to ensure optimisation of ROTE for a specific level, as well as the successful alignment of ETD strategies with business strategies for that level. Table 2.6 is a summary of the different business strategic levels as well as the corresponding ETD strategy levels as deduced from the literature.

Knowledge of the different strategic levels and the objectives that need to be achieved at each level will enable the ETD manager to facilitate SETDCs to determine the ROTE at each level, which is a key requirement for the successful formulation and implementation of ETD strategies.

Table 2.6 Strategic levels and their education, training and development implications

| Organisational level | Strategic thinking level | ETD level | ETD reach and impact |
|----------------------|---|------------------------|--|
| Corporate level | 7 Global organisational viability and sustainability | Macro-level strategies | Compliance with international standards for internal and foreign operations. |
| | 6 National and regional organisational viability and sustainability | | Train individuals to become responsible citizens that will contribute to the social and economic development of the country. |
| | 5 Local viability and sustainability of multiple organisational entities | | ETD compliance to national legislation and regulations such as: <ul style="list-style-type: none"> • National Skills Strategy • NQF Act • Skills Development Act • Statutory Bodies Organisational curriculum |
| Business unit level | 4 Business unit viability and sustainability by integrating across operational processes | Meso-level strategies | <ul style="list-style-type: none"> • Core curriculum for function or job |
| Functional level | | | <ul style="list-style-type: none"> • Cross-functional curriculums such as: <ul style="list-style-type: none"> • Generic management skills • Personal skills • Quality skills • Cross-functional curriculums to support a system or product |
| Operational level | 3 Operational effectiveness of units within the business | Micro-level strategies | <ul style="list-style-type: none"> • Learning strategies • Instructional strategies • Learning programme strategies |
| | 2 Supervisory control and feedback | | |
| | 1 Micro unit excellence | | |

From the literature review several deductions were made regarding SETDCs in the organisational environment. First, it is deduced that SETDCs in companies are mostly conducted from a business perspective. Where ETD strategies do exist, they are designed at either the macro (corporate) level or the micro (department, job and post) level. Meso level ETD strategies are either insufficient or lacking. As a result ETD for business impact is not optimised. To develop meso level ETD strategies, SETDCs should be held between the ETD manager and business managers at the relevant strategic management levels in order to ensure understanding of strategic expectations and ROTE at different levels and to align ETD strategies with these expectations. Second, adherence to the principles of SETDCs is a prerequisite for the successful alignment of ETD strategies with business strategies. Third, it is deduced that the strategic planning process should provide the framework for SETDCs to ensure alignment of ETD and business strategies. Therefore, SETDCs should deliberate environmental issues; formulation of strategic plans, implementation of strategic plans; and monitoring of strategic plans.

The nature, principles and framework for SETDCs are explored in Chapter 3.

Chapter 3

A Framework to Engage in Strategic Education, Training and Development Conversations

3.1 INTRODUCTION

In Chapter 2 it was mentioned that adherence to the principles of strategic conversation is a prerequisite for the successful alignment of ETD strategies with business strategies to optimise Return on Occupational Expectations (ROTE). However, during an exploration of the principles of strategic conversation it transpired that little information is available on how to successfully engage in strategic conversations, let alone strategic ETD conversations (SETDCs). Although there is agreement in strategic management literature that strategic conversation is key to strategy formulation, the power of strategic conversation is not always harnessed because the essence and principles of strategic conversation are poorly understood (Johnson & Johnson, 2006a).

According to Johnson and Johnson (2006a), an understanding of the principles of strategic conversation enables an instant assessment of any operational or administrative topic for its potential value as a strategic topic, and a decision can be made as to how the topic can best be dealt with. Given the limited information available, the empirical study is based on this notion and this chapter commences with an exploration of the meaning of the term **strategic conversation** from a strategic management perspective in order to translate it into **strategic ETD conversation** (SETDC). Thereafter the principles and preconditions that are required to engage constructively in SETDCs are discussed. The chapter is concluded with an exploration into those aspects that determine the nature and success of SETDCs.

3.2 DEFINITION OF STRATEGIC EDUCATION, TRAINING AND DEVELOPMENT CONVERSATION

To define SETDCs this section commences with an exploration of the term strategic management from which the definition of SETDC is derived. Where reference is made to strategic conversation in this section it is primarily from a strategic management perspective.

Defining strategic conversation is not an easy task. First of all, there are limited empirical studies on strategic conversations as a phenomenon. Secondly, the literature review reveals that there are different perspectives on strategic conversations. Hence, there is not a general definition of strategic conversation, let alone strategic ETD conversations. Hamel & Prahalad (quoted by Johnson & Johnson, 2006b), as well as Louw and Venter (2006:46) contributed towards management language and our understanding of the subtleties within the strategic process when they introduced the term 'strategic intent' in 1989. Hamel and Prahalad and several other authors (Manning, 2001, 2004; Illbury & Sunter, 2007) claim that strategic intent required strategic conversation. However, there is little clarity and agreement as to what strategic conversation actually entails (Johnson & Johnson, 2006b). Hamel and Prahalad believed that the conversation is not strategic unless it is about the desired ends (goals) rather than about the means (operational). Contrary to their view, other authors such as Manning (2001; 2004) and Illbury and Sunter (2007) regard strategic conversation as the continuous to-and-fro between scenario and action, and about the to and fro between ends and means. Others, again, think it is more about the 'why' than either the 'what' (ends) or 'how' (means) (Johnson & Johnson, 2006b).

To define strategic conversation, and strategic ETD conversations specifically, it is firstly necessary to understand the meanings of the composite words "strategic" and "conversation". Hence, the rest of this section aims to explore these concepts with the aim to provide a definition of strategic conversation, which will form the foundation for the term strategic ETD conversation.

3.2.1 The meaning of "strategic"

The meaning of the concept strategy was analysed in detail in Chapter 2, section 2.3. However, to summarise, the following quote will suffice (Johnson & Johnson, 2010).

A strategy is a fundamental pattern of present and planned objectives that place the organisation in an advantageous (market or other) position, reducing negative impact from competitors or other threats including environmental factors [the ends]. The planned objectives take into account present, outsourced and needed organisational capabilities, and interactions that focus on discovery, development alignment and delivery of capabilities [the means].

The implication of the concept strategy for strategic conversations is that it enables one to test whether a conversation is strategic or not. According to Johnson and Johnson (2006b), the test for whether a conversation is strategic (rather than not strategic) is that it must be about setting, altering, attaining, measuring or assessing organisational purpose, goals, or risk. Further to this, the conversation must generate a decision that will cause action. In addition the strategic conversation must:

- have a topic that is related to goals (setting, altering, attaining, measuring or assessing), i.e. the "ends"; and
- be part of a sequence that leads to action, i.e. the "how" and "means". The sequence typically starts with information, and then goes through interpretation, planning, implementation, measurement, and starts again with interpretation.

Strategies to improve organisation performance seem to follow one of four broad strategic perspectives (Johnson & Johnson, 2006a; 2006b; 2010). Cognisance of these perspectives is necessary, since it determines the purpose of and topics discussed during SETDCs. The following is a summary of these perspectives:

- An *inwards strategic perspective* with a focus on the people who are responsible for getting things done. From this perspective, SETDCs would typically focus on

interpersonal skills, leadership, coaching, learning, stress management and others.

- An *inwards strategic perspective*, but with the *focus on quality of processes*. From the quality perspective the focus of SETDCs would be on compliance to legislation, regulations, policies, procedures, standards and targets.
- An *outwards strategic perspective* with a focus on the identification and defining of strategies *based on the competitive intelligence collected from market and environmental data*, and from organisational memory. From this perspective SETDCs would focus on topics such as problem-solving, planning intent, thinking, analysis, management, capabilities alignment, and adaptability. The focus is on how ETD should be organised to accommodate changes in the environment.
- An *outwards strategic perspective* with a *focus on the value added* to customers. This perspective goes hand in hand with the inward perspective on quality. Whereas the quality perspective focuses on internal process the value adding perspective is distinguished by the outward goal and emphasis on customer satisfaction. From this perspective SETDCs would focus on topics such as sales skills, client care skills and operational proficiency.

From the preceding discussion it is deduced that a strategic conversation, in this study a SETDC, will only be considered strategic if it corresponds with and addresses the strategic goals stipulated by the business and the means to achieve these goals. In addition the nature of strategic conversation will be determined by the broad strategic perspective adopted by the business.

3.2.2 The meaning of "conversation"

Conversation embraces every form of information seeking, exchange and processing (e.g. decision, planning, implementing and evaluation) (Johnson & Johnson, 2010). The concept conversation includes dialogue, discussion, debate and dialectic

enquiry (Manning, 2004:53-54; Johnson & Johnson, 2010; Ungerer, Pretorius & Herholdt, 2007:304).

3.2.2.1 Dialogue

According to Bohm (1996:6-47), and Senge (2006:10, 223-228), the word "dialogue" refers to the capacity of team members to suspend assumptions and enter a mode of "thinking together". The word "dialogue" comes from the Greek word *dialogos*. *Dia* means through and *logos* means word or meaning. Therefore, the Greek word *dia-logos* refers to the free flow of meaning through a group, allowing the group to discover insights not attainable individually.

In dialogue, people observe their own way of thinking and thoughts. They begin to separate themselves from their thought (prejudices and assumptions), which enables them to participate more creatively and less reactive to their own thoughts. Therefore, the value of dialogue is that it goes beyond one's understanding, and supports the processes of creating, sharing, integrating, and evaluating knowledge (Bohm, 1996:6-47; Senge, 2006:10, 223-228).

In dialogue, a group explores complex difficult issues from many points of view. The aim of dialogue is not to analyse things, to win an argument, or to exchange opinions. Conviction, advocacy and persuasion all aim to win and is not approved of in dialogue. The aim is rather to withhold and suspend one's opinions and to listen to everybody's opinions, and then to go beyond that to find the common content in order to create a common understanding (Bohm, 1996:26-27). Bohm (1996:33-35) envisions dialogue as a process through which people can share their frustrations, their different contradictory assumptions and their mutual anger and still remain participating in the process. The process of sharing is more important than the content of the opinions. Hence, a prerequisite for dialogue is that a group of people should see each other as colleagues in a mutual quest for deeper insight and clarity. The creation of a common consciousness and understanding facilitates a way out of collective difficulties. Instead of each participant contributing to the problem, because of their own assumptions, they now become part of the solution to the problem.

However, seeing each other as colleagues does not mean everyone has to be in agreement with one another. On the contrary, the real value of dialogue comes into play when there are differences of view (Bohm, 1996:6-47; Senge, 2006:10, 223-228).

Bohm (1996:6-47) argues that dialogue is difficult in organisations because of the hierarchical nature of organisations. Since the danger exists that persons that are more senior may insist on their views, or junior colleagues may withhold their views based on their lower hierarchical standing, it is important to have these assumptions surrendered in order to facilitate value-adding dialogue. In addition, since dialogue is intended to be open and power-neutral communication, the danger exists that the process of dialogue and the information that is shared can be abused. This can be avoided by ensuring that the topic and outcome of the dialogue is confined to strategic matters and the collaborative finding of solutions to problems (Johnson & Johnson, 2010).

3.2.2.2 Discussion

Contrary to dialogue, discussion involves the heaving of ideas back and forth in a winner-takes-all competition. The purpose of discussion is to have one's view accepted by the group (Senge, 2006:10, 223).

The objection against discussion is that it does not go into and beyond actual decision-making to embrace subsequent actions (Johnson & Johnson, 2010). Hence, a conversation that turns for the most part into a discussion will impede strategic decision-making. In addition, the danger of discussions is that it can veer from strategic thinking towards operational thinking, and even risks paralysis in conditions of uncertainty.

3.2.2.3 Debate

Johnson and Johnson (2010) state that the difference between debate and dialogue is that debate involves a dialectic process between two or more interlocutors, during

which parties pose questions and receive answers. The aim of a debate is to increase either party's awareness or understanding. A debate is by nature cooperative and goal-directed, with reciprocal exchange of messages embedded in each specific normative context. The objection against debate is that decision-making is not an inherent part of debate (Johnson & Johnson, 2010). Hence, a conversation that turns for the most part into a debate will impede strategic decision-making.

3.2.2.4 Dialectic inquiry

According to Ungerer, et al. (2007:72, 312-313), **inquiry** is a process of deeper understanding about why people think the way they think and what information they use to base their conclusions on. In essence inquiry entails asking questions for clarity and probing deeper into issues to help others learn. Inquiry also includes revealing the assumptions that exist about the information that is used and the conclusions that are reached. High inquiry behaviour is demonstrated by seeking confirming views; asking leading question; and discouraging challenges. Senge (2006:184) warns that pure inquiry could be counterproductive and should be balanced with other strategic conversation mechanisms. Asking questions only can be a way to hide personal views, hence restricting learning.

Advocacy, on the other hand, refers to the ability to make clear statements about what one knows and thinks, taking a strategic conversation deeper and helping others to learn (Ungerer, et al., 2007:72, 312-313). High advocacy behaviour is demonstrated by stating conclusions, absence of examples and absence of explaining own thinking. Pure advocacy aims to win the argument (Senge, 2006:185). Most managers are trained to be advocates. The danger in advocacy is that individuals become successful because of their ability to debate forcefully and influence others. When these managers rise to senior positions where they are confronted with more complex and diverse issues they encounter resistance. At the higher organisational levels high advocacy behaviour becomes counterproductive and an increasing need to gain insights from other people arises in order to promote learning (Senge, 2006:183).

Dialectic inquiry occurs when the skills of both inquiry and advocacy are combined. Dialectic inquiry has its origin in the Socratic method, which comprises a dialogue during which answers to questions were a prelude to further questions, which ultimately lead to answers that were the complete opposite of the answers to the ones given in the first place (Illbury & Sunter, 2007:10). Dialectic inquiry means on the one hand inquiring into the reasoning behind others' views, and on the other hand revealing one's own assumptions and reasoning and inviting others to inquire into them (Senge, 2006:184-185). Dialectic inquiry behaviour is demonstrated by means of the following: An explanation of one's own thinking, the use of examples, seeking others' views, probing others' thinking, and encouragement of others to challenge own views. Contrary to pure inquiry and advocacy, dialectic inquiry promotes strategic decision-making (Manning, 2001: 57; Senge, 2006:184-185).

3.2.3 The meaning of "strategic conversation"

From the preceding explications of the concepts "strategic" and "conversation" in sections 3.2.1 and 3.2.2 it is deduced that strategic conversation can be regarded as conversation that has, firstly, a strategic intent; and secondly, requires a distinct conversation skills set. Strategic conversation is the overarching term that systematically and purposefully embraces strategic thinking, strategic dialogue, strategic debate, strategic discussion and strategic decision-making (Johnson & Johnson, 2010). Hence, strategic conversation needs to be a two-way communication process, embracing a combination and balance of strategic conversation mechanisms (see sections 3.2.1 and 3.2.2), to facilitate achievement of business goals and results (Johnson & Johnson, 2010; Illbury & Sunter, 2007; Manning 2004:52).

The aim of methodological and systematic strategic conversation is to produce action that leads to a better competitive position than previously held. It is the emphasis on *competitive advantage* that makes the conversation strategic (Johnson & Johnson, 2010). Consequently, to define a conversation as a strategic conversation the topic must relate to the organisation's purpose, and include "what if" considerations, i.e. scenarios, to generate options and arrive at actionable decisions that drive future

actions to achieve business goals (Illbury & Sunter, 2005:25 and 2007; Johnson & Johnson, 2006a). Therefore, the conversation must include all of the following characteristics to be considered a strategic conversation. It must:

- be related to the purpose of the organisation;
- seek a competitive advantage;
- facilitate action; and
- include known information with "what if" and "if ... then ..." thinking to plan future actions.

Van der Heijden (1996:41 quoted by Johnson & Johnson, 2010) is commonly credited for coining the term strategic conversation in his book *Scenarios: The Art of Strategic Conversation* in which he wrote:

The crux of the institutional aspects of the processual paradigm is conversation. The learning loop model shows the interwovenness of thinking and action. If action is based on planning on the basis of a mental model, then institutional action must be based on a shared mental model. Only through a process of conversation can elements of observation and thought be structured and embedded in the accepted and shared organisational theories-in-use.

Hence, it is deduced that the process to align business and ETD strategies, depends on a shared mental model. Consequently SETDCs are key to promoting a shared mental model to develop ETD strategies that are aligned with business strategies and expectations to optimise Return on Occupational Training Expectations (ROTE).

Strategic conversation is the tool to exchange meaning, as well as that which stakeholders value, since it involves dialogue. Through dialogue, discussion, debate and dialectic inquiry (see section 3.2.2), meaning and value are exchanged. Therefore, during SETDCs between ETD and business managers, expectations are shared and an understanding of the ETD expectations, i.e. ROTE is confirmed. In addition, new meaning and value emerge from the SETDC. In this way strategic ETD conversations deepen the relationships between the ETD and business strategists. In

addition, new routes and possibilities to ensure alignment between ETD and business strategies are suggested and explored (Ungerer, et al., 2007:304).

3.2.4 The definition of "strategic education, training and development conversation"

Based on the preceding elucidation of the meaning of the terms "strategic", "conversation" and "strategic conversation", strategic ETD conversation is defined in this study as:

Two-way communication that embraces a combination and balance of strategic conversation mechanisms, i.e. dialogue, debate, discussion, inquiry, advocacy and dialectic inquiry, in order for ETD and business managers to create a shared mental model that will produce "future thinking" ETD decisions and actions to optimise Return on Occupational Training Expectations with the purpose to ensure that business goals are achieved.

3.3 THE IMPORTANCE OF STRATEGIC EDUCATION, TRAINING AND DEVELOPMENT CONVERSATIONS

In this section the importance of SETDCs for the development of ETD strategies to support the business in achieving its goals, will be discussed (see section 3.3.1). Further to this, the section highlights the importance of SETDCs to establish a learning organisation, which is critical for any business to ensure continuous exploration of new ways to respond successfully to a world of interdependence and accelerating change (see section 3.3.2). The section concludes with an overview of the learning organisation barriers that could be countered through the use of SETDCs. Where reference is made to strategic conversation in this section, it includes the term *strategic ETD conversation*.

3.3.1 Strategic education, training and development conversation as an instrument to support business strategies

Manning (2001:57; 2004:52) and Ungerer, et al. (2007:300) state that *strategic conversation* is the key to manage the formulation and implementation of strategies, as well as stakeholder relationships. Everything that is done in business involves people talking to each other. The strategic conversation is considered the "glue" and lifeblood of the strategic process and should be used during each phase of strategising. When the level of conversations is raised to make them strategic the potential to optimise results and make an impact is increased (Johnson & Johnson, 2006b; Manning, 2001:57; 2004:52; Ungerer, et al., 2007:300).

Strategic conversation, and the enablement of authentic dialogue, is core to the successful formulation and implementation of the strategic process since it (Ungerer, et al., 2007:303-304):

- Energises participants and provides a channel along which that energy can flow. Facilitation of the process is important to ensure that channels of conversation are kept open.
- Provides a useful tool to challenge assumptions. It provides an opportunity to examine and challenge expressed mental models. This is particularly important to ensure continual change to create and establish a competitive advantage.
- Creates feedback loops, which enable continuous reviewing of decisions and continual improvement.
- Mobilises action. Strategic conversation is a mechanism to explore the strategic environments, and to decide and prioritise goals. The strategic conversation creates the agenda for action and change in order to pro-actively identify risks and barriers for implementation.

- Aligns the strategic drives of the stakeholders with the overall organisational goals and objectives. Where deviation from the planned delivery occurs, strategic conversation creates the necessary feedback loops to take corrective action.
- Enables analysis of historical activities and data, which over time gives insight into the organisation's strategic pattern. This in turn enables thinking and planning for the future more effectively.
- Facilitates engagement. As soon as people are engaged in conversation it is impossible to disengage, since conversation by its very nature leads to further conversation.

The preceding discussion, once again, emphasises the importance of strategic conversation as a mechanism to create a shared mental model that is necessary to facilitate engagement between the relevant role players to develop competitive strategies and practicable action plans. Whereas this section focused on the importance of strategic conversation to develop and implement strategies, the following section focuses on the importance of strategic conversation to develop a learning organisation culture.

3.3.2 Strategic education, training and development conversation as an instrument to develop a learning organisation

The discussion in this section on the characteristics of a learning organisation is founded on the work of Peter Senge. Peter Senge introduced the concept and value of a learning organisation to the business community in his book, "The Fifth Discipline" in 1990. He defines a learning organisation as "organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to learn together" (SHRM, 2008:4).

The term learning organisation has later been redefined to emphasise the capacity of the organisation to facilitate learning of all its members and consciously and continuously adapt transforms itself to and its context (Pedler, et al., quoted by Erasmus & Van Dyk, 2003:68; Parumasur & Barkhuizen, 2009:495). This view on learning organisation implies an element of change for both an individual and an organisation. The emphasis in this definition is on the fact that change should not happen just for the sake of change, but should be well thought through to achieve a specific purpose.

Hence, according to Senge (2006:14,192), to survive and be successful an organisation needs to transform itself into a learning organisation. A learning organisation is defined by Senge (2006:14,192) is an organisation that is continually expanding its capacity to create its future. Such an organisation does not focus on "survival learning" also known as "adaptive learning". A learning organisation focuses instead on "generative learning", i.e. learning that enhances our capacity to create.

According to Argyris and Schon (quoted by Brown & Seidner, 1998:81), organisational learning occurs when individuals within an organisation experience a mismatch between what is expected and the actual results of action. They then inquire and respond to this problem through a process of thought and further action, which in turn leads to a modification of the image of the organisation or an understanding of organisational phenomena to change behaviour to bring outcomes and expectations more in line. The learning results, which emerge from individual inquiry, must become embedded in the images of the organisation held and stored in the minds of its members as organisational memory for it to become organisational learning. Organisational memory refers to the storing of new beliefs, knowledge, or patterns, for action, or adopting new routines (policies and procedures) (Brown & Seidner, 1998:81). When employees are not granted the opportunity or when they are afraid to raise shortcomings and problems, the real, serious problems cannot be resolved and become harmful to the organisation. Such a culture systematically diverts attention from critical problems that need to be resolved and impede much needed organisational transformation (Argyris & Schon ,quoted by Brown & Seidner, 1998:83).

According to Argyris and Schon (quoted by Brown & Seidner, 1998:81); and Senge, (2006:184-185), the solution to this barrier to share ideas and solutions requires a combination of inquiry and advocacy and is critical to transform the organisation into a learning organisation. Hence, it is necessary to develop the skill of strategic conversation (see section 3.2.2.4) to ensure the sustainability and growth of an organisation.

There are many benefits to improving learning capacity and knowledge sharing within an organization, which include (Brown & Seidner, 1998:82; Mchugh, Groves & Alker, 1998:209-220; Pedler, et al., 1992, as quoted by Erasmus and Van Dyk, 2003:68, and Senge, 2006:56):

- Finding new strategies in a hyper-turbulent environment.
- Maintaining levels of innovation and remaining competitive.
- Being better placed to respond to external pressures.
- Having the knowledge to better link resources to customer needs.
- Improving quality of outputs at all levels.
- Improving corporate image by becoming more people orientated.
- Increasing the pace of change within the organization.

Developing the business as a learning organisation is critical for any business to ensure continuous exploration of new ways to respond successfully to a world of interdependence and accelerating change (Brown & Seidner, 1998:81). Within the hyper-turbulent and fast changing environment we now live in, generative learning (Senge, 2006:56) that will question and challenge accepted assumptions, is necessary to solve problems and find new strategies to be successful (Brown & Seidner, 1998:82). Hence, ETD (as a leverage for change) should not just happen for the sake of ETD. Education, training and development strategies should be well thought through and implemented with the purpose to ensure that business goals are achieved.

3.3.2.1 Characteristics/disciplines of a learning organization

According to Senge (2006), a learning organization exhibits five main characteristics: i.e. systems thinking, personal mastery, mental models, a shared vision and team learning. In addition to Senge's list, Parumasur and Barkhuizen, (2009:495) added several other characteristics of a learning organisation, i.e. flat organisational structure, open communication, empowerment, inspired leadership, innovation and change, job satisfaction and commitment, people oriented, external focus, technology driven, action and result focus, customer oriented.

In this section the importance of SETDCs as a mechanism to facilitate the development of the characteristics of a learning organisation will be explored. The section will commence with the characteristics of a learning organisation as initially identified by Senge, and will also implicitly refer to the characteristics added by Parumasur and Barkhuizen. Since Senge, Parumasur and Barkhuizen are the original developers of the concepts related to learning organisations the discussion in the rest of this section is founded on their work.

3.3.2.1.1 Personal mastery

Learning in this context does not mean acquiring more information, but expanding the ability to produce the results we truly want in life. It refers to lifelong generative learning. *Mastery* means a special level of proficiency. Personal mastery refers to a special level of proficiency in every aspect of life – personal and professional. People with a high level of personal mastery are able to consistently realise the results that matter most deeply to them. This means that mastery refers to more than merely the acquisition of knowledge and skills and the ability to perform them well. Personal mastery includes concepts such as purpose, initiative, responsibility, commitment and an eagerness to learn. Personal mastery is achieved through commitment to the process of learning and lifelong learning. Personal mastery is the discipline of continually clarifying and deepening our personal vision, of focusing our energies, of developing patience, and of seeing reality objectively (Senge, 2006:7,132).

According to O'Brien (quoted by Senge, 1990:133), personal mastery is essential to achieving the goals of corporate excellence. Personal mastery is an essential cornerstone of the learning organisation, since organisations learn only through individuals who learn. The total development of its people is essential for a company to achieve its goal of corporate excellence. Personal mastery facilitates a competitive advantage for a company, since its workforce can learn quicker and more effectively. On the other hand, individual learning does not guarantee organisational learning, but without it no organisational learning occurs. The learning organisation's capacity for learning equals the sum of individual learning. Therefore, an organisation's commitment to and capacity for learning cannot be greater than that of its members (Senge, 2006:7,130).

Despite the importance of personal mastery for corporate excellence, few organisations encourage the growth of their people in this manner. Some organisations also do not create the context and provide the mechanisms for the development of personal mastery. Personal growth is a matter of choice and a company should not promote personal mastery for their members aggressively. Compulsory training, or "elective" programs that people feel expected to attend if they want to advance their careers, conflict directly with freedom of choice. In addition learning cannot be forced upon an individual if he or she is not receptive to learning (Senge, 2006:7,161).

Therefore, to foster personal mastery the company needs to create a climate that will strengthen personal mastery in two ways. First, it must continually reinforce the idea that personal growth is truly valued in the organisation. Second, the company needs to provide "on-the-job-training" that is vital to developing personal mastery. Developing personal mastery must become a continual, ongoing process – a part of life. Learning and personal mastery must not be associated with once off, compulsory events, which is typical of most formal training strategies (Senge, 2006:7,130,162).

In my view, SETDCs are key to create and foster a climate of personal mastery in the organisation. Strategic ETD conversations are required to continually reinforce the importance of personal growth and the continuation of learning on-the-job on

completion of formal training by ensuring that these aspects are included in ROTE and the formulation of ETD strategies. Reinforcement of a learning organisation climate through SETDC should happen at all the levels in the organisation (see section 3.4 on the principles of SETDCs). In addition, strategic ETD conversations are necessary to address organisational and personal issues that cause resistance to personal mastery within and by the organisation. (See section 3.5.6 for a discussion on barriers to learning.)

3.3.2.1.2 *Mental models*

According to Senge (2006:174,185), mental models are deeply ingrained assumptions, generalisations, or even pictures or images that influence how an individual and organisation understand the world and how they take action. Very often, we are not consciously aware of our mental models or the effects they have on our behaviour. Mental models of what can or cannot be done in different workplace and management settings are deeply entrenched in the subconscious levels.

For companies to be successful, requires continuous adaptation and growth in rapidly changing business environments. Success depends on "institutional learning", which is the process whereby management teams change their shared mental models of the company, their markets, and their competitors. With this approach it is considered less important to produce perfect plans and more important to use planning to force managers to identify underlying assumptions and thereby accelerate learning as a whole. Therefore, planning equals learning and corporate planning equals institutional learning (Senge, 2006:8, 174,185).

The danger of mental models for the learning organisation lies in their potential to impede learning. The purpose of identifying and working with mental models is to learn to unearth internal pictures of the world, to bring them to the surface and to scrutinise them rigorously. It also includes the ability to carry on "learningful" conversations that balance inquiry and advocacy, (i.e. two of the SETDC mechanisms discussed in section 3.2.2) where people expose their own thinking effectively and make their thinking open to the influence of others. However, a

balanced approach of combining inquiry and advocacy is challenging and is only developed over time and not instantaneously (Senge, 2006:8,174,185).

Strategic ETD conversations, through inquiry and advocacy, are key to promoting a shared mental model, which is in turn important to clarify and articulate ROTE and align ETD with business strategies. Strategic ETD conversation is the tool to exchange meaning and understanding to ensure such an alignment. See section 3.2.2 and 3.2.3 for more detail on dialectic inquiry and the development of a shared mental model through strategic conversation.

3.3.2.1.3 Shared vision

The practice of shared vision involves the skills of unearthing shared "pictures of the future" that foster genuine commitment and enrolment rather than compliance (Senge, 2006:9). However, too many company "visions" are one person's (or one group's) vision imposed on an organisation. Such visions command compliance and not commitment. A shared vision, on the other hand, is a vision that many people are truly committed to, because it reflects their own personal vision (Senge, 2006:192).

According to Senge (2006:9), people excel and learn when there is a genuine shared vision and not the familiar traditional vision statement. This is because they want to and not because they are told to. While adaptive learning is possible without vision, generative learning occurs only when people are striving to accomplish something that matters deeply to them. With a shared vision, work becomes part of pursuing a larger purpose typified in the organisation's products or services. Learning is accelerated through communication, information technology and equipment (Senge, 2006:193-195).

It is not possible to have a learning organisation without a shared vision for the following reasons (Senge, 2006:193-197). A shared vision is necessary to oppose rigid support of the *status quo* and to facilitate creative change by fostering risk taking and experimentation. Everything becomes an experiment, but there is no ambiguity. It is perfectly clear to employees why they are doing what they are doing and the

continual learning process is established. A shared vision also helps to keep the learning process on track, especially under stressful circumstances. Learning can be difficult and painful. With a shared vision, people are more likely to expose mental models (existing ways of thinking), to give up deeply held views, and to recognise personal and organisational shortcomings. Lastly, shared vision fosters commitment to the long term strategies instead of compliance, which does not last in the long run.

Consequently, SETDCs are important to promote creative thinking during the articulation of ROTE. Strategic ETD conversations also promotes the formulation of innovative strategies and creative problem solving approaches. Furthermore, through focussing on a shared vision during SETDCs, buy-in and commitment to the formulated strategies to optimise ROTE will be enhanced. In sections 3.4.1 and 3.4.2 these aspects of buy-in and commitment are highlighted again as principles of SETDCs which are important to optimise ROTE.

3.3.2.1.4 Team learning

Team learning is considered vital since teams, not individuals, are the fundamental learning unit in modern organisations (Senge, 2006:9-10). Team learning is the culmination of individual learning. Real learning takes place in teams where peers learn from each other, learn from their achievements and mistakes, and continuously learn how to optimise their contribution to achieve the goals of the business at large (Parumasur & Barkhuizen, (2009:495). The benefit of sharing individual learning is that employees grow more quickly.

Team learning is based on "dialogue". Bohm (1996:20-47) identified three basic conditions necessary for dialogue:

- All members of a team must "suspend" their assumptions and enter into a genuine "thinking together." To suspend one's assumptions means to hold them, as it were, "hanging in front of you", constantly accessible to questioning and observation. To suspend does not mean throwing out our assumptions, suppressing them , or avoiding their expression. Nor does it say that having

opinions is "bad", or that we should eliminate subjectivism. Rather, it means being aware of our assumptions and holding them up for examination.

- All participants must regard one another as colleagues. This participatory approach is necessary in order to establish a "safe" environment that will allow colleagues the freedom to develop a new and deeper understanding.
- There must be a "facilitator" who "holds the context" of dialogue. Without a skilled facilitator, teams tend to hold discussions (see section 3.2.2.2), instead of dialogue.

To the Greeks dia-logos meant a free-flowing of meaning through a group, allowing the group to discover insights not attainable individually. Dialogue differs from the word "discussion", which literally means throwing ideas back and forth in a winner-takes-all competition (see section 3.2.2.2). In a discussion, different views are presented and defended, and decisions are made. In a dialogue, complex issues are explored. When a team must reach agreement and decisions must be taken, discussion is needed (Bohm, 1996:6-47; Senge, 1990:9-10,230). (See sections 3.2.2.1 and 3.2.2.2 for more detail on the difference between dialogue and discussion.)

The discipline of dialogue involves learning how to recognise the patterns of interaction in teams that undermine learning. The patterns of defensiveness are often deeply ingrained in how a team operates. Failure to unearth these behavioural patterns will impede learning.

Hence, SETDCs, in particular the use of dialogue as a mechanism (see section 3.2.2.1), are important to create team learning. Strategic ETD conversation is the instrument to reveal behavioural patterns that might impede learning and ultimately the optimisation of ROTE and the alignment of ETD strategies with business strategies.

3.3.2.1.5 *Systems thinking*

Systems thinking is the discipline that allows us to see whole pictures. It is a framework that allows us to see interrelationships rather than things, patterns of change rather than events. Senge (1990:69) regards systems thinking as the conceptual cornerstone that underlies all of the learning disciplines of a learning organisation.

According to Senge (1990:11), all the disciplines (business areas) need to develop together and this is one of the biggest challenges of a learning organisation. In many organisations departments, functions and sections each have their own area of specialisation and self-interest. The end result is a situation where many people are performing excellent jobs in their own fields, very often at the expense of others and not even knowing what others are doing (Parumasur & Barkhuizen, 2009:495). In order to achieve collective growth, it is necessary to apply systems thinking, since systems thinking integrates the different disciplines and fuses them into coherent activities and processes. Systems thinking is required to build shared vision, mental models, team learning, and personal mastery. Building shared vision fosters a commitment to the long term. Mental models focus on the openness needed to unearth shortcomings in our present ways of seeing the world. Team learning develops these skills of groups of people to look for the larger picture beyond individual perspectives. Furthermore, personal mastery fosters the personal motivation to continually learn how our actions affect our world (Senge, 1990:12).

Systems thinking enables us to understand how individuals perceive themselves and their world in a new way. The essence of systems thinking in a learning organisation is the idea that a shift of mind takes place. People start seeing themselves not as separate from the world, but as connected to the world. Problems are not perceived as caused by someone or something "out there", but as the result of our own actions creating the problems we experience. Systems thinking allows people to continually discover how they create their own reality and that of the world around them and how they can change it..

Strategic ETD conversations are required to (1) develop the skill of systems thinking, (2) analyse the system and sub-system structures and processes, and (3) facilitate a collective learning approach that will assist with the alignment of ETD strategies with business strategies. The ETD manager needs to identify the components involved, as well as the interactions and possible outcomes of the interactions to manage ROTE.

3.3.2.1.6 Concluding remarks

As per the definition of a SETDC in section 3.2.4, the aim is to create a shared mental model that will produce "future thinking" ETD decisions and actions to optimise ROTE. This implies that SETDCs provide an instrument to create a learning organisation climate to ensure continuous exploration of new ways to respond successfully to a hyper-turbulent world to establish and maintain financial growth. With the use of SETDC mechanisms (see section 3.2.2) and by applying the SETDC principles (see section 3.4) it is possible to develop the critical aspects of a learning organisation, i.e. personal mastery; mental models; shared vision; team learning; and systems thinking. These aspects all contribute to the creation of a shared mental model to articulate ROTE that will enhance the buy-in and commitment that is necessary to formulate and implement ETD strategies in support of the company's goal.

3.3.3 Strategic education, training and development conversation as an instrument to counter barriers to learning that may be encountered in a learning organisation

Even within a learning organisation, problems may be encountered that stall the process of learning or cause it to regress. Most of the problems arise from an organisation not fully embracing all the facets outlined above that are necessary in a learning organisation. If these problems can be identified, work can begin on improving them. In this section the importance of SETDC to oppose the organisational and individual barriers to learning will be explored.

3.3.3.1 Organisational barriers to learning

According to Senge (1990:135), some organisations can find it hard to embrace personal mastery because, as a concept, it is intangible and the benefits cannot be quantified. Personal mastery can also be perceived as a threat to the organisation when the view is held that to empower people in an unaligned organisation can be counterproductive. In other words, if individuals do not share the same vision, personal mastery could be used by some to advance their own vision.

In some organisations the absence of a learning culture can be a barrier to learning. It is important that an environment is created where individuals can share their learning and experience in order for more people to benefit from existing knowledge in the company.

It is important during SETDCs to identify potential organisational barriers that might impede a shared mental model which is necessary to articulate ROTE that would ensure alignment between ETD and business strategies.

3.3.3.2 Individual barriers to learning

According to Senge (1990:135-136), resistance to learning can occur within a learning organisation if there is not sufficient buy-in at an individual level. This is often encountered by people who feel threatened by change or believe that they have the most to lose. The same people who feel threatened by change are likely to have closed mind sets, i.e. they are not willing to embrace engagement with mental models. Unless implemented coherently across the whole organisation, learning can be viewed as elitist and restricted to more senior levels within the organisation. If this is the case, learning will not be viewed as a shared vision. If training and development is compulsory, it can be viewed as a form of control, rather than a form of personal development. Learning and the pursuit of personal mastery needs to be an individual choice. If it is enforced on individuals, it will most likely not render the desired results.

To oppose individual barriers to learning it is necessary during SETDCs to unearth the individual barriers that exist and to address these barriers by implementing the strategic conversation strategies described in section 3.2.2 and applying the principles of SETDCs as described in section 3.4.

3.3.3.3 Concluding remarks

In a learning organisation great emphasis is placed on the value of individual and team contributions to find business solutions. However, even within a learning organisation, organisational and individual barriers might impede the process of learning or cause it to regress. If these problems can be identified, work can begin on addressing them. Strategic ETD conversations provide the means to identify and oppose such learning barriers, which could impede ROTE. Hence, by proactively identifying the learning barriers the optimisation of ROTE is feasible.

3.4 THE PRINCIPLES OF STRATEGIC EDUCATION, TRAINING AND DEVELOPMENT CONVERSATIONS

Unfortunately few concrete guidelines exist on how to engage in strategic conversations. Hence, the principles that are discussed in this section are largely based on the work of Manning (2001); and Margaret Wheatley and Myron Kellner-Rogers (as quoted by Ungerer, et al., 2007:300). Once again, in this section the use of the term *strategic conversation* applies to SETDC.

Strategic conversation can be held at almost any time, i.e. in any meeting, a strategy retreat, or even in formal or informal one-on-one discussions; with internal partners, as well as external partners. Every strategic conversation interaction aims to shape and promote a particular strategy or strategies (Manning, 2004:53-54, Ungerer, et al., 2007:313-314; Van der Merwe, Chermack, Kulikowich & Yang, 2007:215).

Although strategic conversation engages people at different levels at almost any time, it should not be left to chance. Strategic conversation needs to be deliberate and has to be well managed. Many techniques exist to conduct strategic

conversations. The structure of the interaction contributes largely to the success of the strategising event. The interaction should be structured in such a way that the unique capabilities of the relevant stakeholders are fully optimised (Manning, 2004:53; Ungerer, et al., 2007:300). To optimise stakeholder involvement and participation in strategic conversation with the aim to create alignment between ETD and business strategies, certain key principles, as discussed below, must be adhered to.

3.4.1 Principle 1: It is imperative to involve people in changes that affect their lives

Employees want to be involved in the strategy making process. They want to be consulted and want to co-create the organisation's future because they understand that it is an important part of their own future (Johnson & Johnson, 2006a; Ungerer, et al., 2007:300). Individuals aspire to progress in their careers and to develop to their full potential. However, they experience a need for achievement and recognition of success. In order to satisfy this need for achievement and recognition at work, individuals must feel and be competent to fill the post to which they are assigned. It is therefore important for them to develop the knowledge, skills and values to ensure that they are competent to perform successfully in their positions (Moorhouse, 2007:95). For this reason, SETDCs are required to identify, clarify and confirm how these individual aspirations and corresponding knowledge, skills and attitudes will contribute towards achieving the company goals and objectives.

In addition, while engaging in the process of strategic conversation, people are creating the conditions that will make implementation easier, faster and more successful. Furthermore, when people are engaged in strategic conversation it is difficult to disengage (Ungerer, et al., 2007:300).

Consequently all employees should be considered as relevant role players in the formulation and implementation of ETD strategies. The successful implementation of ETD strategies requires engagement not only from managers, but from all employees (Robinson & Robinson, 1998:45).

3.4.2 Principle 2: People in organisations resist commands and directives - they never just obey

In the modern workplace people resist commands and support what they create (Johnson & Johnson, 2006a; Ungerer, et al., 2007:300). When people are part of strategic conversations, they perceive themselves as partners. Insistence on obedience is at the cost of those things that help people deal with change: insight, intelligence and a readiness to act on organisational wisdom. Hence, successful strategic conversations are achieved through the practise of the concept ***servant leadership*** (Ungerer, et al., 2007:300).

Education, training and development is a support function in an organisation. Consequently, in my view, it is necessary to create a customer service culture in ETD. Insistence on adherence to ETD strategies without buy-in from employees results in lack of support and will subsequently lead to failure.

3.4.3 Principle 3: Truth is a multi-dimensional concept

People have different interpretations of what is happening and attach different meanings to incidents based on their individual experiences and unique, personal points of view. Therefore, the same incident can have different meanings to different people. Despite these differences in views, people manage to agree with one another because they are able to create domains of consensus. As people listen and open themselves to different ways of thinking, they allow new perspectives to inform their understanding. This enables them to agree on a course of action and to support their differences (Bohm, 1996:6-47; Senge 2006:10,223-228; Ungerer, et al., 2007:305-306).

According to Ungerer, et al. (2007:304), strategic conversation serves as a starting point for exchange of meaning and value. Strategic conversation enables the executive level in the organisation to share their picture of where the organisation must go with the whole organisation. Simultaneously, strategic conversation also allows the lower levels to contribute to decision-making processes and the crafting of

strategies. Hence, through strategic conversation people hear the message and they make it their own, since strategic conversation enables authentic dialogue, which is a two way process.

As a result of the way in which people construct their realities, strategic conversation and the associated terminology are characterised by differences in meaning. The challenge for the strategist is firstly, to give general concepts contextualised meaning. This is of particular importance when strategists are from different environments or functionalities, such as the business and training environments. Secondly, the contextualised meaning has to be shared and consensus needs to be achieved. The achievement of consensus about training and learning objectives forms the essence of the alignment between the business expectations and ETD delivery. Finally, definitions and meaning of concepts change over time. This is true for concepts in most environments. The challenge is to create information-age meaning and definitions for concepts created during the industrial age. From a postmodern perspective, historical and modern texts construct (and deconstruct) one another and new meaning emerges from the variety of these interconnected storylines (Ungerer, et al., 2007:306).

Hence, the aim of SETDCs is to clarify the meaning of concepts used during the conversation to achieve consensus regarding the articulated ROTE.

3.4.4 Principle 4: Partnering and connecting is the lifeblood of organisations

Partnerships are critical to combat entropy, which is the natural tendency of systems to run out of energy (Robinson & Robinson, 1998:41; Ungerer, et al., 2007:306). To counteract entropy it is necessary to create more connections, i.e. meaningful and purposeful interactions and relationships between role players (both within the organisation and with its stakeholders) (Robinson & Robinson, 1998:41; Ungerer, et al., 2007:306). Partnering transpires, when role players pursue a common goal or purpose. Partnering is both the visible and invisible dynamic interaction between role players. On the one hand partnering is focused on the goals to be achieved and how these should be achieved; and on the other hand it is also about underlying

assumptions, trust, risk, shared values and expectations. Much that is key to partnering often goes unexpressed and is not even rational. However, all of this should be considered during partnering (Robinson & Robinson, 1998:41).

Hence, with reference to sections 3.2.2 and 3.2.3 strategic conversations are key to unleash strategic partnering. On the one hand strategic conversation is important during partnering, since it widens and deepens the organisational information database, which is necessary for successful strategising and decision-making to pursue the strategic goal. On the other hand strategic conversations unveil underlying prejudices and assumptions.

Moreover, the larger the organisation, the more partnership is required (Robinson & Robinson, 1998:41), hence the more important strategic conversations become. In addition, as a result of continuous strategic change, it is necessary to continuously change what is conversed about (Ungerer, et al., 2007:306).

Partnering is key to ensure ROTE when it comes to ETD deliverables (Kirkpatrick & Kirkpatrick, 2010:20, 28, 32; Robinson & Robinson, 1998:6). Whereas ETD functions have traditionally operated more in parallel to management, it is now imperative for ETD professionals to become strategic business partners. As strategic business partner the ETD professional is provided with an opportunity to contribute and make an impact on the organisation goals and objectives. It is critical for the ETD professional to move beyond a training and learning mindset and to think like a business leader (Kirkpatrick & Kirkpatrick, 2010:81). At the same time it is important for the business professional to become a strategic ETD partner and to recognise the role the ETD professionals play to accomplish key business outcomes (Kirkpatrick & Kirkpatrick, 2010:32). For this partnership to be successful, requires a willingness on the part of both the ETD professionals and business professionals to engage in strategic conversation (Kirkpatrick & Kirkpatrick, 2010:33).

3.4.5 Principle 5: Organisations have an inherent capacity to self-organise

Self-organisation is a natural and spontaneous phenomenon which develops through identity, information and relationships (Ungerer, et al., 2007:306).

Identity is the basis for relationships. People are social by nature and must relate to others. Self-organising is driven by the need to belong. Paradoxically, identity is also driven by the need to differentiate – to be different, special, the best. In organisations identity manifests itself in purpose statements, branding, corporate identity, business and functional units, and organisational hierarchies. Groups of people develop an identity over time. There is a natural need to define "who we are and what we stand for". Long-lived companies are cohesive, with a strong sense of identity. No matter how widely diversified they are, their employees (and even their suppliers at times) feel they are all part of one entity. They always know who they are and what they want to achieve (Ungerer, et al., 2007:307, 332). Hence, it is necessary for the ETD strategist to take cognisance of the identity of the business unit(s) or function(s) that the ETD strategy is developed for.

Information is the basic building block for meaning. Information is dynamic and changing. Long-lived companies are sensitive to their environment and they remain in harmony with the world around them. Living organisations are continuously responding to and organising information to emerge, to evolve, or to create a new order. Long-lived companies excel at getting the necessary information and making it available to all employees. Organisational renewal depends on the generation of new information. If new information is not generated, or if it merely confirms what is already known, the results will be stagnation and organisational decay (Ungerer, et al., 2007:306; 331). Hence, the continuous sharing of information through strategic conversation is a prerequisite for organisational survival.

Relationships connect the organisation to the intelligence inherent in the system. Without connections, nothing happens. Relationships are the only sustainable, long-term source of information because these connections can be used again and again. Without relationships there are no connections, leading to organisational isolation

and an information famine. Like in the brain, knowledge is born – not in individual cells but in the connections between them.

As a result of the dynamic self-organising nature of organisational systems it is imperative that the ETD strategist continuously monitors the business environment for any changes in order to amend education, training and development strategies to concur with the latest business needs. The key to monitor changes in the organisation is to establish long-lasting relationships through SETDCs.

3.4.6 Principle 6: Application of a variety of strategic conversation mechanisms

Strategic conversation entails largely asking questions. However, too much focus on inquiry could be counterproductive (Senge, 2006:184). On the other hand, advocating one's own views without dialogue and inquiry is also counterproductive. In creating a deeper and shared understanding it is necessary to inquire about others views; to share one's own assumptions and reasoning; and invite others to inquire into them. Hence, a combination of strategic conversation mechanisms (i.e. dialogue, discussion, debate and dialectic inquiry) is required for successful SETDCs (see section 3.2.2 for a detailed discussion on SETDC mechanisms.)

3.4.7 Principle 7: Meaningful strategic conversation

The purpose of strategic conversation is to create an understanding of what the organisation does, why, and how (Manning, 2001:57); as well as why people think the way they do and what information they use to base their conclusions on (Ungerer, et al., 2007:72, 312-313). According to Manning (2001:57), in almost every company, most attention is given to "what" and "how." Where most companies and strategies fail is in developing an understanding of "why" organisations and people think and act the way they do; why certain options are selected above others, and so forth.

Hence, in order to formulate and implement ETD strategies successfully, strategic conversation should on the one hand aim to *obtain a better understanding* of business' views to facilitate meaningful dialogue that will result in the selection of the best ETD option to satisfy the business ETD demand; and on the other hand *create an understanding* for the ETD views held and options selected in order to enhance buy-in and required actions from business partners.

3.4.8 Principle 8: Rigorous strategic conversation

Strategic conversation requires rigorous probing into what the organisation does, why, and how. The first answer to any question is rarely the best answer. Assumptions are dangerous. Manning (2001:57) advocates that the questioning process should be tough. Debate about the answers must be robust. It is important that ideas be taken apart in order to decide on the most suitable options. Hence, it is important for both ETD and business managers to be willing to have their ideas taken apart in order to find the most satisfactory, suitable and practicable ETD solutions for the business.

3.4.9 Principle 9: Respectful strategic conversation

The purpose of strategic conversation is to search for truth and insights, but it is also to develop the strategic role players' confidence and strategic IQ, and their trust in each other. Therefore, it is expected of role players to stick to the point, yet also been given opportunity and enough time to make their point. A pre-requisite is, however, that role players should be well prepared and not waste others time. (Manning, 2001:56-57).

3.4.10 Principle 10: Strategic conversation needs to balance contradictory forces

In section 2.3.3 it was mentioned that developing strategy requires paradoxical thinking. However, Kaplan and Norton (2004:5) notice that most stakeholders' views and interpretations of the business implications and the resulting strategies are often

one-dimensional. For example, chief financial officers will interpret and respond to the environment from a financial perspective; sales and marketing executives take a customer perspective; operations people look at quality, cycle time, and other process perspectives; human resources professionals focus on investment in people; and so forth. Furthermore, investing in intangible assets, such as education, training and development for long-term revenue growth usually conflicts with cutting costs for short-term financial performance. Hence, a one-dimensional view might lead to avoidance of discussions with regard to topics that are considered intangible.

Thus, to formulate and implement ETD strategies successfully requires strategic conversations to balance contradictory forces. In the business environment, strategic conversation mostly entails balancing short-term financial objectives for cost reduction and productivity improvements with the long-term objective for profitable revenue growth (Kaplan & Norton, 2004:10). Therefore, SETDCs need to balance and articulate different views and options in order to identify the most satisfactory, suitable and practicable ETD option, well knowing that it might not necessarily be the best option from one particular perspective.

3.4.11 Summative remark

Evidently, strategic conversation needs to be purposeful and well managed. Irrespective of the SETDC mechanisms used to conduct strategic conversations, adherence to the key principles of strategic conversations is a prerequisite to engage in meaningful and successful SETDCs in order to articulate ROTE that would align ETD and business strategies.

3.5 DETERMINANTS OF STRATEGIC EDUCATION, TRAINING AND DEVELOPMENT CONVERSATIONS

Authors such as Rossouw, Le Roux, and Groenewald, (2007:1); Senge, (2006:14); Sharplin, (1985:118); Thompson and Strickland, (2003:356) identified several factors that could either enhance or impede successful implementation of all strategies. In this study it is postulated that the very same factors that enhance or impede strategy

implementation, also determine the success of strategic conversations. Since strategic conversation proves to be a key instrument to align ETD and business strategies; and to ensure the successful implementation thereof, it is necessary to consider the implication of such factors for successful SETDCs.

Strategising entails converting the organisation's strategic plan into action and then into results. Determining a desirable future requires consideration of the needs of both internal and external stakeholders (Sieff, 2008:2). Further to this, strategising requires the commitment of the whole management team as a community, from the highest to the lowest ranks in the organisation. In addition, the management team as a community should be energised to collectively undertake a shared journey towards future actualisation (Thompson & Strickland, 2003:356; Veldsman, 2007:40-53).

Under conditions of hyper-turbulence and hyper-fluidity intensive and continuous reconnoitring is required. Instead of crafting strategies at set time intervals, for example annually, Veldsman (2007:40-53) and Sieff (2009:2) advocate a process orientation towards emergent strategising. A process orientation involves a continuous orientation and re-evaluation of the strategy in the face of changing circumstances. Hence, ongoing strategic conversation is required to explore, discover and actualise probable and possible strategies for the future.

As partners in the strategic management community, ETD managers should reconnoitre, through strategic conversation, the future role of ETD to contribute towards maximising achievement of the strategic outcomes of the business (Kirkpatrick & Kirkpatrick, 2010). Exploring probable ETD strategies for the future requires involvement of all business and ETD stakeholders. Consequently, in my view, in the context of hyper-turbulence and hyper-fluidity, continuous SETDCs are required to ensure consistent understanding and implementation of the organisation's strategy, and in particular alignment of the ETD strategy to the business strategy.

As in the case of strategy implementation and actualisation, guidelines for strategic conversations are most often obtained through studying the experiences and "lessons learned" by other managers and companies (Thompson & Strickland,

2003:357). However, examining case studies will not ensure success in all cases, since the contexts for strategising and strategic conversations varies from one organisation to another, as well as within organisations. The vast variations in contexts are mainly the result of (1) the hyper-turbulence and hyper-fluidity of the business environment; and (2) different business practices, competitive circumstances, work environments, cultures, policies and procedures, resource commitment, power and politics, motivation, leadership, learning organisation culture, and so forth (Sharplin, 1985:118; Thompson & Strickland, 2003:357; Veldsman, 2007:40-53).

The following sections aim to explore some of these factors that will (1) contribute toward the variations in contexts in which SETDCs are conducted, and (2) act as determinants for engaging successfully in SETDCs. Due to the limited literature on the determinants of successful strategic conversations I have based the following list of determinants of SETDCs largely on my own experience: Communication framework; organisational structure; organising the internal capability; organisational climate; organisational culture; leadership; power and politics; and learning maturity of the organisation. Furthermore, with reference to SETDCs, a deductive approach has been followed in this section to infer the determinants for SETDCs from the determinants of strategic conversation. Once again, where reference is made in the discussion to the term strategic conversation, it is assumed that the same principles apply to SETDCs.

3.5.1 Communication framework

In my view, the key to the dissatisfaction expressed by business managers with regard to ROTE can be found in the inability of ETD and business managers to communicate effectively during SETDCs. Hence, the perception exists that ETD is not delivering the expected results.

Surveys have shown that communication is the number one organisational problem and the cause of many others (Manning, 2004:50). One reason for ineffective communication, henceforth referred to as strategic conversation, is that role players

talk *at* each other rather than *with* each other. Secondly, the wrong issues get preferential treatment. Thirdly, too much strategic conversation is left to the wrong people. Strategic conversation should be a key priority of managers and leaders (Manning, 2004:50). In my view, the reasons for ineffective communication manifest themselves as follows in SETDCs.

There are several factors that cause role players in SETDCs to talk at each other rather than with each other. First, ETD managers normally do not have the necessary business acumen to communicate effectively with business managers. Hence, ETD managers find it difficult to motivate their ETD strategies and decisions and obtain buy-in from business managers. Second, many business managers do not really understand ETD processes, activities and practicalities for successful implementation of ETD. As a result unrealistic ROTE is expressed pertaining to ETD deliverables. Hence, business managers experience and express dissatisfaction with ETD delivery since their perception of ROTE is not met.

With regard to the wrong issues that get preferential treatment it is not so much a matter of wrong topics of discussion. It is a matter of ETD issues that are not always on meeting agendas. Hence, there is either a lack of, or insufficient discussions on ETD related matters.

Lastly, ETD managers are mostly not sufficiently involved in strategic conversations and are subsequently not sufficiently or timely informed of evolving strategic business issues. Consequently ETD managers find it difficult to design and develop pro-active ETD strategies that will optimise ROTE and ensure continuous alignment of ETD strategies with evolving business strategies.

In my view, the preceding difficulties experienced with regard to SETDCs could be alleviated to a large extent if the principles of strategic conversation are applied. See section 3.4 for a description of the principles of strategic conversation.

3.5.2 Organisational structure

According to Sharplin (1985:119), organisational structure is often incorrectly described as the organisational chart which indicates who reports to whom and who directs which activities. Instead, organisational structure refers the set of relationships within an organisation which are established or consistent over time. An organisational structure is dynamic, representing consistent patterns of behaviour in terms of how job tasks are formally divided, grouped and coordinated (Sharplin, 1985:119; Basson, Lyons & Nienaber, 2009:401).

The following dimensions have been identified to describe the organisation's structure (Sharplin, 1985:119; Basson, Lyons & Nienaber, 2009:401):

- **Work specialisation.** Work specialisation refers to the degree to which standardised repetitive tasks in the organisation are subdivided into separate jobs. For example, instead of having one individual completing an entire job, the job is broken down into a number of steps, with each step being completed by a different employee. This is typically the case in a vehicle manufacturing plant.
- **Departmentalisation.** Once jobs have been identified, the jobs need to be grouped together so that common tasks can be coordinated. There are different ways in which organisational activities are grouped. Organisational activities can be separated into distinct functions, for example functional departments such as finance, human resources, production and marketing. Tasks can also be departmentalised by the different types of products the organisation produces; or on the basis of geography or territory, i.e. regions, or according to a production process where each sub-process in the value chain requires different skills, or lastly by the particular type of customer markets the organisation seeks to reach. Larger organisation may use all the forms of departmentalisation described.
- **Chain of command.** Although the lines of authority are considered far less important today, there are still many organisations that are most productive by enforcing a chain of command. Chain of command is less relevant today as a

result of advancements in computer technology where lower level employees are increasingly empowered to make decisions that were previously reserved for management and also allowing them to communicate with anyone else without going through formal channels.

- **Span of control.** Span of control refers to the number of subordinates a manager can efficiently and effectively direct. Although span of control may be more efficient in terms of cost, it may reduce effectiveness when the span of control is too big.
- **Formalisation.** Organisational structures vary from highly rigid, where compliance to procedures is strictly enforced, to highly flexible, where the focus is on the completion of a task with little concern for how it is done. The degree of formalisation can vary widely between organisations and within organisations.
- **Centralisation.** This refers to the degree to which decision-making authority is retained by higher levels in the organisation. Decentralisation usually gives middle-and lower level managers added incentives to do their jobs well. On the other hand, high-level managers should be able to make better decisions because they are generally better at managing and because they have access to decision-making assistance that is not available at lower levels. Then again, decentralisation may provide greater flexibility in decision-making and is better for dynamic situations. Conversely, in some cases, centralisation can improve responsiveness.

In my view, the organisational structure will dictate to a large extent the organisational level at which SETDCs will be conducted; which role players will participate in the SETDCs; and to what extent the ETD manager will be included or not in the SETDCs. The inclusion of the ETD manager at corporate and business unit levels will depend largely on whether the organisation has a more centralised and hierarchical structure or whether it has a more decentralised structure. In addition, the inclusion of the ETD manager in the SETDCs will be determined by the managerial level at which the ETD manager is appointed and functioning. Since ETD

is considered an element of the human resource value chain, it is most probable that ETD will be represented by the Human Resource (HR) manager at the higher managerial levels. Hence, SETDCs at levels 5 and 6 of strategic thinking, as identified by Elliot Jacques, (see section 2.6) will most probably be conducted by the HR manager instead of the ETD manager.

3.5.3 Organising the internal capability

According to Thompson and Strickland (2003:359-369), proficient strategy execution depends heavily on competent personnel, better-than-adequate competitive capabilities, and effective internal organisation. The following three types of organisation-building actions are considered paramount by these authors:

- **Staffing the organisation.** This includes putting together a strong management team, and recruiting and retaining employees with the needed experience, technical skills, and intellectual capital. The question to be asked by the ETD manager during SETDCs is what ETD will be required by new recruits and existing employees in terms of personal development.
- **Building core competencies and competitive capabilities.** What competencies and capabilities will enable good strategy execution and keep the competence/capability portfolio updated as strategy and external conditions change? Core competencies usually refer to bundles of skills and know-how growing out of the combined efforts of cross-functional work groups and departments performing complementary activities at different locations in the company's value chain. Building and strengthening core competencies requires (1) managing skills, knowledge bases, and intellect; and (2) coordinating and networking the efforts of different work groups and departments at every related place in the value chain. Not only do these knowledge bases and skills need to be developed, but it is also necessary to deliver cross-training in order to create an understanding of the value chain and the systemic interactivity and interrelationship between the different departments and the reciprocal effect of their operations on one another.

- ***Matching organisational structure to strategy.*** Every firm's organisation chart is unique. Companies design their organisation charts based on prior organisational patterns, varying internal circumstances, executive decisions about reporting relationships, politics and so forth. In addition, every strategy is grounded in its own key success factors and value chain activities. The key success factor for the ETD manager lies in identifying the key value chain activities, as well as those responsible for these activities. On the one hand, value chain activities could be internally performed, which will require either internal or external training providers. On the other hand, value chain activities could be outsourced. It is important to investigate what training suppliers might need and who will be able to provide the training. Cross-training of external value chain suppliers enhance collaboration and coordination with these outsiders.

3.5.4 Organisational climate

Organisational climate refers to the mood and feelings of people in the organisation. Although it is necessary to gauge and manage the feelings of staff at any point in time, the organisation climate is a short term variable. Organisational climate is relatively easy to change, however, it is unlikely to deliver lasting change (Johnson & Johnson, 2006a; Sieff, 2010:2).

Johnson and Johnson (2006a) state that organisational climate is an important determinant to consider when engaging in strategic conversations. For example, if the climate in an organisation is “toxic”, the impact of strategic conversation could be negative with people working against the interests of the organisation instead of for it. Climate is one of several organisational influences that act on strategic conversation like a switch (termed mediators by Johnson & Johnson, 2006a). Climate is a mediator that has the power to either support or totally cut off strategic conversation (Johnson & Johnson, 2006a). It only takes one switch, i.e. one negative comment like " I don't know why we're discussing this, because nothing is going to happen - no matter what we decide" to kill strategic conversation entirely. This type of remark indicates that there is an obstacle between the conversation and action. By definition, strategic conversation has to lead to action, even if the action is an intelligent decision not to

proceed. Strategic conversation must lead to a strategic action. The organisation must have processes and mechanisms in place to ensure that strategic conversations lead to strategic decisions that in turn lead to actions. For someone to remark "nothing is going to happen", means that there is a switch in the way (Johnson & Johnson, 2006a).

3.5.5 Organisational culture

Organisational culture is defined by Martins and Martins (2009:424) as a system of shared meaning held by members that distinguishes one organisation from other organisations. Organisational culture refers to the underlying values and behaviours of staff, i.e. the way that things are done (Johnson & Johnson, 2006a).

The system of shared meaning held by members and demonstrated by their behaviours are described as a set of key characteristics that the organisation values (Martins & Martins, 2009:424; Sieff, 2010:4-5). The organisation's culture is described in terms of the degree in which it focuses on characteristics such as the following: Innovation and risk; control orientation; attention to detail; outcome orientation; customer orientation; people orientation; team orientation; aggressiveness; stability (Martins & Martins, 2009:424; Sieff, 2010:4-5)

Sieff (2010:4-5) discerns between two dimensions of organisational culture:

- **Internal versus external orientation.** The internal-external dimension describes the degree to which the organization focuses inwards, i.e. toward processes and activities within the organization, or outwards, i.e. toward customers, suppliers and the external environment.
- **Stability versus flexibility in the organisation structure.** The stability-flexibility dimension maps how decisions are made. A preference towards stability indicates that the control rests with management, a more top-down approach to decision-making. A preference towards flexibility indicates that control is devolved to employees who have more flexibility and discretion to decide for themselves.

Flexibility is important when forces in the operating environment create a need for change.

When the two dimensions of internal-external and stability-flexibility are considered together, four areas of organizational culture emerge (see Figure 3.1). Whereas organisational climate is easy to change, organisational culture is harder to change, however, once it has been accomplished it brings about lasting organisational change (Johnson & Johnson, 2006a; Sieff, 2010:2).

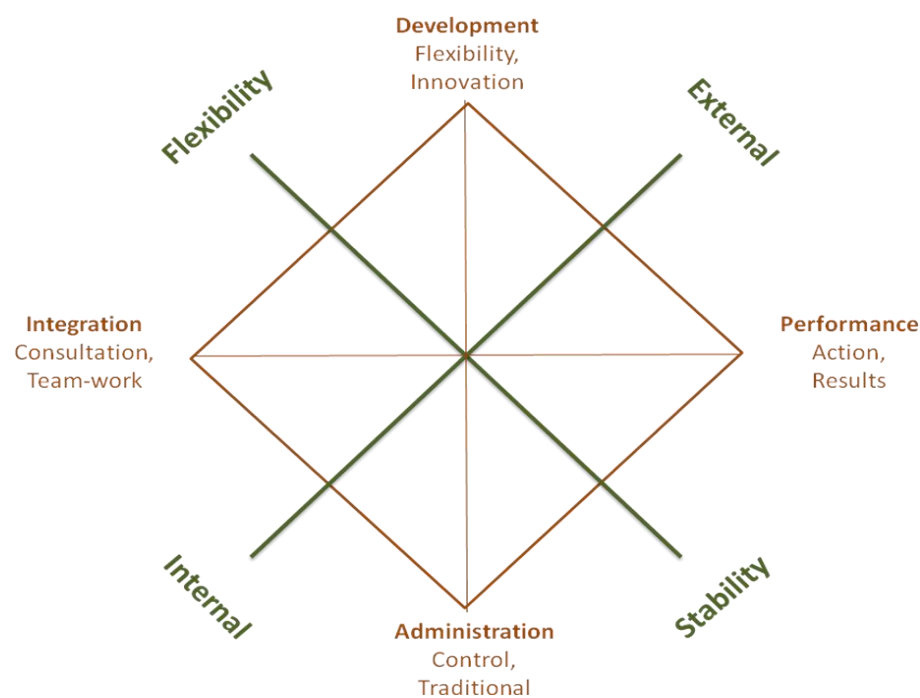


Figure 3.1 Four areas of culture focus (Sieff, 2010)

According to Johnson and Johnson (2006a), research has shown that the depth and breadth of strategic conversation throughout an organisation is linked to the different dimensions and areas of the organisational culture's focus. Whereas organisational climate acts as an on-off switch for strategic conversation, organisational culture acts as the volume control (moderator) for strategic conversation (Johnson & Johnson,

2006a). Moderators can reduce the impact of strategic conversation but cannot cut it off.

Therefore, when conducting SETDCs it is necessary to ascertain the culture of the organisation in order to manage ROTE. In my view the dominant cultural characteristics will determine the way in which business managers articulate ROTE.

3.5.6 Leadership

In the preceding section the interrelationship between organisational culture, market forces (customer needs), strategy and leadership was emphasised. In this section the focus will be on leadership and the importance to understand on the one hand the implication of the role of the different levels of leadership in the strategic conversation and on the other hand the the implication of leadership styles on a strategic conversation.

Authors (Johnson & Johnson, 2006a; Sieff, 2010:8; Thompson & Strickland, 2003:359) agree that it is the responsibility of management to change staff behaviour in a way which optimally positions the organisation culture to achieve the strategy. However, they disagree on the level of management that is primarily responsible for driving the change.

According to Johnson and Johnson (2006a), change needs to begin and occur at the top. The executive layer must act as strategic role models so that change will filter throughout the organisation. From this perspective, strategic conversations have to focus on the top in order to be filtered down to the rest of the organisational levels. Sieff (2010:8), on the other hand, emphasises the role of line management to change staff behaviour in a way that will optimally affect the organisation culture to achieve the strategy. From this perspective, strategic conversations should also involve line management.

Conversely, Thompson and Strickland (2003:359) emphasise that although major initiatives to implement corporate and business strategies have to be led by the CEO

and other senior leaders, top-level managers still have to rely on the active support and cooperation of middle and lower managers to push strategy changes into functional areas and operating units and to carry out the strategy effectively on a daily basis. Hence, strategic conversations should be considered of equal importance at all managerial levels.

Further to ascertaining the level of leadership to engage in strategic conversations, Thompson and Strickland (2003:358) state that a crucial determinant of successful strategy formulation and implementation is how well management leads the process. How well management leads will depend on the degree in which managers employ any of several leadership styles in directing the implementation process. Managers can:

- play an active, visible, take-charge role or a quiet, low-key, behind-the-scenes one;
- make decisions authoritatively or on the basis of consensus;
- delegate much or little;
- be personally involved in the details of implementation or stand on the sidelines and coach others; and/or
- proceed swiftly or deliberately.

In my view, the leadership style will determine the context of the SETDCs, i.e. it will determine the agenda points; the way in which business objectives and managerial expectations are translated into learning outcomes; as well as the nature of the ETD feedback reports required by business as evidence of return on expectations.

Irrespective, however, of the level of management and leadership or leadership style, it is critical that the CEO and the leaders are perceived as sincere about their intention to (1) initiate and support change (Sieff, 2010:8); and (2) engage in strategic conversations. Further to this, for strategic conversations to be successful, the organisation must become a strategic entity in its totality. The traditional model where managers and leaders do all the thinking and telling, and employees do all the work is not effective. Change cannot happen simply because it is commanded from the top

(Johnson & Johnson, 2006a). (See principles one and two of SETDCs in section 3.4). When all the organisational levels engage in strategic conversation, driven by management, it means that an orientation is developed to "always learn", hence to cultivate a culture of life-long learning (Sieff, 2010:8).

3.5.7 Power and politics

Sharplin (1985:141) defines organisation politics as the "carrying out of activities not prescribed by policies for the purpose of influencing the distribution of advantages and disadvantages within the organisation". Power and politics are elements that constitute corporate culture and which have significant implications for the successful implementation of strategies of all kinds. Caffarella (2002:67), and Cervero and Wilson (1998:5) agree that power is a central issue to address when ETD strategies are developed. Hence, it is to be expected that it will be a critical aspect in SETDCs.

Cervero and Wilson's (1998:5) research confirms that the planning of ETD is fundamentally a political process that occurs at the intersection of socially structured power relations and people's interest. They exert that, since ETD planning always involves working with other people, it is necessary to think about power in terms of the "enduring social relationship" that could either support or constrain educators' planning actions. Planning is considered a social activity whereby people construct ETD programmes by negotiating personal, social, and organisational interests in contexts marked by socially structured power relationships. Hence, in my view, the ETD manager needs to develop political skills similar to that of the organisational entrepreneur to achieve credibility or legitimacy; obtain resources; and overcome inertia and resistance (Kuratko, Morris & Covin, 2008:42). Understanding power and politics is crucial to enable the ETD manager to engage in SETDCs. Caffarella, (2002:70-71), Cervero and Wilson, (1998:5), Kuratko, Morris and Covin (2008:365-366) and Sharplin (1985:145) agree that there are an unlimited number of political, negotiation and sales tactics available to an ETD strategist, all which, in my view, concur with the SETDC mechanisms discussed in section 3.2.2.

Furthermore, Sharplin (1985:144) and Caffarella (2002:67-68) note that one of the difficulties ETD managers face is an attempt by some business managers to wield power over the ETD manager, as they tend to emphasise their expertise in their special fields. Consequently, a business manager might recommend or direct a certain ETD strategy with which the ETD manager may disagree. In such cases the ETD manager will find it difficult to convince the business manager of better ETD alternatives or the risks for not achieving ROTE should the business manager's ETD proposal be implemented.

In conclusion, each of the participants in a strategic conversation represents and negotiates personal interests, which will directly shape the purpose, content, and format of a learning programme (Cervero & Wilson, 1998:8) and the strategic conversation.

3.5.8 Learning maturity of the organisation

Kearns (2005) emphasises the importance of the learning maturity of the organisation to evaluate ETD. In my view, Kearns's theory is important to consider when engaging in SETDCs, since it will determine the articulation of ROTE. It is necessary to determine where the business is in terms of its attitude towards learning in order to engage meaningfully in SETDCs. Kearns (2005:14) developed a Learning Maturity Scale to determine whether an organisation is getting as much value out of learning as it could. It also determines the level of ETD maturity with which the board, managers, all other employees and the ETD team themselves, approach ETD. This framework enables all stakeholders to articulate how they see the ETD function and ROTE. The learning maturity scale which Kearns (2005:15) developed is cumulative and each stage forms an essential building block for subsequent stages.

Figure 3.2, and the discussion that follows, is a summary of the six stages on the learning maturity scale as developed by Kearns (2005:14-20).

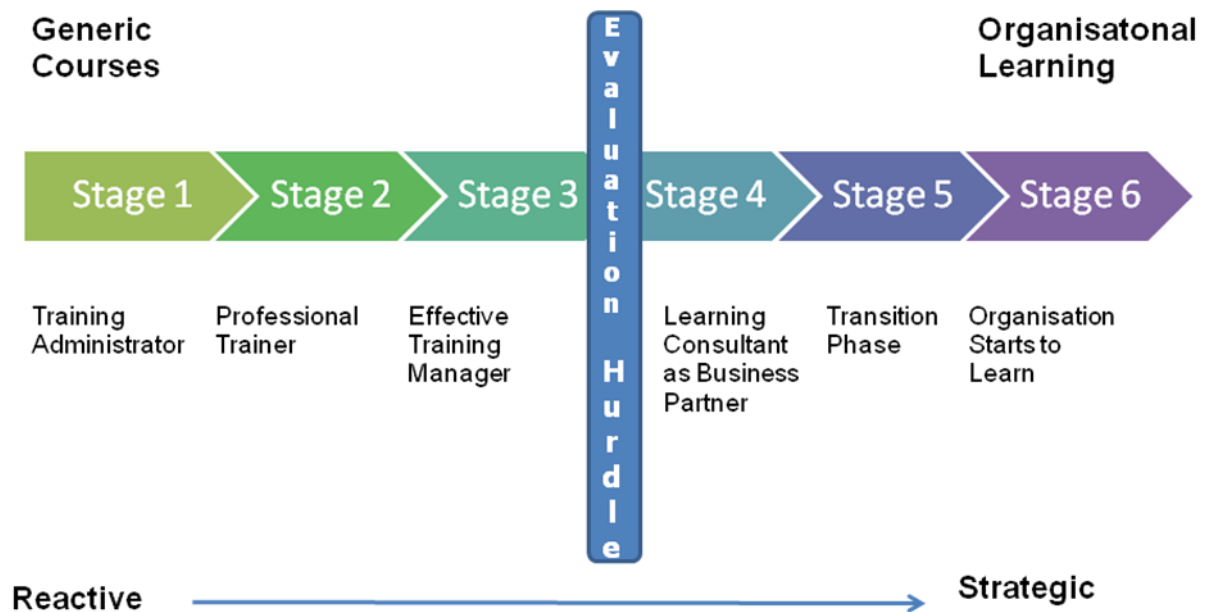


Figure 3.2 The learning maturity scale (Kearns, 2005:15)

Stage 1: Training administration only

This stage concerns ETD administration and the only purpose of ETD administration is to book courses for employees. The business managers do not really have any interest in ETD and do not understand the difference between ETD and learning. They are not too concerned about what ETD is provided. They are only concerned about ETD that will keep them out of trouble in terms of compliance, regulatory requirements, health and safety. Hence, the organisation spends the absolute minimum on ETD. A percentage or a fixed amount is allocated for ETD in the budget, without any assessment of real ETD needs. In most cases a set of generic courses are delivered, such as customer service training. ETD is mostly unfocused, reactive (in response to a specific problem that has just arisen) or both. ETD results are measured in terms of the numbers of people attending courses and/or the number of

training days per employee. The main concern is minimising the average training cost per head, since ETD is perceived as an overhead rather than as an investment.

In my view, when organisations are in this stage of learning maturity it will be difficult to engage meaningfully in SETDCs with the aim to formulate forward thinking ETD strategies. Hence, the main focus of SETDCs will be on change management, i.e. creating an awareness and understanding of the strategic role ETD can and should play to support the organisation's business strategy.

Stage 2: ETD practitioners to ensure achievement of set standards

During this stage ETD is designed and delivered to meet specified standards. The board is more concerned about minimum standards than about seeking to achieve a competitive advantage through ETD. To achieve this, professionally qualified ETD staff is employed. Although the ETD staff is able to formulate ETD objectives and ETD needs analyses are conducted, the ETD analysis is not yet scientifically sound. ETD practitioners are still primarily reacting to the ETD needs as perceived and articulated by the business managers. There is not a formal ETD system in place with reference to design, development, delivery and evaluation processes. The ETD manager does not give input into the ETD budget and has no control over ETD budgeted allocated.

As a result of the predominantly reactive approach and the focus on compliance rather than a future orientation, it will once again in my view be difficult to position ETD as a strategic function within the business. Hence, the focus during SETDC will still be on change management, i.e. creating an awareness and understanding of the strategic role that ETD can and should play in support of the organisation's business strategy.

Stage 3: ETD practitioners become more effective

During this stage senior business managers begin to realise the benefits of ETD. Line managers realise that effective ETD is in their best interest, and value the ETD practitioners' expertise. Line managers expect more searching questions from ETD practitioners and have learned that answering the tough questions makes ETD more effective. There exists a willingness to identify root causes for performance gaps or poor performance and managers and ETD practitioners are working increasingly in harmony. Unfortunately, some senior managers might still perceive the ETD team as trying to intrude on their managerial territory. Hence, some managers still need convincing that learning and organisational performance go hand-in-hand. A well structured ETD system is in place, based on a proper ETD needs analysis. Effective ETD practitioners conduct scientific ETD needs analyses in order to identify real ETD needs.

Although it is easier to engage in SETDCs with a broader audience of voluntary stakeholders, the main focus during SETDCs during this stage will, in my view, be on establishing ETD as a strategic business partner. At the same time, because business' ETD expectations are higher, it is necessary during SETDCs to manage the articulation and optimisation of ROTE.

Evaluation hurdle

The organisation will reach an ETD evaluation hurdle when it is in transition from stage 3 to stage 4. When the evaluation hurdle is reached, the value of ETD is expressed in terms of Return on Investment, i.e., in monetary values in order to gain the commitment of everyone in the organisation. Everyone understands that constant ETD feedback is required to ensure effective ETD. They understand that ETD evaluation results will move the organisation from a narrow view of "ETD" to a concept of "learning". They understand that ETD is about inputs (e.g. putting people on courses), whereas learning is about outputs (i.e. where the learners able to transfer what they have learned back to the workplace). The ETD practitioner's role changes to that of learning consultant instead of learning facilitator.

Whereas the focus in SETDCs during the previous stages was on change management, the focus in SETDCs during this stage is more on establishing and maintaining the role of ETD as a business partner. However, it remains, in my view, uncomfortable for the ETD manager to be in an environment where the focus is on Return on Investment instead of on ROTE.

Stage 4: The ETD practitioner becomes a learning consultant who acts as business partner

During this stage a structured ETD evaluation system is in place. The learning transfer results are measured in terms of its effect on potential losses, waste, ROI figures and other suitable measurements. Further to this, the learning transfer results are reported in clear and simple ETD and business language that the business managers understand.

Managers do not expect standard, generic ETD modules only. Hence the opportunity exists to scientifically design learning programmes. Managers perceive ETD practitioners as consultants and work closely with them. Education, training and development practitioners are invited to managerial meetings during which areas for further ETD development are identified and the solutions offered to them by ETD consultants are appreciated. Managers talk about "learning opportunities" instead of "courses".

ETD is very structured and happens systematically and an e-learning portal exists. Unfortunately the focus is still on the "here-and-now". Consequently, the aim of SETDCs will still be to change the conversation to a strategic conversation, with a future oriented approach. Articulation of ROTE, becomes more apparent during SETDCs during this stage.

Stage 5: Transition stage

During this stage the concept of learning is well established. There is a shift from single-loop learning, which takes a simplistic view on problems, to double loop learning where the root cause of a performance problem is sought. An understanding is developed that there could be more than one cause to a performance problem (i.e. a systems approach to problem solution). The organisation has learned that a systems approach to solving ETD problems is absolutely fundamental to the way the business operates as it informs their strategic thinking for the future design and development of the organisation. The organisation is well on its way to the organisational learning stage. The ETD consultant is operating at a strategic level with business managers (e.g. assists in identifying the owners of processes).

When organisations and business managers have reached this stage on the learning maturity scale the climate is much more conducive for SETDC engagement and the articulation of ROTE.

Stage 6: Organisational learning

At this stage learning that adds value is occurring continuously, quite naturally and almost unconsciously. A high level of understanding of the concept of knowledge management and knowledge sharing exists. Employees are truly regarded as a pool of intellectual capital, with their innovative ideas being welcomed as a means of releasing their full potential. The organisation has managed to achieve a "not-seeking-to-blame" culture.

In sum: It is important to determine the learning maturity level of the organisation in order to engage in SETDCs, since the level will determine the main purpose and approach that needs to be followed during the SETDC. The identification of the learning maturity level is also important to manage ROTE, since, in my view, learning expectations by managers are often not congruent with the learning maturity level they are at. Consequently, business managers are either unable to articulate ROTE,

or they express unrealistic ROTE due to a lack of understanding of the ETD system and processes

3.5.9 Summative remarks

Evidently, it is important to identify the determinants of SETDCs, since these factors will either enhance or impede successful SETDCs. In order to engage successfully in SETDCs it is necessary to understand the communication framework within the organisation, the organisational structure, how the internal capability is organised, the organisational climate, the organisational culture, the leadership styles, power and politics at play within the organisation and the learning maturity of the organisation. All of the preceding considerations are required to ensure that ROTE is clearly defined and properly managed in order to ensure the optimisation thereof.

3.6 CONCLUSION

In order to optimise ROTE and align ETD strategies with business strategies it is necessary for the relevant ETD role players to engage successfully in SETDCs by using various SETDC mechanisms: dialogue, discussion, debate, inquiry, advocacy and dialectic inquiry. To optimise ROTE requires that SETDCs should be focused on creating shared mental models to ensure forward thinking ETD decisions and actions in support of achieving the organisation's strategic goals. Consequently, the importance of SETDCs as an instrument to establish the organisation as a learning organisation to optimise ROTE should be realised. However, to engage in SETDCs requires awareness of the possible organisational and individual barriers to learning that might impede the optimisation of ROTE. These barriers could, however, be overcome by applying the principles of SETDCs.

Finally, the importance to identify the determinants of SETDCs is highlighted, as these factors either enhance or impede successful SETDC engagements and the articulation of and perceived satisfaction regarding ROTE.

The next chapter focuses on the research design and methods which were used in this study to empirically investigate the essence of the SETDC phenomenon to optimise ROTE.

CHAPTER 4

RESEARCH DESIGN AND METHODS

4.1 INTRODUCTION

The purpose of this chapter is to describe the research design and methods used in this study. The chapter commences with the rationale for the empirical research, which was based on both the education, training and development (ETD) paradigm shifts that occurred over time, as well as the need for the development of a strategic ETD conversation (SETDC) model to optimise Return on Occupational Training Expectations (ROTE). Given the limited information available on the SETDC phenomenon the research was conducted from an explorative paradigm. Further to this, a pragmatic paradigm was adopted to ensure that the SETDC model had practical value. In the following section, the rationale for founding the research on the explorative and pragmatic paradigms is given. In concurrence with the explorative and pragmatic paradigms, the qualitative approach and subsequent grounded theory and case studies strategies are described. Thereafter, the research methods I selected are discussed in more detail. The chapter concludes with a description of the various measures taken to increase the trustworthiness of the study, as well as the measures taken to address ethical matters.

4.2 RATIONALE FOR EMPIRICAL STUDY

In section 1.1 it was stated that many ETD and business managers are finding it difficult to manage and measure ETD. The challenge to manage ETD is contributed to several factors. Amongst these factors are the paradigm shifts (see section 1.2) that occurred in the ETD environment and which contributed to a dissonance between ETD and business managers in the articulation of ROTE.

ROTE refers to a combination of a variety of ETD expectations and is founded on the perceptions of the participants (see section 1.6.1). From my experience the ETD paradigm that is favoured by each business manager is a key factor in determining

the way in which ROTE is articulated and perceived. In order to facilitate the achievement of ROTE in an environment where managers' ETD paradigms differ requires a thorough understanding of the various ETD paradigms. Further to this, several shifts also occurred within the ETD paradigms over time. Hence, ROTE is not always articulated from a specific perspective within a paradigm, but could be articulated on a continuum of the various perspectives within a paradigm.

In my view, a dissonance between ETD and business managers' ETD perspectives impede the articulation of ROTE and a common understanding between stakeholders, which is critical to align ETD and business strategies. I am postulating in this study that a common understanding of ROTE will be achieved through successful engagement in SETDCs.

In my theoretical exploration I found that despite continuous reference to the importance of strategic conversation by several authors (Johnson & Johnson, 2006a, 2006b, 2010; Manning, 2001, 2004; Illbury & Sunter, 2007; Ungerer, et.al.; 2007:303-304; Van der Merwe, Chermack, Kulikowich & Yang, 2007:215) little empirical research exists to describe what really happens during strategic conversations and *how* to successfully engage in a strategic conversation. Where theorists do attend to the problem of strategic conversation they often do so either presumptively (assuming we all know what strategic conversation is) or with insufficient reference to theory and efforts to understand and describe the strategic conversation phenomenon itself. Further to this, I found that that there are even less empirical research findings available on how to engage in SETDCs to align ETD and business strategies.

Although there is normally a tendency to conduct research from either an explorative paradigm (i.e. research convention) or a pragmatic paradigm, Grobbelaar (2000:83) states that research can be classified on a continuum between these two poles, which is the case in this study. The explorative paradigm is suitable to expand on fundamental knowledge through exploring, describing and explaining new scientific knowledge, ideas and phenomena (Grobbelaar, 2000:83). Therefore the explorative paradigm is considered appropriate for this study to explore, describe, and explain

the SETDC phenomenon for which limited empirical evidence exists. The pragmatic paradigm aims to address a specific practical social problem through the application of the knowledge and insights gained; and provides recommendations to address the problem (Grobbelaar, 2000:83-84).

Therefore, the explorative paradigm provided a conceptual framework for acquiring knowledge and insight that would contribute towards the design of a model that would be of longer term value. The pragmatic paradigm created a conceptual framework for the application of the knowledge and insight to make recommendations to address the immediate challenges in South Africa where business managers are usually not satisfied with ROTE. The research aims to provide a practical solution and instrument to successfully engage in SETDCs to optimise ROTE.

As I developed a deeper understanding of the strategic conversation phenomenon, I soon realised that it was much more complex than initially anticipated. As a result, I decided to limit the study to the exploration of two aspects pertaining to strategic conversations, which in my view, are key to engage successfully in SETDCs in the business environment. These aspects were predominantly identified during the iterative process of studying the literature, observing the phenomenon in the field and my personal experience.

The first aspect I decided to focus on was the **strategic context** in which strategic conversations are conducted. Hence, I purposefully focused on critically examining the concept strategic management from and between the perspectives of ETD managers and business managers (see section 2.3). An understanding of the strategic context is, in my view, one of the key determinants to engage successfully in SETDCs and therefore crucial for the development of a SETDC model. Hence, the first objective of this research was to explore and clarify key strategic management concepts, views and approaches; and the implications thereof for SETDCs.

The second aspect I decided to explore for the purpose of designing a model to engage in SETDCs is the meaning and nature of the term **strategic ETD**

conversation (see section 3.2). As mentioned in the preceding paragraphs, limited empirical findings are available on the term strategic conversation. Hence, the research was focused on investigating the meaning, principles, and preconditions to engage in constructive SETDCs. In addition, those aspects that influence the nature and success of SETDCs had to be explored in order to identify factors that might enhance or impede SETDCs and thus the alignment of ETD strategies with business strategies (see section 3.5).

The preceding motivation for conducting the research from the explorative and pragmatic paradigms underlay the iterative process that was followed during the research. The iterative process comprised exploring theory from the available literature, extracting theory from practice, and then applying and exploring the application of the theory again in practice. During this process, I linked practice and theory through iterative inductive and deductive reasoning approaches. Consequently, the explorative and pragmatist paradigms allowed me to use a “what works” tactic to address the research questions and to construct the SETDC model.

In the next section, I will describe the research design I decided on to develop a model to engage in SETDCs in more detail.

4.3 RESEARCH DESIGN

As outlined in the preceding section, this study was designed from the exploratory and pragmatic research paradigms. The exploratory paradigm underlay the qualitative research approach followed. In keeping with the nature of a qualitative research approach (Fouché, in de Vos, Strydom, Fouché & Delport, 2005:268; Durrheim, 2006:35), the research design of this study developed as the research went along and new insights were gained.

Although qualitative research is characterised by inductive reasoning (Terre Blanche & Durrheim, 2006:7), Mouton (2001:177) argues that both inductive and deductive reasoning are necessary to build models. Since the purpose of this study was to construct a model, I chose Mouton's premise as the foundation of the research

design. In addition, the pragmatic paradigm (discussed in the preceding section 4.2), enabled me to move back and forth between inductive and deductive reasoning.

Since the purpose of the study was to develop a model, a grounded theory strategy was followed. The decision to use a grounded theory approach was stimulated by the limited empirical evidence available on SETDCs. A grounded theory strategy was followed to generate an abstract analytical schema of the, relatively unknown, strategic conversation phenomenon with the aim to explore and explain the elements, interaction patterns and processes typical of strategic conversations (Fouché, in de Vos, Strydom, Fouché & Delport, 2005:270). Through the use of a grounded theory strategy the model evolved as I made more discoveries, and developed and provisionally verified the schema of the model through systematic data collection and the analysis of the data collected. Hence, data collection, analysis and theory happened reciprocally. An exposition of the processing and analysis of the data is provided in section 5.2.

I started out immersing myself in the strategic management context in which strategic conversations occur, and developed concepts to describe the strategic conversation phenomenon. I initially started with broad objectives, where after I then progressively focused on emerging issues and concepts as my knowledge and understanding of the strategic conversation phenomenon grew. By considering the relationships between these issues and concepts, I was able to generate explanations and identify themes, which was imperative to construct a SETDC model. In addition to this inductive approach used during the grounded theory strategy, I continuously formulated a set of postulates from which further theoretical propositions were deductively derived, which were again tested in practice, and used to improve on the model. Hence, I constantly moved back and forth between the inductive and deductive reasoning approaches, which enabled me to continuously formulate, test and change the model. Once again, the iterative nature of generating the model is emphasised.

In addition to the grounded theory approach, I selected a case study strategy, since this strategy provided the best "opportunity to learn" (Stake, quoted by De Vos,

et.al.,2005:272) and explore the constituent elements of successful SETDCs. Given that there is little consensus on what constitutes a case, in this study a case refers to a single entity (Company X) which was studied over a period of time. Furthermore, since I had access to a company which approved of being used as a case study, the case study strategy enabled me to study the strategic conversation phenomenon in depth through multiple observations and conversations over a period of time.

4.4 RESEARCH METHODS

The main aim of the research methods that were used were to collect and generate "texts" that would allow for interpreting and understanding (Kelly, 2006a:286) the strategic conversation phenomenon in order to construct the model proposed in this study. What follows is an exposition of the research methods I applied to achieve this aim, and bearing in mind the explorative paradigm, qualitative research approach and grounded theory and case study strategies.

As mentioned in the preceding section 4.3 Company X was purposefully selected as a case study due to the ease and convenience of access to internal sources at various managerial levels and from various departments within the company. However, despite convenience being a primary driver, it has to be noted that this company was also selected because it is ranked high on organisational performance and excellence reviews and awards, such as those of Deloitte's and Ask Africa. Further to this, the company is located within an industry that is highly competitive and hyper-turbulent, which provided deeper insights into the dynamics and challenges of SETDCs to optimise ROTE under the challenging conditions that prevail in profit driven organisations.

In correspondence with the exploratory paradigm and qualitative research approach, a variety of appropriate data collection methods were used to obtain texts for this study (Kelly, 2006a:297). Two methods were used to collect detailed, in-depth data, namely observations and interviews. Observations occurred during both formal settings (e.g. official meetings and individual interviews with managers) and informal settings (e.g. functions or brief interactions with individual managers). Where

interviews (see Appendix A) were conducted in formal settings, both semi-structured and unstructured interview techniques were used. During informal settings, unstructured interview techniques were used.

The data collection method included the recording of conversations as far as possible and making notes during and after the formal and informal conversations and interviews. These notes included recordings of who attended, where and when; the nature and content of the strategic conversations; empirical observations of the nature of the strategic conversations; and factors that influenced the content and nature of the strategic conversations. I continuously made notes of and recorded my reflections (see Appendix B) of my observations and notes, exploring the implications for further research and the crafting of a SETDC model. I downloaded the recordings on my computer for transcription and further analysis (see Appendix C).

The methods I used to process and analyse the data will be discussed in more detail in the next chapter. In the section that follows, I focus on the measures I employed to ensure the trustworthiness of the study.

4.5 MEASURES FOR TRUSTWORTHINESS

According to Golafshani (2003:601), the most important test of any qualitative approach is its quality. Whereas quality is accounted for in a quantitative approach using terms such as validity and reliability, the quality of qualitative research is described in terms of the study's trustworthiness. The following measures were taken to ensure the trustworthiness of the research I conducted.

According to Babbie (1989:286), case studies provide, by their very nature, more valid qualitative research measures. Through a case study I was able to develop an in-depth understanding of the concepts I wanted to explore, which would be difficult through surveys and field observations.

Triangulation was used to add depth and multiple insights to enhance trustworthiness (Golafshani, 2003:601; Kelly, 2006b:380). I made use of methods triangulation (Kelly,

2006b:380) by using multiple perspectives, methods, and sources of information, which included interviews, observations, field notes, self-reports, transcripts, and other documents. In addition, I applied investigator triangulation (Kelly, 2006b:380), by collaborating with other researchers and evaluators to assist with the analysis of the data.

Inquiry audits were used to examine both the research process and the products for consistency. Consistency of data was verified through continual examination of the raw data and process notes to ensure that these were consistently aligned with the research problem (Lincoln & Guba, quoted by Golafshani, 2003:601).

Further to this, the trustworthiness of this study was enhanced by my participation in some of the SETDCs during the study. By being a participant, it enabled me to gain in-depth insights into the nature of SETDCs, as well as the behaviours of the other participants, which I would not otherwise have obtained.

As a result of my participative involvement during data collection, pure or complete objectivity was not possible. In reality, during the research, subjectivity and objectivity were experienced interchangeably at times.

I strived towards a responsible balance between the two (Terre Blanche, Durrheim, Kelly, 2006:319) by enhancing trustworthiness through the following measures, as proposed by Babbie (1989:280), Golafshani (2003:601) and Kelly (2006b:380-381):

- I relied on continuous introspection. By merely being constantly aware of the risk of subjectivity, the risk was limited. Throughout the study I continuously examined my own thoughts and feelings and discussed them with other researchers and experts to reduce or avoid biased conclusions. In addition, I often tried to put myself in the place of those I was studying, and continuously asked myself how I would have felt and behaved if I were in their position (Babbie, 1989:280).

- As I gained insights and developed a theoretical understanding of the phenomenon I was exploring, I constantly reminded myself to be aware of the fact that I might observe only those things that support my theoretical conclusions. Hence, to overcome this challenge I continuously discussed my preliminary conclusions with other researchers, and questioned my own reasoning by comparing it with other research (Babbie, 1989:280).

Furthermore, as the grounded theory approach allowed me to be both scientific and creative at the same time, I was committed to apply the three guidelines for trustworthiness provided by Babbie, quoted by Fouché (In de Vos, Strydom, Fouché & Delpont, 2005:270):

- Periodically stepped back and review the data.
- Maintained an attitude of skepticism.
- Followed the best practice research procedures.

4.6 ETHICAL MEASURES

One of the foundations of research ethics is the idea of *informed consent*. Hence, consent was obtained from the company I approached as a case study.

However, despite the consent obtained from Company X, an ethical dilemma was experienced during this study, because the need for unobtrusive observation of participants' engagement in strategic conversations, as well as their behaviour during strategic conversations became more and more apparent as the research developed. Thus, despite the fact that Company X gave permission to be used as a case study, the actual participants were not always informed that they were actually part of the study. The motivation for unobtrusive observation and interviews stemmed from the following reasons:

- Because of the qualitative research design, the research evolved over time. The data collection method that was initially anticipated did not include covert observation. However, as the research continued, the data collection process continuously changed and developed as unanticipated opportunities for unobtrusive observation presented themselves.
- A formal SETDC session was arranged and facilitated early in the study, where participants were informed that the content of the discussion might be used for this study. The outcome of this overt observation session was that some of the participants were hesitant and even resistant to participate in the SETDC, as it was perceived as an academic activity rather than a practical strategic formulation session. Hence, I decided to continue observing SETDCs as unobtrusively as possible in various settings to ensure observation of the "real truth" during the strategic conversations, which was a prerequisite to ensure trustworthiness (see section 4.5).

A further motivation for unobtrusive observation was that it would have been difficult to obtain informed consent from *all* the participants involved in the SETDCs as there were over time a considerable number of participants observed and interviewed. In addition, should only a selective few have given their consent, it would have impeded the natural occurrence of SETDCs, which could possibly have jeopardised the trustworthiness of the study.

Because of the ethical challenge unobtrusive observation posed, I had to take special care to protect the *anonymity* and *confidentiality* of the company, as well as the participants. Hence, pseudonyms were used in recording the data.

4.7 SUMMARY

In the preceding sections the rationale for the research, the research design and research methods were described. The research was designed to assist in developing a SETDC model to optimise ROTE. To achieve this goal the study was situated in the exploratory and pragmatic paradigms. The strategies that were used

and described correspond with the qualitative approach I chose. These strategies included a grounded theory strategy and a case study strategy. Company X was purposefully selected as a case study, primarily because of the ease and convenience of access to internal sources at various managerial levels and from various departments within the company. Data collection methods included observations, semi-structured and unstructured interviews, formal interviews with executives and senior business unit managers, as well as informal conversations with managers at the business unit and operational levels. The purpose of the data collection was to explore the constituting elements and principles of SETDCs in order to propose a SETDC model to optimise ROTE. Various measures were taken to ensure the trustworthiness and ethical accountability of the study.

Chapter 5 reports on the data processing and data analysis methods, as well as the findings of the empirical investigation.

Chapter 5

Findings of the Empirical Study

5.1 INTRODUCTION

The purpose of this chapter is to describe the results of the analysis and interpretation of the research data that were collected for this study to address the research problem to design a model to engage in strategic ETD conversations (SETDCs) to optimise Return on Occupational Training Expectations (ROTE). In this chapter an integrated approach was followed. The analysis of the results and interpretation of these results were done simultaneously.

The chapter commences with an overview of the data analysis which was founded on an appreciative inquiry approach. In an attempt to aid the reader, the discussion of the findings of the empirical study is guided by a diagrammatical presentation of the SETDC model (Fig 5.1) in the beginning of the chapter.

The discussion of the findings of the empirical study commences with an overview of the nature of the SETDCs which includes (1) the purpose of SETDCs; (2) the process of SETDCs; and (3) the nature of the various SETDC mechanisms that emerged.

Three dimensions were identified during the analysis of the empirical evidence: (1) SETDC institutional levels; (2) Institutional factors that influence the nature of SETDCs; and (3) SETDC cornerstones. Each of these dimensions comprises different elements. The three dimensions with the respective elements are discussed in the following sequence.

In terms of the SETDC institutional levels, three SETDC institutional levels were identified, i.e. the corporate level, the business unit level and the operational level. Each of the SETDC institutional levels are discussed separately and commences with the objective of the SETDC at the specific level. Thereafter, a repertoire of

SETDC topics, that were identified at each level, are presented. The discussion of the specific level concludes with the manifestation of the SETDC mechanisms at that level.

The discussion of the SETDC institutional level is followed by a discussion of the SETDC institutional factors that determines the nature of the SETDCs. Thereafter the SETDC cornerstones that forms the foundation for successful engagement in SETDC are discussed.

The chapter is concluded with a synthesis of the findings of the empirical study and a reflection on the empirical study.

5.2 DATA ANALYSIS

In section 4.4 it was mentioned that the empirical research was conducted in a company that was purposefully selected as a case study because of the ease and convenience of access to internal sources at the various organisational levels. Observations and interviews were used to collect data . These occurred during both formal settings (e.g. official meetings and individual interviews with managers) and informal settings (e.g. functions or brief interactions with individual managers). Where interviews were conducted in formal settings, both semi-structured and unstructured interview techniques were used. During informal settings, unstructured interview techniques were used. Recordings were made of conversations and notes taken as far as possible. In addition, I kept record of my reflections by recording my observations. In the rest of this section I will describe the methods I used to process the data that were collected

Given the complexity of the strategic conversation phenomenon and the limited empirical research on this topic, structuring the analysis and findings of this research posed a challenge. In order to overcome this challenge and achieve the aim of this research project I focused on identifying a framework to discuss the empirical findings. This framework was deduced from the iterative analysis and interpretation of the theory and the identification of themes that emerged during the observations.

Instead of using a more problem focused approach to identify the framework and themes to discuss the findings, I deliberately decided to apply appreciative inquiry to analyse the data and present the findings. Appreciative inquiry focuses on, “what works well” in a community, group, or organization. The notion that underlies this approach is that, when we look for problems we find them. When we look for successes, we will find them. By studying the problems, we learn what “not to do.” By building on successes, we know what works, and we build upon those successes for the future (Msukwa, Svendsen & Moyo, 2003; Willis, C.F., 2008).

Hence, given the essence of appreciative inquiry, it was considered suitable for the purpose of this study that aimed to provide ETD managers the mechanisms and tools that work best to engage successfully in SETDCs to optimise ROTE. Instead of following a deficit-oriented, problem-based approach that emphasises the obstacles and gaps and, analysing the cause of the problem to identify possible solutions and actions, I focused on identifying and valuing the best texts of successful SETDCs and dialoguing to identify the elements and mechanisms of successful SETDCs to construct the proposed model. This does not mean that I ignored impeding factors to SETDCs. To the contrary, it was necessary to identify the impeding factors for SETDCs, in order to seek alternative solutions that hold the potential to overcome these challenges.

Given the interpretive perspective in this study, the purpose of the data analysis was to provide a description of the characteristics, processes, transaction, and contexts that constitute the strategic conversation phenomenon being studied. Although bits and pieces of the "real life" experiences of the ETD manager were collected, the main aim was to place these real life events into some kind of a perspective (Terre Blanche, Durrheim & Kelly, 2006:319), i.e. a model on how to successfully engage in SETDCs to optimise ROTE.

Although deductive logic was applied during observations and interviews, inductive logic was the primary mode of reasoning to process and analyse the empirical evidence that were collected during the study. In correspondence with the grounded theory strategy to conduct the empirical study (see section 4.3) I continuously looked

for patterns and themes in the SETDCs, as well as the factors that influenced the SETDCs. Throughout the observations and interviews I looked for similarities and dissimilarities between SETDCs in order to answer the research questions mentioned in section 1.3.2.

Over the course of the study I developed generalised understandings with regard to SETDCs. Each new set of empirical observations was analysed to determine what general principles underlie my observations concerning SETDCs to optimise ROTE. The tentative conclusions I arrived at, in turn provided the conceptual framework for further observations. Hence, as a result of the grounded theory strategy, the model was systematically constructed from the data inductively derived from the study of the strategic conversation phenomenon (Fouché, in de Vos, Strydom, Fouché & Delport, 2005: 270)

Typical of qualitative research, the processes of data collection and analysis were iterative and at times even occurred simultaneously (Kelly, 2006a:288; Fouché, in de Vos, Strydom, Fouché & Delport, 2005: 270; Terre Blanche, Durrheim, Kelly, 2006a:321). Hence, by the time I got to data analysis I already had a preliminary understanding of the meaning of the data (refer to section 4.4.4. for the data processing methodology) (Kelly, 2006a:323; Terre Blanche, Durrheim,). As I became more familiar with the strategic conversation phenomenon and through continuous reflection, I continuously interpreted the texts, as well as my personal responses to the experiences.

Once I had completed the collection of data, I immersed myself again in the literature review, field notes and interview transcripts. I reviewed the texts in order to identify the underlying themes and organising principles. After I had identified the themes and organising principles of SETDCs, I constructed a framework for the discussion of the evidence, which I summarised graphically in Figure 5.1. As been mentioned previously, the framework emerged as a result of the iterative movement between theory and experience. This approach allowed me to analyse the texts in a more structured way in order construct the model and vice versa. I continued to explore the initial themes that emerged to verify and ensure I capture the finer nuances and

contradictions of meaning I might have overlooked during the original coding process. In addition, I continuously verified my interpretations against the theory, the texts collected and discussions with external and objective researchers and colleagues to ensure trustworthiness (see section 4.5).

5.3 FINDINGS

Of the many SETDC that occurred in the company to construct an ETD strategy in such a way that it would optimise ROTE, I deliberately selected those that provided the best insights to construct the SETDC model. The texts were not selected to illustrate effective or ineffective ETD strategies, but rather as examples to substantiate the following framework of discussion: (1) the nature of SETDCs; (2) the SETDC institutional levels and the implications thereof for SETDCs; (3) the repertoire of topics that emerged at the various SETDC institutional levels; (4) the application of SETDCs at the various institutional levels; (5) the institutional factors that influenced the nature of the SETDCs; and (6) the cornerstones to facilitate successful SETDC engagement.

What follows is an outline of the framework and structure I followed to present the findings of the empirical evidence (see Figure 5.1). With regard to the nature of SETDCs (blue spindle) three themes emerged that describe the nature of SETDCs, i.e. the purpose of SETDCs, the SETDC process and the manifestation of the SETDC mechanisms (see section 5.3.1).

Further to this, it transpired that three SETDC dimensions exist that needs to be considered during SETDCs, i.e. the SETDC institutional levels; the SETDC institutional factors; and SETDC cornerstones.

With reference to the SETDC institutional levels a repertoire of topics were identified that correspond with the respective institutional levels, i.e. the corporate SETDC level; the business unit SETDC level and the operational SETDC level. At the same time, it became evident that the manifestation of the SETDC mechanisms correspond with the respective SETDC levels (see sections 5.3.2.1.3; 5.3.2.2.3 and 5.3.2.3.3).

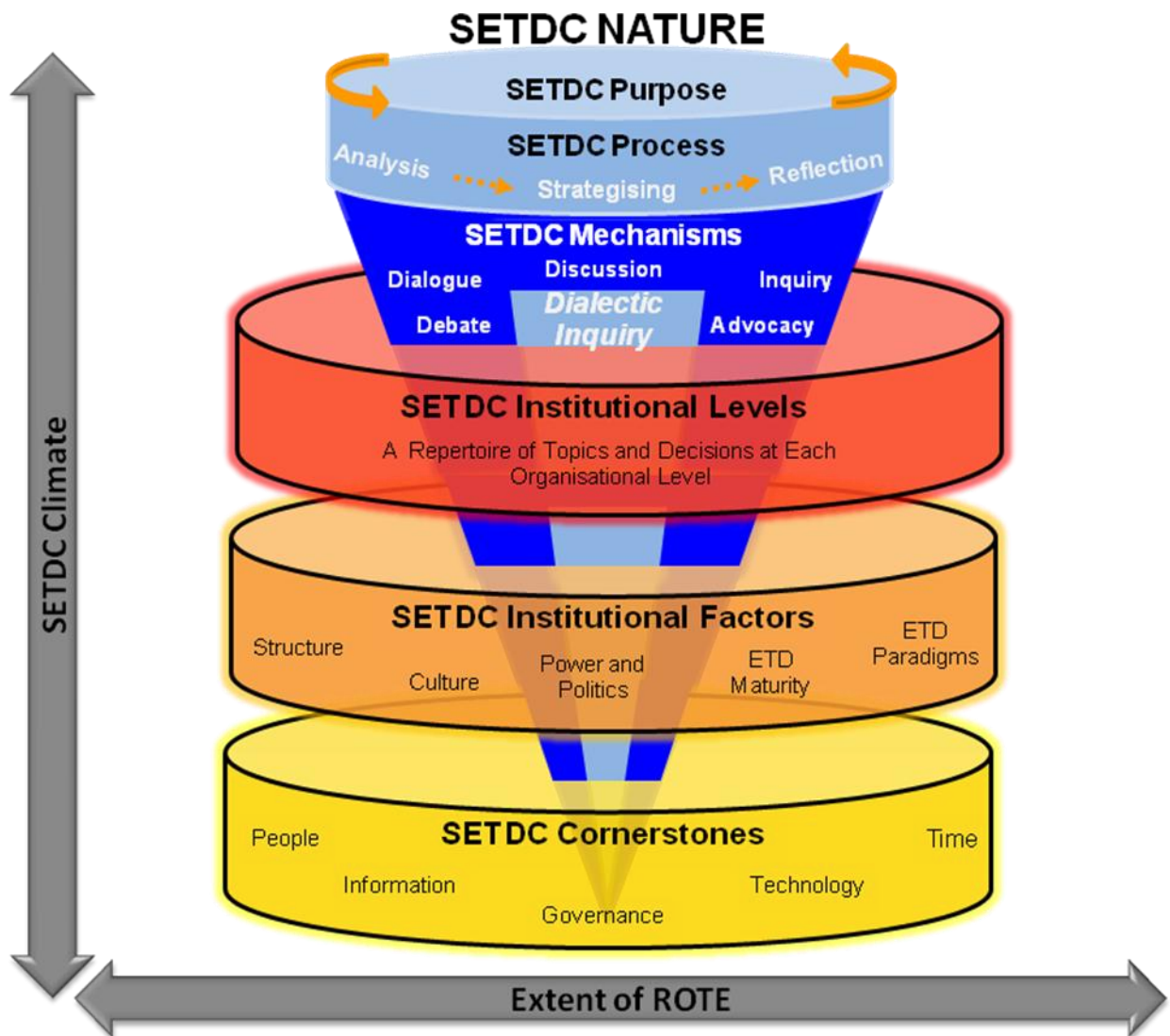


Figure 5.1 A strategic education, training and development conversation model

With regard to the SETDC institutional factors, generic themes were identified that are applicable to all the SETDC institutional levels, irrespective of the institutional level, i.e. the organisational structure, the organisational culture, power and politics, the ETD maturity level of the organisation; and the preferred ETD paradigms in the organisation. Likewise, the themes that are associated with the SETDC cornerstone dimension have similar implications for SETDCs at all the SETDC institutional levels, irrespective of the institutional level (see section 5.3.4).

The nature of each of the dimensions defined, together with the interplay between the dimensions and the elements within, determines how conducive the climate is for successful SETDCs. The more conducive the climate for SETDCs the better the chances of successful SETDCs and in turn the optimisation of ROTE.

5.3.1 The nature of strategic education, training and development conversations

From the analysis of the empirical data, three themes emerged that made it possible to describe the quintessence of SETDCs, i.e. the purpose of SETDCs, the SETDC process and the manifestation of the SETDC mechanisms.

5.3.1.1 *The purpose of strategic education, training and development conversations*

The empirical evidence revealed that the purpose of SETDCs is threefold. The first purpose of the SETDCs is to develop an in-depth understanding of the company's strategic intent in order to determine a way to align the ETD strategy with the strategic intent of the company (Barksdale & Lund, 2001:8; Johnson & Johnson, 2006b; Manning, 2001:57; 2004:52; Ungerer, et al., 2007:300). During the formulation of the ETD strategy, attention needs to be given to understand the company's strategic vision, as well as the key differentiator and philosophy of the company that would ensure achievement of the company's vision. Such an in-depth understanding is necessary to formulate the ETD strategy using terminology that is custom to the company in order to establish a shared mental model (see section 3.2.3) for successful engagement.

A shared mental model and a set of common business terminology is required to identify and analyse the critical ETD expectations articulated by the company's managers at the organisational, business unit and operational levels. The ETD strategy targets both the internal managers and employees, as well as the external customers of the company. The primary and direct concern of the ETD strategy is to meet the demands and needs of the company's managers at three the SETDC

institutional levels, i.e. the corporate SETDC level, the business unit SETDC level and the operational SETDC level.

A shared mental model and a set of common business terminology is also necessary to achieve the third purpose of SETDCs, i.e. to define the strategic ETD actions that are necessary to achieve the company's strategic goals. Hence, SETDCs should include "what if" considerations in order to identify possible future scenarios and to generate options that would drive future actions to achieve the company's strategic goals.

The following serves as a practical example of how the purpose of the SETDC is influenced by the strategic intent of the company that was studied.

The strategic intent of the company in the case study is clearly defined. Although other elements of strategic intent are present, i.e. wanting to be an industry leader, commitment to winning, the setting of ambitious financial goals; the focus is predominantly on the setting of a financial goal. Furthermore the vision is stated in financial terms in a clearly understandable and a way that is easy to remember.

In addition to the explicit financial strategic intent, the company has recently commenced to pursue a customer perspective with the aim to achieve a high-performance service culture. The implication of this move towards a customer perspective is that the company is moving toward a change in its underpinning philosophy in order to make it easier for customers to deal with the company according to one of the executive team members.

However, this customer service perspective remains secondary to the financial perspective , which emphasises financial profit. The emphasis on the financial perspective is confirmed by one of the executive team members remark that by improving the service "it will not only help the growth effort of the business, but it will also help to grow the business much faster" Hence the customer service perspective is "not just about the touchy feely stuff, it is about rands and cents at the bottom line."

Although the strategic intent was primarily approached from financial and customer perspectives, the environmental and value innovation perspectives were also apparent. Since the primary perspectives that emerged were the financial and customer perspectives, it was necessary to translate the SETDC strategy using mostly business and financial acumen instead of ETD acumen in order for the SETDC participants at the various organisational levels to understand and accept the alignment between the company's strategy and the ETD strategy. In addition, it was necessary to explain in detail how the ETD strategy will support the establishment of a customer service culture in the company. Specific terminology was introduced within the company to develop a customer service culture. Hence, it was necessary to use this terminology in the SETDCs to define the role that the training should play to establish the customer service culture.

In conclusion, the empirical evidence confirmed that the distinguishing characteristic of SETDCs in the business environment is its action orientation. Hence, the purpose of SETDCs is to: (1) identify touch points between business and ETD strategies; (2) establish a common understanding of the expectations of the managers; and (3) to define the actions that are necessary to achieve the company's vision. In this case study, the empirical evidence confirmed that the purpose of SETDCs was to define ETD actions that would promote the competitive advantage of the organisation and maximise financial growth through customer service.

5.3.1.2 *The process of strategic education, training and development conversations*

During the analysis of the empirical data it transpired that the SETDC process is characterised by three stages, i.e. (1) analysis; (2) strategising; and (3) reflection. The first stage of SETDCs is to explore and determine manager's expectations regarding education, training and development (ETD). The second stage of SETDCs is to formulate the ETD strategy in such a way that the alignment between the business strategy and the ETD strategy is clear. The ETD strategy has to be presented in the form of action plans that clearly indicates how Return on Occupational Training (ROTE) will be optimised. The third stage entails reflection on

the success of the strategy in terms of ROTE and continuous improvement measures that need to be taken..

The following challenges were experienced regarding the process of SETDCs. Topics may be raised that are not always on the agenda of a meeting, or it could be raised unexpectedly during informal conversations. Topics and issues are not always in the same stage of SETDC process. Hence, during the SETDC one topic will for example be in the analysis stage of the process and focus on identifying expectations regarding the implementation of a new learning programme. Another topic will be in the strategising stage of the process where, for example, the systems challenges experienced with the implementation of simulated training during a learning programme is discussed. Other topics will focus on reflecting on the success of a learning programme. As a result, the ETD manager has to be prepared for the eventuality where topics could be raised that is associated with any of the three stages.

5.3.1.3 *The nature of the strategic education, training and development conversation mechanisms*

The empirical evidence confirmed the existence of the following SETDC mechanisms as identified during the theoretical analysis (see section 3.2.2): Discussion, debate, inquiry, advocacy and dialectic inquiry. In correspondence with Bohm's (1996:6-47) concern, dialogue as an SETDC mechanism was mostly absent due to the influence of institutional factors such as the structure of the organisation and power and politics.

The empirical evidence furthermore confirmed that the manifestation of the SETDC mechanisms is different for each stage in the SETDC process. Some SETDC mechanisms are more predominant at certain SETDC stages than at others. For example, during the analysis stage, inquiry and discussion are the most favoured SETDC mechanism. In the strategising stage discussion and advocacy is most predominant. During the reflection stage inquiry and discussion are favoured (see sections 5.3.2.1.3; 5.3.2.2.3 and 5.3.2.3.3 for further details).

Further to this, some of the SETDC mechanisms, in particular advocacy, are characterised by the application of different tactics under different circumstances. For example, when advocacy is used during the strategising phase the ETD manager used appealing and reasoning tactics to obtain support from executives at the corporate level (see sections 5.3.2.1.3; 5.3.2.2.3 and 5.3.2.3.3 for further details).

Strategic conversations were most productive where a combination and balance of strategic conversation mechanisms were used, in particular in those cases where dialectic inquiry was used (Manning, 2001:57; Senge, 2006:184-185). Despite the counterproductive effect of favouring one strategic conversation mechanism above another (Johnson & Johnson, 2010; Senge, 2006:184-185) the empirical evidence revealed that some managers favoured a single strategic conversation mechanism above others. This is ascribed to these managers standing in relation to the SETDC institutional factors described in section 5.3.3, i.e. their position in the structure of the organisation; the impact of the culture of the organisation on them; their perception of power and politics; the ETD maturity level of the manager; and the ETD paradigms favoured by the manager. During SETDCs where a manager favoured a specific SETDC mechanism, in particular debate and discussion the ETD manager reverted to inquiry as the primary SETDC mechanism. Consequently, three important principles of SETDCs were compromised: (1) acknowledging that there are many perspectives on reality, each representing its own unique truth; (2) partnering and connecting is the lifeblood of organisations; and (3) SETDCs require rigorous, albeit respectful conversations during which managers need to be willing to have their ideas taken apart in order to find the most satisfactory, suitable and practicable ETD solutions to optimise ROTE.

In conclusion, the manifestation of SETDCs are highly dependent on the interplay between the different dimensions and the elements with the dimensions. As a result, the manifestation of SETDC mechanisms could be unpredictable at times.

5.3.1.4 Concluding remarks on the nature of strategic education, training and development conversations

The purpose of SETDCs are mostly action oriented in the sense that expectations are expressed in terms of actions required, strategies are developed in the form of action plans and reflections are done on the status of the actions listed in the action plan. The process of SETDCs are characterised by analysis, strategising and reflection stages. The manifestation of SETDCs is highly dependent on the interplay among the SETDC process stage, the SETDC dimension and its related elements. As a result, SETDCs are by nature rather unpredictable.

Since the manifestation of SETDC mechanisms vary according to the different stages in the SETDC process at the different institutional levels, the ETD manager needs to be skilled to facilitate the SETDC accordingly. The awareness of the three stages of SETDCs and the implication thereof for the application of SETDC mechanisms will enable the ETD manager not only to be more prepared for such eventualities when engaging in SETDCs, but also to facilitate the process more successfully.

5.3.2 Strategic education, training and development conversation institutional levels

The framework for the discussion of the empirical findings with regard to the SETDC institutional levels is organised as follows. The interpretation of the empirical data commences for each SETD institutional level (corporate, business unit and operational) with an overview of the objective(s) each particular level. Thereafter a summary is provided of the repertoire of topics and decisions that are associated with that particular SETD institutional level. Finally, a the manifestation of the SETDC mechanisms at each level is presented.

5.3.2.1 Corporate level strategic education, training and development conversations

5.3.2.1.1 The strategic education, training and development conversation objective at the corporate level

Several objectives were identified for conducting SETDCs at the corporate level. In correspondence with the SETDC process identified in section 5.3.1.2., the first objective of SETDC at this level is to determine the ETD expectations of the executive team. The second objective for SETDCs that emerged was to present an ETD strategy to confirm alignment to the strategic vision and intent of the company, as well as the ETD expectations expressed by the executive team. At this level the executive team expected an ETD strategy that was already constructed and that had to be presented primarily to obtain approval and final input from the senior managers. In this particular company, this approach is ascribed to the business philosophy of the company where the executive team defines the vision and then leaves it to the business unit heads to find a way to achieve the vision.

In correspondence with the process of strategic conversations, another objective as part of the strategising stage, was to present a high level implementation plan for the ETD strategy. The empirical evidence confirmed that the development of an ETD action plan was part and parcel of the ETD strategy. Once again, this approach concurs with the leadership culture of the company where the executive team members did not prescribe the ETD strategy and were open to innovative and alternative ETD strategic solutions. The executive team only sets the goals and does not prescribe how the goals should be achieved. This leadership approach further underlines the philosophy of innovation and the opportunity that is created and supported to find innovative solutions. In addition, apart from the meetings with the Executive Head that HR (and the ETD manager) directly reported into, the rest of the executive team did not expect a detailed ETD implementation strategy. Another objective of SETDCs is to provide feedback regarding the progress made to achieve the approved strategic ETD goals and expectations.

It also transpired that SETDC objectives varied from one meeting to another. The primary SETDC objective during a meeting would be determined by several factors such as, for example: reporting on the progress made regarding compliance training in concurrence with national legislation; or a revision of key ETD strategic deliverables as a result of risks pertaining to the strategic ETD cornerstones; or progress made with the establishment of a customer service culture; and so forth. The objectives of the SETDCs depended on the critical ETD issues in the company, the industry and the country at the time of the meeting.

To summarise, the objectives of SETDCs at this level are to: (1) determine the ETD expectations of the executive team; (2) propose an ETD strategy and confirm the alignment of the proposed ETD strategy with that of the company's; (3) to obtain approval for a high level ETD implementation plan; and (4) to provide progress reports that confirm the ETD contribution towards the achievement of the company's vision and strategic intent.

5.3.2.1.2 A repertoire of strategic education, training and development conversation topics at the corporate level

During the investigation, it transpired that there exist a repertoire of topics that are typical to SETDCs at the corporate level. Several generic topics emerged during the SETDCs. The topics that were discussed depended on the stage of the SETDC and the purpose of the meeting. The following is an exposition of the most predominant topics that emerged and that could be expected during SETDCs.

The **company's vision** and the implications thereof for the workforce structure, education, training and development needs were elicited. Contrary to the expectation one member of the executive team commented that although the strategy is to grow the profit significantly, the workforce will not necessarily be grown. Hence, the ETD strategy should not be designed based on the assumption that the future target for the company's profit is triple that of the past, that the workforce and indirectly the ETD demand will be tripled. As a result, the education, training and demand should

not be assumed. The implication of the company's vision on the education, training and development is a topic that needs dedicated attention during SETDCs.

The **business philosophy** of this company as described by the executive team is primarily of a formula type. Despite the emphasis on innovation, the lessons learnt in the past provide a strong foundation for the way the business is still operating and managed. Employee and market behaviour by means of quantitative measures is paramount. Having said that, there is movement towards a change in the business philosophy. Instead of the initial approach to control suppliers, where "we can make or break our suppliers", the company is now moving more towards a partnership approach. Further to this customer service is recognised as a critical value proposition to differentiate the company from other companies. As a result the ETD strategy should on the one hand embed the operational "formula" when new candidates are employed and on the other hand instil a customer service culture in all the company employees through education, training and development. Hence it is important to understand the business philosophy and changes made regarding the business philosophy in order to address during SETDCs the implications thereof for the ETD strategy.

Another theme that emerged was the **approach to engage in strategic conversations**. One of the executive team members remarked that is important to understand the business language used in the company. This does not only refer to a generic understanding and application of business acumen. It also refers to specific topics that need to be included, as part of the culture of the organisation, when participants engage in strategic conversations. Typical topics that are discussed using this company's business dialect include: systems availability issues; financial issues; what innovations and improvements to expect, and what actions are taken to educate, train and develop the employees and unleash their potential. During SETDCs this strategic conversation culture had to be followed as well.

The role of the training centre has to be established. It is important for the business to understand that the role of the training centre is to provide and create opportunities for education, training and development. It is the responsibility of the managers in the

business to ensure that they budget for education, training and development and avail employees the time and opportunity to attend learning programmes. Managers need to send their employees on training to address a specific knowledge and skills gap and not training for the sake of training. Attendance of education, training and development opportunities should also be monitored to ensure that some individuals do not abuse the opportunity to get time off from work. Hence, during SETDCs the opportunities that exist and that need to be created to address knowledge and skills gaps should be listed. Further to this reporting should be done in terms of the business response to the opportunities that exist.

In terms of **education, training and development expectations**, the company aims to grow its own employees before recruiting employees from the external pool. The core capabilities that the company's employees required is based on, amongst other on "the wide variety of technological systems"; "pricing of products"; "marketing initiatives"; "customer service"; "management information systems". **Key ETD areas** were identified, which included specifically for this company: A need for English literacy training as a result of the poor standard of education; the need for employees to have a better understanding of the geographical differences of customers; interventions to grow the middle and upper levels of management; and compliance training to ensure adherence to national legislation. Hence, the SETDCs need to facilitate the formulation and implementation of an ETD strategy with the expressed aim to satisfy the explicitly mentioned expectations of the executive team.

The **financial implications** to implement the proposed ETD strategy were, as could be expected, a topic of concern. Given the challenging financial target the company envisioned and ETD required to support the achievement of the target, as well as the industry's legislative requirement for compliance training, the budget for the training centre had to be significantly increased. As a result the ETD expenses were closely monitored and SETDCs included options to maximise the financial gain ETD could provide.

Partnering between business and education, training and development is crucial. There should not be a “them”, i.e. a training centre, and “us”, i.e. the business approach. It is important that a “we” culture is established. To achieve this partnership, it requires amongst others that the ETD team develops the necessary business acumen. Despite this promulgation of a partnership approach, one of the executive members cautioned that if the training centre does not deliver, i.e. if business is not happy with the ETD delivery, the business will go around the training centre to satisfy their ETD expectations. Hence, the ETD strategy had to be designed with the expressed aim to satisfy the executive team's expectations. Strategic ETD conversations should therefore be used as opportunity to establish and reinforce partnering with business, to measure business' satisfaction with the ETD strategy and to address issues that might negatively influence the partnership.

5.3.2.1.3 The manifestation of strategic education, training and development conversation mechanisms at the corporate level

The SETDCs with the executive team included predominantly inquiry, discussion, debate and advocacy (see section 3.2.2) as strategic conversation mechanisms. Contrary to the assumption that the ETD manager will be able to use dialectic inquiry from the onset it was discovered that it is not the case. Dialectic inquiry could only be used as a strategic conversation mechanism after a certain level of trust in the relationships of the participants had developed. Furthermore, the use of dialectic inquiry was dependent on the objective of the strategic conversation, for example, to engage in a conversation to increase the monetary value added by the training centre. In addition, dialectic inquiry could only be used in contexts that were conducive for dialectic inquiry. Favourable circumstances were determined by the impact of a variety and combination of institutional factors (see section 5.3.3), as well as the SETDC cornerstones (see section 5.3.4).

During the initial individual interviews with the executive team members, inquiry was predominantly used as an SETDC mechanism. This is ascribed to the fact that the ETD manager had been newly appointed and the relationships with business had yet

to be established. Secondly, the objective of the initial SETDCs was to solicit the ETD expectations of the executive team.

On conclusion of the initial individual interviews, the ETD manager continued to attend executive Human Resource meetings as and when required. When the ETD manager had to present the formulated ETD strategy, advocacy was mostly used by the ETD manager to motivate the proposed ETD strategic solution in order to obtain the executive team's approval of the proposed ETD strategy. The presentation commenced with an overview of how the formulated ETD strategy corresponds with the ETD expectations stated during the preceding SETDCs. Different advocacy tactics emerged, which included primarily: (1) *appealing* to the emotions of the stakeholders to obtain support for the proposed strategy; and (2) *reasoning* to obtain support. The strategic conversations during this phase were also characterised by discussion as a mechanism of strategic conversation. Some of the executive members questioned the way in which the strategy was presented and commented that they are "not interested in an academic solution". Despite the insistence on a "tacit" strategy it was interesting to note that the comment on the academic nature of the proposed strategy actually resulted in a discussion amongst the executive team on the meaning of the term "learning organisation" and whether a "learning organisation culture" actually exists in the company and how it can be established. Although the proposed ETD strategy was not immediately and hundred percent accepted by all the executive team members, the ETD strategy was approved after the rationale for the ETD strategy was discussed. Hence, bearing in mind that the purpose of the strategic conversation was to formulate and obtain approval for the ETD strategy, the purpose of the strategic conversation during the initial executive meeting, in particular, was achieved. Nevertheless, the SETDC was predominantly based on advocacy and discussion as the strategic conversation mechanisms and still lacked the application of dialectic inquiry.

During follow up meetings where the ETD manager had to report on the progress made in terms of the ETD strategy and the implementation thereof, the meetings were also characterised by predominantly discussion. Over time, after a sufficient level of credibility and trust had developed, dialectic inquiry was introduced in the

conversations. However, this was limited to Human Resource meetings that were called to address specific topics. One example of such meetings were the meetings held to explore options to manage the successful implementation and progress made regarding the legally required training in the industry. Further to this the SETDCs during these meetings included the identification of risks and mitigating factors should the employees be unable to complete the training successfully, or if other companies started recruiting this company's employees that are qualified. Another example of meetings that were called was those with the specific objective to identify options to maximise the monetary value that could be recovered from ETD. During these SETDCs, dialectic inquiry emerged as a conversation mechanism to explore various options.

5.3.2.1.4 Concluding remarks on corporate level strategic education, training and development conversations

In summary, although the ETD manager can expect general themes with regards to the topics that will be discussed, it is imperative that the ETD manager has the necessary business acumen to engage in ETD conversations, specifically regarding the business dialect favoured in the company. Reference was often made to ETD aspects in indirect terms, which was indicative of the level of ETD acumen on the side of some of the executive team members. In addition, the topics and ETD expectations were discussed at a high level, it is "what" is expected from ETD, with limited (almost no) reference to "how" ETD should deliver on these expectations. Further to this, there was almost no reference to the standard of ETD or the measures that will be used to evaluate the success of the ETD delivered, probably because of the lack of in-depth understanding of ETD. The ETD manager had to deduce the "real" ETD expectations and standards at this point in time from the strategic intent, philosophy and workforce recruitment and, learning and development intent. The primary focus during the SETDCs was on the ETD actions that are necessary to ensure Return on Investment, and little empirical evidence existed to support the notion of a shift towards an emphasis of ROTE by the executive team.

Although the various objectives were achieved, the SETDCs were predominantly characterised by one dimensional and often one directional communication, i.e. from the view of the communicator at a given point in time. As a result the prevalent SETDC mechanisms were inquiry, discussion and advocacy. Dialectic inquiry, as the most effective strategic conversation mechanism, was applied in limited settings. From the empirical evidence, it appeared that it is possible to achieve the purpose of the SETDC in terms of forward thinking. However, on reflection, dialectic inquiry could have been explored at a much deeper level, which would have resulted in a more sustainable ETD strategy if the institutional factors (see section 5.3.3) and SETDC cornerstones (see section 5.3.4) had been managed better.

5.3.2.2 *Business unit level strategic education, training and development conversations*

5.3.2.2.1 *The strategic education, training and development conversation objective at the business unit level*

The empirical evidence confirmed that that the purpose of SETDCs at the business unit level was focused on the contribution the ETD strategy would make towards the achievement of the business strategy to optimise the business unit's contribution towards the achievement of the company's strategy. The empirical evidence revealed that the ROTE, was expressed in terms of business needs, i.e. specific and minimum performance targets that have to be achieved such as the number of sales made by the employee, the quality of service rendered by the employee which is measured against specific standards. Hence, the first objective of the SETDC the business unit level was to formulate an ETD strategy that would meet the business expectations of each business unit specifically. The second objective of the SETDCs at this level was to explore ETD options and solutions that would be suitable and appropriate to optimise the level of business expectations.

5.3.2.2.2 A repertoire of strategic education, training and development conversation topics at the business unit level

During empirical study it was observed that the majority of the SETDCs occurred at the business unit level. Hence, the ETD manager needed to develop an understanding of the business units' strategies and operations. This was necessary to facilitate and find conversation themes that will be encountered at the business unit level.

During the SETDCs to determine the ETD expectations for the ETD strategy, the following topics emerged.

At the business unit level there is a clear understanding of the business' vision. However, in comparison to the managers at the corporate level the managers at the business unit level expressed their ETD expectations in much clearer and exact terms during the SETDCs. The discussion summarises the topics and related issues that emerged and that could be expected during SETDCs. The discussion is based on excerpts from the strategic conversations that were held.

One of the common topics that emerged was **the business unit's role in the value chain** and the importance thereof, in terms of the size of its monetary contribution towards the achievement of the company's strategic goals, as well as, what strategies the business units' develop in correspondence with the strategic goal of the company. One of the business unit level managers summarised the business unit's role in the value chain as follows. The business unit has to achieve the company's vision, and hence, the business unit is described as that of a "service machine", with the focus on rendering quality service to the customers and the rest of the business in order to reach the financial target. There is a continuous effort to analyse the business unit's results to determine whether a small change is required in a process, whether a larger project needs to be registered, or whether the strategy needs to be reviewed to ensure that service issues are address. Hence, the ETD conversation included to a large extent the role of the business unit and what role ETD plays in ensuring that the strategies could be implemented and maintained.

Another topic that emerged was the necessity of business units to continuously **consider the strategic enablers identified by the company**, i.e. in the case of this company process, technology and people. All these enablers are described as interdependent. It is just as important to focus on developing the necessary knowledge and skills, as it is to focus on technology and processes. Without the necessary technology and processes, it also does not help to develop the employees' knowledge and skills. Despite this comment, although technology and process were sometimes mentioned as restricting factors in a business unit, the importance and the continuation of developing employees' knowledge and skills remained a top priority for all the business unit level managers. The inclusion of this topic in SETDCs is necessary in order for the ETD manager: (1) to understand the context in which required ETD knowledge and skills will be applied; (2) to formulate implementable and maintainable ETD strategies in co-operation with the business unit level managers.

With regards to the people aspect as an enabler, one of the topics that came under discussion was the **extent of alignment between the company's strategy and that of the ETD strategy**. This was different from the conversations at the corporate level where the conversations focused on the alignment of the strategy and not so much on the detail of how the alignment between the strategies should be achieved. For example, although the managers at the business unit level are in full support of the vision of the company, some concerns were raised with regard to the ETD strategy that was proposed. During the SETDCs the business unit level managers identified areas of misalignment between the company's strategy and that of the ETD strategy and made suggestions to enhance the extent of alignment. Therefore, in addition to the discussion on the alignment between the company's strategy and that of the ETD strategies, the nature of the SETDC also emerged as that of a partnership approach to find the best solutions for the ETD strategy.

There existed a difference in opinion between the managers at the corporate level and the business unit level re the **size of the workforce component required to achieve the company's strategic goal**. Whereas as some of the managers at the corporate level mentioned that the workforce will not be expanded, some of the

business unit managers held the view that the workforce component had to grow in direct correlation with the percentage increase in profit the company wishes to achieve. Should such an increase in the workforce number be implemented it had implications for the ETD strategy in term of the enablers required by the Training Centre in order to meet the business expectations re ETD:, i.e. process, technology and people

Further to this, the **alignment between the company's strategy and the ETD strategy** also came up as topic of discussion. One manager at the business unit level expressed a concern that there is a misalignment between the direction in which the company is going and that of the Human Resource strategy, indirectly implicating **the ETD strategy**. This manager went as far to comment: "I do not understand the Human Resource strategy". This comment was made with specific reference to the Human Resource decision to re-structure and downsize the training centre in a time where the company's strategy required exceptional education, training and development of its employees to achieve the company's vision. Hence, with regard to the **structure of the training centre** the remark was made that if a training division has become so small it means either that the ETD strategy has changed dramatically or that the importance of ETD has been repositioned. Therefore, the **nature of ETD** might be compromised, since instead of training what is supposed to be trained to develop individuals that will contribute the success of the business, ETD could easily move to a situation of training for the sake of training as the business demands cannot be met.

To ensure the financial growth that the company expects the following ETD strategy topics related to the **design, development, delivery and evaluation of the ETD strategy** were addressed during the SETDCs:

- The ETD strategy for induction programmes.
- How learning plans should be designed in order to define the critical competencies that employees need to achieve in their positions.
- How to position training, i.e. whether ETD should be outsourced, delivered inhouse, or a combination of both.

- How to reduce the time employees spend in training and at the same time reduce the time it takes employees to reach the required level of competence.
- How to manage the workforce need, i.e. balance the need to send employees on continued training and at the same time ensure maximum operational workforce capacity.
- How to report on the increase in competence of an individual and the Return on Investment.
- How to shift the responsibility for ETD from the business to a situation where the employees take ownership of their development, i.e. how to create a learning culture.
- Which other ETD delivery methods could be used in addition to a classroom type of intervention, e.g. e-learning and on-the-job coaching.
- How to determine the budget and cost of ETD.

The importance of a **partnership between business and the training centre** was also raised during the SETDCs at this level. It is necessary that both business and the Training Centre commit and buy into the ETD strategy. In the past the partnership was impeded by perception that there existed a lack of skill in the Training Centre and that business as a result initiated, designed and prescribed the implementation of ETD. This resulted in an us-them situation. However, there is an awareness that this attitude existed and a commitment to work towards partnering is developing.

5.3.2.2.3 *The manifestation of strategic education, training and development conversation mechanisms at the business unit level*

Strategic ETD conversations were continuously held with all the business unit level managers. The SETDCs at the business unit level were mostly one-on-one sessions between the ETD manager and the business unit levels managers. The empirical evidence revealed that the managers from the business unit level were much more responsive to SETDCs than the managers at the operational level.

During the sessions it emerged that the nature of SETDCs at the business unit level was characterised by the use of predominantly inquiry, discussion and advocacy. Inquiry and advocacy were mostly used by the ETD manager, whereas the business unit manager tended to use discussion more often. Inquiry was applied by the ETD manager to extract the managers' ETD expectations at the business unit level. The ETD manager also used inquiry and advocacy to determine and propose the ETD implementation strategy. Business unit level managers tended to focus on those ETD strategy aspects that would directly effect their business. Hence, little

In addition, the ETD manager used advocacy to relay the ETD expectations of the corporate level managers to the business unit level managers. Hence, advocacy was used where the ETD strategy was driven "top-down" to create an awareness and understanding by business unit level managers of why some projects within the ETD strategy had to be implemented in a specific way.

Discussion was used during SETDCs where the various options for implementation of the ETD strategy were explored. The business unit managers would in some cases decide on how the ETD strategy had to be implemented for a specific project in that particular business unit. The use of discussion as a SETDC mechanism, was not applied throughout SETDCs, but mostly during discussions of specific projects identified during the formulation and implementation of the ETD strategy. During these instances, the ETD manager often had little say in how the ETD strategy would be implemented. Where the business unit manager explicitly stipulated how the ETD has to be delivered, the SETDC was in the form of a discussion and the ETD manager's view was mostly overridden.

Even though, inquiry, discussion and advocacy were used in the majority of the conversations, there were times where dialectic inquiry were used as an SETDC mechanism to find forward thinking solutions. In several of the ETD conversations both the ETD manager and the business manager would explore the viability of the options or perhaps other alternative options together to achieve short, medium and longer term goals. The opportunity for dialectic inquiry was experienced in more cases at the business unit level than at the corporate level.

Further to the above, where there was more than one business manager present during the SETDCs, there was continuous manoeuvring between the use of the various SETDC mechanisms during a meeting. Although the topic (agenda point) that was discussed influenced the SETDC mechanism that was used, the SETDC mechanism were mostly determined by:

- The SETDC institutional factors such as the business managers who were present during the meeting's position in the company structure, power and politics between, the business managers' ETD maturity levels and the ETD paradigms favoured by each (see section 5.3.3).
- The impact of the SETDC cornerstones, i.e. the structure of the training centre, the availability of management information, the time allocated for ETD discussions in meetings and the ETD governance structure (see section 5.3.4).

5.3.2.2.4 *Concluding remarks on business unit strategic education, training and development conversations*

In summary, although many of the conversations focused on the strategies to implement learning programmes of specific relevance to the business unit(s) several other topics also emerged. These included: the business unit's role in the value chain; the strategic enablers that are required; the extent of alignment between the company's strategy and that of the ETD strategy; the size of the workforce component and implications thereof for the ETD strategy; and a partnering relationship between business and ETD.

There is a tendency of continuous manoeuvring between the use of the various SETDC mechanisms. Whilst this tendency was the result of the topic that was discussed it was even more obvious as a result of SETDC Institutional Factors (see section 5.3.3.) and the SETDC Cornerstones (see section 5.3.4).

As was to be expected, the empirical evidence also confirmed that the ETD manager is much more involved in strategic conversations at the business unit level than at the

corporate level. Since the empirical evidence also revealed that the implementation element of the company's strategy is decided at the business unit level, as well as, the wider ETD mindset at this level, it stands to reason, that ETD strategies will be determined to a large extent at this level. Therefore, SETCS at business unit level is crucial to ensure the optimisation of ROTE.

5.3.2.3 *Operational level strategic education, training and development conversations*

5.3.2.3.1 *The strategic education, training and development conversation objective at the operational unit level*

At the operational level the primary focus is on the day-to-day process by which the company develop and produce products and services and deliver them to customers (Kaplan & Norton, 2004:43,65; Slack, et al., 2007:4,63). The empirical evidence confirmed that the objective of SETDCs at the operational level is to formulate ETD strategies to support the following day-to-day processes: Develop and sustain supplier relationships; produce products and services; distribute and deliver products and services to customers and manage risk.

Although the purpose of the SETDCs at the operational level is much the same is that at the business unit level, it transpired from the empirical evidence that there is a difference in the level of detail at which the business managers expressed their ETD expectations. The ROTE at the operational level, was expressed in much more detail than at the business unit level. At the business unit level, the SETDCs focused on the finding ETD strategic options and solutions that would be appropriate over all the departments within the business unit. At the operational level, the SETDCs focused on finding ETD options and solutions for a specific department. Hence, the first objective of the SETDCs at the operational level was to formulate an ETD strategy that would meet the business expectations of each department within the business unit specifically. The second objective of the SETDCs at this level was to explore ETD options and solutions that would be suitable and appropriate to optimise the level of business expectations for each department as per that specific departments

predetermined performance standards and targets.. The third objective of the SETDCs at this level was to determine options for the implementation of the ETD strategy that would interfere least with the day-to-day business processes of the department.

5.3.2.3.2 *A repertoire of strategic education, training and development conversation topics at the operational level*

Since the primary focus at the operational level is on the day-to-day business processes, the themes that emerged during the SETDCs focused on how ETD should be designed, developed, delivered and assessed to **optimise the day-to-day business processes**.

The ETD strategy topics related to the **design, development, delivery and evaluation of the ETD strategy** were similar to those that were discussed at the business unit level. The difference between these two institutional levels lay in the nature of the conversations. Whereas the business managers and the ETD manager would try to find ETD options and solutions jointly, the operational level managers tended to prescribe **how the training centre should manage and implement the training** for each department specifically.

During the SETDCs focused on the confirmation of the **critical competencies and performance measures** were that were identified and determined by the operational managers. The critical competencies and performance targets included amongst others: ETD knowledge of new products; knowledge of changes to the business processes and systems, as well as the application of the corresponding skills; knowledge and skill to provide quality products and services; knowledge and skill to perform against predetermined standards and targets to meet the company's financial and customer satisfaction targets.

SETDCs included topics on the **ETD approach**. With regards to the ETD approach the SETDCs focused on identifying which ETD programmes were delivered by the training centre and which ETD programmes were outsourced. Managers would send

their employees to attend the company specific technical training provided by the training centre, however tended to decide independently what additional training their employees require and arrange for their employees' to attend outsourced training. Hence, during SETDCs the ETD manager focused on the identification of outsourced training programmes, as well as the **process** that had to be followed by the operational managers **to report outsourced** training in order to recover grants that were provided by the Department of Labour and the Department of Education.

Regarding the **ETD delivery strategy** stated their ETD expectations clearly. The operational managers would, for example, state the amount of time and the schedule according to which they will release their employees for training provided or arranged by the training centre. They also indicated which facilitators are preferred to facilitate the training.

Given the competitive market the company operates in, new innovatively products and systems were released frequently and on short notice. Hence, many of the SETDCs included conversations on how **just-in-time training** should be delivered as effectively and efficiently as possible.

ETD related risk management was another theme that emerged during the SETDC. Although risk management is mostly associated with financial risk management (Kaplan & Norton, 2004:73), risk management topics during SETDCs included that of, for example, options and solutions to train employees in compliance with national regulatory requirements and to retain these employees; and training of all targeted employees on a new product, business process or system by a given point in time (Craig, 1996:820). The immediate demands and risks regarding the operating business processes received preference above training demands. Hence, the SETDC topics focused on the immediate training demands and the business risks resulting from sending employees on or not on training at a given point in time

5.3.2.3.3 *The manifestation of strategic education, training and development conversation mechanisms at the operational level*

Strategic ETD conversations were continuously held with operational level managers. The SETDCs at the operational level were mostly one-on-one sessions between the ETD manager and the operational level managers. The empirical evidence revealed that the managers at the operational level were much less responsive to SETDCs than the managers at the business unit level. Strategic ETD conversations at the operational level were mostly confined to short-term ETD implementation strategies.

Strategic ETD conversations at the operational level tended to be one-dimensional and discussion was the predominant SETDC mechanism. The operational managers would take the lead in the conversation and express in clear terms their ETD expectations and terms of for example, how, what, where, when and by who the training should be delivered. Inquiry by the ETD manager was restricted to confirming the ETD expectations of the operational level managers. Advocacy was applied to the minimum, since operational managers have predetermined in the majority of the cases the design, development, delivery and reporting of the training. As a result, the opportunity for dialectic inquiry was minimal.

Since discussion was the primary SETDC mechanism, the ETD strategies at the operational level focused on the provision of just-in-time training strategies.

5.3.2.3.4 *Concluding remarks on operational level strategic education, training and development conversations*

SETDCs at the operational level tended to be one sided and focused on short term ETD solutions with discussion as the preferred SETDC mechanism. Inquiry, advocacy and dialectic inquiry was applied in very few SETDC instances. The operational managers tended to express their ETD expectations in clear terms, even to the extent where they would prescribe the delivery of ETD. The SETDCs focused on short term ETD strategies, and more often than not on arranging just-in-time training.

5.3.3 Institutional factors that influence the nature of strategic education, training and development conversations

During the research it became evident that there are some factors that influence the nature and success of the SETDCs either positively or negatively; and which are generic across all the organisational levels and during each of the substantial strategic conversation phases. The research confirmed that that these issues should not be underestimated and that the ETD strategist should keep them in mind when engaging in SETDCs. These institutional factors are key determinants of the strategic conversation mechanisms that will be applied.

The predominant institutional factors that influence the nature of SETDCs that were identified were the following:

1. The structure of the organisation
2. The culture of the organisation
3. Power and politics
4. ETD maturity level of the organisation
5. ETD paradigms

5.3.3.1 The structure of the organisation

With reference to section 3.5.2, the company is highly formalised and compliance to procedures is strictly enforced. Decision-making within the company is decentralised at the higher managerial levels for the various departments as is demonstrated in the following quote.

...we know where we are and we know where we are going...we don't always know how...and it is not important to us. We do not necessary sit in four month planning sessions and develop plans in black and white...Part of the culture of the company is to say...we know where want need to go...so the [executive officer] would say...'this is the goal'. How the hell we did it....it just

happened with the energy of the leaders in the company who said, anything is possible....this is really the culture in this company...

Nevertheless, despite the flexibility and promotion of innovative management, the executive level expects from business unit and operational level managers to enforce strict compliance to procedures. Further to this, the company is characterised by the enforcement of an informal, however unmistakable chain of command.

Given the structure of the company I expected that ETD would be represented solely by the Human Resource (HR) manager at the executive and business unit levels. Contrary to this expectation, the ETD manager was invited at times to attend meetings with the executive team to discuss strategic ETD matters at corporate level. Further to this, over time the ETD manager was invited to become an active role player in monthly business unit and departmental meetings. Hence, although the ETD manager was not appointed at a senior manager level, access was granted to higher level managers and meetings at the corporate and business unit levels over time.

Nonetheless, although access was granted to the ETD manager at the higher levels, the nature of the SETDCs concurred with the established chain of command culture that exists in the company. As a result, the strategic conversation mechanisms that were applied in most cases were: discussion and negotiation tactics which included primarily: (1) *inquiry* to determine expectations (1) *appealing* to the emotions of the stakeholders to obtain support for the proposed strategy; and (2) *reasoning* to obtain support.

What did transpire was that the role players at the corporate level, and some of the role players at the business unit level, were much more open to dialectic inquiry than those at the operational level. The nature of the SETDCs at the operational level was characterised by mainly discussion. The latter was ascribed to the structure of the organisation where it is expected from operational level managers to enforce strict compliance to procedures. Hence, in concurrence with these expectations from their

senior levels, they were prone to prescribe to the ETD manager the detail of the ETD strategy in terms of how to design, develop and deliver ETD.

5.3.3.2 *The culture of the organisation*

In terms of Sieff's (2010:4-5) explication of organisational culture, the following were observed. An outwards focus towards customers and the external environment was predominant at the corporate and business unit levels. A predominantly inwards focus was observed at the operational level, with the focus on internal processes. Despite the remark made by the senior manager that the executive level only determines the high level direction, there does exist a preference towards stability where control rests with senior management, i.e. a more top-down approach to decision-making. As a result of these cultural orientations the company's culture is characterised predominantly by a performance approach, i.e. actions and results; and administration, i.e. control mechanisms to ensure a competitive advantage and financial growth.

Given the culture of innovation and continuous change, the implication for SETDCs was that the ETD strategists had to be in close contact with the business unit level. Strategies at the business unit level are highly flexible and could change at any given moment as a result of environmental changes or the launch of innovative products. Hence, the continuous circular movement from one strategic conversation stage to another, in the SETDC process (see section 5.3.2) was much more rapid at the business unit level than at either the corporate or operational levels. The managers at the business unit levels, were also much more open towards dialectic inquiry as a strategic conversation mechanism, as it facilitated and expedited the formulation and flexible adaptation of a suitable ETD strategy to accommodate the rapid changes.

The culture of the company, as summarized in the preceding paragraphs, had the following implications for the SETDCs. Because of the predominant focus on performance and administration the majority of the topics during the SETDCs entailed the articulation of: (1) expectations in terms of actions to be performed by the employees; (2) the expected performance results; and (3) the control

mechanisms that both business and ETD had to develop to measure achievement of the expected performance targets to ensure achievement of the company's financial vision. Hence, during all the SETDCs, irrespective of the organizational level or the substantial strategic conversation phase, the ETD manager had to continuously approach the SETDCs from a performance perspective. For example, the ETD manager had to continuously use and refer back to the articulation of the company's ETD needs using terminology that correspond with the business culture.

5.3.3.3 *Power and politics*

As noted in section 3.5.7 power and politics is one of the elements that constitute corporate culture and which has significant implications for the successful implementation of strategies of all kinds. In concurrence with Caffarella (2002:67) and Cervero and Wilson's (1998:5) notion, this study confirmed that the exertion of power is a critical issue to consider during SETDCs. A SETDC is fundamentally a political process that occurs at the intersection of socially structured power relations and people's interests. It transpired that one of the difficulties the ETD strategist faced, was that some managers and experts in specific operational fields would wield their power to prescribe to the ETD strategist how to organise the ETD strategy. As to be expected, the use of power concurs with the participants' level of seniority in the organisation. However, over and above this aspect, it was also found that power and politics were wielded more by some participants than others, irrespective of the organisational level operate at. Hence, the ETD manager had to remain constantly aware of each participant's power interest during both individual one-on-one conversations, and their display thereof within a group setting. The latter became even more critical depending on who the role players in the group were and who the leader of the meeting was.

In settings where power and politics prevailed, the participants dictated the SETDC mechanism and they reverted primarily to discussion and advocacy. Although the preference of discussion and advocacy could be ascribed to the structure and chain of command in the company, I am of the view that the inclination to avoid dialectic inquiry could also be ascribed to an insufficient understanding of the term dialectic

inquiry as a strategic conversation mechanism, a willingness to use dialectic inquiry and the level of skill to apply dialectic inquiry during SETDCs.

Further to this, power and political interests not only dictated the nature of the SETDC mechanisms, it also dictated the topics during the SETDCs. Hence, the ETD manager had to be particularly sensitive with regards to the selection of SETDC topics. This issue significantly reduced the quality of the SETDC to find the most suitable way forward for the formulation and implementation of the ETD strategy.

5.3.3.4 *Education, training and development maturity level of the organisation and the business manager*

With reference to Kearns' theory (see section 3.5.8) the empirical evidence confirmed that the company is in stage three of the six stages to learning maturity (see Fig 5.2). As a result of the learning maturity stage the company was still at, the ETD strategies that were formulated and implemented were still reactive in nature, instead of proactive and strategically forward thinking.

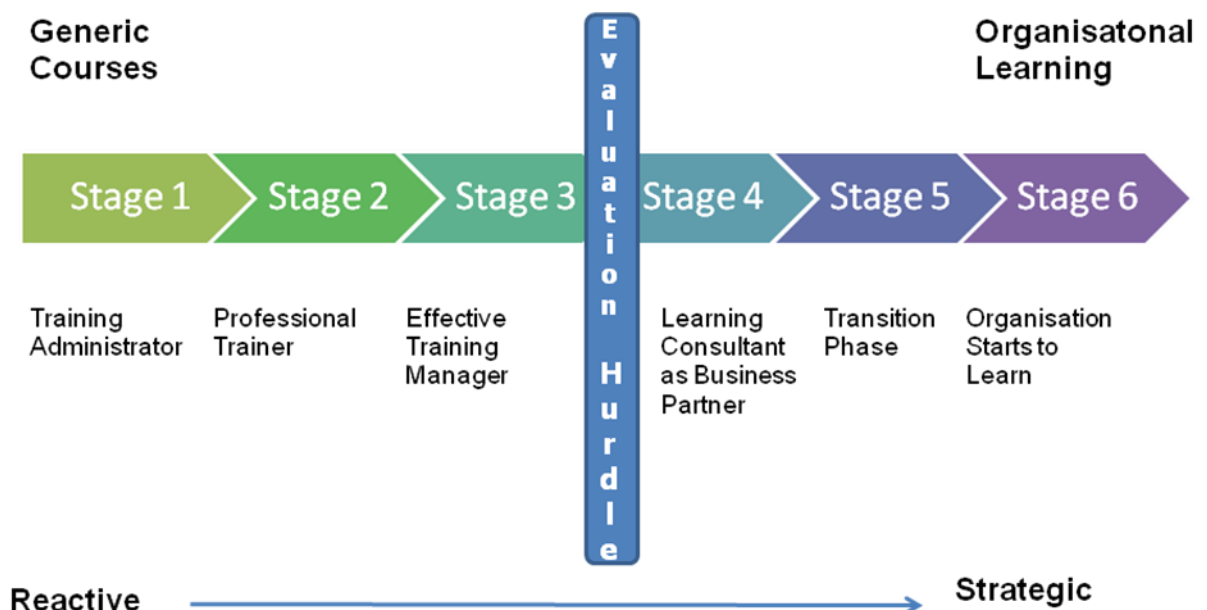


Figure 5.2 The learning maturity scale (Kearns, 2005:15)

Senior managers in the company realise the benefits of training and the line managers realise that effective training is in their best interest. Managers, in general, understand that learning and organisational performance go hand-in-hand. Although the terms "training" and "learning" are not used *per se*, managers understand that ETD is not only about enrolling employees for courses. Managers realise that ETD entails developing the competencies of the employees to enable them to transfer what they have learned back to the workplace. Hence, the managers are open for proper training needs analyses in order to identify training needs to maximise transfer of learning. However, the value of training and development is still primarily expressed in terms of Return on Investment, i.e. in monetary values instead of ROTE. This finding confirms the risk identified in section 1.2.2 that the Return on Investment approach to evaluate ETD creates a shift in focus from instruction-centeredness to business-centeredness during SETDCs at the business unit and operational levels. This led to an emphasis of the achievement of business strategies and goals and as a result ETD principles were at times compromised during the formulation of ETD strategies.

Another reason why the ETD maturity level was rated average was that despite their openness to needs analyses to determine the root causes of performance issues, the business unit and operational level managers do not perceive ETD practitioners as consultants or business partners yet. As a result, these business managers prescribed the learning programme strategy in terms of, for example, the ETD methodology to be used, as well as the time allocated to train the employees.

Given the preceding background, the strategic conversation mechanism that was mostly used was discussion where the business managers and operational managers would prescribe the way forward. The risk in applying this strategic conversation mechanism was that due to the lack of understanding of the didactical implications of the prescriptive attitude of some of the managers a vicious cycle developed where these managers experienced that their expectations have not been met, which would then trigger subsequent SETDCs, during which the business manager again prescribed how the training should be delivered and so on.

Further to this, another ETD maturity related aspect that impeded engagement in SETDCs was language barriers. The following serves as examples of the language barriers experienced. Managers would use:

- "courses" instead of "learning opportunities"
- "trainers" instead of "facilitators"
- "results", which could mean anything from "purpose", "objectives", "outcomes", "performance results", and so forth.
- "plans", which could mean anything from "learning development plans", "learning programme strategies", "facilitations plans", and so forth.
- "artefacts", which could mean any ETD deliverables such as learning programme strategies, learning material, and others.
- "on-the-job-training" is used to refer to any informal or formal training that employees attend once they have completed their initial training, instead of the ETD definition of on-the-job training.
- "blended training" is used to refer to a "business partnership" model, instead of the combination of a variety of ETD methodologies.

Although at first hand, some of the preceding terminologies do not seem critical, it does become a challenge when learning programmes need to be compiled within a SAQA framework. Further to this, the language barriers often created a disconnection between the business managers and ETD manager since they did not always understand each other, which resulted in the dissatisfaction concerning ROTE due to misunderstandings. As a result the ETD manager increased the use of inquiry as a method to clarify the managers expectations, which frustrated the business managers at times. This frustration by business managers was once again experienced more at the operational level, which in turn led me to conclude that operational managers have not been sufficiently introduced to or do not have sufficient experience in conducting strategic conversations and more specifically dialectic inquiry as a strategic conversations mechanism.

Consequently, the "business" terms used to articulate the ETD needs and expectations, had to be analysed first, then translated into ETD terminology and then again analysed in terms of the implications for the ETD strategy. Once the ETD manager ascertained the exact meaning of the terminology used, the ETD implications had to be translated back again into business language for the business managers to understand the appropriateness of the ETD strategy. This process had to be continuously followed to create a SETDC platform to establish sense of trust where business managers would feel that their needs will be met and that Return on Investment will be achieved.

Therefore, throughout the SETDCs there was a continuous process of translation. This made it particularly difficult to engage in and facilitate the SETDCs, and to focus on the purpose of the SETDCs, which is to discuss the way forward. The strategic conversation mechanism that was mostly used was inquiry with the purpose to get on the same page as the business managers who participated in the SETDCs. The implication was that, since it took much longer to commence with an actual SETDC, it had a significant impact on organising the ETD strategy, which is critical given the time constraints in the highly turbulent environment and industry the company operates and competes in.

5.3.3.5 *Education, training and development paradigms favoured in the business and by the business manager*

In terms of the ETD paradigm shifts that were identified in section 1.2, the following observations were made with regard to ETD paradigms favoured by the company and the implications thereof for SETDCs.

Within the company the move from a training paradigm to a learning paradigm was evident. Expectations for ETD were articulated in terms of the learning that business expects to happen during ETD, as well as the application of the acquired knowledge and skills in the workplace (see section 1.2.1). However, the findings of this study also correspond to those of other research (Accenture, 2004:1; Anderson, 2007:8; Bersin, 2006:9; Galloway, 2007) which confirms that executives increasingly describe

a need for corporate, business-related measures of learning effectiveness. Hence, the learner needs to be able to transfer the acquired knowledge and skills to the workplace environment and be able to perform optimally against the workplace performance expectations as soon as they are transferred from the training centre to the operational environment. Therefore, in many of the SETDCs, the issues were raised regarding: (1) what is considered an acceptable level of competence for a candidate to be released to the operational environment; and (2) how could the time for an individual to achieve the necessary competence level be reduced.

In section 1.2.2, I expressed the concern that a company that emphasises the achievement of business strategies and goals might induce the compromising of ETD principles. This study confirmed that this concern is valid. During the SETDCs, the ETD manager had to continuously facilitate the paradoxical thinking between ETD and business strategies (see section 2.3.3). The ETD manager had to contend with both sides of paradoxes from within the business strategy, within the ETD strategy, as well as between business and ETD. The biggest battle during the SETDCs was to ensure that an ETD strategy would be formulated and implemented that would satisfy the business need without compromising the ETD principles too much.

Further to the above, the company favours Return on Investment and quantitative paradigms. Hence, the main focus during SETDCs was on Return on Investment topics, i.e. providing evidence that the ETD strategy will ensure that the learners will make a significant monetary value contribution in as short a time frame as possible. The emphasis on Return on Investment (ROI) and quantitative approaches to collect management information inhibited the inclusion of SETDC topics that would render an understanding of the ETD systems, processes and value added by learning (see section 1.2.7), which is typical of a Return on Expectation approach. The implications for an emphasis on the ROI and quantitative paradigms on SETDCs were brought even more to the fore as the ETD manager faced a challenge to provide quantitative management information. Strategic ETD conversations were impeded as a result of the lack of quantitative management information (see section 5.3.4). Strategic conversation is in essence about forward thinking, and without management

information to determine where you are, it is difficult to discuss a strategy to manage the gap between the "as is" and the "to be".

5.3.4 Strategic education, training and development conversation cornerstones

Whereas institutional factors refer to aspects that influence the nature of the strategic conversation in terms of how the SETDCs will be conducted, some factors could shift or divert SETDCs from the initial purpose of the conversation. These factors could even prevent engagement in strategic conversation altogether. Such factors could cause a breakdown in communication to such an extent that any attempt to successfully engage in SETDCs becomes virtually impossible. Hence, in my view, these factors emerged during the empirical study as the "cornerstones" to ensure successful and sustainable SETDCs.

The majority of the cornerstones that emerged from the empirical evidence were related to the way in which the training centre operated as an ETD system. Given the appreciative inquiry approach that was followed during the collection and analysis of the data, the challenges experienced at the training centre were translated in this study as cornerstones for successful engagement in SETDCs.

The training centre operates in the following context. The company follows a rapid growth strategy. During the study the company reviewed its strategy and aimed for an even bigger financial growth strategy than previously. At the same time the ETD demand increased. The company changed its service delivery culture which required change management training for all the employees. In addition, new legislation in the industry required that a large complement of the employees had to complete training to comply with national legislation.

One of SETDC cornerstones that emerged was the **structure of the training centre**. Contrary to the expectation that the structure of the training centre would be expanded, given the rapid growth strategy and increased ETD demand, the training centre was re-structured and downsized to save training cost. The result of the

restructuring of the training centre was limited human resources to manage, design, develop and facilitate the required training. Consequently ETD delivery was impeded, since the value chain in the training centre became fragmented. Critical ETD job families (i.e. training managers; instructional designers; content developers; facilitators; and administrators) were understaffed. Further to this, given the complexity of the company and the nature of products of services delivered, the recruitment process to find the right candidates took longer than anticipated. The result of which was, extensive knowledge drain, distrust in management and high levels of insecurity experienced by the remaining few in the training centre. Needless to say, although the ETD manager managed to obtain approval for the proposed ETD strategy to align the ETD and business strategies, the implementation of the ETD strategy was a challenge. Furthermore, the SETDCs to discuss ROTE was also impeded due to the challenges experienced in meeting the articulated expectations by ETD managers.

The importance of **technology** was another SETDC cornerstone that emerged. Sufficient and timely management information was restricted due to technological constraints. At the time of the empirical study the training centre's learner management system became obsolete. This meant that the ETD administrators had to revert to a manual system to manage learner information. Given the large amount of learners that went through the training centre, it became a challenge to collect and process management information timely. Consequently SETDCs were impeded since real time information was not always available to discuss ROTE. Further to this, the ETD technological systems that were used to facilitate ETD were also in need of constant maintenance and upgrading. This was largely due to the continuous implementation of innovative and upgraded technological changes in the company. As a result innovative ways had to be found to deliver ETD, especially practical skills that were aligned to the business requirements.

Concurrent with the discussion in the preceding paragraph, **management information** emerged as another cornerstone for successful engagement in SETDCs. In order to engage successfully in SETDCs, the business managers expect continuous, updated feedback on the status of ROTE. In the absence of a user

friendly learner manage system, quality and timely management information was impeded. Further to this, forward planning, which is fundamental to SETDC, was also restricted. Further to the above, because the ETD manager was not invited to higher level company strategy building sessions due to the ETD manager's job grade, the ETD manager did not have access to critical strategic information which was shared with senior managers during these strategic sessions, and which was necessary to successfully engage in SETDCs in order to do forward planning.

The importance of **governance structures** was another SETDC cornerstone that emerged. Although the establishment of a comprehensive governance structure was impeded by the human resource capacity constraints, critical governance structures were implemented. However, the repertoire of topics during these SETDCs focused primarily on the management of ETD programmes with an expectation of immediate benefit in terms of ROTE, as well as, ETD risks which would have an immediate negative impact should the ETD not be provided. SETDCs with a longer term ETD strategy in mind were conducted mostly during informal one-on-one SETDCs.

Another SETDC cornerstone that emerged was the **time allocated during meetings to address ETD issues**. Limited time has been allocated to reflect and report on ETD matters. Whereas a formal governance structure and ETD forums might have provided an alternative to this challenge, the lack of resources experienced in the training centre impeded the implementation of such forums. As an alternative the ETD manager attempted to attend as many and as often as possible the recurring business management meetings. However, the time allocated to SETDC matters were restricted during these business management meetings with a focus on feedback regarding the status of ROTE and not so much on forward thinking strategic matters.

In sum: Several SETDC cornerstones that could either enhance or impede SETDCs were identified. These include: the structure of the training centre; the availability of updated technology; access to management information; the presence of governance structures; and the time allocated during meetings to address strategic ETD.

As a result of the status and combination of the mentioned SETDC cornerstones the nature of the SETDCs was characterised by a crisis management mode, instead of a forward strategic thinking mode.

5.4 SYNTHESIS OF THE FINDINGS

With regard to SETDC it transpired that it consists of simultaneously complementary and opposing dimensions and elements. The art of SETDC is to identify and excel in facilitating the critical elements that have the most significant impact on successful engagement to ensure ROTE. Strategic ETD conversations focus on determining the strategic initiatives in the business to formulate strategic ETD action plans in support of the business' strategic intent. However, the ETD objectives and targets, in correspondence with the company's strategic objectives and targets, will not be achieved by merely identifying them. The purpose of the SETDC is also to determine the actions and targets that are necessary to achieve the strategic targets of the company.

Meaningful SETDCs requires rigorous probing into what the company does, what it wants to achieve, why and how; and what the role of ETD is in achieving this. Hence, during SETDCs it is necessary to push, probe and mine until the true ROTE of the ETD strategy has been clarified and confirmed; and the most appropriate and suitable strategic ETD action plan has been approved. A genuine SETDC that is founded on dialectic inquiry is tough. Debate about the possible strategic ETD actions is robust. Whatever is put on the table during SETDCs will be pulled apart, in particular as a result of the interplay of the different elements **within** each of the three dimensions identified, as well as **between** the different dimensions. The tone of every SETDC creates the context for each one thereafter.

The nature of SETDCs in its totality, i.e. the purpose of SETDCs, the SETDC process, and the SETDC mechanisms, as well as the different dimensions, i.e. the SETDC institutional level; the SETDC institutional factors and the SETDC cornerstones are all interdependent and together they create the conditions for SETDCs . The extent to which Return on Expectations are achieved is directly related to the

conduciveness of the conditions for successful SETDCs. Should any of the elements regarding the nature of the SETDCs or the SETDC dimensions be compromised, the optimisation of Return on Occupational Training Expectations (ROTE) is at risk (see Figure 5.1).

5.5 PERSONAL REFLECTION

The empirical evidence confirmed that the qualitative research approach that was followed during this study was suitable to explore the SETDC phenomenon for the following reasons. The decision to apply both inductive and deductive reasoning to build the SETDC model proved valuable with the construction of a model that has both theoretical and practical value. Continuous observation, analyses and reflection, in correspondence with the grounded theory strategy, enabled me to develop an in-depth understanding of the phenomenon. Strategic ETD conversations proved to be highly complex. Over a period of four years the empirical evidence revealed that SETDCs are multidimensional and highly dynamic. Although the study confirmed the strategic conversation mechanisms that were mentioned in the literature (see section 3.2.2), the true value of the study laid in observing how these mechanisms manifested in practice. Furthermore, several dimensions with various corresponding elements emerged over time. Once again, although the revelation of the dimensions and elements were important, the dynamic interplay between the dimensions and elements proved to be of even more value during the design of the model. In addition, an awareness developed for the importance of the conduciveness of the climate to engage successfully in SETDC, as well as the factors that contribute to the facilitation of a more conducive climate, which is a requirement to optimise ROTE.

Another added benefit of the empirical research was that it revealed and highlighted the interdependencies between social disciplines. In my view, the relationships between social disciplines are not sufficiently discussed during empirical research. There is a tendency to focus on a specific topic within a specific discipline without sufficient reference to the implication thereof for other disciplines. This view was confirmed by the empirical evidence of the importance of both business and

education, training and development (ETD) managers to understand both business and ETD acumen in order to engage successfully in SETDCs. Hence, it was important during the design of the SETDC model to take into consideration both business and ETD theories, concepts and terminologies.

Furthermore, given the limited empirical evidence on SETDCs and the isolated references to strategic conversations, a great deal of reflection was required to identify the interdependencies between the various elements and the implications thereof for SETDCs. In addition, since the empirical evidence for this relatively unknown and complex phenomenon was collected, analysed and reflected on by a single researcher it was imperative to continuously soundboard and ensure objective and logical reasoning by discussing the findings with objective academics and ETD colleagues in practice.

Although empirical evidence were collected over a four year period and much insight has been gained regarding the SETDC phenomenon, the model is based on the events that occurred in one company. Hence, in my view, an opportunity exists to test the findings presented in this study in other companies to confirm the proposed SETDC model.

Chapter 6

Summary, Conclusions and Recommendations

6.1 INTRODUCTION

The purpose of this chapter is to firstly summarise the literature study and empirical research findings, and then to present the research conclusions and recommendations. This is done in view of the over-arching questions which guided this research with the main purpose to explore and describe the constituting elements of a strategic education, training and development conversation (SETDC) model, to optimise Return on Occupational Training Expectations (ROTE) (see section 1.3).

It is primarily the responsibility of the education, training and development (ETD) manager to formulate and implement ETD strategies that will render the necessary business results and satisfy business expectations. However, to formulate and implement education, training and development strategies that are aligned with the business strategies, stakeholders from both the business and education, training and development environments should be able to successfully engage in strategic conversations. The value of this empirical study lies in the presentation of a SETDC model that will assist business and ETD managers to engage successfully in SETDCs to optimise ROTE to ensure that the ETD strategies are aligned with the business strategies.

6.2 SUMMARY OF KEY LITERATURE AND EMPIRICAL FINDINGS

The purpose of this section is to provide a summary of the key literature and empirical findings that were of significance in the development of a SETDC model to optimise ROTE.

In **Chapter 1** reference was made to paradigm shifts that are occurring in the ETD environment. The first is a paradigm shift from training to learning (see section 1.2.1). A need for a learning culture developed in organisations and organisations are increasingly accepting the importance of transfer of learning to the workplace rather than training for the sake of training. A second paradigm shift is the move from evaluations that focus on the design, development and delivery of ETD to the measuring of the impact of learning in terms of job performance (see section 1.2.2). A third paradigm shift is the increasing demand to align ETD strategies with the strategic priorities of the organisation. A strategic approach to ETD management requires management methods, evaluation methods and reasoning processes that reflect the business concerns of key stakeholders in the organisation (see section 1.2.3).

A fourth paradigm shift is the dissatisfaction that is expressed regarding traditional models, primarily Kirkpatrick's and Phillip's (see section 1.2.4). The traditional evaluation models, i.e. Return on Investment (ROI) models, are considered impractical and too expensive and time-consuming. As a result a paradigm shift is occurring towards Return on Expectation (ROE). With ROE, the anticipated benefits of learning interventions or investments are established "up front" with key stakeholders, where after the extent to which the anticipated benefits have then been realized is compared with the initial vision (see section 1.2.5).

Finally, there is shift from a quantitative to a qualitative paradigm. One of the complaints against learning measures is that it often results in "death by data" with reports that do not mean anything to customers. Instead of considering the analysis of large amounts of quantitative data (e.g. total learning hours, number of candidates and so forth), as the ultimate management prerequisite, organisations increasingly focus on understanding the "what and why" of performance and how ETD will contribute towards enhancing performance to optimise ROTE (see section 1.2.6).

In **Chapter 2** it was stated that a SETDC to optimise ROTE occurs within the strategic management context. However, contrary to the view that strategic management aims to formulate and implement strategies, irrespective of the

management discipline, it was concluded in section 2.5 that the term strategy in the education, training and development (ETD) context differs significantly from the meaning of the term strategy in the corporate environment. As a result the articulation of ETD strategies and the management thereof differs from the articulation of business strategies and the management thereof.

Further to this, it was determined that the term strategy in the ETD context is mostly discussed from either a macro or micro strategic perspective (see section 2.5.1 to 2.5.4). However, when discussions on curriculum are analysed, three levels of needs analysis and curricula emerge. The implication of the identification of three levels of needs analysis and curricula is that it is necessary to develop an intermediate level, namely a meso-strategic perspective for ETD strategies in the corporate context, in addition to the macro ETD strategic perspective and the micro ETD strategic perspective (see section 2.5.5).

Four strategic management levels exist within a company (see section 2.6.1): The corporate level, the business unit level, the functional level and the operational level. Corporate level strategic management is the management of activities which define the overall character and mission of the organisation, the product/service segments it will enter and leave, and the allocation of resources and management of synergies among its business units (see section 2.6.1.1). The business unit level strategy is concerned principally with (1) forming responses to changes under way in the industry, the economy at large, the regulatory and political arena, and other relevant areas; (2) crafting competitive moves and market approaches that can lead to sustainable competitive advantage; (3) building competitively valuable competencies and capabilities; (4) uniting the strategic issues facing the company's business (see section 2.6.1.2).

Functional level strategies concern the managerial game plan for running a major functional activity or process within a business, such as research and development, production, marketing, customer service, distribution, finance, human resources (see section 2.6.1.3). Operational level strategies concern the management of day-to-day processes for front line organisational units within a business (plants, sales districts,

distribution centres) and how to perform strategically significant operating tasks (materials purchasing, inventory control, maintenance, shipping, advertising campaigns, and so forth) (see section 2.6.1.4).

In **Chapter 3** the meaning of the term SETDC was explored. In section 3.2.2 it was determined that strategic conversations include four strategic conversation mechanisms, i.e. dialogue, debate, discussion and dialectic enquiry.

In dialogue (see section 3.2.2.1), people observe their own way of thinking and thoughts and separate themselves from their prejudices and assumptions. A group explores complex difficult issues from many points of view. The aim of dialogue is not to analyse things, to win an argument, or to exchange opinions, but to create a common understanding whilst respecting other people's views and opinions. Contrary to dialogue, discussion involves the heaving of ideas back and forth in a winner-takes-all competition. The purpose of discussion is to have one's view accepted by the group (see section 3.2.2.2). Debate involves a dialectic process between parties where questions are posed and answers received. The objection against debate is that decision-making is not an inherent part of debate (see section 3.2.2.3). Hence, a conversation that turns for the most part into a debate will impede strategic decision-making.

Dialectic inquiry (see section 3.2.2.4) has its origin in the Socratic method, which comprises a dialogue during which answers to questions were a prelude to further questions, which ultimately lead to answers that were the complete opposite of the answers to the ones given in the first place. Dialectic inquiry means, on the one hand inquiring into the reasoning behind others' views, and on the other hand revealing one's own assumptions and reasoning and inviting others to inquire into them. Dialectic inquiry promotes strategic decision-making.

In section 3.5 several factors were identified that determine successful engagement in SETDCs. Due to the limited literature on the determinants of successful strategic conversations I have based the determinants of SETDC on my personal experience. The determinants of SETDCs include organisational structure; organisational climate;

organisational culture; leadership; power and politics; learning organisation culture; learning maturity of the organisation; types of ETD value and types of ETD impact. Given the detail involved in each of these determinants the reader is directed to sections 3.5.1 to 3.5.9 for more detail on each of these determinants.

Chapter 4 indicates why a qualitative approach was taken in the empirical part of this study, and the corresponding methods for data collection and analysis were alluded to, and motivated.

In **Chapter 5** a summary is provided of the empirical findings of the study. In section 3.2.2, four strategic conversation mechanisms were identified: Dialogue, debate, discussion and dialectic inquiry. The empirical evidence discussed in section 5.3.1.3 confirmed Bohm's concern that dialogue is difficult in organisations because of the hierarchical nature of organisation. In this case study, the absence of dialogue is attributed to the level of the ETD manager's position on the hierarchical structure. Another finding from the empirical evidence was that inquiry and advocacy should not be viewed as concepts with the only purpose to define dialectic inquiry. Both inquiry and advocacy are strategic conversation mechanisms in their own right and were applied to a significant extent separate from one another. Hence, inquiry and advocacy have been given more prominence in the SETDC model as additional strategic conversation mechanisms.

Furthermore, the empirical evidence revealed that the aim of SETDCs are to determine and optimise ROTE as articulated by the business managers at the three SETDC institutional levels, i.e. the corporate SETDC level; the business unit SETDC level and the operational SETDC level (see section 5.3.2) . Whereas four organisational levels (corporate, business unit, functional and operational levels) are identified in strategic management, the empirical evidence revealed that three levels of ETD strategies suffice, i.e. the macro ETD strategy level which is at the corporate level (see section 5.3.2.1); the meso ETD strategy level, which is at both the business unit and functional strategic levels (see section 5.3.2.2); and the micro ETD strategy level, which is at operational level (see section 5.3.2.3). The empirical

evidence confirmed that, for the purpose of SETDCs, the business unit level and the functional level collapsed into one level, which is the meso ETD strategy level.

Throughout the discussion in section 5.3.2 it is emphasised that business terminology is used in the business and organizational environments. Hence, business managers express the ROTE using business acumen. Consequently, a key skill that the ETD manager needs to develop is the ability to facilitate the SETDC by translating the business manager's articulation of ETD expectations in business acumen to ETD acumen and *vice versa*. In addition, the ETD manager needs to be prepared that the repertoire of topics that will be discussed during a SETDC will include more than ETD aspects. Strategic ETD conversations will include topics such as business challenges and risks and the role that ETD needs to play to address such challenges. Further to this, the repertoire of topics differs from one SETDC institutional level to another and is determined by the issues of the day applicable to that SETDC institutional level (see sections 5.3.2.1.2, 5.3.2.2.2 and 5.3.2.3.2).

6.3 CONCLUSIONS

The purpose of this study was to answer the following question: What are the constituting elements of a strategic ETD conversation model, to optimise return on Return on Occupational Training Expectations?

Several questions were formulated to answer this research problem:

1. What does strategic management mean from a strategic business perspective; as well as from a strategic education training and development perspective; and what are the implications for strategic ETD conversations?
2. What does the term strategic ETD conversation mean?
3. What is the nature of strategic ETD conversations?
4. What are the different levels of strategic management and strategic thinking within the business and education, training and development environments; and what are the implications thereof for strategic ETD conversations?

5. What is the repertoire of topics that are discussed on each strategic ETD conversation level?
6. What are the determinants of successful strategic ETD conversations?

In the rest of this section, the conclusions made during the study will be presented as answers to these research questions.

6.3.1 The meaning of strategic management from the strategic business and strategic education, training and development perspectives and the implication thereof for strategic education, training and development conversations

A SETDC to optimise return on ROTE takes place within the strategic management context. ETD strategies and the management thereof differ from business strategies and the management of the latter. Consequently the terminology used to articulate the ETD strategy is different from that used in a business strategy. The empirical evidence revealed that these different perspectives on strategic management had three implications for SETDCs and the optimisation of ROTE. First, it required continuous translation of business expectations into ETD goals and *vice versa* by the ETD manager in order to engage successfully in SETDCs. Second, since business terminology is favoured in the formulation of business strategies, the ETD manager had to present ETD strategies using business terminology. Third, continuous dissatisfaction with ETD is expressed by business managers as a result of miscommunication in terms of the understanding of ROTE during SETDCs.

6.3.2 The meaning of the term strategic education, training and development conversation

The crux of SETDC is two-way communication that embraces a combination and balance of strategic conversation mechanisms, i.e. dialogue, debate, discussion, inquiry, advocacy and dialectic inquiry, in order for business and ETD managers to create a shared mental model to produce a set of “future thinking” ETD decisions and actions to optimise ROTE in support of achieving the organisation's goals.

6.3.3 The nature of strategic education, training and development conversations

The empirical evidence revealed that the nature of SETDCs is best described in terms of the purpose of strategic SETDCs; the process of SETDCs; and the different SETDC mechanisms.

The empirical evidence confirmed that the distinguishing characteristic of SETDCs in the business environment is its action orientation. Hence, the **purpose of SETDCs** is to: (1) identify touch points between business and ETD strategies; (2) establish a common understanding of the expectations of the managers; and (3) to define the actions that are necessary to achieve the company's vision. In this case study, the empirical evidence confirmed that the purpose of SETDCs was to define ETD actions that would promote the competitive advantage of the organisation and maximise financial growth through customer service.

During the analysis of the empirical data it transpired that the **SETDC process** is characterised by three stages, i.e. (1) analysis; (2) strategising; and (3) reflection. The first stage of SETDCs is to explore and determine business and ETD managers' expectations regarding education, training and development (ETD). The second stage of SETDCs is to formulate the ETD strategy in such a way that the alignment between the business strategy and the ETD strategy is clear. The ETD strategy has to be presented in the form of action plans that clearly indicate how ROTE will be optimised. The third stage entails reflection on the success of the strategy in terms of ROTE and continuous improvement measures that need to be taken.

The empirical evidence confirmed the existence of the following SETDC mechanisms as identified during the theoretical analysis (see section 3.2.2): Discussion, debate, inquiry, advocacy and dialectic inquiry. In correspondence with Bohm's (1996:6-47) concern, dialogue as an SETDC mechanism was mostly absent due to the influence of institutional factors such as the structure of the organisation, and power and politics.

The empirical evidence furthermore confirmed that **the manifestation of SETDC mechanisms** is different for each stage in the SETDC process. Some SETDC mechanisms are more predominant at certain SETDC process stages than at others. For example, during the analysis stage, inquiry and discussion are the most favoured SETDC mechanisms. In the strategising stage discussion and advocacy is most predominant. During the reflection stage inquiry and discussion are favoured (see sections 5.3.4.3; 5.3.5.3 and 5.3.6.3 for further details).

Further to this, some of the SETDC mechanisms, in particular advocacy, are characterised by the application of different tactics under different circumstances. For example, when advocacy is used during the strategising phase the ETD manager used appealing and reasoning tactics to obtain support from executives at the corporate level (see sections 5.3.4.3; 5.3.5.3 and 5.3.6.3 for further details).

In conclusion, the manifestation of SETDCs are highly dependent on the interplay between the different dimensions and the elements within the dimensions. As a result, the manifestation of SETDC mechanisms could be unpredictable at times.

6.3.4 The different levels of strategic education, training and development conversations within organisations

Whereas four organisational levels (corporate, business unit, functional and operational levels) are identified in strategic management, the empirical evidence revealed that three levels of SETDC suffice, i.e. corporate level (macro SETDC level), business unit level (meso SETDC level), and operational level (micro SETDC level). The functional level strategic conversation is similar to that of the business unit level. Hence, during SETDCs the business unit level and the functional level collapsed into one level, and is jointly referred to as the business unit SETDC level in this study. Since the empirical evidence revealed that SETDCs are primarily facilitated using business terminology the three SETDC levels are articulated using business acumen and referred to as SETDC institutional levels in this study.

The empirical evidence substantiated that the SETDC institutional levels are a key dimension to be considered during SETDCs, since both the repertoire of topics as well as the manifestation of SETDC mechanisms vary significantly from one institutional level to another.

6.3.5 The repertoire of topics that are discussed during strategic education, training and development conversations at the different strategic management levels

The empirical evidence revealed that each SETDC institutional level is characterised by a repertoire of topics that is relevant for that specific level. What follows is a summary of the topics that were predominant at each level.

At the corporate SETDC level the following topics emerged: the company's vision and the implications thereof for the ETD strategy; the business philosophy and the implications thereof for the ETD strategy; the approach required to engage in SETDCs; the role of the training centre; key ETD knowledge and skills that need to be addressed; ETD financial implications; and partnering between business and ETD.

The majority of the SETDCs occurred at the business unit SETDC level and the managers at this level were involved to a large extent in the formulation and execution of the ETD strategies. Consequently more strategic ETD topics emerged at the business unit SETDC level than at the other levels and included: insight into the business unit's role in the value chain; an understanding of the strategic enablers to achieve the business goals; the extent of the alignment between the company's strategy and that of the ETD strategy; the predicted workforce size to achieve the company goal and that needs to be trained; the structure of the training centre to meet the business unit's ROTE; the nature of ETD that is provided; the design, development delivery and evaluation of the ETD strategy to ensure ROTE; and the partnership between business management and the training centre at this level.

The primary focus at the operational level is on the day-to-day business processes. As a result the focus of the SETDCs was on the design, development, delivery and evaluation of the ETD strategy in terms of the contribution it makes to optimise the day-to-day business processes. This meant that the focus during operational SETDCs focussed on the critical competencies and performance targets that had to be enhanced by means of ETD interventions. Other topics that were discussed at this level included: the ETD delivery strategy; the management of just-in-time-training; the process to report outsourced training; and the management of ETD related risks.

6.3.6 The determinants of successful strategic education, training and development conversations

During the analysis of the empirical evidence to identify the determinants of successful SETDCs two dimensions emerged, i.e. (1) the institutional factors that influence the nature of SETDCs; and (2) SETDC cornerstones.

Whereas institutional factors refer to aspects that influence the nature of the strategic conversation in terms of how the SETDCs will be conducted, SETDC cornerstones have the capability to shift or divert SETDCs from the initial purpose of the conversation. SETDC cornerstones could even prevent engagement in strategic conversation altogether.

With regard to institutional factors that influence the nature of the SETDCs the following transpired: the structure of the organisation; the culture of the organisation; power and politics; the ETD maturity level of the organisation; and the ETD paradigms favoured in the organisation.

The SETDC cornerstones that emerged are: the structure of the training centre; the availability of technological systems; access to critical strategic information; the availability of management information to prepare for SETDCs; the time allocated for meetings to address ETD issues; formal governance structures and ETD procedures; and a future and forward thinking mode as opposed to a crisis management mode in the organisation's operations.

6.3.7 The strategic education, training and development conversation model

The answers to the preceding questions led to the design of the SETDC model (Figure 6.1), illustrating its constituting elements to optimise ROTE.

With regard to the nature of SETDCs (blue spindle) three themes emerged that describe the nature of SETDCs, i.e. the purpose of SETDCs, the SETDC process and the manifestation of the SETDC mechanisms (see section 5.3).

Further to this, it transpired that three SETDC dimensions exist that need to be considered during SETDCs, i.e. the SETDC institutional levels; the SETDC institutional factors; and SETDC cornerstones.

With reference to the SETDC institutional levels a repertoire of topics were identified that correspond with the respective institutional levels, i.e. the corporate SETDC level; the business unit SETDC level and the operational SETDC level. At the same time, it became evident that the manifestation of the SETDC mechanisms correspond with the respective SETDC institutional levels (see sections 5.3.2.1.2; 5.3.2.2.2 and 5.3.2.3.2).

With regard to the SETDC institutional factors, generic themes were identified that are applicable to all the SETDC institutional levels, i.e. the organisational structure, the organisational culture, power and politics, the ETD maturity level of the organisation; and the preferred ETD paradigms in the organisation. Likewise, the themes that are associated with the SETDC cornerstone dimension have similar implications for SETDCs at all the SETDC institutional levels (see section 5.3.2).

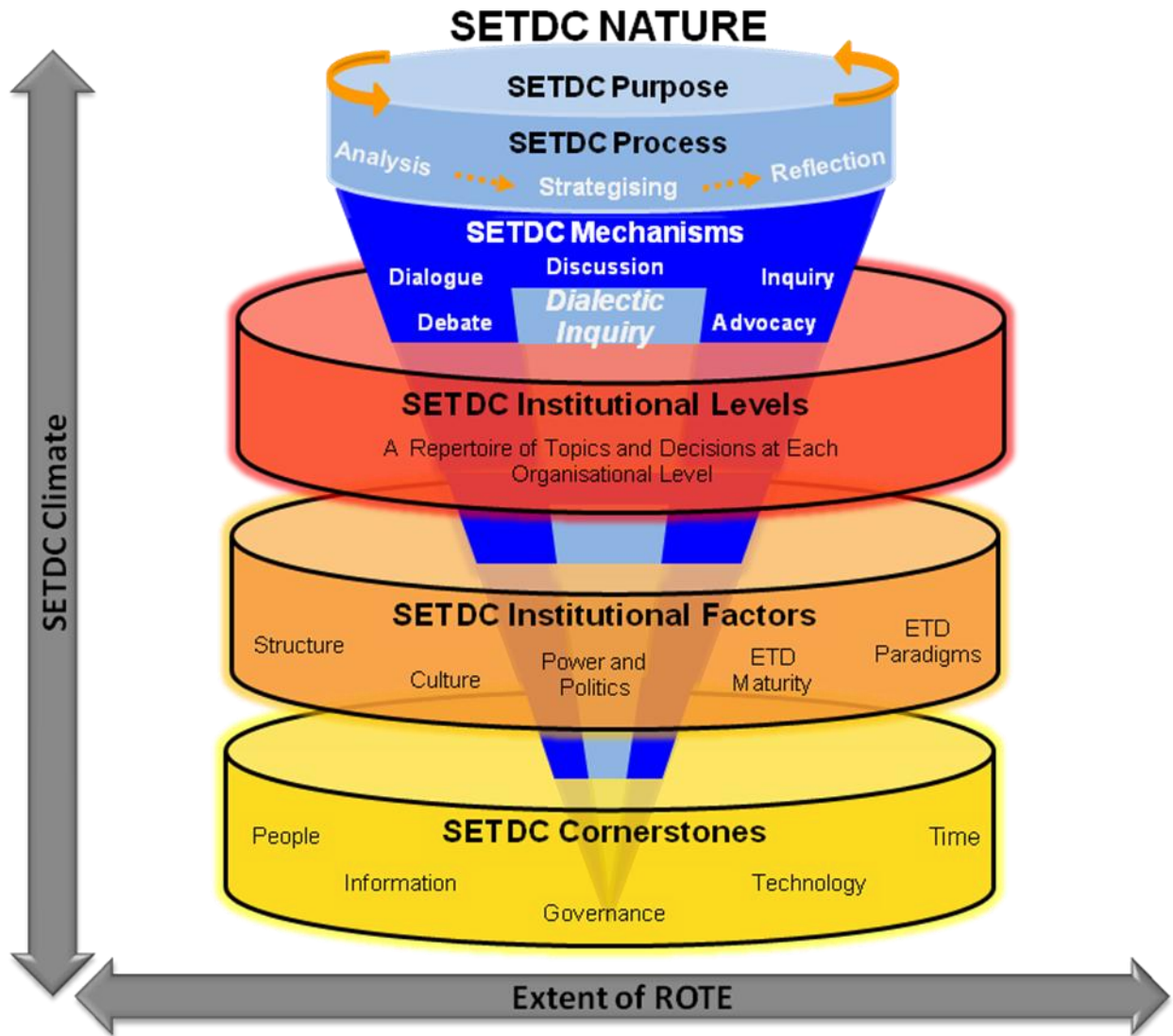


Figure 6.1 A strategic education, training and development conversation model

The nature of SETDCs in their totality, i.e. the purpose of SETDCs, the SETDC process, and the SETDC mechanisms, as well as the different dimensions, i.e. the SETDC institutional level; the SETDC institutional factors and the SETDC cornerstones are all interdependent and together they create the conditions for SETDCs. The extent to which ROTE are achieved is directly related to the conduciveness of the conditions for successful SETDCs. Should any of the elements

regarding the nature of the SETDCs or the SETDC dimensions be compromised, the optimisation of ROTE is at risk.

6.4 RECOMMENDATIONS

The purpose of this study was to develop a SETDC model to optimise ROTE. Based on the empirical evidence some prerequisites for the successful implementation of the model have been identified and to this effect several recommendations are made. Further to this, given the pragmatic paradigm of the study, recommendations are made in terms of the application of the model in practice.

6.4.1 Recommendation 1: Business managers and ETD managers should acquire the skills to apply strategic ETD conversation mechanisms, i.e. dialogue, debate, discussion, inquiry, advocacy and dialectic inquiry.

Motivation: SETDCs are complex and dynamic. The application of SETDC mechanisms is determined by the stage within the SETDC process; the topics that are discussed at the different SETDC institutional levels; the SETDC institutional factors and the SETDC cornerstones. It is necessary for the business managers and the ETD managers to understand each of these factors, the interdependencies between these factors, as well as the impact of all these factors on the selection and application of the appropriate SETDC mechanisms to optimise ROTE.

6.4.2 Recommendation 2: The ETD manager needs to develop the skill to facilitate strategic ETD conversations to stimulate the use of a combination and balance of strategic ETD conversation mechanisms, in particular the application of dialectic inquiry in combination with the other strategic ETD conversation mechanisms.

Motivation: Strategic conversations are most productive where a combination and balance of SETDC mechanisms are used, in particular in those cases where dialectic inquiry is used. The empirical evidence revealed that some business managers tend to favour a specific SETDC mechanism as a result of their position in the structure of

the organisation; the impact of the culture of the organisation on them; their perception of power and politics; the ETD maturity level of the manager; and the ETD paradigms favoured by the manager. Since the ETD manager is the expert in ETD and ultimately responsible for formulating and implementing the ETD strategy to optimise ROTE, it is in my view critical that the ETD manager develops the skill to stimulate and facilitate the use of a combination of SETDC mechanisms during a SETDC.

6.4.3 Recommendation 3: The ETD manager needs to be able to continuously translate Return on Occupational Training Expectations from business terminology into ETD terminology and vice versa.

Motivation: Business terminology is used in the business and organisational environments. Hence, business managers express ROTE using business acumen. To optimise ROTE the ETD manager needs to have a clear understanding of what the business manager's organizational, as well as ETD expectations are. This must then be translated into an understandable and achievable ETD strategy. This means that the ETD strategy needs to be formulated in: (1) ETD language in order for the training centre members to understand the ETD strategy and what is expected of them; and (2) business language in order for business managers to understand the ETD strategy and have confidence that the ETD strategy will optimise ROTE. Consequently, ETD managers need to acquire sufficient business and ETD acumen in order to continuously translate the ETD strategy into both ETD terminology and business terminology. At times it is required from the ETD manager to translate business and ETD language in quick succession, depending on the context of the conversation.

6.4.4 Recommendation 4: The strategic ETD conversation model should be applied in any type of strategic ETD conversation, irrespective of the strategic context.

Motivation: The outcomes of any strategic conversation remain the same, i.e. two-way communication that embraces a combination and balance of strategic conversation mechanisms in order for an entity (business, organisation and so forth) to create a shared mental model that will produce future thinking actions to achieve the entity's goals. Since the aim of any strategic conversation is the same, in my view, the nature of SETDCs, as described in this study, will apply to any strategic conversations, irrespective of the context in which these are conducted. Further to this, the strategic conversation dimensions will also apply, i.e. the institutional levels; the institutional factors and the cornerstones, even though the elements that correspond to the strategic conversation or the repertoire of topics for a particular context might differ.

6.4.5 Recommendation 5: The strategic ETD conversation model developed in this study should be used by ETD managers at national, provincial and institutional levels to address the challenges currently experienced in ETD in South Africa

Motivation: Given the visionary and quality challenges currently experienced in South Africa in the education, training and development environment regarding the management of education at schools, tertiary institutions, provincial and national level, I am of the view, that the SETDCs are crucial to find options and solutions to these challenges.

6.4.6 Recommendation 6: The strategic ETD conversation model should be used as a framework to review traditional instructional design approaches and be used as a new approach to design ETD in the workplace.

Motivation: Although the process remains the same, using the SETDC model has the advantage that ETD needs analyses and instructional design can be done at a deeper level than normally achieved with traditional models, as it is based on a partnership approach where buy-in is established. The traditional design models with the focus on knowledge and skill need to be reviewed and a renewed emphasis is required on the development of workplace performance. SETDC with the focus on identifying ROTE emphasises the importance of designing ETD to optimise performance and to reduce the time it takes for the employee to perform in the workplace on completion of training. Strategic ETD conversations facilitate, amongst others the following:

- Identifying stakeholders' ETD needs in terms of ROTE and managing their expectations to ensure that it is realistic.
- Analysing and determining ETD priorities to optimise satisfaction with ROTE.
- Determining realistic measures and standards to evaluate ROTE.
- Determining stakeholders satisfaction regarding ROTE.
- Determining continuous improvement measures for ETD in response to feedback received from stakeholders regarding their satisfaction with ROTE.
- Determining conditions in the workplace that could enhance or impede transfer of learning and finding appropriate and pro-active solutions to optimise ROTE.

6.4.7 Recommendation 7: The strategic ETD conversation model should be used to facilitate training to business and ETD managers to acquire the necessary business acumen, quality concepts and ETD acumen to participate meaningfully in strategic ETD conversations to optimise Return on Occupational Training Expectations in support of achieving the business goals.

Motivation: As mentioned in section 6.4.4 one of the aspects that emerged during the empirical study was the necessity for business managers and ETD managers to acquire the necessary acumen to engage successfully in SETDCs. Without a common understanding of both business and ETD acumen, the development of a shared mental model, which is a prerequisite to optimise ROTE, is impeded. Without an understanding of the meaning of ROTE the risk exist that the ETD strategy will not be aligned with the business strategy and will not contribute to the achievement of the organisation's goals.

6.5 RECOMMENDATIONS FOR FURTHER RESEARCH

6.5.1 Recommendation 8: Academic literature for business management and ETD management should be supplemented by academic and practical insights on strategic ETD conversation.

Motivation: The concepts strategic conversation, and SETDC *per se*, are not sufficiently addressed in academic text for strategic business management or education, training and development management. In the majority of cases, reference is merely made to the importance of SETDC to formulate strategies, with no additional guidelines on how to conduct strategic conversations. Mere reference to strategic conversation is insufficient. It is necessary to conduct extensive follow-up research on *how to* engage in SETDCs in the school, training and higher education contexts.

6.5.2 Recommendation 9: Case study research is ideal to analyse the manifestation of SETDCs in various educational contexts.

Motivation: This study was an exploratory study into a relatively unknown phenomenon, namely SETDCs. The study could be successfully conducted due to the use of a case study, with its potential to provide rich data. Multiple case studies on SETDC will undoubtedly provide meaningful additional findings.

6.6 CLOSING REMARKS

In reflecting on my personal observations and experiences during the study I have gained several new insights. Apart from the knowledge I acquired, I gained a much deeper insight into the practice of ETD in an organisational environment despite having been personally involved in ETD for many years. The most significant revelation was that, although theories are important to develop ETD strategies, it is equally, if not more, important to understand the contexts in which these are constructed. Developing ETD strategies that will be acceptable to role players in the organisation, requires strategic conversations that are conducted within a complex set of organisational, personal and social relationships and contexts. Hence, the ETD manager has to continuously facilitate similar, different, or conflicting sets of interests exhibited in the different contexts, to construct an ETD strategy that will satisfy the interests and expectations of the role players.

It was often easier to engage in SETDCs during one-on-one conversations than during sessions where more than one manager was present. This is ascribed to the influence of institutional factors on the way in which role players engage in SETDCs in the presence of others.

Although the focus of this study was on SETDCs, much of my inspiration and many insights came from literature outside the ETD discipline due to the limited information available on the phenomenon studied. However, reading literature over a broad spectrum of disciplines not only confirmed the complexity of the phenomenon, it also

increased my understanding of related fields and the contexts within which SETDCs are conducted.

Above all this study resulted in my personal growth, to an extent which I did not anticipate at all. Once again I had the humbling experience that it is much easier to theorise about something than to apply it successfully in practice. The skill of successful SETDCs is not developed by a quick study of the phenomenon. To the contrary, SETDCs are highly complex and dynamic. To become proficient in successful engagements involves the development of the skill to conduct courageous SETDCs.

Lastly: Although one could teach others the principles of engaging in SETDCs, strategic conversations are an art. Consequently, no training could fully prepare participants to engage successfully in strategic conversations. Successful engagement in strategic conversations can only develop over time through experience.

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Semi-structured Interview Questions

The following are typical questions that were asked during semi-structured interviews, as well as during formal and informal meetings.

1. What is your business unit's role in the company's value chain?
2. What is your business plan to support the company's vision?
3. What challenges do you experience currently in your business unit?
4. What knowledge, skills and competencies do your people need to achieve your strategy and address the challenges?
5. How satisfied are you with the training provided by the training centre? (Ask for motivation of the answer.) What do you suggest the training centre should do different in future to improve the quality of training provided?
6. What factors does the training centre need to take into consideration when training is planned for the company and your business unit?
7. In terms of compliance to national legislation training, what are the risks that need to be managed? What are your suggestions for managing these risks?
8. What training information do you require when the training centre reports on training matters?

Strategic Education, Training and Development Conversation Observation Framework

During the strategic ETD conversations (SETDCs) the following framework was used to observe the engagement behaviour of the participants.

1. What is the objective of the SETDC?
2. Who are the role players present and what are their roles in the business?
3. What are the main topics or issues that were discussed during the SETDC?
4. What are the role players' understanding of the term (ETD) training strategy?
5. What terminology do they use to describe their suggestions for a training strategy and Return on Occupational Training Expectations (ROTE)?
6. What are the participants' profiles in terms of their favoured managerial styles; preferred ETD paradigm; and level of learning maturity;
7. What power and political undercurrents are observable between role players during the strategic conversations?
8. What SETDC mechanisms do the participants favour?
9. What are the possible reasons for the participants' engagement behaviour during the SETDCs?
10. What challenges were experienced during the facilitation of the SETDC?
11. On reflection of the SETDCs:
 - a. What should be done the same in future?
 - b. What should be done differently in future?

Transcription Example

"[given the growth anticipated]...the need in this business to provide foundational training is remaining the same...we developed learning plans...to define, over and above the 'generic basic' training, what is it in this 'service machine'...what are the critical...competencies that the employees in these positions need to ensure that we have a well rounded employee...but this has also been done about 2 years ago...this is also outdated...so one of my suggestions is that we should go back and review whether all of it is still relevant and then we still have to look at it through the lens of what is our training strategy...how do we position training...do we see it as...will we outsource more...where is the cost aspect addressed...this whole conversation needs to take place...and that we then commit, because that is something we did not receive in the past...so we went through this whole exercise to say this is the need from the end user's side...and we never really got to full implementation...and there were several reasons for this..it was new...there was most probably lack of skill in the training department, because some of it was more technical and unique..., the fact that it was initiated by us [business unit], and designed by u...there wasn't the necessary buy-in from the people who had to implement it...it was sort of an us-them situation...and it was freaking complicated...we wanted to catch up...these learning plans were immensely intensive...so if you walked out there you were the world's best consultant...so we might have dropped off the other side of the wagon...it was a very ambitious plan...but it was a basis from which we could work...so we went from nothing to drop off on the other side of the wagon...at least we now have something to work from...but, I think the principle is...in order to train a good employee and manager you need certain competencies...so we do not talk the right training language...but we said you need certain competencies...what training support it to provide our people these competencies...then a big issue was the reporting of these things...so I want to see that, here is employee X, we get employee X with a certain competency set and education and training, so some people has invested in employee X...so we have a picture of what she looks like and we record it...and there must be a technical enabler to do this...and then we want to say this is employee X's journey, so here are a few gaps in terms of competencies, and what is there we can do to fill these gaps...then employee X has a plan...and the manager needs to control this...and this was part of our management picture, that there should be much more responsibility shifted from the business forces the employee to do certain things to I want to learn...and this means a learning culture...what does a learning culture means....if we want to say we want to improve the whole time, and

training and development is part of it, it needs commitment...it does not only have to be a classroom type of intervention...other methodologies should also be considered...started using e-learning...we need to also cater for those who are not computer literate...and I have a passion for induction...those first days that you spend with the new recruits is where you develop them to be proud of this company...and I don't see it as a disconnected training responsibility...we could create something together...a company is as big as the relationships that exists...we need to create ...understand what is training's responsibility, what is the business's responsibility so we need to focus on the result that we need to achieve, then we need to decide what the training partner's responsibility and what the business's responsibility is"