



***The extent to which organisations in Zimbabwe are learning organisations.***

***A case of BancABC***

***A research report presented to the  
Graduate School of Business Leadership***

***University of South Africa***

***In partial fulfilment of the requirements for the  
MASTERS DEGREE IN BUSINESS LEADERSHIP***

***UNIVERSITY OF SOUTH AFRICA***

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## **ABSTRACT**

Learning organizations is a concept which is little understood and researched in Southern Africa, particularly in Zimbabwe. The researcher chose the subject matter of learning organizations because she feels it is critical to the success of organizations. To date in most organizations the understanding of learning organizations and what they represent has been understood to a very small extent, if any at all. The concept of learning organizations has been researched and practiced mainly in the European and American parts of the world but not to the same extent in Africa.

This paper seeks to examine, The extent to which organizations in Zimbabwe are learning organizations, a case study of BancABC. The research focuses on BancABC as the case study. A self administered questionnaire was used for the purpose of data collection. The researcher used both the qualitative and the quantitative research methods. Under the quantitative research method the researcher used the survey method and administered 50 questionnaires to willing participants. The researcher chose her sample from three levels in the organization, non managers, middle managers and senior managers. The researcher randomly chose respondents from these three levels based on willingness to participate in the study and also based on their availability. From the sample of 50 respondents who received questionnaires, the researcher received 34 questionnaires back and was able to carry out an analysis on these responses. From the responses, the researcher was able to deduce that the majority of the respondents did not have a full understanding of what a learning organization is. Most of the respondents alluded to learning and development activities and definitions when asked to define a learning organization. This is in line with literature which points out that people normally refer to learning and development when asked to define a learning organization.

The research shows that BancABC has a lot of the characteristics of a learning organization which are mainly, flexibility, ability to create knowledge, share it and manage it, knowledge workers, leadership which gives people autonomy and supports growth and learning. It however also reveals from some of the responses by the respondents that there are some characteristics which hinder it from

becoming a learning organization. The respondents have stated that BancABC is slow to adapt to business needs and does not show that it can learn from its mistakes. These are characteristics which are key to an organization if it is to achieve learning organization status. The respondents have also stated that BancABC has leadership which is risk averse which may result in some key decisions not being made fast enough. This may in some instances have resulted in competition beating BancABC to the market in terms of new products and initiatives.

The findings from the research reveal that although BancABC possesses a number of the characteristics which are key for an organization to be called a learning organization, it is not yet geared up to be called a learning organization. BancABC has to take a deliberate and structured approach in trying to change behaviors, structures and mindsets which may be hindering it from becoming a learning organization. There has to be a different culture which allows people to be free to share knowledge, interact, create knowledge, take risks and make mistakes. The environment has to be created that enables all these changes to take place. The paper gives some practical recommendations which can assist BancABC in becoming a learning organization.

**Key words:** Learning organization, learning and development,

## **Acknowledgements**

This has really been a long and fruitful journey. It has helped me discover strengths I did not know I had. It has taught me the importance of family, friends and patience. I would like to express my sincere gratitude to the people who made it happen and without whose support, I would not have made it.

- To my almighty God who gave me strength and the resources to pursue my studies.
- To my husband who helped me with my work, constantly nagged me to study kept me on the straight and narrow and who was understanding when I spent late nights out with my team members working on assignments
- My sister Chiedza who kept encouraging me not to give up and praying for all my exams
- My sons Ishimwe , Ikuzwe and Ingabire who loved me despite my absence while studying
- My supervisor Andre Vermaak, who really broke the process down, was so professional, supportive and responsive to all my questions and made me believe in myself. You were the best supervisor a student could ask for. You have the gift.
- My friend Jeovitah who always reviewed my work and was my mentor through this journey

## **DECLARATION**

I declare that **'The extent to which organizations in Zimbabwe are learning organizations. A case study of BancABC,'** is my original work and that all the sources I have used and quoted have been indicated and acknowledged as complete references, and this work has not been submitted before for any other degree purposes.

**SIGNATURE:..... DATE:.....**

**LILLIOSSA KAYINAMURA (71362495) DECEMBER 2011**

## DEDICATION

To my husband **Bonaventure** and our three angels:

**Ishimwe, Ikuzwe and Ingabire**

All things are possible through God, the world is your oyster my sons, take it!

*Remember, "The day you stop learning is the day you die".*

*Author unknown...*

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## **DEFINITION OF TERMS**

**Leadership** - The act of steering a team, giving direction of where the team is to go, what is to be achieved and how the team will get there.

**Learning organization**- An organisation which continuously seeks to improve and reinvent itself by creating knowledge for the future, being flexible in order to adapt to changing business needs and learning from its past successes and mistakes.

**Learning leader**- Is a leader who continuously seeks to grow by being open to learning new things and ways of doing things, championing learning in the organisation and growing with the organisation and his team in preparation for the future.

**Leadership style**- Is the unique approach a leader uses to lead and interact with his team

**Learning organisation maturity**- The extent to which an organisation possesses the characteristics which define it as a Learning Organisation.

**Organizational culture**- An organisation's recognised norms and way of doing things

**Organizational structure**- The way an organisation is configured in terms of reporting lines and entities which determines how it deals with the day to day challenges and tasks presented to it.

**Organization**- This is a grouping of people with an agreed vision, norms and values.

## **ABBREVIATIONS AND ACRONYMS**

GNU: Government of national unity

GDP: Gross domestic product

MDC – T: Movement for democratic change- Tsvangirai

MDC – M: Movement for democratic change

ZANU – PF: Zimbabwe African national unity

FLDP - Foundation leadership development programme

GLDP – Graduate leadership development programme

MLDP – Management leadership development programme

ELDP- Executive leadership development programme

FDI- foreign direct investment

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## **CHAPTER 1**

### **ORIENTATION**

#### **1.1 Context of the Study**

The context of the study is Zimbabwe. Zimbabwe is in the southern part of Africa and borders, South Africa, Zambia, Mozambique, Malawi, Botswana, and Mozambique. The country is going through a period of economic turmoil which is primarily because of hyperinflation and has a negative GDP for the past 11 years. After introduction of the United States dollar as legal tender the country has had a positive GDP of up to 4%. The country has also had political instability for the last 11 years. Having come out of presidential elections in 2008 which did not yield any results, the country celebrated a momentous occasion as the country's main political parties ZANU-PF, the ruling party and the two opposition parties MDC-T and MDC coming together to form a Government of national unity (GNU). Owing to the GNU , the country which had recently been criticised for blocking international trade by having stringent barriers to entry in almost all the sectors and also having tight trade restrictions which have hindered FDI has recently liberalised its policies paving the beginning of a partial free trade economy with the outside world. The African countries which house BancABC are Zimbabwe, Zambia, Mozambique, Tanzania, Botswana and a Group services offices located in South Africa.,

The background to this research is that most organisations deliver and facilitate training programmes and are then in resultantly classified as being learning organisations. It is the purpose of this study to determine the extent to BancABC is a learning organisation using learning organisations theory as a guide. There has not been much research on learning organisations in Zimbabwe with much of the literature if not all the literature coming from the west and being based on western organisations. The gap in Zimbabwe has been the lack of theory and research into learning organisations.

BancABC of group is a fast growing bank in Zimbabwe which recently in 2009 rolled out Retail banking. In the past it had been a wholesale bank offering financial

solutions such as investment banking. The holdings company is ABC Holdings with a number of banks operating under the brand in sub-Saharan Africa. Its vision is to be the preferred banking partner by offering world class financial solutions. It states that it realises this by building profitable, lifelong customer relationships through the provision of a wide range of innovative financial products and services to the benefit of all stakeholders. Historically was a merchant bank offering a diverse range of services including but not limited to wealth management, corporate banking, treasury services, leasing, asset management, and Stock broking. In 2009, BancABC expanded into Retail Banking opening its first branch in Harare. This expansion has continued with branches subsequently opened in Gaborone, Chimoio, Dar es Salaam and Bulawayo. ABC Holdings is registered in Botswana and its primary listing is on the Botswana Stock exchange, with a secondary listing on the Zimbabwe Stock Exchange

## **1.2 Purpose and Objectives of the Study**

The purpose of this study is to assess the extent to which BancABC group limited is a learning organisation as defined by the learning organisations theory. It is the aim of this paper to assess and ascertain the maturity of BancABC group according to the characteristics which the learning organisation theory dictates an organisation to possess if it is to classify itself as a learning organisation.

## **1.3 Research Objectives**

The research objectives that will be covered by the study are:

- The effect of enabling organisational structures/structures on learning organisations.
- The effect of learning leader/leadership style on learning organisations.
- The effect of learning and development on learning organisations.
- The effect of organisational culture on learning organizations.

## **1.4 Problem Statement and Sub-Problems**

The core of any research/study is the statement of the problem to be investigated as it guides the researcher on what has to be investigated, the limits of the research as well as to ensure that the research remains on course.

### **Main Problem**

This study will analyse the factors that can be drawn on to evaluate and determine the level of maturity of BancABC group limited as a learning organisation. The background to the main problem is that for an organisation to be a learning organisation there are certain characteristics which it must possess. These same characteristics are the ones which are then used to measure the extent to which an organisation is a learning organisation and also to gauge its maturity as a learning organisation.

## **1.5 Delimitations of the Study**

Although theory on learning organisation identifies various key facets that can be relied on to gauge whether or not an organisation is a learning organisation, for the purposes of this study the researcher will restrict this study to the following facets:

- Enabling structures/structures
- The learning leader/leadership style
- Learning and development
- Organisational culture.

For the purposes of this study the researcher will not include the following facets which learning theory also identifies as being among some of the key to determining the extent of maturity of learning organisations:- knowledge management; total quality management; business process re-engineering and empowerment strategies. The other delimitations to the study will be that the study will be only be focused on Zimbabwe and its banking industry.

## **1.6 Limitations of the study**

The potential shortcomings the researcher foresees in the study are mainly lack of control over the time frame respondents return the questionnaire.

## **1.7 Importance of the Study**

The study aims to establish a framework of future studies in learning organizations as there has not been much literary articles or books done or written on the maturity of learning organisations in Zimbabwe. Although there has been a lot of theory on studies and work done on learning organisations in the west and in developed countries the extent to which this concept has been applied to Africa and specifically to Zimbabwe is very limited. The extent to which the concept of learning organisations has been applied to the African context has been more by default than by design as organisations have concentrated more on training, and learning and development which though linked to learning organisations is not looking at the framework holistically.

To some extent for Zimbabwe and much of Africa, economic development and unstable political climates have forced organisations to place learning backing the low priority category as most of the governments' policies have focussed on areas such as health, and defence making as more important in their governance agenda. The study will provide guidance to other organisations in developing countries which may be facing the same challenges as Zimbabwe to have insight into:

- the characteristics of learning organisations;
- how organisations in emerging economies can become learning organisations;
- the challenges faced by organisations trying to be learning organisations; and
- the value to be derived by organisations when they become learning organisations.

## 1.8 Assumptions

The research assumes the following:-

- That the respondents (*i.e.* sample from BancABC employees) will have a basic appreciation and/or knowledge about learning organisations in order to articulate their responses to the researcher clearly.
- That the respondents have an understanding of the Zimbabwean socio – economic environment and how it has affected learning in organizations.
- There will be no major differences in the understanding of the concept across the organizational levels.

## 1.9 Outline of the research

This section outlines the structure of the research report and what will be covered in each chapter.

**Chapter 1:** Orientation; this chapter introduces the study, its objectives, statement of the problem, sub problems, definition of terms in the context of the study, scope of the study, assumptions, research problems and delimitations as well as providing the outline of the research report. Areas beyond the scope of the study will also be covered in this chapter and these will form suggestions for future research in Chapter 6.

**Chapter 2:** Background of the Study; the chapter covers the background and the theoretical foundation of the study and also give a critical view of the various theories that have a bearing on the problem. This section will give the foundation and basis of the research questions as presented in the study.

**Chapter 3:** Literature Review; the aim of this chapter is to cover a review of literature which is relevant to learning organisations. This chapter will outline and critically analyse the work and research that has already been done on learning organisations. It will also outline how the research will contribute and complement the work that has been carried out on learning organisations so far.

**Chapter 4:** Research Methodology; the chapter will cover the research methodology that the researcher will employ in building the framework of this study. The chapter

will also cover data collection and analysis methods, research instruments, sampling method sampling frame and techniques used for the study and the justification of the research method used. The study will be both qualitative and quantitative based on a case study. This chapter will also give a full account of the analysis techniques which the researcher would have used and possible limitations emanating from the research design.

**Chapter 5:** Research Results; the chapter will to cover the findings of the research through analysis and interpretation of the collected data. Important limitations will be noted before conclusions are drawn.

**Chapter 6:** Discussion, this chapter will cover a full discussion of the findings and outcomes of the study with cross reference to relevant studies which would have been covered in the literature review. Recommendations for future research and to management will also be covered.

**Chapter 7:** Conclusion and recommendations; the chapter will cover the conclusions drawn from the findings of the study, and they would apply to the organizations understudy or that may be in the same socio-economic situation and the recommendations to BancABC.

## **CHAPTER 2**

### **BACKGROUND AND FOUNDATION OF THE STUDY**

#### **2.1 Introduction**

The study will be based on BancABC which is in the banking industry. Zimbabwe's financial system really came under great stress in 2003 with the placing of a number of institutions under curatorship among them Trust Bank, Royal Bank, Barbican Bank and CFX Bank. However the situation seems to have normalized as there have been no further bank closures since year 2005 to date though the introduction of new capital requirements pegged in US Dollars has brought back huge challenges into the financial markets as some institutions are feared that they would not meet capitalization requirements. This has seen some banks consider mergers, and down-sizing.

The banking industry had about 33 banks and about 8 went under curatorship. Currently the banking industry has 19 commercial banks, 3 merchant banks, 4 buildings societies, one savings bank, and one micro financing bank. Twenty one Stock broking firms, 16 Asset management firms and 95 micro financing firms. 2010 saw the unbundling of ZABG which was formed as a result of the amalgamation of some of the banks which had gone under curatorship. This unbundling resulted from the reissuing of licences to some of the banks which had been put under curatorship, namely, Barbican bank, Trust bank and Royal bank.

The context of the industry is that the economic climate has vastly improved since the adoption of the multicurrency system and the eventual pursuit of mutually reinforcing market driven economic policies. As a result, a significant improvement has been registered in many fronts.

Below is a diagram showing a summary of the banking industry in Zimbabwe.

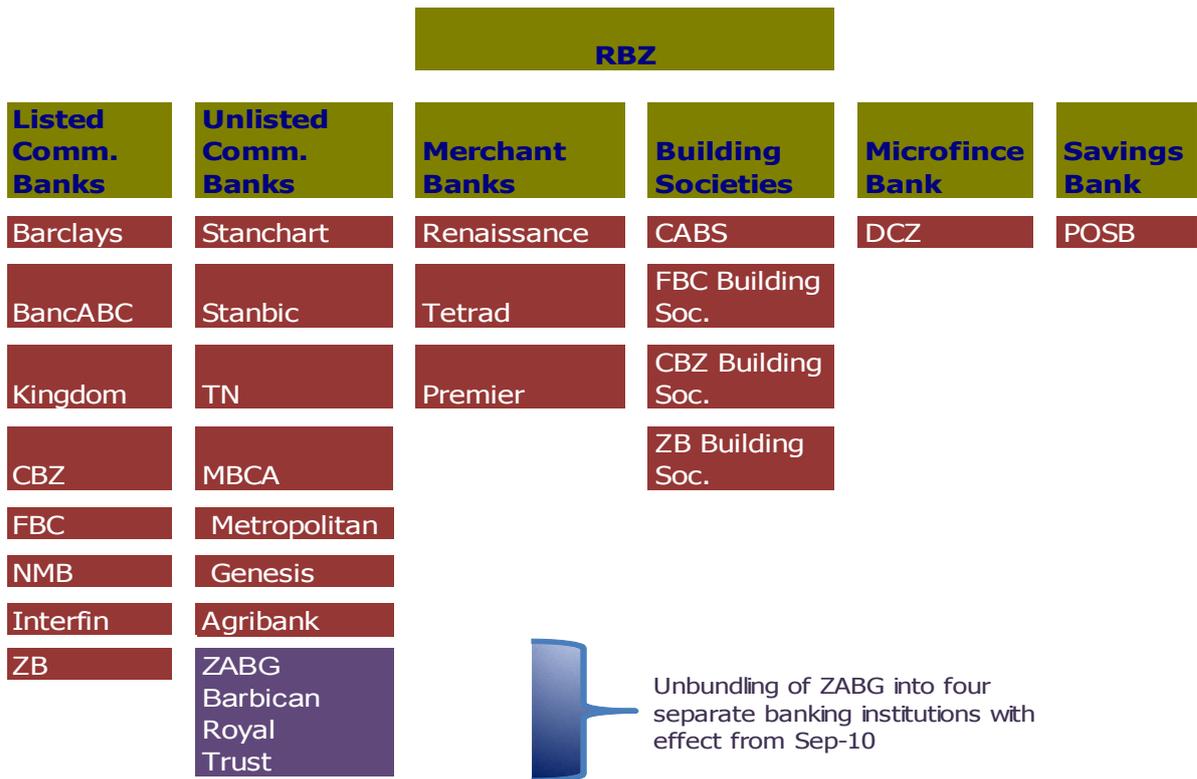


Figure 1: A summary of the banking sector in Zimbabwe

The researcher will introduce an analysis of BancABC by applying different models to it in the context of learning organizations. The researcher will firstly apply a SWOT analysis on BancABC in the context of a learning organization. Like any other industry, the banking sector's operations are affected to no small extent by a host of factors beyond its direct control. Developments in the political, economic and, to an extent; social and technological changes have impacted on the overall performance and growth of the sector.

## 2.2 Analysis on BancABC

The researcher will use PESTLE to look at the context of the industry in the MACRO environment and Porters five forces to look at and the context of the industry in the MICRO environment. The researcher will do the same for all the other models showing how BancABC was impacted in the context of the learning organization according to those models.

On the MACRO environment the researcher will apply the PESTLE model to BancABC and try to assess how BancABC was impacted in the context of the learning organization.

### **Political**

- Both parties to the GNU( government of national unity have to a certain extent demonstrated commitment to a stable political environment - the attendant benefits would be reduced country risk, improved foreign investment inflows and ability to tap into external lines of credit. Higher economic growth of 8% in 2011 is premised on the following developments:
- Deferment of elections beyond 2011 in order to consolidate economic recovery achieved so far. The country appears not ready for elections in 2011. Elections have been moved to 2012 after finalization of national constitution in September 2011.
- The financial resources required to support fresh elections are not available.
- In the absence of electoral reforms and new constitution, it is unlikely that there would be a free transition to democratic environment. Business representative has already supported the notion to delay elections so as to consolidate economic gains achieved so far.
- Sound implementation of empowerment laws in a manner that does not upset economic recovery.

The political environment had an impact on the economy as it negatively affected investor confidence and resultantly saw the performance of the companies in Zimbabwe including banks affected and this also affected the budget spend in the learning and development space. As a company aspiring to be a learning organization this negatively affected BancABC in the learning space and saw a cut on the budgets including the learning budget. Stabilization on the political front will see a positive effect on the learning front and activities the bank does which promote the learning organization for instance hiring of critical skills, which are usually expensive.

## **Economic**

- The economy grew by 8.1% in 2010 up from 5.7% in 2009. GDP in 2011 expected to be 9.3%
- There has been a stable macroeconomic environment, thus providing a platform for economic growth and increased access to international funding;
- Improved capacity utilization from levels of around 10% to above 30% across many industries;
- Improved export performance
- Improved Government revenue collections – indicating that production has improved. Informal business entities that had gone underground in an attempt to circumvent business unfriendly controls and regulations are increasingly being captured by the tax net. Demonstrate to the investment community that Government is willing to settle for a win-win sector specific empowerment strategy. There is also need to adopt a pragmatic implementation strategy that is not disruptive to the economic recovery momentum achieved so far;
- Ensure availability of working capital and long term facilities at favorable interest rates.
- Continuation of market driven economic policies.
- Continued pursuit of a cash budgeting system.
- In 2009 the extent that sound economic policies are often discarded in pursuit of populist policies that are usually a drain to the economy, a lower economic growth forecast of less than 1% is envisage under this scenario. This basically reflected stagnation in economic growth.

In the context of the learning organization, the slump in the economy in 2009 saw many businesses including BancABC go through a series of internal changes which included retrenchments, cuts on the learning budgets, freezes on salary increments, freezes on recruitments. The impacts of these changes on the learning organization are that BancABC during this period did not have the ideal structures employee motivation and the budgets ideal for the learning organization. The bank had to prioritize issues of liquidity and making sure there was a good balance between its assets and liabilities in order to ensure that they did not risk going under curatorship.

The bank also went through a retrenchment in order to consolidate its financial position. During this period the ideal environment for learning organizations was compromised and took a back seat. As the economy has improved and grown, this will impact positively on BancABC among other institutions. On the learning organization front, this will impact positively as this will mean an even stronger balance sheet meaning more investment in learning and an improvement on doing things better in the bank.

### **Social**

- There was a great migration of skills into the Diaspora from early 2000 to 2008 as a result of the uncertain economic and political environment that was prevailing. This in turn caused a shortage of critical and specialized skills in the country. The banking industry was not spared either;
- With the economy growing and looking up, this stability is seeing some of the skills that had migrated to the Diaspora returning.

In the context of the learning organization, BancABC among other institutions suffered as there was migration of skills into the Diaspora. The learning organization entails that there are knowledge workers who form the backbone of this organization as they see the internal transfer of skills and also knowledge sharing. The critical shortage of some of these skills in BancABC compromised the growth of the learning organization. There was a positive impact on the organization as skills were returning and there was more activity on the learning and development front.

### **Technological**

- Most of Zimbabwe's technological investment has been towards ICT with government, in 2010, availing USD7.7million for the development of a fibre optic backbone.
- There is need to secure a stable electricity supply in order to ensure minimum disruptions to working hours. This will see all industries increase capacity and resultantly an increase in productivity which will also impact positively on the country's economy;
- The nation's main telecommunications parastatal Telone does not have capacity to sustain businesses as most of their landlines are down;

- The telecommunications players need to widen their footprint to reach more rural areas. On a positive note introduction by one of the bigger players, Econet of broadband and 3G has seen more people having access to the internet thus keeping the country abreast with technology.

In the context of the learning organization, the slump in the economy had a negative impact on technological advancement and growth of BancABC. As one of the main drivers to success for banks is technological advancement in the form of systems being replaced and upgraded, BancABC suffered a slump in growth on this front thereby affecting the access to advanced and globally accepted trends on the information front. This negatively affected the learning front. The bank survived however but could have been more advanced in the absence of the slump. The upturn of the economy will see more investment in learning and in updated technology which will facilitate and improve learning and knowledge transfer across teams.

### **Legal**

The introduction of the indigenization policy which sees foreign owned companies operation and trading in Zimbabwe being legislated to have a 51-49% shareholding , with the majority of the shares being held by a Zimbabwean citizens. On the legal front, the announcement of the indigenization policy negatively affected investor confidence and resultantly the economy. BancABC was not spared in this downturn but survived where other banks faced closure. There was uncertainty on the acceptance of this policy as giant International companies the likes of *Zimplats* were resisting the policy.

This may pose a negative impact on learning is companies choose to withdraw their operations from Zimbabwe. This may lead to a contagion effect by other big companies resulting in a dip in investment in the country and funding for other companies. This will resultantly affect organizations investment in learning and other related activities which advance learning organizations.

### **2.3 Porter's Five Forces Framework of Environmental Scanning**

Based on the Porter's five forces model discussed in the section above, the summary of the environmental scanning process for BancABC in the context of the banking industry and also in the context of the learning environment is as follows:

#### **Suppliers**

Looking at the bargaining power of suppliers in the context of the learning organization, these would be the labour market from which as an employer we get the labour and skills to do the day to day of the institution. In the context of the banking industry where BancABC falls, there is the trade union ZIBAWU (Zimbabwe bankers' Allied Workers Union) The Trade Union is powerful in that the majority of workers from most of the banks are registered as Union members. In the event that a bank's workforce does not pay union dues the bank is still obligated to pay better or at least match the Union minimums. Failure to do so may see the bank's workforce opt to become unionized. BancABC has a strong brand and a very strong balance sheet. Resultantly this has also made them an employer of choice thereby increasing their bargaining power over that of suppliers.

#### **Buyers**

Looking at the bargaining power of buyers and in this context viewing BancABC as the buyer of labour and skills in the market. What drives a learning organization is the input from the labour the bank hires. Universities provide the skills in the form of graduates, attachment students. At the moment the skills that BancABC requires to thrive as a bank are not rare in the market. According to ZIMSTAT(Zimbabwe statistical office) there is a high yearly production of graduates and so there is no shortage skill. As the employment rate is as high as 70%, BancABC has more bargaining power as an employer. In case of specialized skills, there may be need to give these employees incentives to join the bank in the event that the required skill is scarce. BancABC would not have any challenges giving the incentives in order to bring the skilled individual on board. This in turn strengthens the bank's position as a bank aspiring to be a learning organization.

### **New entrants**

From a banking industry perspective, the threat of new entrants in the banking sector is weak. The barriers to entry in Zimbabwe are very high for banks and so as a result the industry will not experience an influx of new banks. The latest new entrants are two banks which had been put under curatorship in 2005, namely Royal bank and Trust bank. The two banks reopened their doors to the public early 2011. These banks do not pose an immediate threat to BancABC as investor confidence was still being built following their curatorship in 2005 as well as a result of inadequate liquidity. The central bank in Zimbabwe is the Reserve bank of Zimbabwe (RBZ). The RBZ has a capital requirement for all banks of 12,5 million United States dollars. Some banks have been merging and some downsizing in order to meet the deadlines of this capital requirement. The third new entrant was *Ecobank* which has majority shareholding stake in the former Premier bank. Ecobank is well established in Nigeria and other parts of Africa. In the context of the learning organization the new entrants do not pose a very strong threat or affect BancABC potential to hire and retain critical skills.

### **Rivalry**

Currently the Zimbabwe banking industry has a total of 18 banks. The question is how serious is the level of competition among the banks; is it cut throat, where banks would go all out to topple the competition in order to get the market. In the Zimbabwe scenario it would be viewed as unethical to be out rightly cut throat and get the lion's share. Banks are more subtle in competing for the biggest share. Likewise BancABC headhunts critical skills in order to stay ahead.

### **Substitutes and Complements**

On the Zimbabwe market, if there would be a shortage of critical skills; BancABC would hire expatriates. If the expatriate would be coming from Standard Chartered bank, they would pose a threat for BancABC and other banks and this would see Standard Chartered bank having a competitive advantage. The same scenario to BancABC would be a complement but coming from the competition's side would be viewed as a substitute.

As an institution BancABC trains its staff members in order to realize maximum returns using minimum labour and resources. The bank encourages its staff members to think outside of the box in coming up with solutions for their customers and gain competitive advantage. The bank needs to recruit people with technical savvy who can help the bank move with technology. AS a bank having more tellers means a higher salary bill. Balancing this out with having more ATMs spread out will see a lowering of this salary bill.

*Another model the researcher will use to analyze the bank is TOWS. Threats and opportunities (external), weaknesses and strengths (internal):*

### **Threats**

The threats to BancABC are external. These can incorporate the other banks which are fighting for the same skills and for the same clients. In order to stay ahead BancABC has to ensure that it has a strategy which keeps it ahead of competition. The treats to the bank can be in the form of the other banks and other financial institutions which are vying for the same skills and for the same clients

### **Opportunities**

As for opportunities, the question to ask would be; does BancABC see the opportunities that are there and more importantly does it act on them before the competition. The greatest opportunity in the context of a learning organization which the bank can take advantage of is the culture of continuous learning and the high academic drive which is already residing in most of the staff. This has become a strategic action for the bank going forward where it sets itself apart from the competition by possessing staff of a high academic caliber and skill. The bank is on this crest by ensuring that its clients know the partnerships which it has with renowned colleges and universities. The bank is currently making steps to strong succession plan which will also help to grow investor confidence in the bank. They want to identify the Bank's top 20 talent and make sure they are put on a talent management programme which will fast track their growth within the bank.

### **Weaknesses**

The current weaknesses which the bank has are recurring system downtime. The current system which the bank is using is called FCC (Flexi cube), It is an Indian

owned system, licensed by Oracle in India. The downside of the system apart from coming with a heavy price tag is the challenge on maintaining the system. The in house staff do not have full appreciation of the system and are not well equipped to deal with the challenges that arise. This system downtime has had a negative impact on the clients and staff as well as they have to do several manual back-ups and have to put in a lot of overtime correcting errors which would have resulted from the system being down.

### **Strengths**

The main strength of the bank is that it has a lot of financial muscle where most of the other players in the market are facing challenges. The bank's strong balance sheet also gives it a competitive edge when it comes to recruitment of staff with critical skills and upgrading of systems.

### **2.4 Human Capital and Learning and Development structure**

On the Human Capital and learning and development front, BancABC has the group Head of human Capital sitting on Hay grade 23 with is an Executive position. This shows that the bank is taking the Human Capital and learning and development role of the bank very seriously and is making sure it is on the forefront. The Group head of Human capital has a group Learning and development Manager as well as a Group Human Capital Manager. The group learning and development Manager comes up with the group learning and development strategy which feeds into the Human Capital overall strategy. According to the structure each country where BancABC operates should have a learning and development manager. At present on Zimbabwe and Botswana have full time learning and development managers. The other countries are at the recruitment phase.

Overall BancABC strategy map (BancABC Strategy Document, 2009)

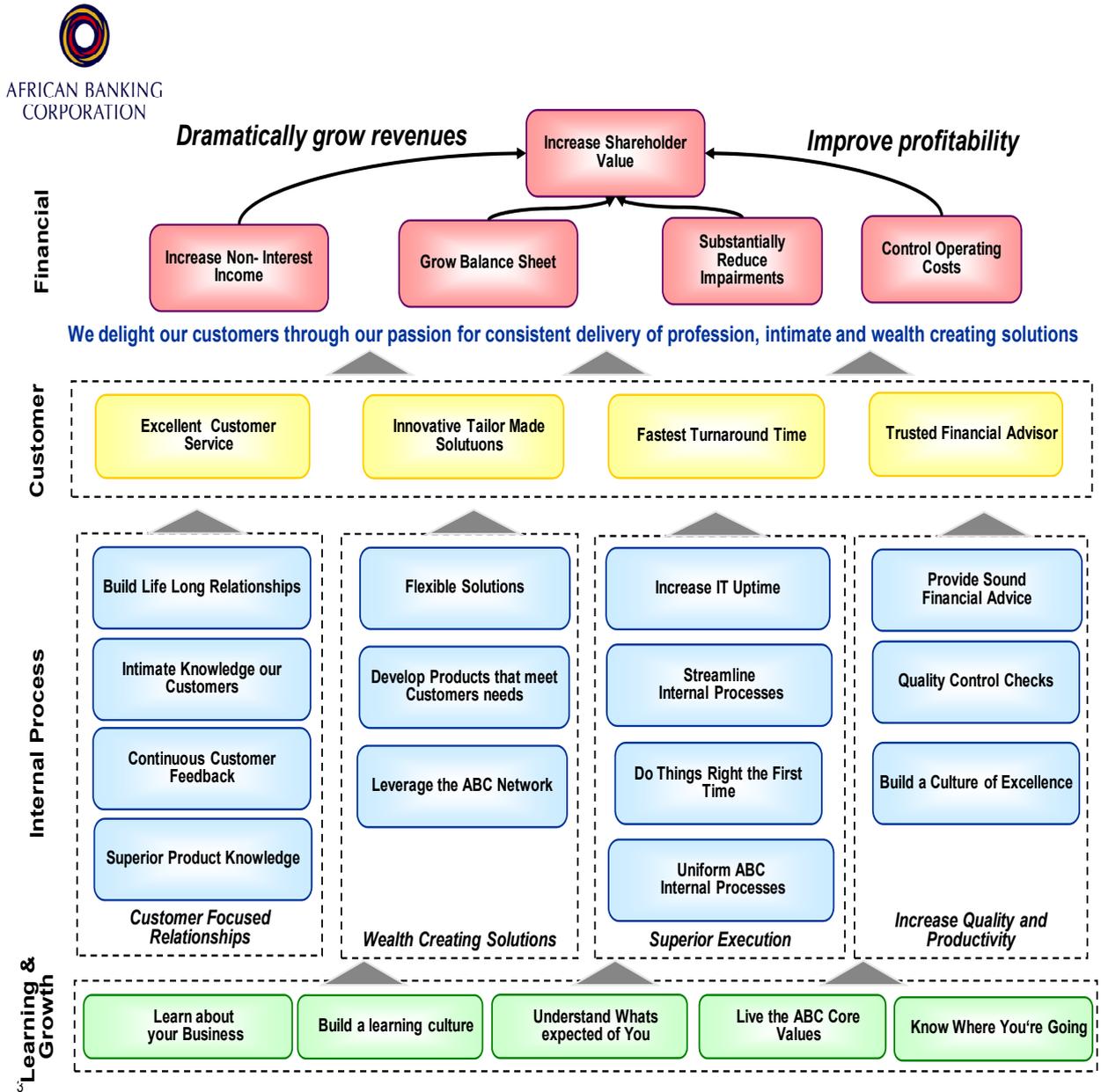


Figure 2: Overall Human Capital Strategy map based on the balanced Scorecard.

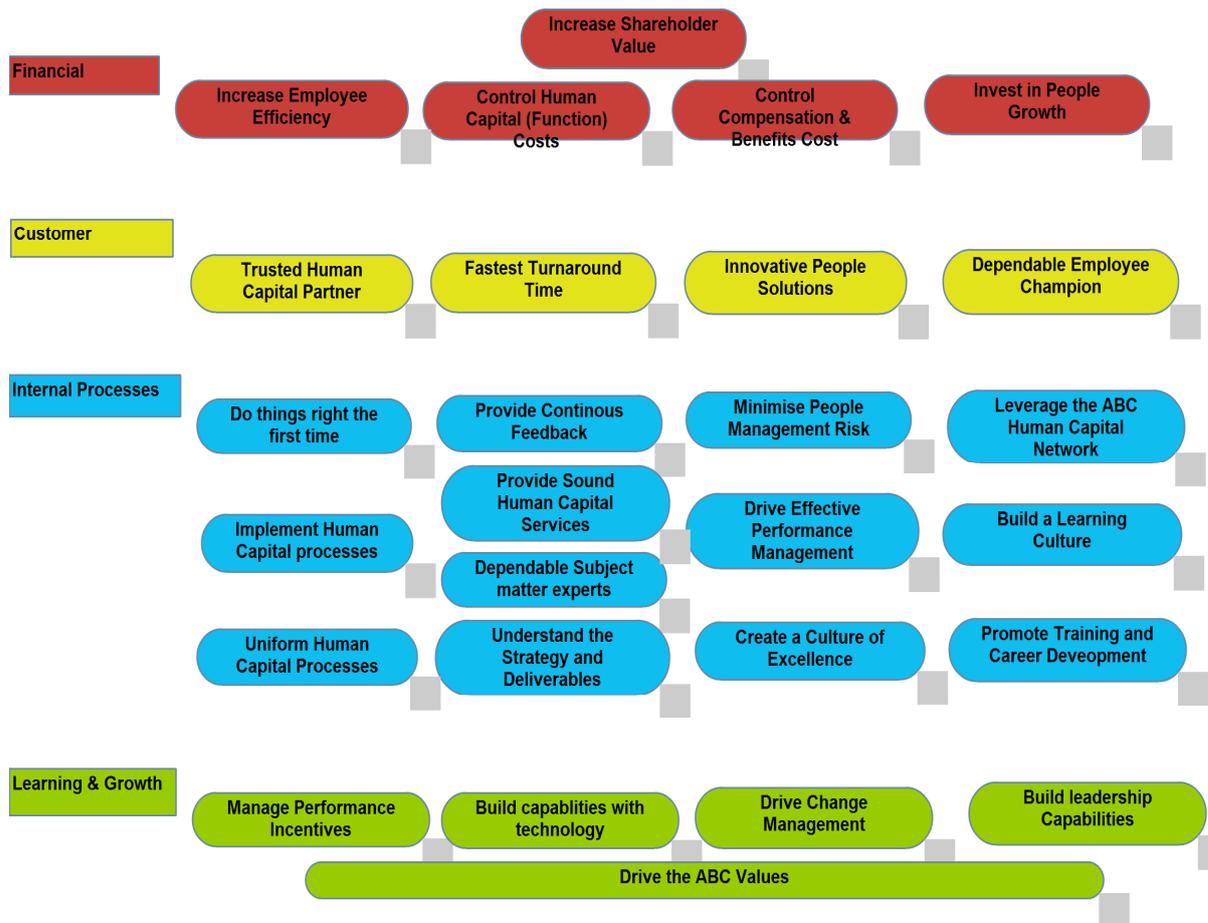


Figure 3: BancABC Zimbabwe, Country Balanced Scorecard

## 2.5 BancABC learning and development programmes and strategy

The learning and development arm of the bank has a strategy which is aligned to the overall group strategy of the bank and is a key enabler to success. Below are some of the bank's most critical learning solutions.

The programmes below, mainly FLDP, GLDP, MLDP and ELDP are carried out through GIBS in South Africa. The bank has partnered with GIBS (Gordon Institute of Business Science) to run all its Leadership development programmes. At GIBS the delegates are taken through two intensive block releases where they are tutored and asked to prepare ALPs (Action learning projects) to show their understanding and apply what they have learnt to their business setting. They also undergo psychometric testing which helps the bank better understand them as individuals and be better able to identify gaps which may need training or other interventions. Selection of candidates for these programmes is based on performance.

**FLDP-** Foundation leadership development programme for Junior and middle managers

**GLDP-** Graduate leadership development programme for Graduate trainees

**MLDP –**Management leadership development programme for senior managers

**ELDP-** Executive leadership development programme for bank executives

The ELDP is for the Banks' executives, namely Managing Directors and deputy MDs and Group heads of major functions. This programme seeks to prepare and groom leaders on the fundamentals of being leaders. The programme also fosters personal growth of the individual and takes them through a number of psychometric tests and other assessments which help them better understand themselves vis a vis their roles as leaders in the bank. They are assigned life coaches who coach them on a one on one basis.

### **BancABC graduate development programme**

This graduate traineeship programme is a 2 year programme which seeks to harvest potential candidates talent from amongst the country's graduates for intensive grooming and exposure to all operations within BancABC. Once on board, the trainees form part of the pool the bank relies on for its succession planning initiatives.

### **Other training interventions**

In a bid to give ourselves an edge the bank is taking all staff members through different interventions which the bank believes gives it a competitive edge.

As and when training needs arise in the different departments, learning and development consults with group/country heads of the function to find a fitting intervention. To cover the training needs for the various departments both support and operations, we have devised learning maps which is a map detailing the different training necessary for staff in the various positions ,from the junior to the most senior, to carry out their tasks efficiently. The learning maps also help us train-up potential successors so as not to have gaps should a critical resources leave.

**Customer relationship skills.**

This is being rolled out to all staff within the bank as this is what we feel as a bank will differentiate us in the market.

**Coaching and mentoring**

On the job coaching will apply to all key staff. Mentoring will apply to all staff who are in positions which may naturally progress to them heading the various sections, they also have to be performers and be on the bank's talent management programme.

## CHAPTER 3

### LITERATURE REVIEW

#### 3.1 Chapter Overview

This chapter covers the relevant literature that was reviewed by the researcher in order to build up a framework for the study. The literature review focussed mostly on the recent studies that were conducted in the area under investigation with a focus on the research objectives, problems and sub problems being investigated by the researcher.

#### 3.2 Introduction

The literature review on learning organisations is vast. For the purposes of this study the researcher is going to firstly cover the general literature on learning organisations. The researcher will then go on to focus on literature which is more specific to the main factors she has chosen to measure learning maturity in organisations. The concept of learning organisations was popularised by Peter Senge. Senge (1990) is considered by most to be the "father" of organizational learning (Dumaine, 1994). Senge is a director at Innovation Associates, a Cambridge consulting firm, and advises government and educational leaders in centres of global change like South Africa. Senge's message of growth and prosperity holds strong appeal for today's business leaders. His research centre at MIT (write in full), the Centre for Organizational Learning, started in 1990, has 18 corporate sponsors, including AT&T, Ford, Motorola, and Federal Express. Each contributes \$80,000 a year to create learning organization pilot programs with the help of Senge and his colleagues.

The learning organization concept gained broad recognition when Senge published his bestselling book, *The Fifth Discipline* in 1990. In it he writes that a learning organization values, and derives competitive advantage from, continuing learning, both individual and collective. The five disciplines are systems thinking, personal mastery, mental models, shared vision, and team learning (Senge, 1990). Senge proposes that people put aside their old ways of thinking (mental models), learn to be open with others (personal mastery), understand how their company really works

(systems thinking), form a plan everyone can agree on (shared vision), and then work together to achieve that vision (team learning). None of these concepts are new, but Senge created something new and powerful by putting them together. Unfortunately, at first glance these ideas can seem ambiguous. As a result, only a small percentage of the huge number of people who bought the book have read it, and only a small percentage of those have carried out its ideas (Dumaine, 1994). To make the learning organization more accessible to seasoned managers, Senge and several co-consultants published *The Fifth Discipline Field book*, a more "hands-on" work. (And also this paragraph)

*The Field book* explains that anyone who wants to be part of a learning organization must first go through a personal change (Senge, Kleiner et al., 1994). This means that if some members of the group like to tell people what to do and are too busy to listen, they must be willing to change themselves. Senge and his colleagues consult with organizations, where they teach an elaborate set of personal-awareness exercises with names like dialogue, the container, and the ladder of inference. Once you have "shifted your personal paradigm," Senge says, you must master something called systems thinking, a scientific discipline that helps you understand how organizations work. "The outsider, faced with such a formidable field to master, might ask, Why bother? Senge argues that the very future of the planet hangs in the balance (Dumaine, 1994)." This comment reflects Senge's interest in tackling issues like overpopulation, hunger, and the environment, and his commitment to a personal life that reflects these professional ideals.

### **3.3 Definition of a Learning Organization**

Smith, E. S. (2006) in the Blackwell Encyclopaedia of Management Volume IX on Human Resources Management, defines learning, most fundamentally as the process of acquiring knowledge or skill. The underlying process is "thinking" which includes observing facts and integrating them into valid conclusions. According to Senge, (1990) he defines a learning organisation as a group of people who are continually enhancing their capabilities to create what they want to create has been deeply influential. He views these organisations as organisations where people continually expand their capacity to create the results they truly desire, where new

and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together, the basic rationale for such organisations is that in situations of rapid change only those that are flexible, adaptive and productive will excel. For this to happen it is argued that organisations, organisations need to discover how to tap people's commitment and capacity to learn at all levels. According to Senge (1990), while people have the capacity to learn, the structures in which they have to function are often not conducive to reflection and engagement. Furthermore, people may lack the tools and guiding ideas to make sense of the situations they face. Organisations that are continually expanding their capacity to create their future require a fundamental shift of mind among their members.

According to Gavin (1993), a learning organisation is an organisation skilled at creating, acquiring and transferring knowledge, and at modifying its behaviour to reflect new knowledge and insights. Nonaka (1991) goes further to characterize a learning (or a knowledge-creating) organisation as one where inventing new knowledge is not a specialized activity, "it's a way of behaving, indeed, a way of being, in which everyone is a knowledge worker". The primary tasks of a learning organisation are therefore to create and apply knowledge. According to Senge, (1990), a learning organisation represents a significant evolution of organisational culture - a culture that encourages and rewards the application of new learning. In addition to a continuous improvement culture, a learning organisation must also have structures that foster cross disciplinary team work, collaboration and learning (Kiernan, 1993). According to Gavin (1993), a learning organisation must be skilled at systematic problem solving, experimentation, learning from its own experiences and from past history, learning from the experiences and best practices of others, and transferring knowledge quickly and efficiently throughout the organisation.

Ratner (1997) defines a learning organization as "one in which people at all levels, individually and collectively, are continually increasing their capacity to produce results they really care about." She describes Senge's *The Fifth Discipline Field book* as "one of the most powerful set of tools for examining our assumptions." Levine's 2001 article "Integrating Knowledge and Process in a Learning Organization" describes the similarities between technology change management

(TCM) and learning organizations. She describes a learning organization as one in which:

The organization remembers and learns

- Public recording is unobtrusive and useful in the execution of work processes and decision-making.
- Principles and concepts may refer to a group, an organizational unit(s), or a community, suggesting notions of scalability and tailoring.
- The notion of learning is different from the additive sum of individual contributions (the whole is more than the sum of its parts).
- Learning is applied to produce or modify individual dispositions, policies, processes, and procedures. She also lists several compelling reasons for promoting organizational learning:
- About 70 percent of business efforts in process reengineering efforts or redesigns fail.
- Work groups in the 21st century will manage change in dynamic situations.
- Traditional management constructs are incompatible with the collaborative development approach for new technologies.

### **3.4 The Concept of a Learning Organization**

The concept of the learning organization is often perceived as being difficult to disentangle from the related concept of organizational learning. The concept of organizational learning dates back at least thirty (30) years (Levine, 2001). What is interesting is that the learning organization approach has a kind of "staying power," to quote Linda Levine. "Researchers and practitioners have written about this for decades, and yet issues debated in the field twenty (20) or so years ago bear a striking resemblance to those still debated today," she writes. This is no surprise given the advice of Redding (Year) to recognize that "the learning organization is an ideal" and no pure one exists. These issues of cooperation and integration reflect issues that are part of our humanity, which Wheatley proposes can evolve if more people promote integration. A learning organization is "an organization that is continually expanding its capacity to create its future. For such an organization, it is not enough to merely survive. 'Survival learning' or what is more often termed 'adaptive learning' is important - indeed it is necessary. But for a learning organization, 'adaptive learning' must be joined by 'generative learning,' learning that

enhances our capacity to create." It is no longer possible for CEOs and managers to take in enough knowledge to make decisions, according to McElya (2002). "Through use of knowledge management and valuation of intellectual capital, learning organizations become much more effective," he explains. Some see organizational learning as offering the holistic advantage of promoting competitive advantage and employee happiness at once (Gephart, Marsick *et al.*, 1996).

### **3.5 Differences between Organizational Learning and the Learning organization**

The paper looks at what the essential differences between the 'organizational learning' and the 'learning organization' perspectives are. Why Learning and Development practitioners need these concepts as part of their professional knowledge and practice.

Poell (2003) criticizes the concept of the learning organization on two principal grounds: (a) the neglect of issues of organizational power; (b) a restricted view of learning and work. The former has been dealt with elsewhere (Ortenblat 2002; Contu *et al.* 2003). Poell drew specific attention to the view that within the learning organization field the notion of working that lends itself most easily to the prescription is that of team working, but clearly work is organized in other ways (individual, inter-organizational and so forth), hence there may be an assumption that most work is team-based. Also it is not always clear exactly how the laudable aspirations contained in the prescriptions might be implemented.

The learning organization ideally assumes that all workers will be able and willing to find their own learning route and will be self-motivated self-developers. The question is what to do if workers are not willing to learn continuously, to innovate and double-loop learn on an ongoing basis, to be responsible for their own development and share their knowledge (which may be their own source of competitive advantage in the internal labour market) with colleagues (Poell, 2003). Individuals' knowledge assets may be organization specific and person specific. So in times of uncertainty and downsizing individuals may take decisions about the extent to which they are

willing to surrender these assets. This may be influenced by the employment relationship. For example, where there is a strong reciprocal alignment of organizational and employee interests this may create the motivational basis for employees to learn in ways that play an role in the longer-term development of the business (see Boxall and Purcell 2003: 146). By way of a conclusion, some of the limitations of the learning organization concept may be summarized as follows:

- There is reinvention and duplication across models with no real attempt at theoretical convergence;
- The prescriptive nature of the discourse means that it may be seen as a recipe for success and, on the basis of much of the rhetoric, a panacea for a wide range of organizational problems and development issues.

Ford et al , (2000). What is sometimes lost sight of in discussions of the learning organization and its implementation is the role - and in some cases the debilitating nature of the role - that the internal context can play in determining the success or otherwise of planned interventions designed to foster organizational learning. For example, 'engineering cultures' are often perceived to have more of a 'harder' technology focus than a 'softer' people focus. Furthermore, the balance amongst the various competing cultures within a single organization can also play an important role and create tensions in the arena of organizational learning. In this regard Ford et al. report attempts to transform a high-technology engineering company in the USA into a learning organization.

Easterby –Smith and Araujo (1999) describe the differences as follows:-

- The learning organization is most often the concern of consultants (or academics in a consulting role) who are interested in developing normative models and prescribing methods of organizational change concerned with improving learning processes;
- Organizational learning is more within the purview of management and organization researchers and is concerned with describing, explaining and

attempting to understand the processes of learning as they occur in the organization.

That said the two fields overlap and interrelate, for example learning organizations prescriptive frameworks are often based upon the assumption that the double loop type of organizational learning is superior to the single loop learning. Attempts have been made to describe tools and techniques for facilitating double loop organizational learning. The norms towards which an aspirant learning organization might aim depend upon how it is defined. For example Pedlar, *et al.* (1997) describe the learning organization as an organization that facilitates the learning of all its members and consciously transforms itself and its context. Senge (1990)'s descriptions demonstrate the ways in which the concept of the learning organization draws upon organizational learning; an organization that is continually expanding its capacity to create its future'. For such an organization it is not enough merely to survive. 'Survival learning', or what is more often termed 'adaptive single loop learning', is important - indeed it is necessary. But for a learning organization, 'adaptive learning' must be joined by generative (double loop) learning,' - learning that enhances the capacity to create.

### **3.6 Characteristics of a Learning Organization**

Senge (1990) definition retains the subtlety of the organizational learning theory that it is sometimes overlooked or glossed over; namely that double-loop and single loop learning are not mutually exclusive and that both may be needed. It is often taken for granted that an organization will engage in single loop learning. The challenge is how can double loop learning be fostered and developed. An alternative view is provided by Pedlar *et al* (1997), who specify and describe in Pettinger, (2002) the eleven (11) characteristics of a learning organization. Their models share some commonality of content with the eleven attributes of a global learning organization described by Marquardt and Reynolds (1994). The eleven characteristics of Pedlar *et al* (1997) cluster into five (5) super ordinate groups an example the 'enabling structure' characteristic has a number of component features which prescribe organizational; structural arrangements and processes that were hypothesized as enabling learning, including the flexible structuring of job roles to allow for experimentation and growth, rules that are flexible enough to be changed on the basis of enquiry and performance appraisals that are geared to a Learning and

development purpose rather than sanctions. The characteristics and their component features have high face validity and the model of Pedler et al (1997) is explicitly designed as an intervention tool for organizational learning and development. Their five super ordinate goals are:

**Looking In** - this factor looks at processes and systems within the organization. Learning organizations effectively make use of information technology and make Information widely available to frontline staff in order to empower them. Other Processes such as formative accounting and control helps employees to know how finances in the company are utilized. There is also an internal exchange of ideas with departments contracting and learning from others in the internal supply chain. There is a lot of flexibility in terms of how employees are rewarded.

### **Strategy**

Strategy in learning organizations is emergent and to some extent seen as experimental. These organizations follow a learning approach to strategy implementation. Employees are encouraged to participate in policy making.

### **Learning Opportunities**

The learning climate in learning organizations encourages a culture of questioning, feedback and support. Self development opportunities and the resources to support this are available to employees.

### **Structures**

Learning organizations have enabling structures in place, i.e. organizational design is a means to an end not an end in itself.

### **Looking out**

In learning organizations, contact with customers and suppliers is also viewed as very important. Employees who have contact with customers and suppliers, boundary workers scan the environment and bring back the information into the company. There is a lot of inter - company learning through initiatives such as joint ventures and benchmarking.

### **3.7 Other Characteristics of Learning Organizations**

Mohanty (1999), in his article on the strategic learning model for Advanced Manufacturing Technology (AMT) starts with Senge's list of learning organization characteristics:

- There exists a shared vision that everyone agrees on.
- People discard their old ways of thinking and the standard routines for solving problems.
- Members think of all organizational processes, activities, functions, and interactions with the environment as part of the system.
- People openly communicate with each other without fear of criticism or punishment.
- People sublimate their personal self-interest and fragmented departmental interests to work together to achieve the organization's shared vision. The article offers six "generic and interactive forces that influence any business corporation to evolve into a learning organization" (Mohanty and Deshmukh, 1999). These forces also speak to organizational performance: - customer power; information power; global investors' power; global market power; power of simplicity and power of the organization.

#### **3.7.1 Learning Organizations Promote Continuous Improvement**

In Corrs (2003), Clark *et al.*(1997) make an interesting link between learning organizations and performance in their article "Creating a Learning Project Environment." The article looks at whether project outcomes meet customer needs, explaining that a variety of gaps can exist between the two. The article presents a model that helps managers assess and narrow these gaps and foster a continuous improvement cycle "typical of learning organizations. (Clark *et al.*,1997)." Some investigators are finding that a focus on organizational learning has great potential to build the collaboration and continuous improvement programs that promote organizational performance (Levine, 2001).

### **3.7.2 Learning Organizations Promote Innovation**

Argyris (1978), Schon (1983, and Senge (1990) have long asserted that organizational learning promotes creativity and innovation. A recent, quantitative study builds on parallels between the characteristics of learning organizations and those described in the literature on organizations that are designed to support innovation and employee creativity (Ramus and Steger, 2000). When Ramus and Steger (2000) developed a list of supervisor behaviours that support employee creativity and innovation for this empirical investigation, they used the extensive literature on organizational learning.

### **3. 8 Factors Influencing Learning in Organizations**

For Senge (1990), real learning gets to the heart of what it is to be human. We become able to re- create ourselves. This applies to both individuals and organisations. Thus for a learning organisation it is not enough to survive, survival learning or what is more often termed ‘adaptive learning” is not only important but indeed necessary. For a learning organization, adaptive learning must be joined by, generative learning, that is learning that enhances the organization’s capacity to create. The dimension that distinguishes learning from more traditional organisations is the mastery of certain basic or “competent technologies “. The five factors that Senge (1990) identifies are said to be converging to innovate learning organisations. These are, systems thinking, personal mastery, mental models, building shared vision and team learning.

He adds to this recognition that people are agents, able to act upon the structures and systems of which they are a part. All the disciplines are in this way, concerned with a shift of mind from seeing parts to seeing wholes, from seeing people as helpless reactors to seeing them as active participants in shaping their reality, from reacting to the present to creating the future. According to Pettinger (2002), Senge identifies the direct relationship between strategic, operational and productive success and the learning organisation.” The hypothesis is that organisations can succeed and prosper in the long term only if they are collectively, as well as individually, prepared to learn faster than their competitors, and then apply the lessons learned in productive, effective and profitable ways. Senge (1990) identifies

the following disciplines of the learning organisations which distinguish them from more traditional organisations. The mastery of the following basic disciplines or 'competent technologies' that Senge (1994) identifies as characterizing innovative learning organisations are:-

### ***3.8.1 Systems Thinking***

Here, business and all human endeavours are systems. They are bound by invisible fabrics of interrelated actions that often take years to fully play out their effects on each other. Organisations traditionally tend to focus on events occurring in isolated parts of the system, rather than concentrating on the effectiveness as a whole. The ability to think systematically is conceptual rather than operational. It is necessary to develop bodies of knowledge and expertise around the way in which the whole works as well as each individual part. Thus if attention is paid to one individual part, effects –including stresses and strains – on the rest of the whole will become apparent. In this way organisations can learn to resolve problems from the point of view of reinvigorating the whole, rather than resolving them in the sure and certain knowledge that they will have knock on effects leading to other adverse issues.

### ***3.8.2 Personal Mastery***

Personal mastery is the discipline of continually clarifying and deepening personal visions, focussing energy as well as skills, qualities and expertise. Again this reinforces the need for positive attitudes, values and behaviours so that the context in which expertise is delivered sits comfortably with each individual who is required to work. Collectively and individually, it is necessary to clarify priorities and address these as a precursor to establishing the comfort and compatibility between organisations and their customers and clients. This form of comfort also reinforces mutual confidence and loyalty, as well as building a sound base for the development of expertise.

### ***3.8.3 Mental Models***

Mental models are deeply ingrained assumptions, generalizations, pictures and images that influence how people understand the world and how they take action. They are forms of individual and collective perceptions that limit thinking and also

skew or emphasize it in particular directions. There is a strong mental and economic element- what is required must serve individual and collective comfort, well being as well as economic demands. Mental modelling also includes the ability to identify and address preconceptions and prejudices and received wisdom, so that everything that is done is constantly a matter of scrutiny.

#### **3.8.4 Building Shared Vision**

Alongside the development of strategies, policies and priorities for action, shared vision is required – and this is closely related to culture, attitudes and values identification, development and transformation. Shared vision reinforces the need for strong and positive steps of dominant values to which everybody can aspire and with which they can be comfortable. Within this comfort is required the capacity for high levels of achievement and intrinsic recognition and reward, as well as attention to the wider social and moral issues – that the organisation is ‘a good’ place to work.

#### **3.8.5 Team Learning**

Senge (1990) states that “the discipline of learning starts with the dialogue; the capacity of members of a team to suspend assumptions and enter into genuine free thinking”. This underlines the value of communication, and the importance of developing mutual personal and professional respect and esteem, as well as high levels of performance. Those in different professions and occupations need to know how and why those in others operate and function as they do. Learning organisations therefore concentrate on each of the foregoing elements and requires acceptance that everyone, whatever their occupation, rank or level of experience is a learner. Attention is paid to each of the above elements, so that how particular and collective expertise may be applied is as important as is what is required.

Senge (1990) proposes a strategic approach to organisation and employee development based on the learning shortcomings of all organisations. The requirement is to understand that , in particular cases , it will be necessary to address specific issues , in the vast majority of cases , a collective strategic approach is required if each of these barriers is to be overcome. The approach

adopted is functional and recognizes the need to develop from present starting points. The main tenets are as follows;-

- Recognize the constraints of the present systems and the sources of particular problems before trying to make fundamental and radical shifts.
- Recognize the allure –and the illusion - of short term quick fixes rather than a strategic approach.
- Small changes can produce big results provided they are fully integrated.
- Identify the blockages and see where the key interactions are causing problems; and recognize that dividing issues does not necessarily produce results.
- Avoid apportioning blame – especially to those outside the organisation, or to circumstances beyond control. This only works if it is fully integrated and if there is full acceptance of long -term enduring responsibility.

### **3.9 Leadership and Learning Organizations**

Senge (1990) also argues that learning organizations require a new view of leadership. He sees the traditional view of leaders as special people who set the direction, make key decisions and energize the troops as being derived from a deeply individualistic and non systematic work view. At its centre the traditional view of leadership is based on assumptions of people's powerlessness, their lack of personal vision and inability to master the forces of change, deficits which can be remedied only by a few great leaders. Against this traditional view he sets a 'new 'view of leadership that centers on subtler and more important tasks'.

In a learning organization, leaders are designers, stewards and teachers. They are responsible for building organizations where people continually expand their capabilities to understand complexity, clarify vision and improve shared mental models-that is they are responsible for learning. Learning organizations will remain a good idea until people take a stand to build such organizations. Taking this stand is the first leadership act, the start of inspiring (literally 'to breathe life into') the vision of the learning organization. Many of the qualities that Senge (1990) discusses with regard to leading the learning organization can be found in the shared leadership model. For example what Senge approaches as inspiration, can be approached as animation.

### **3.9.1 Leader as Designer.**

The functions of design are rarely visible, Senge argues, yet no one has a more sweeping influence than the designer (1990: 341). The organization's policies, strategies and 'systems' are a key area of design, but leadership goes beyond this. Integrating the five component technologies is fundamental. However, the first task entails designing the governing ideas – the purpose, vision and core values by which people should live. Building a shared vision is crucial early on as it 'fosters a long-term orientation and an imperative for learning' the aspect of the leader as a designer

### **3.9.2 Leader as Steward**

One of the important things to grasp is that stewardship involves a commitment to, and responsibility for the vision, but it does not mean that the leader owns it. It is not their possession. Leaders are stewards of the vision, their task is to manage it for the benefit of others (hence the subtitle of Block's book – 'Choosing service over self-interest'). Leaders learn to see their vision as part of something larger.

### **3.9.3 Leader as Teacher**

"Leader as teacher" is not about "teaching" people how to achieve their vision. It is about fostering learning, for everyone. Such leaders help people throughout the organization develop systemic understandings. Accepting this responsibility is the antidote to one of the most common downfalls of otherwise gifted teachers – losing their commitment to the truth. (Senge 1990: 356). Leaders have to create and manage creative tension – especially around the gap between vision and reality. Mastery of such tension allows for a fundamental shift. It enables the leader to see the truth in changing situations.

### **3.9.4 The Learning Leader**

The concept of the learning leader has two facets: one focuses upon individual learning and the personal outcomes of this process; the second focuses upon what he or she may do to facilitate collective learning and the organizational outcomes associated with this process. The former is the subject of traditional leader learning and development, and it is to the latter (the role of the leader in

collective learning) that we now turn our attention. Many of the changes in management and organization in recent years have redefined old paradigms. Organizations appear to be in a constant state of flux against a backcloth of a dynamic and fast-moving business environment. For example, the learning organization challenged older administratively driven structures; collective learning is seen as overcoming the weakness of decisions taken by 'too few brains'; and developments in work design and organizational design allied to technological change have led to a realization of the distributed nature of working and knowing.

The learner (broadly conceived) now takes centre stage in much of organizational life. Leadership as a 'primal' (Goleman et al. 2002) process in organizations has not escaped these developments and in a learning environment, leaders, rather than providing answers, need to be able to 'reinforce others and join with them in their quest for answers' (Raelin 2000: 45). Organizations in the modern world demand leaders who are learners. Learning leaders are less defined by the skills and styles that they have than they are by individual characteristics such as the ability to communicate and argue, by an orientation to process rather than structure, and with a curiosity and sensitivity supported by a strong self confidence (Krebsback-Gnath 2001: 899). Learning leaders are individuals who help followers to create meaning through engagement in a mutual learning enterprise, and Meisel and Fearon (1994) suggested that this search for meaning has a number of identifiable attributes:

- seeing doubt, uncertainty and ambiguity as opportunities for learning and not just a state of anxiety that needs to be remedied;
- being prepared to stop, think and question and run the risk of experimentation that may overhaul old established ways of working and using paradigm shift as a source of creativity;
- organizing the search for new information, its acquisition, and articulation and sharing and converting new learning into actionable knowledge.

Sadler (2001) argued that the interest in the role of the leader and in

leadership in organizations and learning stems from two sources. The first of these is the importance that processes of influence (such as that exercised by a leader) have upon the achievement (or performance) and adaptation of an organization in response to environmental uncertainty and turbulence. The second reason, he argued, is because employees are more sophisticated and educated than they were in the past and therefore the heroic and charismatic style of leadership is likely to hold less sway than is an approach that encourages teamwork, participation and learning. Learning leaders who can fulfill the role of steward, designer and teacher are needed at all levels, from the Board to the shop floor (Sadler 2001: 423).

In contrast to this idea is the reality that leadership can sometimes also be a barrier to learning, especially when there are not enough leaders and when those who are available block learning by treating 'knowing' as a greater virtue than 'learning', thus curtailing the opportunities of followers to contribute to the generation and acquisition of new knowledge (Berthoin et al. 2001; Sadler 2001). According to Berthoin et al. (2001: 882-3), learning leaders have a responsibility to ensure that the cultural factors that may impede learning are surfaced and that people are able to avoid colluding with the dominant and culturally acceptable definition of the organizational problem. Hence leaders can be seen potentially both as facilitators of learning and barriers to learning; a learning leader is able to recognize the blockages (and the possibility that he or she may also be contributing to them), and, through public scrutiny and reflection, surface and share assumptions and values in order that a more explicit and commonly held understanding may be achieved.

Child and Heavens (2001: 312-13) described the contribution of leaders to learning as having three dimensions:

- establishing a culture conducive to learning that breaks down barriers, where these exist, by the communication of a vision from the top and frame breaking moves where barriers prove to be insuperable;
- supporting the culture with a set of practices that permit autonomy, which will lead to the creation of insights and new knowledge in pursuit

of present effectiveness and future opportunities for the organization;

- enabling boundary-spanning communication across three channels between higher management and other groups in the organization, differing specialists within the organization and the organization and other organizations including customers, suppliers, competitors and research institutions (Child and Heavens 2001).

As well as learning through planned and formalized activities, learning leaders (and others) can develop the capacity to learn through 'off the job' experiences in work and everyday life more generally. Ruderman et al. (2002) suggested that there are a number of ways in which this may occur; for example, the skills of handling multiple tasks in non-work settings (such as the home) can be good practice for doing so at work. Personal interests and the pursuit of these can also contribute to job performance since they may give knowledge about a location, an industry type or a customer's perspective. Learning to lead in home or non work organizations can yield valuable lessons that may translate to a job role (Ruderman et al. 2002). But what might we look for in our efforts to recognize a leadership that is conducive to learning?

We began our discussion of the learning leader by drawing a distinction between the individual learning of the leader and the collective learning that he or she may facilitate. The two are inextricably linked and, under a virtuous set of circumstances, developing the leader can also lead to the development of the organization through establishing, supporting and fostering the culture for learning and the associated mind-sets and processes (see Child and Heavens 2001). Similarly, the development of an organization of itself demands the development of its leaders through tough assignments and by motivating, challenging and provoking them to learn.

Gosling and Mintzberg (2004:21) argued that leadership development should result in organizational development. Moreover, they argued that where the learning and development has taken place in an educational context (for example in an MBA programme), there should be an obligation on the

individual to diffuse her or his learning into the organization in order to maximize its collective impact. Such an approach may be founded on a partnership between organizations and educational establishments (such as business and management schools) through a commitment to the continual acquisition and diffusion of learning throughout organizations as a matter of company philosophy and practice (Gosling and Mintzberg 2004: 22). A virtuous circle of leadership and learning is illustrated in Figure 3.1.

The complexity and the dynamism of modern business environments are often cited as reasons why it is essential that organizations and individuals learn to change and adapt to changed conditions. In our earlier discussions of collective learning and action learning we encountered the maxims that learning is 'the only sustainable source of competitive advantage' and that managers' learning must be equal to or greater than the rate of change in their environment. Drawing together the various strands that have emerged in the course of these discussions it is possible to propose a profile for a learning leader and for learning leadership. The characteristics of a learning leader include:

1. A commitment to their own and others' learning-in-action and learning-from action.
2. An intrapersonal awareness that values reflexive self-knowledge and the capability to recognize those defensive reactions that may inhibit learning
3. An ability to make judgments that take account of context; in this sense such judgments may exhibit some of the features of expertise (see Dreyfus and Dreyfus 1986) or the unconscious and responsive leader behaviours described by Barnard (1948).
4. An interpersonal awareness to the extent that they extend time and suspend their own beliefs to empathize with others.
5. A systemic mind-set that enables them to see organizations from an integrated and holistic viewpoint (Raelin 2004: 134).

How does a leader become a learning leader? In their research into leadership and learning in cardiac surgery teams in the USA, Edmondson et al. (2001)

argued that creating the environment for learning is not that difficult but time is of the essence. It is crucial that leaders act quickly since it is to them that followers look for the cues about how they are expected to behave. In order to set the right tone from the outset leaders need to: be accessible rather than aloof; ask for and value the input of followers; and, finally, admit their mistakes and serve as a 'fallibility model' in order to provide witness to the fact that errors can be discussed without fear of retribution (Edmondson et al. 2001: 132) and that in real-world practice authentic leadership and authentic learning are inextricably interconnected.

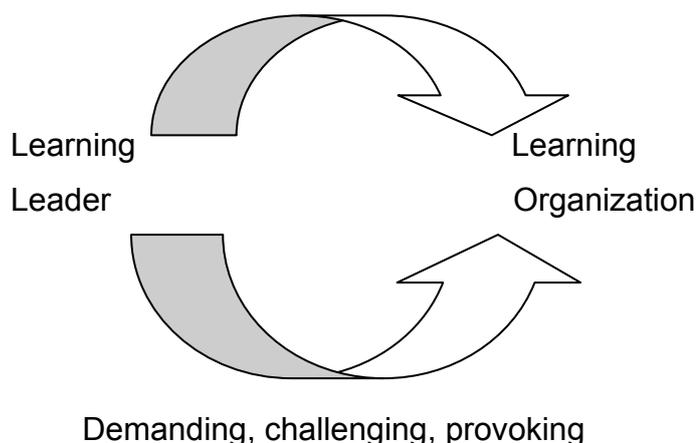


Figure 4: A virtuous circle of leader learning and organizational learning (Eugene Sadler –Smith, 2001)

The figure above shows that a learning leader challenges his team, demands of them to take ownership of processes and decisions and provokes them to learn more from their experiences and contribute and be active in their own learning. All these actions on the part of the leader results in an organization becoming a learning organization as the team become knowledge workers who are challenged and stretched to realize their full potential.

The relationship between the type of leader an organization has and the extent to which that organization is a learning organization is shown in Figure 1 above. Leadership style or the learning leader is one of the factors the study uses to determine the level of maturity of a learning organization.

In determining the extent to which an organization is a learning organisation or has some of the aspects which characterize a leaning organization some experts have

come up with tools which attempt to ascertain the extent to which an organisation can be viewed as being a learning organisation.

### **3.10 Determining the Level of Maturity of a Learning Organization**

Experts suggest that an assessment tool is a highly effective way to promote organizational learning (Pace, 2002; Redding, 1997; Gephart, Marwick et al., 1996). Recent investigations are developing ways to measure the impact of organizational learning on outcomes such as financial performance, productivity, waste production, continuous improvement, customer focus, and employee behaviours, satisfaction, and performance.

#### ***3.10.1 The Learning Organization Audit***

The most informative article regarding methods for evaluating learning organizations was written by Pace (2002). His "The Learning Organization Audit" article examines alternative ways to assess organizational learning. The article begins by "highlighting the enormity of the task" of a learning organization, which many describe as an ideal that organizations continue to strive for (Redding). Pace describes assessment approaches for measuring three aspects of organizational learning.

The first assessment approach is an Organizational Learning Profile (OLP) survey that assesses to what degree organizational learning is taking place. This approach measures four factors that describe important elements of learning in an organization:

- a) Information-sharing patterns,
- b) Inquiry climate,
- c) Learning practices, and
- d) Achievement mindset.

Information-sharing patterns include the ways and the extent to which organizational members share information. Inquiry climate includes the ways and extent to which organization members inquire, challenge, and experiment to improve organizational functioning. The learning practices factor focuses on the kinds of activities in which organizational members engage to learn. Finally, the achievement mindset factor has to do with the perspective that organizational members have regarding their

desire to achieve in the organization. The OLP consists of 34 items that cluster around these four factors. The survey asks respondents to indicate the extent to which they agree or disagree with the 34 assertive statements, using a six-point scale. The focus of the OLP is the learning process and, in particular, how well respondents perceive that the learning elements are implemented.

The second instrument: Pace describes is the Dimensions of the Learning Organization Questionnaire (DLOQ). This survey assesses whether an organization has the characteristics of a learning organization. The survey consists of 55 statements about organizational practices related to seven dimensions of a learning organization:

- a) creates continuous learning opportunities,
- b) promotes dialogue and inquiry,
- c) promotes collaboration and team learning,
- d) empowers people to evolve a collective vision,
- e) establishes systems to capture and share learning,
- f) connects the organization to its environment, and
- g) provides strategic leadership for learning.

The survey items are organized by organizational level: individual, team, and organization. Respondents indicate the degree to which they perceive these practices occur, using a 6-point scale from almost always to almost never.

A third type of audit assesses whether organizational outcomes are affected by learning initiatives. Here he describes two instruments. The first instrument is the section of the DLOQ survey that assesses perceptions of desired organizational outcomes. While survey measures perceptions, Pace notes that the researchers "have not attempted to secure objective performance measures related to these perceptions." The second tool, which he does not name, collects objective data before and after learning programs are implemented on at least four business results: total products produced, project costs, overtime hours and pay, and employee satisfaction, for measurement. These audits offer three very different types of measurements: whether organizational learning is taking place, whether an organization has the characteristics of a learning organization, and whether certain outcomes are affected by learning initiatives. Of these three assessments many

firms may argue that only the latter is of value since it correlates learning initiatives with measures of organizational success outcomes. As global competition increases, assessing organizational outcomes seems to be becoming increasingly important Corrs (2003).

In their article "Hardwiring the Learning Organization," Gephart, *et al* (1996) (like Redding) point to the American Society for Training and Development Learning Organization Assessment Framework. The authors purport that most learning organization models emphasize leadership and management, culture, and systems for communication, information, and knowledge. They say less emphasis is placed on organizational structure and systems for facilitating change, including support systems for performance. Through a number of case studies the authors emphasize how important such support systems are for promoting organizational learning and, vice versa, how important organizational learning is for promoting organizational outcomes. In fact, the article provides examples of how Corning, Analogue Devices, GE, and others link learning to important company performance measures.

Linking organizational learning with improved financial performance comes from research at the Centre for Effective Organizations at the University of Southern California. Organizational learning had a positive effect on the perceived and actual financial performance of companies in the Centre's study. For individual employees, organizational learning had a significant effect on areas including continuous improvement, customer focus, employee commitment, and overall work performance. However, the authors caution that support systems "are only as good as the measures they track." The article offers a noteworthy mention of a 1992 survey of executives about the effect of organizational learning on innovation and competitiveness. "The survey found that *experimentation significantly enhances innovation but not competitiveness*," the article explains, "...continuous improvement and knowledge acquisition enhances competitiveness."

The article also provides a list of essential features of a learning organization:

- Continuous learning at the systems level
- Knowledge generation and sharing
- Critical, systems thinking

- A culture of learning
- A spirit of flexibility and experimentation
- People-centred

Redding (1997)'s "Hardwiring the Learning Organization" is a step-by-step guide to characteristics of a learning organization. Redding emphasizes the uniqueness of an organization, stressing that each "must discover their own solutions, not borrow them" when it comes to assessing learning characteristics.

He offers an example process that is based on "dozens of assessments conducted by the Institute for Strategic Learning," and indicates that a wide variety of instruments exist. Redding recommends that a first step of the assessment process is to clarify the reason for the assessment, naming several common purposes and uses. Also critical during this first step is designating the "owners" of the assessment appropriately, i.e., the owners should be key business decision makers. Redding names these common purposes and uses for learning organization assessments:

- Determine a company's current status as a learning organization
- Educate a company on what it means to be a learning organization
- Engender creativity and innovation
- Encourage dialogue, common understanding, and sharing of different perspectives about organizational succession

The figure below shows other factors and characteristics which according to literature also determine the level of maturity of a learning organization;

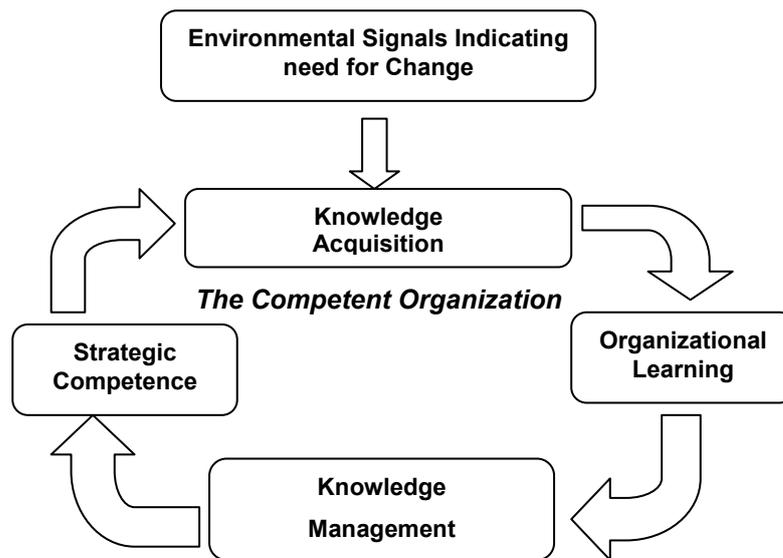


Figure 5: Relationship between strategic competence, information acquisition, organizational learning and knowledge management (Hodgkinson and Sparrow, 2002:232)

### 3.11 The learning and development Core Competence of an Organization

The learning of an organization's employees is a rare, valuable and costly to imitate form of capital. The process of learning is a core competence for success (Figure 3). A core competence as illustrated above may be defined in terms of four of the characteristics proposed by Hamel and Prahalad (1994), as outlined below:

- Provides benefits to customers
- Is not product specific nor is it an asset (in the accounting sense)
- Is competitively unique
- Represents an opportunity or gate way to the future.

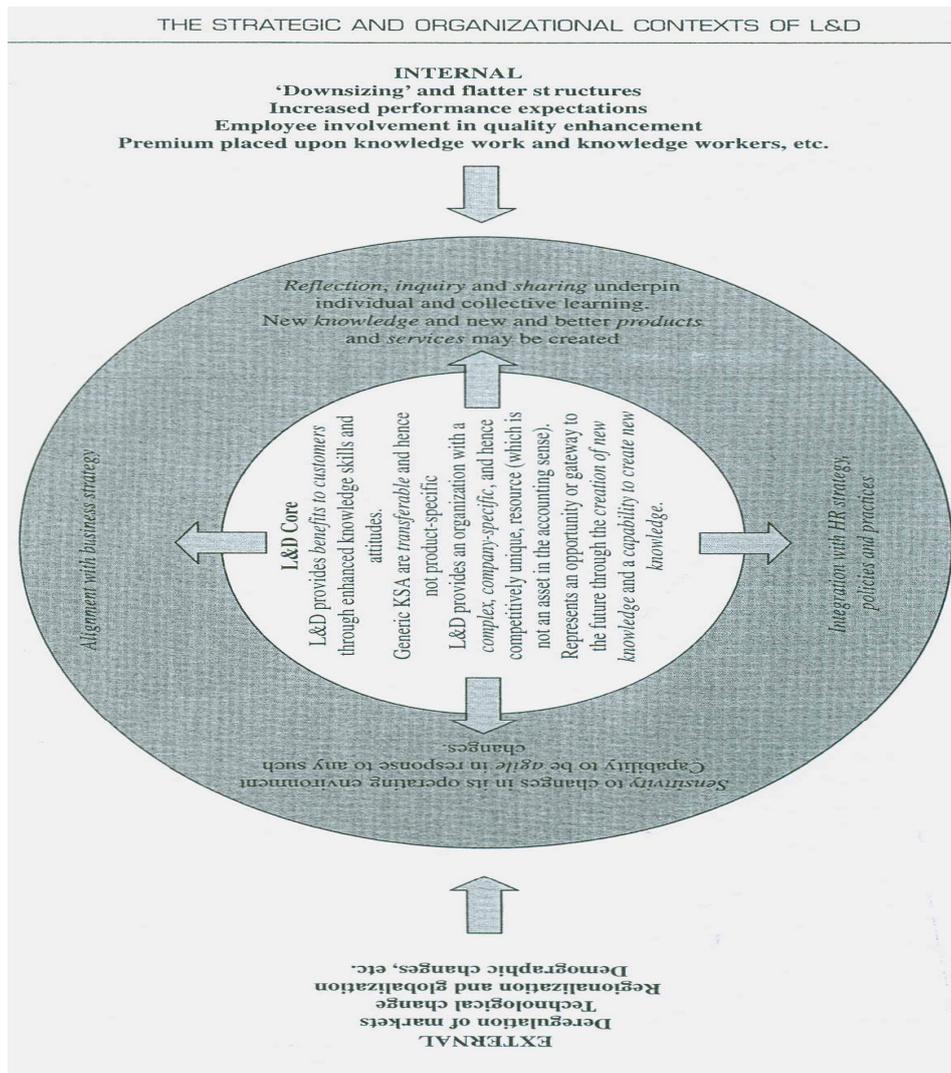


Figure 6: Learning and Development as a core competence (Saddler-Smith, 2006)

### 3.11.1 The Core learning and development Competence of an Organization

The core Learning and Development competence of an organization is one that:-

- Enables employees to acquire and create knowledge ,skills and attitudes necessary for them to provide value to stakeholders;
- Generic and transferable and is as much concerned with the process of learning as it is with the content of learning(hence is not necessarily tied to a specific product or service)
- Is complex and situated in a context and hence is difficult to imitate and transfer between organizations.

- Empowers and emancipates employees in ways that enable them to engage in learning in a critical and reflective way , in order that they may create the products and services that will secure the continued existence and further success of an organization in which they themselves may develop and grow (Saddler-Smith, 2006).

Those organizations for which learning and development is a core strategic component can be recognized by their:-

- External face - this reflects sensitivity to the changes that are occurring or may be likely to occur in the organizations operating environment, and the capability to be agile in response to any such changes.
- Internal face - this displays the qualities of reflection, inquiry and sharing which underpin the individual and collective learning of the organization's members and whereby new knowledge and new and better products and services may be created (Sugarman, 1996:62)

The learning and development context of an organization enables it to face outwards to the threats and challenges posed by the external environment. As well as having an inward face with respect to how learning and development creates new knowledge and how it interfaces with the knowledge creation process, learning and development's inward face also needs to be integrated with other elements of the organizational and Human Resources systems, for example in the design of work, the selection of employees, reward and incentive systems and the culture and climate of the organization. For example, Leonard (1998), in discussing the case of Chaparral Steel in the USA (a highly equipment – and plant intensive steel milling company), argued that:

- Competitively advantageous equipment can be installed, used and improved only if the workers are highly skilled.
- Continuous learning is only a reality if the employees are selected for their willing to learn.

- Scanning the environment is only advantageous if the employees are empowered (and it might be added incentivized) to apply the knowledge to production problems.

Where these elements are integrated in a complex way the Learning and development competence of an organization is a difficult –to imitate source of competitive advantage that may foster creativity, innovation and entrepreneurship and differentiate a business from the competition. The knowledge and knowledge creating processes that Learning and development may leverage is an intangible resource which competitors may find difficult to imitate and hence is a core competence upon which an organization can build a lasting competitive advantage (Saddler-Smith, 2006).

### ***3.11.2 Why Organizations Require Learning and development as a Core Competence***

Why do organizations need learning and development as a core competence Boxall and Purcell (2003:19) identify a number of factors that have put greater pressure on cost structures and increased the need for flexibility adaptability and business renewal;

- For example in the UK the deregulation of product, capital and labour markets has exposed organizations and employees to increased levels of competition
- Rapid pace of technological change, often producing discontinuities, offered new ways of improving production, distribution and communication processes. These presented organizations simultaneously with opportunities and challenges.
- Regionalization and globalization of business has similarly created new opportunities for larger markets, but also exposed organizations to competitive threats from across the globe.

The effects of these pressures include: the need to downsize '(by making jobs redundant) increased performance expectations for example , for employees to take on wider job roles, a drive for employee involvement in quality enhancement processes (such as Total Quality Management(TQM)) and the premium that is placed upon knowledge work and knowledge workers.

Mahoney (2000), states that, "I have found useful for work with groups and individuals in the Myers-Briggs personality inventory. It builds on the pioneering work of Carl Jung and it identifies 16 personality types. The use of such instruments can be the key to success in organizations in solving people problems, rather than searching for a magical solution. Anyone who has lived in a family group could testify to the times when personality differences lead to a conflict of interest. These conflicts can sometimes lead to problems being avoided and unresolved for years and sometimes even lifetimes.. It is how the personality differences are handled, that help create a learning organization.

Corrs (2003), states that the authors whose names came up again and again as "founders" of this approach are Senge (1990), Argyris (1978), Schon (1983), and Wheatley (1999). Also highlighted in this section is Ratner (1997)'s description of the fundamental shift in learning approaches in the latter half of the 20th century that has given rise to exiting new fields like organizational learning.

### **3.12 Perspectives from different scholars on organisation learning and organisational behaviour**

Using a spider's web as a metaphor, Wheatley (1999) vividly demonstrates how organizations are living entities and that learning and change strengthen their structure and their communities. "Once we recognize that organizations are webs, there is much we can learn about organizational change just from contemplating spider webs. Most of us have had the experience of touching a spider web, feeling its resiliency, noticing how slight pressure in one area jiggles the entire web. If a web breaks and needs repair, the spider doesn't cut out a piece, terminate it, or alter the entire web apart and reorganize it. She *reweaves* it, using the silken relationships that are already there, creating stronger connections across the weakened spaces (Wheatley, 1999)

In order to change, the system needs to learn more about itself from itself. We are terrified of emotions aroused by conflict, loss, love. In all of these struggles, it is being human that creates the problem. We have not yet learned how to be together. After all these years of denying the fact that we are humans, vulnerable to the same

dynamics that swirl in all life (plus some unique to our species), we are being called to encounter one another in the messiness and beauty that names us as alive.").

(Wheatley, 1999)

Ratner (1997) offers an insightful description of the fundamental shift in learning approaches in the latter half of the 20th century that is giving rise to exciting new fields such as active learning, collaborative learning, and organizational learning. This shift, from thinking of learning as a transaction to learning as a process, is shown in Table 2. This shift eliminates the separation of teacher from student and replaces it with dialogue between teacher and student to encourage joint responsibility for learning and growth (Burkey, 1993).

Table 1 : Old and New Answers to How We Learn (Ratner, 1997)

<b>Old Answers</b>	<b>New Answers</b>
Knowledge is a "thing" that is transferred	Knowledge is "created" through this relationship from one person to another.
Knowledge is objective and certain	Knowledge is subjective and provisional
Learners receive knowledge.	Learners create knowledge
We all learn in the same way	There are many different learning styles
Knowledge is organized in stable, hierarchical structures that can be treated independently of one another.	Knowledge is organized "ecologically;" disciplines are integrative and interactive.
We learn best passively, by listening and Watching	We learn best by actively doing

### **3.13 Today's Approaches for Building Learning Organizations**

According to Ratner (1997), one of the primary questions that came out of the January dialogue I held with local organizational learning experts is, "What really works when attempting to build a learning organization - from attaining management commitment, to engaging the right people, to sustaining momentum once you start?" The famous concepts and individual success cases described above are great, but how can we apply these ideas successfully? Several practitioners address just this question.

### **3.13.1 Workplace Climate is Key**

To talk about becoming a "learning organization" without creating a learning atmosphere is an exercise in futility, according to Rothwell, professor of workforce education and development in the College of Education at Pennsylvania State University. In his recently published book, *The Workplace Learner: How to Align Training Initiatives with Individual Learning Competencies*, Rothwell (2002) says that a workplace learning climate is only favourable when employers take specific, carefully planned steps to ensure that their employees learn (Rothwell, 2002).

According to Rothwell (2002), company leaders first have to commit sufficient financial resources and time for workplace learning, while establishing realistic goals and expectations for learning. This commitment has to be matched by middle management, union leaders, and the employees themselves. Next, management has to share a common vision of what it ultimately hopes to achieve through workplace learning. At the same time, the company must inspire sufficient trust in employees that they will participate in workplace learning programs, despite the risks involved in breaking out of one's routine and comfort zone. He further said: "Finally, organizations should give their employees ample incentives and rewards to encourage them to pursue workplace learning and make sure they know what's in it for them."

Rothwell (2002) formulated these conclusions based on the results of a five-year study of managers, professionals, technicians and workers in five industry sectors: health and human services, office, financial services and government accommodation and personal services; manufacturing, agribusiness, mining and construction; and trade, transportation and communications. His research focused on ways to measure learning climate. To do that, he asked employees about the conditions in their workplaces that either encourage or discourage their real-time learning efforts to solve work-related problems.

### **Sustaining Momentum in Learning Organizations**

Since Senge published "The Fifth Discipline" in 1990, he and his associates have frequently been asked by the business community, "How do we go beyond the first steps of corporate change? How do we sustain momentum?" (Senge, 1990 and

Kleiner et al., 1999). A more recent book by Senge (1999) and several colleagues, *The Dance of Change: The Challenges to Sustaining Momentum in Learning Organizations* discusses how the challenges to sustaining momentum are largely internal and offers strategies for success. Using nature as a metaphor, which is familiar to students of systems thinking, Senge and colleagues illustrate how organizations have a life cycle like any organism. They assert that biology, which shows that organisms are affected by both growth and limiting processes, can teach us much about the growth and premature death of organizational change initiatives. The authors suggest that most organizational learning initiatives deal only with growth processes and not with the limiting processes. By thinking of sustaining change more biologically and less mechanistically, we can overcome the challenges of redesigning and rethinking: not enough time, no help, not relevant, and not walking the talk. A focus on limiting processes is also key for facing the challenges of sustaining transformation, which he calls fear and anxiety, assessment and measurement, true believers and non-believers.

The sources described above outline historical and current efforts over this time to define, build, evaluate, and sustain learning organizations. Cornerstone definitions of a learning organization include Senge's *Fifth Discipline* (1990) definition, The American Society of Training and Development's Learning Organization Assessment Framework (1995) and Peter Senge's Definition of a Learning Organization (Senge, 1999; Kleiner et al., 1994).

Redding, (1997) proposes that the key premises for Learning Organizations are:

- Organizations and groups, not just individuals, learn.
- The degree that an organization learns determines its capability to transform itself to meet demands for fast, fundamental change.
- A Company is a learning organization to the degree that it has purposefully built its capacity to learn as a whole system and woven that capacity into all of its aspects: vision and strategy, leadership and management, culture, structure, systems, and process.

The following case study is illustrative of the challenges which can be faced when trying to transform an organization into a learning organization. The

case study department was the *Data Shaping Division* (DSD) of a manufacturer of semi-conductors (under the fictitious name of Computer Chips International) which employed 1,800 workers. The company mission was the development of new products and the redesign of existing products to meet new market needs. Engineers played a leading role in the organization and determined its dominant culture. This was driven by an optimism based on faith in science and technology, a 'can do' attitude allied to a problem-solving and pragmatic bent. The company had low turnover (although it had recently downsized from 3,000 employees) with a strong work ethic amongst employees (partly as a result of a wish to avoid being laid off). A principal issue that DSD had to address was that of cycle time (development project durations). A project team concluded that the concepts and tools of the learning organization as embodied in Senge's work could, by transforming DSD into a learning organization, substantially reduce product cycle times (Ford et al. 2000: 74).

A sub-unit of the DSD, the Progressive Logic Department (PLD), with 100 employees, was chosen as a pilot site prior to the planned implementation across the whole of the DSD. The Implementation Team was supported by researchers from the Organizational Learning Center at Massachusetts Institute of Technology (MIT). Ford et al. claimed that because the only challenge that existed in the organization to building a learning organization related to culture (for example, senior manager support was taken as a given), this acted effectively as an experimental 'control' enabling the effect of culture to be singled out for study. The research adopted an action-based approach and members of the Implementation Team themselves were trained in qualitative research methods (such as participant observation).  
What do you want to address here)

Competencies in the five disciplines of the learning organization as defined by Senge (1990) (systems thinking, personal mastery, mental models, shared vision and team learning) were chosen as evaluation criteria for the project. These disciplines were seen as enabling skills for the three steps in the process of organizational learning proposed by Nevis et al. (1995), namely:

knowledge acquisition, knowledge sharing and knowledge utilization. The latter was modeled in a virtuous cycle as leading to performance improvement, recognition of the benefits of learning, commitment to organizational learning, effortful learning and positive feedback into enhanced competence in the five disciplines. Ford et al. (2000) describe in depth the ways in which the five disciplines were implemented and their attempted integration with the Nevis et al. process against the ever-present background of a strong engineering culture. They identified a number of constraints on the project's success, but principal amongst these were the knowledge sharing and knowledge utilization stages of the process. Whilst readers are referred to the full article for the details, the researchers' overall assessment of the project's attempts to transform the DSD into a learning organization was that it had failed.

The project's 'failure to transform the DSD into a learning organization' (Ford et al. (2000: 81) was hypothesized as being for three possible reasons:

1. The first of these is attributed to the lack of an experimental mindset in the DSD's engineering culture; failures were seen less as a source of learning and more as a high risk for the experimenter with high potential costs (it should be remembered that this is set in a context of low job security).
2. The second possible factor was the lack of organizational and physical infrastructure for organizational learning.
3. The third possible explanation, and related to (1) above, was the strength of the engineering culture and, arguably, an intrinsic dysfunctional from a learning perspective.

Ford et al. (2000) are consistent with Schein's characterization of an engineering culture in which the preference is for automation and 'designing people out' of the system. The risk averseness and general anxiety with regard to job security compounded created a resistance to learning that was impossible for the Implementation Team to penetrate. The Implementation Team became isolated, acting in effect as an ad hoc executive, which

exacerbated the perceived threat from organizational learning. The research presents an honest and frank exposition of the difficulties of implementing the concept of a learning organization in a culture that is inherently technocratic and risk averse. The authors argue that, to be successful, the potential negative effects of this culture should have been recognized earlier and the necessary infrastructures for learning put into place in an environment that might come to embrace experimentation and learning. The extent to which these are incommensurate with the dominance of a learning-averse culture (in this case an engineering culture) remains an open question on the basis of this research.

In concluding this chapter, there is a vast selection of literature on learning organisations as the researcher has demonstrated in the literature review above and there are many factors which one may use to determine the extent to which an organisation may be seen as a learning organisation.

## **CHAPTER 4**

### **RESEARCH METHODOLOGY**

#### **4.1 Introduction**

This chapter outlines the methodology used in conducting the research, descriptions of the instruments used for data collection, the methods used to process and analyze the data and the discussion on the validity and reliability of the methods used. Research methodology is the process, instruments, and procedures to be used in the research (De Vos, 2002). It also comprises the procedural rules for evaluation of the research claims and the validation of the knowledge gathered, while research design functions as the research blueprint (Creswell, 2003). Cooper and Schindler (2003) say that the determination of the research methodology is one of the most significant challenges which confront researchers because the quality and value of a research are largely predicated on the extent to which the researcher has clearly expressed his methodology, on the one hand, and has selected the most appropriate research approach, on the other.

#### **4.2 Research Design**

In the Case study design the researcher collects extensive data on the individual(s), program(s) on which the investigation is focused. These data often include observations, interviews, and documents. The researcher also records details about the context surrounding the case, including information about the physical environment and any historical, economic and social factors that have bearing on the situation, Leedy, (2005).

As the area of learning organisations is not very common in Zimbabwe, the case study method is appropriate because owing to its extensive and in-depth nature and the fact that the researcher will have to identify the context of the case, others may be able to read the case study and draw conclusions about the extent to which its findings may be generalisable to other situations

The advantages of the case study design are according to Leedy, (2005)'s assertions;

- Case study design is very suitable for learning about a little known or poorly understood situation or area. This is the case with the subject of “learning organisations” in Zimbabwe; the area is not widely known or researched into.
- The researcher will be able to carry out in-depth study of the area of focus as case study design allows for in-depth study.

Major weaknesses include;

- When one single case is involved ,one cannot be sure that the findings are generalisable to other situations

#### ***4.2.1 Statement of problem and sub problem leading to the research questions.***

The researcher referred to the research problems cited in chapter one to design the research instrument that adequately addressed the research question. The researcher carried out an evaluation of the status of learning in BancABC. The research problems below will form an integral basis of the research instrument, which seeks to address the research problem which is, *The extent to which organisations in Zimbabwe are learning organisations, a case study of BancABC.*

*The research objectives below will be addressed;*

- The effect of enabling organisational structures/structures on learning organisations.
- The effect of learning leader/leadership style on learning organisations.
- The effect of learning and development on learning organisations.
- The effect of organisational culture on learning organizations.

#### **4.3 Research purpose**

The research was conducted in Harare at BancABC (**where**) between September and October 2011(**when**). The research was conducted by means of a self administered questionnaire (**how**), which was hand delivered and / or emailed to a stratified sample and randomly selected bank employees within two levels in the organization, non managerial employees and managerial employees (**who**). The main purpose of the study was to investigate the status of learning at BancABC in

the context of literature on Learning organizations.(**what**), and the extent to which practices and the learning culture in the bank was in tandem with literature on learning organizations.(**what**). The study was spurred by the lack of research into this area in the Zimbabwean context.

#### ***4.3.1 Time dimension and research environment***

The research was carried out over two months. The respondents responded to the research instrument based on their understanding of the area under research, that of learning organisations. There was no influence from the researcher in the answers provided by the respondents. The research environment was the normal workplace environment and during normal working times. The research was cross sectional as it was carried out at one point in time.

#### **4.4. Research Method.**

The Research method the researcher is going to use for the purposes of this study is both the Qualitative and quantitative research methods. Leedy, (2005) outlines the following purposes and assumptions which are served by qualitative research designs,

- They can reveal the nature of certain situations, settings, processes, relationships, systems, or people.
- They enable a researcher to gain new insights about a particular phenomenon, develop new concepts or theoretical perspectives about the phenomenon, and/or discover the problems that exist within the phenomenon.
- They allow the researcher to test the validity of certain assumptions, claims, theories, or generalisations within the world contexts.
- They provide a means through which a researcher can judge the effectiveness of particular policies, practices and innovations

This methodology is suitable for the researcher's case study as the researcher will need to describe, interpret, verify and evaluate certain assumptions, situations, relationships and practices when looking at the extent of maturity of BancABC as a learning organisation. The challenge is that there is an argument on the difficulty researchers have to objectively measure qualitative designs.

The researcher is also using the descriptive survey method of research as a quantitative method. The method is suitable for the researcher's case study as it relies on self-report data, the respondents are reporting on how they view and have experienced the situation at hand. The survey method is a common approach to research used with more or less sophistication in many areas of human activity. It however, captures a fleeting moment in time, which moment may not remain the same so at best there is the use of extrapolation to which in itself according to Leedy (2005) is a conjecture at best. By drawing conclusions from one period of time, we may draw conclusions on the state of affairs of things over a long period of time, such conclusions which may not be generalizable after a period.

#### **4.5 Population and sample**

According to Cooper and Schindler (2003), a population is the total collection of elements from which one can make some inference. A population is generally a homogenous group of individual units. It contains definite strata that are equal in size and consist of discrete clusters with similar characteristics but individual units within each cluster show variability in a characteristic that is similar to the variability in the overall population. As the researcher is going to use the case study method, the population is all BancABC Zimbabwe Limited employees located in Zimbabwe.

##### **4.5.1 Population**

The total population for BancABC is 350 employees. The participants were chosen from BancABC Harare from three levels of employees. One level being that of middle manager, senior managers and the other level being that of non managerial employees who fall at a supervisory level. The participants were drawn from Harare because of better accessibility and limited resources. They were also selected based on their willingness to participate in the survey.

##### **4.5.2 Sample and Sampling method**

A stratified random sampling was used to draw a sample of 50 respondents from a population of 350 employees of BancABC Zimbabwe. The researcher distributed questionnaires to the 50 respondents; the researcher drew 20 respondents from non-managerial members of staff and 15 from middle managers and the remaining

15 from senior managers as the researcher felt this sample would be representative of the levels in the organisation which are bound to give the researcher the information she needed. The researcher applied to BancABC Limited of Zimbabwe through the Human Capital department for permission to use the institution as a case study. The researcher convinced the institution to agree to the study by sharing with them information on how important this study would benefit them as an institution and the benefits they could obtain by having the researcher interview the staff and get honest feedback about how they felt about BancABC in the context of the Learning organisation.

#### **4.5.3 Sample profile and size**

A sample is used in research because it is usually not feasible to get every member of the respective population to be a respondent /participant. According to Hair, *et al.*, (2003) sample size formulae cannot be appropriately used for a non probability samples.

In this study, the researcher based her judgment on the time available for the study and financial resources constraints and so used a smaller sample. The researcher took the sample from the population of 350 employees a total of 50 (N=50) as her targeted sample. The researcher felt this would be fairly representative of the population. Of the 50 participants, there were respondents from both genders.

The participants were drawn from three organizational strata as follows: - category A (Non Managers) - 20 participants; category B (Middle managers) - 15 participants and Category C (Senior Management) - 15 participants. The following criteria were used to select the participants. (a) Permanently employed full time as a bank employee; (b) At least 21 years of age; (c) Has been working for the organization for at least two years. The sample had representation from both males and females.

#### **4.6 Research Instrument (Annexe B)**

The researcher used a questionnaire as her research instrument. The questionnaire had both open-and close ended in order to solicit and get more information. The questionnaire used a 5 point Likert scale and also had 7 questions which required

narrative responses. The questionnaire was piloted to 4 random respondents in order to test it. Based on the feedback from the 4 respondents the researcher edited the instrument before administering it to the respondents.

#### ***4.6.1 Validity Assessment of the research instrument***

##### **Validity and reliability**

According to Leedy, (2005) Validity is the meaningfulness and credibility of the research project as a whole. Validity can be defined as the extent of dependability, confirmability, verification and transferability of the project as a whole.

##### **External validity**

Leedy, (2005) defines external validity as the extent to which a research study's results apply to situations beyond the study itself. In other words the extent to which the conclusions drawn can be generalized to other contexts. In the researcher's study enhanced external validity by ensuring that there was a representative sample. To further enhance external validity the researcher's study should be able to be replicated in a different context.

##### **Internal validity**

Leedy, (2005) describes internal validity as extent to which the design and data yielded from a research study allow the researcher to draw accurate conclusions about the cause and effect and other relationships within the data. For the purposes of this study, in order for the researcher to enhance and maximise internal validity she had to collect multiple sources of data which data can converge to support or answer a research question.

##### **Reliability**

Leedy, (2005) describes reliability as the consistency with which a measuring instrument yields a certain result when the entity being measured hasn't changed. In order to maximise reliability the researcher used a 5 point Likert scale on her questionnaires.

#### **4.7 Data sources and collection methods**

The researcher administered the questionnaires through the Human Capital department after having briefed the Human Capital contact of the target number of respondents and the sampling breakdown of the respondents.

#### **4.8 Data analysis and interpretation**

According to Leedy, (2005), in analysing data the researcher will:

- Look for a logical pattern of occurrence of facts in chronological order in order;
- Categorize the data into meaningful groups to get a sense of what the data means. Researcher will use coding;
- Use identifications of patterns or responses to questionnaires and classify them;
- Construct a general synthesis and draw conclusions that may have implications beyond the specific case;
- Researcher to look for convergence of data to draw reasonable conclusion from the same.

#### **4.9 Ethical considerations**

*Ethical issues in research:*

**Participants** who responded to the questionnaire all did so willingly. They were advised that all the information they provided would not be disseminated as individual responses but the information would be analysed and communicated in the final report and to the organisation based on the analysis on the collective

**Organisation:** Permission was sought from the organisation (BancABC, Zimbabwe) before the research was carried out. The permission was sought the Group Head Human Capital and the Managing Director and it was then granted.

**Researcher:** The researcher is obligated to meet the commitments and conditions communicated to BancABC and to the respondents. The researcher is obligated to abide to all ethical considerations stated herein and in the questionnaire.

## CHAPTER 5

### RESULTS AND DISCUSSION

#### 5.1 Introduction

This chapter outlines the findings of the research. The researcher designed the research instrument in the form of a questionnaire. The questionnaire was first administered as a pilot to four randomly selected respondents. They answered the questionnaire and communicated their experience and views to the researcher. They highlighted not only their responses to the questions posed in the questionnaire but also their feedback on how easy the questionnaire was to understand and the different aspects which they felt had to be changed for the questionnaire to be able to be interpreted correctly and be able to answer the questions it was supposed to answer. After receiving feedback from the pilot respondents the researcher reviewed the questionnaire guided by the feedback.

It also discusses the findings of the current study and draws conclusions regarding learning organisation practices in BancABC or in Zimbabwe. The main aim is to establish the extent to which the research question was addressed and whether the findings confirm or refute the hypotheses of this study. In drawing the conclusion, the study explores the implications of the findings regarding the learning organisation. The researcher presents her recommendations and the key lessons learnt as a result of conducting this study.

The results were grouped along the four main objectives of the study,

- The effect of enabling organisational structures/structures on learning organisations.
- The effect of learning leader/leadership style on learning organisations.
- The effect of learning and development on learning organisations.
- The effect of organisational culture on learning organizations.

These were taken by the researcher to represent broad themes; the questions in the tool were also drafted along the same themes.

## 5.2 Sample descriptions

### 5.2.1 Age

Table 2: Age categories of respondents

Age category	Percentage of respondents	
	Actual Percent	Cumulative Percent
21-30	41.2	41.2
31-40	52.9	94.1
41-50	5.9	100.0

It was noted that 94.1% of respondents were aged between 21 and 40 years. An age group that could be described as dynamic and very active in work environment. It is within this age category that most people are still more focused on learning in order to secure stable careers.

### 5.2.2 Gender

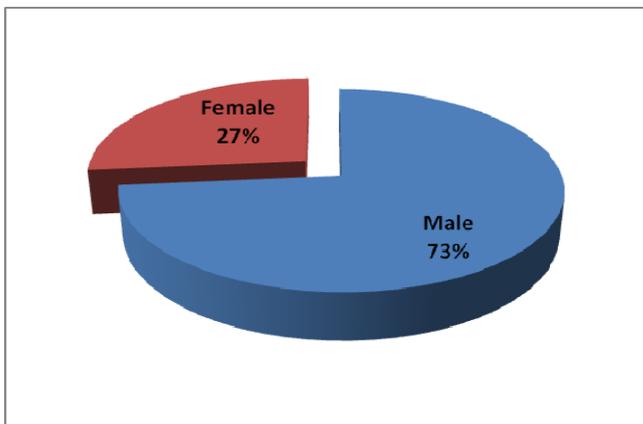


Figure 7: Gender of respondents

The proportions by gender of the total employees of BancABC were also reflected in the sample, where there were more male employees (73%) than female (23%).

### 5.2.3 Academic qualifications and position in the organization

Table 3: Academic qualifications of respondents

Qualifications	Respondents	
	Percent	Cumulative Percent
Secondary education	0	0
Secondary education and Professional qualification	8.8	8.8
University 1st Degree	52.9	61.8
University 1st Degree and Professional qualification	5.9	67.6
Masters Degree	32.4	100.0

From the 34 respondents 8.8%, had their highest qualification as a secondary education plus a professional qualification, while the remainder has a least a university 1<sup>st</sup> degree (91.2 %). It should be noted that no one had only secondary school, inferring that the organisation's recruitment policies emphasis on advanced qualifications. Of note were as well a significant percentage of employees with Masters Degree levels.

Table 4: Position in Organisation of respondents

	Frequency	Percent	Cumulative Percent
Officer /Supervisor	11	32.4	32.4
Manager	13	38.2	70.6
Senior Manager	10	29.4	100.0
<b>Total</b>	<b>34</b>		

A cross tabulation of the qualifications and position in the bank showed that the organization has even a significant percentage of academically highly qualified employees even at the lower end of management (supervisors); however employees with masters degrees at senior management level (18%) are more than at other levels of education.

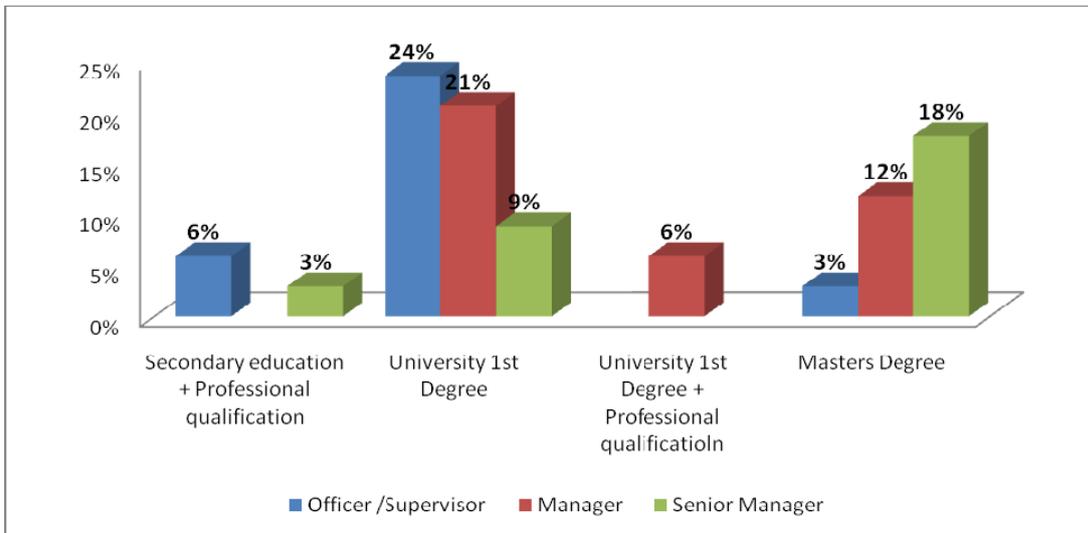


Figure 8: Academic qualifications and position in the organization

#### 5.2.4 Length of Service

The length of service in the bank was categorized in 4 and shown in the table below;

Table 5: Length of service in the organization

Length of service (Years)	Respondents		
	Count	Percent	Cumulative Percent
1-2	4	11.8	11.8
3-4	18	52.9	64.7
5-7	6	17.6	82.4
8 or more	6	17.6	100.0
<b>Total</b>	<b>34</b>	<b>100.0</b>	

Of the 34 respondents, 11.8 % had served the bank for 1-2 years. 52.9%, had served the bank for 3-4 years and 17.6% had been in the bank for 5-7 years; 17.6%, served the bank for 8 years or more.

#### 5.2.5 Number of courses attended in the last 2 years

Considering that only 11.8% had served less than two years in bank; it was necessary to look at how respondents had opportunities for further training either internally arranged training or sent for courses outside the institution. Only courses

funded by the bank were considered in this survey. The results show that most respondents (82.5%) attended some trainings up to 5 courses or trainings in the past two years.

Table 6: Number of internal courses / trainings attended in the past 2 years

Course attended	Respondents		
	Count	Percent (%)	Cumulative Percent (%)
1 to 3	15	44.2	44.2
4 to 5	13	38.3	82.5
6 to 7	4	11.7	94.2
8 or more	2	5.8	100

Table 7: Number of external courses / trainings attended in the past 2 years

Course attended	Respondents		
	Count	Percent (%)	Cumulative Percent (%)
none	7	20.6	20.6
1 to 3	18	52.9	73.5
4 to 5	8	23.5	97.1
6 to 7	0	0	97.1
8 or more	1	2.9	100.0

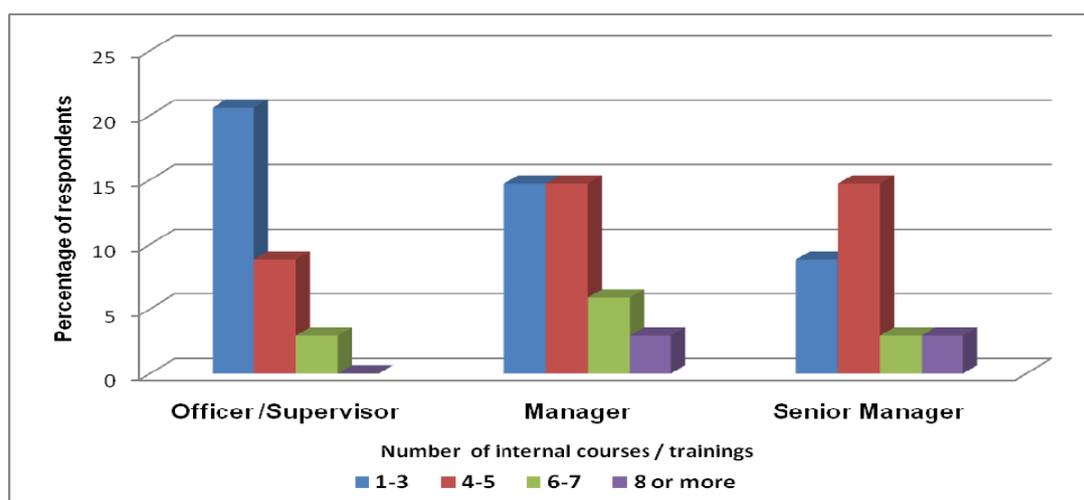


Figure 9: Number of internal courses or trainings attended in the past 2 years per respondent position in the Bank.

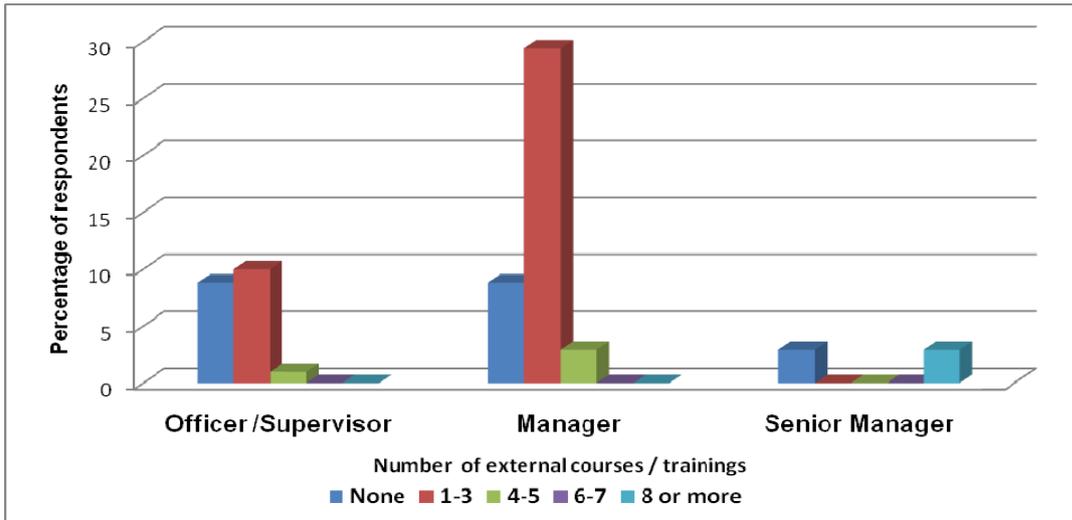


Figure 10: Number of external courses or trainings attended in the past 2 years per respondent position in the Bank.

The majority of the respondents who attended the most courses during the period were spread at all levels in the organization. It was however noted that senior managers attended more internal courses than external ones, and more managers were sent to do external courses as compared to other positions. This was attributed to the fact that senior managers wouldn't be encouraged to be away of their duty stations for an extended period of time. Hence wherever there is need, trainings and courses are designed internally at their convenient time.

### 5.3 Knowledge of a Learning Organisation

50% of the respondents had knowledge of a learning organisation while 35.3% of the respondents had slight knowledge. 14.7% of the respondents did not know anything about a learning organisation. It can be reasoned that the reason why 50% of the subjects know about the learning organisation is because 91.2% of the respondents have at least a tertiary qualification. Most bachelor's and master's degree programmes cover the subject of learning organisation as they are designed to introduce students to the various areas of business such as accounting, finance, marketing, human resources, operations management amongst others.

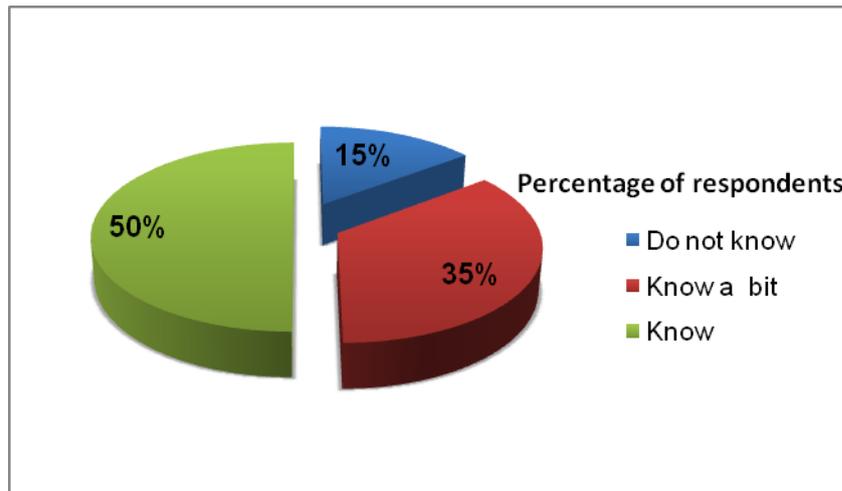


Figure 11: Percentage of respondents with knowledge of a learning organisation

#### 5.4 Learning and Development

One of the key points coming out of the study is that BancABC provides a learning environment and/or continuous learning and development opportunities. While 88.3% of respondents felt that the Bank policy on L & D was unclear, the majority of respondents submitted that opportunities, facilities and resources were made available to encourage people to manage their own learning and career development as follows: 97% of participants said L & D was critical to the Bank, 70.6% said L & D was visible in the Bank; 94.1% said L & D was critical to their performance; 88.2% said L & D was worth it and 76.5% said the Bank had a learning culture (Table 8).

The launch of Retail branches in 2009 brought about a massive increase in L & D activities. Staff continued to be better trained and enabled them to effectively execute their roles in the customer management process. The following courses have been rolled out amongst others:

- Customer relationship management skills
- Selling Skills
- Basic business/Product appreciation
- Business Grooming and Etiquette
- Behaviour & Communication Skills

- Management/Leadership Skills

Table 8: Key points of L&D in BancABC, Zimbabwe as noted by respondents

<b>A. L&amp;D is critical to the Bank</b>			
	Frequency	Percent	Cumulative Percent
Neither agree nor disagree	1	2.9	2.9
Most of the times	10	29.4	32.4
To a very large extent (all, most all the times)	23	67.6	100.0
<b>B. L&amp;D is visible in the Bank</b>			
	Frequency	Percent	Cumulative Percent
To a very small extent, rarely	6	17.6	17.6
Neither agree nor disagree	4	11.8	11.8
Most of the times	17	50.0	50.0
To a very large extent (all, most all the times)	7	20.6	20.6
<b>C. L&amp;D is critical to one's performance</b>			
	Frequency	Percent	Cumulative Percent
Neither agree nor disagree	2	5.9	5.9
Most of the times	12	35.3	41.2
To a very large extent (all, most all the times)	20	58.8	100.0

An interesting observation was that, while the Bank was viewed as providing a learning environment and opportunities for development, most respondents did not feel that the Bank supported employees in furthering their studies. Only 11.7% of respondents said the Bank supported employees in furthering their studies. One may interpret these results to mean that the Bank had not disseminated its training and development policy which covers the issue of study loans. The results suggested that maybe the employees do not fully understand the Bank's policy on study loans.

However, BancABC has committed itself to the development of its employees through a Learning and Development policy. The policy aims at equipping individual employees with the competence that enables them to perform better, hence creating a more efficient service (Annexe A). In practice, this is achieved through the provision of assistance to individuals to attend formal courses of a study programme that makes an individual more effective within the organisation. Employees are also

encouraged to attend informal courses, seminars and conferences that enable them to acquire modern knowledge or techniques linked to BancABC's objectives.

BancABC has also committed itself to helping employees who embark on learning opportunities achieved through private study, part time study or full time study. However, the study programme pursued has to be endorsed by one's supervisor and has to be related to one's job and/or has to fit within the prescribed professional training structure of the organisation. Under such conditions, BancABC finances either part of, or the full cost of the studies. On informal courses, the Bank authorizes employees to attend appropriate seminars, provided these are proved to be beneficial to the organisation. In-house courses are also run that cover any gaps that might exist within the organisation.

While BancABC is commended for the increase in L & D activities, it appears more effort should be invested in equipping employees in new positions with skills. Only 47% of respondents acknowledged that the Bank was adequately investing in L & D. The remainder of respondents felt otherwise. This could be employees who were not adequately inducted when they joined the Bank or they could be participants who feel that the Bank's induction programmes do not give a new employee a holistic view of the entire organization and its operations as well as their place within it so that they fit well and quickly within it.

## **5.5 Learning versus Training**

The organisation is strongly drawn to the notion of 'learning to learn' and a shift in emphasis from training to learning. This is evident from the efforts put in to encourage people to share their learning with others in the organisation after a training programme/course. Findings show that L & D is viewed not only as an important factor in improving individual effectiveness but also from a broader perspective as a key lever for improving organizational performance through sharing knowledge with members. A 79.4% of respondents (*"most of the time"* and *"to a very large extent"*) acknowledged that they shared knowledge from training with colleagues.

**Table 8:** View on sharing with colleagues acquired knowledge from training and courses attended.

Table 9: Perceptions on knowledge sharing with colleagues

<b>My knowledge from training is shared with colleagues</b>			
	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
To a very small extent, rarely	3	8.8	8.8
Sometimes	4	11.8	20.6
Most of the times	19	55.9	76.5
To a very large extent	8	23.5	100.0

### 5.6 Learning Climate and trust in the organization

There appears to be mistrust between leaders and followers. This is contrary to the learning organisation theory which views trust as integral for its success. 26.5% of respondents felt that there rarely existed trust between the organisation's leaders and its' employees while 20.6% could neither agree nor disagree if trust existed. Global surveys have added further testimony to the reality of the phenomenon of ailing trust in business.

Table 10 : Trust between leaders and people on line

<b>Existence of trust between leaders and people on line</b>			
	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
To a very small extent, rarely	9	26.5	26.5
Neither agree nor disagree	7	20.6	47.1
Most of the times	16	47.1	94.1
To a very large extent	2	5.9	100.0

A Gallup International poll conducted in November 2002 concluded that the levels of trust in business the world over was very low. Another global opinion survey conducted on behalf of the World Economic Forum (WEF, 2003) in twenty nations revealed that trust in business leaders is even lower than trust in the organizations they led. These low levels of trust are clearly reflected in the Zogby Poll of college seniors where 56% of participants agreed with the view that "... the only real difference between executives at Enron and those of other big companies, is that

those at Enron got caught” (Goodpaster, 2004:1). While BancABC exhibits many characteristics of a learning organisation, its business leaders have to build trust in the organisation and themselves. This is aptly summarized by Ewald Kist thus: “Restoring trust is the principal challenge that leaders of big companies have to face.” (Kist, 2002: 1). The fact that the theme of the 2003 World Economic Forum meeting in Davos, Switzerland was “*Building Trust during a Time of Global Uncertainty and Mistrust*” further illustrates this concern.

A crucial question with regard to trust is the question whether the level of trust between parties can be changed. This question introduces the concept of “trustworthiness” (Bews & Rossouw 2002: 150). Where trust is an action taken by a trustor (the party who trusts), trustworthiness is a characteristic of a trustee (the party who is trusted). A trustworthy party is one who is judged to be worthy of the trust invested in it (Brenkert, 1998: 300; Brien, 1998: 399). Studies on trustworthiness have indicated that a person’s trustworthiness depends upon a number of characteristics. Those factors that determine how trustworthy a trustee is perceived by a potential trustor are referred to as facilitators of trustworthiness. Research on trustworthiness indicates a number of core facilitators of trustworthiness which includes amongst others “openness, competency, integrity, benevolence and reputation (Becerra and Huemer, 2002:80). People who exhibit these attributes are judged to be more trustworthy than those who lack them. It can be inferred from the statistics that BancABC leaders should build more on the facilitators of trustworthiness to become more trustworthy. On the other hand, a cumulative 53% of people surveyed indicated that they either had “a lot “or “some trust” in their business leaders.

### **5.7 Ability to express view points and ideas freely in the organization**

Some of the respondents who had trust in the business leaders could be part of the 50% of respondents who felt that they had confidence to express honest views and ideas or the 17.6% who to a very large extent expressed their 75 supportive, collaborative climate and people are more open-minded and are prepared to listen to others and together build on and develop new ideas until they are usable. However, the statistics also suggest that the business leaders should do more in building trust

through the whole organisation. 14.7% of participants were unsure if they had confidence to express honest views and ideas while 11.8% rarely expressed honest views and ideas. 59% of respondents felt that they had no confidence to express honest views and ideas.

Table 11: Ability to express views freely in the organization

<b>I am confidence to expressed my honest views and ideas</b>			
	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Never	2	5.9	5.9
To a very small extent, rarely	4	11.8	17.6
Neither agree nor disagree	5	14.7	32.4
Most of the times	17	50.0	82.4
To a very large extent	6	17.6	100.0

These three categories of respondents could be people at lower levels who may hold back on ideas because they fear that they may be regarded as forward or presumptuous or they believe people higher up the ladder probably know best. They may also feel they will not be rewarded or recognized for their trouble to put forward suggestions. They could even be hesitant to point out or admit errors or potential problems as they fear that they may be blamed.

There are compelling reasons for addressing the decline of trust. Business expects that employees will care for their assets and that they will act in the interests of the firm at all times. However, where employees feel that their trust has been betrayed by business they may seek opportunity for revenge and, in extreme cases, may resort to sabotage. Not only is this expensive in terms of damage, but the installation of control mechanisms to monitor employees is time consuming, counterproductive and costly.

With new forms of organizational, structures decision making authority is often dispersed along a much flatter hierarchical structure and participative management is becoming the norm. A participative management style is dependent on there being a reasonable degree of trust between employer and employees. In the same light, teamwork is also becoming increasingly important within contemporary organizations

and, for teamwork to be effective, team members need to be able to trust one another. A closer look at the findings of the study will reveal that about 47% of participants indicated the lack of trust between the employer and employees. It can be inferred therefore that the management style within the Bank is not as participative as possible and to some extent does not promote teamwork hence 16% of respondents felt that the Bank did not promote team work. Furthermore, this could be the reason why 88.2% of respondents submitted that there are structures that hinder learning from mistakes by the Bank. The structures could be bureaucratic policies and rules that inhibit or impede the flow of information or an organisation structure with many levels.

### **5.8 Flexibility and adaptability of the organisation to current business environment**

The results of the study showed that 32.4% of participants were unsure if the Bank was flexible while 11.8% felt that to a lesser extent the Bank was flexible. This could mean that the corporate culture does not set people free to use their minds while performing their jobs; and 50% of participants felt that the Bank was flexible most of the times while 5.9% felt that the Bank was flexible almost all the times. In a related question on Bank adaptability to suit business needs, a cumulative 50% agreed that the Bank was adaptable; while the remainder was either unsure or felt the Bank was never adaptable or was adaptable to a lesser extent. The mentioned statistics suggest that the Bank could do more in terms of flexibility.

Table 12: Respondent views on the flexibility of the bank

	Frequency	Percent	Cumulative Percent
To a very small extent, rarely	4	11.8	11.8
Neither agree nor disagree	11	32.4	44.1
Most of the times	17	50.0	94.1
To a very large extent	2	5.9	100.0
Total	34	100.0	

## 5.9 Lessons from the past for a Learning Organisation such as BancABC

Most participants felt that the Bank had made strategic mistakes for the past 5 years while 20.6% thought otherwise (Figure 8 below). The strategic mistake felt by most participants could be the Bank's decision to venture into Retail Banking in 2007. However, the strategic decision to incorporate Retail Banking into banking operations and become a fully fledged commercial bank appears to have been a wise decision judging by the results on the ground. For the interim period ending 30 June 2011, retail contributed 15% of the ABCH group's deposits. Furthermore, the group has managed to access lines of credit to complement its deposits for lending activities. Again, the ability to get such financing to some extent depends on the management team's ability to build good relations with financiers and also whether the strategic vision of the company is convincing.

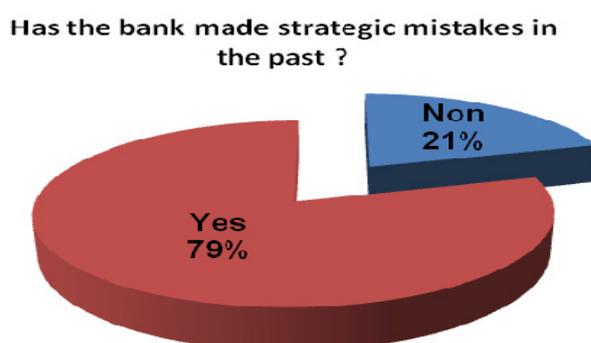


Figure 12: Respondent perception on bank's past mistakes

The regional strength that the Bank has been able to build up over the years has made it a household name among institutional financiers. From the look of it, some might view retail as the ideal banking model. To some extent that might be true, considering how non-interest income has anchored most commercial banks' profitability since dollarization.

However, despite being retail, most banks have been struggling to grow their net-interest income due to the short-term nature of the already constrained deposits. Therefore what differentiates one bank from another is access to credit lines which come cheaper and are long-term in nature. To date, only a few banks have managed to secure lines of credit. One of the few banks is Kingdom, which had approximately

US\$38 million in lines of credit as at 30 June 2011. But its subdued interim results for June 2011, with a lower profit of US\$841 804 compared to US\$1,2 million in June 2010, shows how a lot more is required to grow the bottom line of a bank other than just an endowment of credit lines. It can therefore be argued that BancABC's strategic decisions are paying dividends.

It can also be argued that the Bank did not make a strategic mistake by venturing into Retail Banking given that the traditional business of merchant banks worldwide has come under attack from many sources. Deregulation has whittled away the privilege and protective walls that gave predictable margins to banks. Retail banking has enabled the Bank to tap into those markets that they were not able to service before as a merchant bank. New and innovative products are paramount to turning around any bank, considering that we are now in an environment where losses are real. Micro-lending, for example, has been creating hype in the country as more people seek credit for personal use. Microfinance players in the market have been profitable and a salary based loan model has proved capable of limiting defaults to minimal levels. BancABC Zambia has done relatively well for ABCH in micro-lending and management have already taken steps to roll out this business in Zimbabwe. There have been a lot of small players in the micro lending market but it boils down to the strength of their balance sheets. ABC Holdings obviously has the leverage because of its strong balance sheet, which is now over US\$1 billion. The group has made a name for itself in the market and has posed real competition for a lot of banks, including the traditional ones such as Barclays, Standard Chartered and Stanbic bank.

#### **5.10 Adapting to changes in the environment and leadership's reaction to risks**

While the Bank appears to have made a right move in embarking on Retail Banking, there is a feeling amongst respondents that the Bank does not respond swiftly to changes where 52.9% of respondents felt that the Bank responded slowly to change while 8.8% felt that the Bank was not adaptive to changes. This could reflect the existence of bureaucracy which also reflects a management style prevalent. In addition, the challenge for the Bank could be making its strategies actionable. It has been well documented that strategies that companies come up with normally do not

produce the desired results because they are not properly executed. For BancABC this should not be the case given that it has adopted the Balanced Scorecard performance management system, which makes people accountable for results. The advent of the BSC has changed the way people manage strategy implementation and performance.

The other reason why the Bank may be considered slow in championing continuous change and adaptation could be that its leadership was risk averse. Only 8.8% of respondents felt that the business leadership was not afraid to take risks compared to 35.3% who felt they were risk averse. A total of 41.2% responded that they neither agreed nor disagreed. The risk aversion on the part of the business leaders could be caused by the current operating environment. The current operating environment characterized by liquidity challenges has seen banks being reluctant to aggressively advance loans as they fear huge impairments.

Table 13: Employees perceptions of the organisation leadership in taking risks

<b>Are leaders risk averse</b>			
	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
To a very small extent, rarely	3	8.8	8.8
Neither agree nor disagree	14	41.2	50.0
Most of the times	12	35.3	85.3
To a very large extent	5	14.7	100.0

## **5.11 Learning in the bank: perception, vision and strategy and priorities**

### **5.11.1 Performance**

The value of learning lies in its ability to help the organisation better serve its customers, hence, the performance goals of employees and the performance-appraisal system should focus on meeting customer's requirements. Hence, feedback from clients should be valued and sought as it is critical to the learning and improvement of the organisation.

The findings of the study however refute the notion that constant learning positively impacts on Bank performance. This is not consistent with theory on the learning organisation which concluded that being a Learning Organisation leads to increased organizational performance. This could be caused by the lack of understanding or difficulty in understanding how learning can be translated into monetary value. Learning and development is an agent for both individual and organizational continuity. Tight (1996: 79) noted that Learning and Development (L&D) is a “necessary central and integrated response to a variety of contemporary pressures felt by organizations.” The pressures include amongst others competitive restructuring, decentralizations, internationalization, organizational acquisitions and mergers, quality and service improvements and technological changes.

Through L&D, an organisation can nurture, shape and improve individuals’ skills, knowledge and interests to suit the pressures felt by the organisation. This is important for maximum effectiveness and adaptability of individuals to changes, thus minimizing the obsolescence of essential skills and knowledge. L & D helps in keeping employees pre-eminent in their field and resolute in their self-development consistent with the needs of the organisation.

### **5.11.2 Strategy/Vision**

From the findings, it appears that strategy and vision support and promote learning in order for learning to become integral to the organisation and contribute to its success and the development of long term commitment of staff.

Table 14: Leadership of the organisation vis à vis learning as a priority

<b>A. Does the banks leadership prioritize learning</b>			
	Frequency	Percent	Cumulative Percent
To a very small extent, rarely	3	8.8	8.8
Neither agree nor disagree	6	17.6	26.5
Most of the times	15	44.1	70.6
To a very large extent	10	29.4	100.0
<b>B. It is critical for leaders to be learning</b>			
Neither agree nor disagree	2	5.9	5.9
Most of the times	11	32.4	38.2
To a very large extent	21	61.8	100.0

Most respondents felt that executives within the organisation supported the vision of being a learning organisation and led the organisation towards the fulfilment of this vision by encouraging staff to embrace continuous improvement in their everyday work. 73.5% of participants said the Bank's leadership prioritized learning while 8.8% felt that the leadership did not prioritize learning. The remaining percentage represented respondents who were unsure if the Bank prioritized learning or not. These could be participants who have not participated to a number of courses, whether internal or external, organized by the Bank.

On a related question, 32.4% of respondents felt that leaders should learn most of the times while 61.8% felt that leaders should learn almost all of the time and to a very large extent believed leaders should learn.. The rest of the participants (5.9%) were unsure. The unsure respondents could be motivated by no or slight knowledge about the learning organisation. The learning leader is an integral part of the learning organisation. Managers, particularly those at senior levels, have to be the first to model what is needed in the organisation, which is, leading by example. Joop Swieringa and Andre Wierdsma state the point aptly in their book, *Becoming a Learning Organisation*, as follows: "Individually skilled managers maybe absolutely unskilled at working collectively." (Swieringa and Wierdsma, 1995: 16).

### ***5.11.3 Empowerment***

People Empowerment recognizes the need of every member of the organisation to learn and for managers to take on the role of coaching and to facilitate learning for the employees.

This would require employers to give their employees the authority to make decisions and, hence, to take responsibility for developing their own personal development plan.

The research study showed that BancABC embraces empowerment. Empowerment is a term used to describe "a philosophy for running an organisation which allows employees the authority and responsibility for those decisions affecting their jobs." A collective 76.5% of respondents submitted that they had decision making authority in their positions and 91.2% received support from their managers. The level of

empowerment is manifested in business continuity in the event that an employee is away from work.

Table 15: Respondents views on key points of their ability to make decision in the organisation

<b>A. I have a degree of decision making in my job</b>			
	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
To a very small extent, rarely	6	17.6	17.6
Neither agree nor disagree	2	5.9	23.5
Most of the times	22	64.7	88.2
To a very large extent	4	11.8	100.0
<b>B. People afraid to make mistakes on job</b>			
Never	2	5.9	5.9
To a very small extent, rarely	14	41.2	47.1
Neither agree nor disagree	13	38.2	85.3
Most of the times	5	14.7	100.0
<b>C. I am not afraid to make decision</b>			
Never	3	8.8	8.8
To a very small extent, rarely	4	11.8	20.6
Neither agree nor disagree	4	11.8	32.4
Most of the times	15	44.1	76.5
To a very large extent	8	23.5	100.0
<b>D. My manager is available and accessible to me</b>			
Neither agree nor disagree	3	8.8	8.8
Most of the times	15	44.1	52.9
To a very large extent	16	47.1	100.0

#### **5.11.4 Knowledge Management in the Organisation**

Learning- oriented companies use advanced technologies to obtain and share information and knowledge across the organisation, and to ensure that all workers get company data, information and knowledge relevant to their jobs.

A learning organization involves its entire population in scanning the outside world for intelligence and ideas. Once such information and knowledge have been collected, it is analysed and disseminated to help the organisation monitor and continuously improve its services and products.

Table 16: Knowledge management in the organisation

<b>A. My knowledge from training is shared with colleagues</b>			
	Frequency	Percent	Cumulative Percent
To a very small extent, rarely	3	8.8	8.8
Neither agree nor disagree	4	11.8	20.6
Most of the times	19	55.9	76.5
To a very large extent	8	23.5	100.0
<b>B. Experts sharing their knowledge in the bank</b>			
Not at all	9	26.5	26.5
To a lesser extent	11	32.4	58.8
To a great extent	14	41.2	100.0

About 55.9% of the respondents stated that they share the knowledge they would have acquired from training with their colleagues most of the times and 23% responded they share the information all the time. This shows a culture of teamwork. Knowledge is transferred and shared amongst teams which is encouraged for organizational success

The findings indicate that knowledge management is still evolving in the organisation. 41.2% of respondents responded that the experts share their knowledge in the bank. This explains why 52.9% of respondents felt that the Bank responded slowly to change while 8.8% felt that the Bank was not adaptive to changes. This may also explain why the Bank is considered by most respondents not to have a vibrant culture or structure that acknowledges and learns from mistakes. The Bank could be in a state of denial – the “it will not happen here” syndrome, when staff continues to do what they have always done and ignore potential threats and competitors. Alternatively, it could be a question of the Bank being in the emergent process of a learning organisation. This is not consistent with mature learning organizations. In mature learning organizations, all employees harness knowledge and learn faster than competitors.

The adoption of the Customer relationship management (CRM) system by the Bank is a commitment by the Bank to acquire and keep customers using multi-faceted business intelligence avenues. CRM or Customer Relationship Management is a

philosophy and strategy that will enable people, technology and business processes to acquire and keep customers. It is a concept, supported by innovative tools that can be applied to explore the customer's value life cycle. Business intelligence is the basis of any CRM initiative and should cover key the following key elements: knowledge about company products' target, knowledge about your customers, knowledge about you competitor and information on the business' mission and strategy.

## CHAPTER 6

### RECOMMENDATIONS AND CONCLUSION

#### 6.1 Recommendations

To determine the extent to which BancABC is a learning organisation entails going back to the research objectives around which the research problem is based and cross examining these with the findings from the research carried out at BancABC. In the case of determining the *effect of enabling organisational structures/structures on learning organisations*, one would have to go back to the findings from the respondents around the same. From the research the findings are that Banc ABC's employees feel that their line Managers and leaders are easily accessible to them and the majority are in a position to make decisions. This shows that there is evidence of enabling structures which allow people to make decisions. The drawback maybe that there is a significant percentage who are afraid to make mistakes. Basing on the premise from learning organisations which speaks to mistakes as being normal, to be learnt from and not to be used to punish those who make mistakes. This is one area where the leadership of the bank will have to lead by example and show how literature says fallibility in the organisation is not a bad thing. When leaders show that they can also make mistakes this shows their team that mistake will happen but these should not be the emphasis but the learnings and the growth derived from them. It will also take a deliberate move the change the mindset and build trust among the teams.

On the *effect of learning leader/leadership style on learning organisations* there is a significant percentage of staff members who believes that their leader should be learning. There appears to be a positive impact on the organisation and its employees if leaders are seen to be learning. The learning leader shows their support and appreciation of being a knowledge driven organisation which supports learning and continuous improvement. The leadership of ABC will have to model themselves as learners in order to champion the importance of learning. Having a learning leader and knowledge workers is a strong tenet in learning organisations. The demographics from the research show that more middle managers have

attended training as opposed to the senior managers who are supposed to be setting the pace and supporting learning by being learning leaders

In looking into, the *effect of learning and development on the learning organisation*, the research shows that learning and development, although not synonymous to learning organisations plays a very critical role in learning organisations. The characteristics which an organisation has to have in order to become a learning organisation have to be espoused in both the leadership and the employees of the organisation. According to Peter Senge, 1999 these characteristics include, having a culture of creating and sharing knowledge, operating at the level of systems thinking where the employees in the organisation and the leadership learn to think holistically and not in silos. There needs to be a way of thinking and behaving which sees all the members of the organisation appreciating and believing that the whole is stronger than the sum of its parts. Learning and development plays a critical role as new cultures and new ways of thinking all have to be learned. There has to be a conscious and deliberate effort to change the way of doing things through learning the new way. BancABC has to embrace a new way of thinking in many aspects which are critical in becoming a learning organisation. Among these aspects that have to be learnt are, having a culture of viewing mistakes and ambiguity as an opportunity to learn and not as an opportunity for punishment and consequences, learning to operate and think as teams and not as individuals.

On the aspect of, *the effect of organisational culture on learning organizations*, it is evident from the research that the accepted way of doing things which translates to culture has a very strong impact on the way an organisation operates. Culture can be manifest through the way decisions are made, through way people operate, either as individuals or as teams, through the accepted behaviour at the different levels and also through the way different issues are addressed or dealt with. Learning organisations have a set of characteristics as stated by Senge, 1990. According to Senge, a learning organisation represents a significant evolution of organisational culture- a culture that encourages and rewards the application of new learning. BancABC should be commended for the rewarding innovative behaviours and actions by incorporating one of their values, innovation in their Balance scorecard,. In the Balanced scorecard, innovation, among other values is measured and is

rewarded. The bank needs to continuously promote this culture and positively reinforce it. The balanced scorecard should be primarily used to measure performance and not to only punish those who will not have met the agreed upon target. The bank needs to have more celebrations of their success as a team. (Annexure C)

### **Ethical conduct**

The principles and standards of corporate governance and business ethics do emphasize factors that potentially might have a positive effect on the facilitators of trustworthiness. Perceptions of openness can for instance be nurtured by regular and sufficient disclosure of information to all stakeholders. The emphasis on ethical values and consistent compliance thereto can improve perceptions that stakeholders have of the integrity of the organisation and its leaders. Perceptions of benevolence can be nurtured through corporate social responsibility which is an integral part of corporate governance principles. Reputation is also a key concern in corporate governance as the protection of the symbolic assets (reputation) of an organisation is one of the driving forces behind corporate governance reform.

### **Leadership Style**

It has become clear that the leadership models of the past no longer suffice to guide organizations through the challenges of the times. While managers still need various skills and disciplines to ensure tasks are done, and done well, there is also need to broaden and adapt the approach to leadership to incorporate a wider repertoire of styles to cope with the demands, the markets and the people of the future.

In the past leadership styles generally tended to be individualistic, rational, competitive, hierarchical, strongly power and goal oriented, focused and generally forceful and directive. Leaders today need to be more concerned about others, flexible, adaptable, intuitive, innovative, open-minded, aware of the big picture – more thoughtful and responsive.

While leaders must set the example in terms of demanding and delivering high standards in every aspect of the business, they must also realize that working towards improvements or innovation will require some experimentation and risk

taking They will thus have to accept that perfection is not always possible as Haridas Chaunduri said, “The greater the emphasis on perfection, the further it recedes.”

The organizational structure also needs to be streamlined and delayed to facilitate more frequent contacts and effective information dissemination.

### **Coaching/Mentoring**

There is need to engage external trainers for coaching of all staff to become more effective because effective people create effective teams; effective teams create effective organizations; and effective organizations create effective societies.

Coaching has a number of benefits including aligning individual performance with team and company objectives; maximizing and leveraging strengths; increasing and enhancing communication between managers, direct reports and teams; helping individuals take ownership and responsibility for their behaviour and actions; and encouraging individuals to stretch beyond their assumed constraints.

- Financial support of staff learning initiatives
- Use of high tech media e.g. video, audio and multimedia technology to enhance the learning environment during training sessions.
- Workshops
- Restructuring
- Educating staff and more L & D initiatives
- Set aside time and budget for learning
- Foster change in culture
- Feedback on learning to foster active learning

### **Servant Leadership**

Leadership must clearly define and continually reinforce the organization’s mission, its focus and vision, articulating this at every opportunity for the benefit of all stakeholders and for the community in which it operates. Leaders must promote awareness of the values that will support the achievement of their vision with both internal and external constituents. Leadership in the main should be responsible for

removing barriers to progress and for changing the way the organisation operates from controlling to facilitating. Leaders then have to increasingly give their teams the resources, freedom and support to make decisions and manage their own work. Effective leadership ensures the employees get what they need to perform their work efficiently with a minimum of interference from organizational policies, procedures, hierarchy, amongst others.

### **Flexibility**

Change and change management should become the integral part of normal day to day activity. In the organisation, everyone should become a professional change agent, discontented with the status quo, impatient with the rate of progress and ready to challenge the process at every opportunity.

### **Integrated information system**

The organisation should develop an integrated information system to provide timely access reliable information for all users throughout the Bank. This facilitates effective decision making, minimizes duplication of effort and potential for error. Furthermore, the use of high technology media should be encouraged in learning and development. For instance, the use of video, audio and multimedia technology to enhance the learning environment during training sessions.

### **Communication**

While it appears that communication is effective in the organisation, there is no harm in constantly providing all staff with all current performance indicators and information. It is said that you can never over-communicate the substance of what you want to do. It is important that the right information reaches the right people at the right time throughout. The CEO may set a day every quarter where he dialogues with all employees where possible in a forum. This will be a forum for updating employees on key developments taking place in the Bank. This will also include an update on the key performance measures the Company is tracking.

### **High performance work culture**

The steps that result in high commitment and a high performance work environment are:

- Recognizing that people need to be respected regardless of their position.
- Restructuring jobs so that employees are not only responsible for carrying out the job itself, but are also directly involved in controlling the process and in making improvements in the way they perform their jobs.
- Building skills of employees through relevant continuous learning experiences.
- Involving everyone in the problem solving, decision making and planning process.
- Communicating effectively so that everyone has all the information they need to do the job right the first time.
- Improving the quality of life for employees, both at and away from work.

## **6.2 CONCLUSION**

In conclusion Learning Organizations are seen to adopt a learning approach when formulating a collective direction for the company and allow individual members of the organisation to contribute to major policy decisions. The culture of LOs is one that encourages learning and continuous improvement and not one of allocating blame and punishment; mistakes are allowed and learned from.

Such organizations aim to remove disabling structures such as restrictive job descriptions and rigid mindsets that would impede the creation of a healthy and responsive organisation. Instead, enabling structures are put in place to create opportunities for individual and business development. There is, also, commitment to airing differences and working through conflicts as the way to reaching decisions that members are likely to support.

While BancABC resemble most of the characteristics of a learning organisation, it is still evolving and will take some time to become a mature learning organisation.

## **6.3 AREAS FOR FURTHER RESEARCH**

In conclusion of the research, it would be critical to look for any possible gaps which would have been identified through the course of the research and highlight them as

areas for possible research in the future. When looking at learning organisations, it would be interesting to find out if there is a difference in the performance of companies which have been identified as learning organisations and companies which are not learning organisations. At the end of the day it would be interesting if we were able to ascertain the value derived by an organisation to the bottom line as a result of it being a learning organisation. Research of this nature would see more companies aspiring to espouse the characteristics of being a learning organisation if there is the direct association of good performance and being a learning organisation.

It would also make for good research if one could also research into the characteristics of employees who are in a learning organisation and see if the way they work, i.e. work ethic, their performance, knowledge and competence is significantly different and better from those of employees who are in another institution in a similar industry. Looking into this area would also help to prove or disprove whether or not the characteristics of a learning organisation are naturally espoused into the organisation's staff. In other words are they also firm believers of the culture and tenets of the learning organisation.

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## **ANNEXURES**

### **ANNEXURE A: BANCABC LEARNING AND DEVELOPMENT STRATEGY**

#### **The Vision:**

*“To partner with business in growing intellectual capital by providing a framework which promotes a culture of continuous learning.”*

#### **Introduction**

“Fresh Thinking, Smart Banking” ..... Learning and Development plays a fundamental role in ensuring BancABC moves ahead of its competitors. Being a true learning organization with staff who embrace a culture of learning will be the differentiator which distinguishes BancABC from its competitors.

#### **Why a learning culture?**

The global trend is to transcend organizations from the traditional training paradigm to one which is more focused on learning. One of the primary reasons for this is that there is clear evidence to support that a company’s ability to learn is a key source of competitive advantage.

The traditional training paradigm allows the adult to be treated as a child, formally instructing him what to do and then expecting him to do as instructed on his return to work.

This approach has proven to be ineffectual as there is no accountability on the part of the “trainee” for his role in the process. He/she attends a course which is delivered to him in trainer mode and which asks little participation/engagement from him other than him being present. He then returns to work where he soon forgets what was delivered in the classroom and later is then asked why his performance has not improved. Nothing in the training paradigm encourages the learner to engage in his learning or to apply what he has learnt.

There is a Chinese proverb which says “Tell me and I’ll forget; show me and I may remember; involve me and I’ll understand”.

And so, in a learning paradigm, the focus is rather placed on the learner to accept responsibility for his/her own learning. He/she does this within a framework which provides him with a variety of learning options that invite him to acquire more knowledge. The learner becomes an active participant in the learning process, learning through doing and applying what he has learnt. He becomes injected with a thirst for more as he realizes the benefits of engaged learning for himself. In a quest to better himself and achieve self

actualisation, he then sets out to acquire more knowledge, actively seeking out learning opportunities, and is moved to share this with others.

BancABC has already taken the decision to embrace a learning culture, as outlined in the Learning and Growth drivers of the Bank Strategy map. The vision/task is now to make this part of the way of doing things.....to embed it as the culture.

To achieve the desired state i.e. to become a learning organization by 2012, concentration must be placed on building the following foundations, each of which is interdependent on the other for success:

- 1) Learning Architecture
- 2) Learning Solutions

### **1) Learning Architecture:**

The learning architecture implies the infrastructure, or operational level, in building the learning organization i.e. the people (structure and roles assumed in a learning organization); places (where learning happens) and policies and procedures/processes. Without a solid architecture, no learning solution can be effective.

#### **People:**

##### **Structure**

The structure of BancABC L&D includes a Regional Manager; Learning and Development who reports into the Group Head, Human Capital. The main responsibility of the Regional Manager is to develop, implement and continually evaluate the Learning and Development strategy.

In 2009, countries will elect Learning Champions who; along with and overseen by the Human Capital Heads will assist the Regional Manager: Learning and Development in co-ordinating activities in-country. These activities will include publishing of training calendars in areas for easy viewing by staff, completion/submission of attendance registers and other documents as required for accurate maintenance of learning records, and the co-ordination of the schedule of learning/training calendar (venues; facilitators and group names). There will also be a partnering with staff in the short term in delivery of some interventions for Retail. In so doing it will be ascertained if these staff (or others) have the potential to form part of a longer term L&D in-country team.

In the medium term, as Retail, and the business, expands and the need becomes more pressing for just-in time learning, there will be a need to establish in-country L&D representation and by the end of 2010 each country should have one Learning and Development consultant in place. These consultants will form part of the Learning and Development Team and will have a strong alignment with the Human Capital team, but be autonomous. The reporting line of the consultants will be dual: into the Country Managing

Director for day-to-day activity and into the Regional L&D Manager for functional reporting. For now, focus will be on partnering with external vendors in the design and development of solutions, opting for a Train-The-Trainer to up skill staff to deliver, wherever possible. This situation will continually be assessed as the needs of the business change.

Roles:

In succeeding in building a learning culture, it is essential that all stakeholders within the business accept the importance of their roles in influencing the culture. From the Executive and Senior management, to the lowest graded level of work, everyone must actively engage in developing a learning culture through their own behaviours. Roles which will be specifically emphasized going forward are that of coach, mentor and learner.

The coaching and mentoring approach is the most effective way of helping others achieve optimum performance and so will play an important role in the bank's evolution to a learning organization.

The role of a coach involves that person providing feedback and guidance/instruction on performance. Coaching will start with EXCO as Executive coaches are introduced. In this context, coaching will be used to improve performance on the job, prepare for advancement in business and to assist in acquiring specific skills. Line managers will be expected to coach their teams, providing regular feedback on performance and offering the appropriate guidance/instruction. Teams will be encouraged through coaching to apply new skills.

Mentors are well respected and knowledgeable people within a business who use their wisdom to help individuals grow in their learning and achieve their true potential. The role of mentor will play an important part in the talent management and succession planning of the bank; specially selected staff will be given access to mentors within the business to assist them in developing further. EXCO, as well as Senior Management, will need to play an active role as mentors, passing on their knowledge to those aspirant staff members who might succeed them one day.

The role of the learner is also paramount to the success of a learning organisation. All staff will be expected to embrace their role as learners, actively engaging in new learning opportunities and directing their careers (with guidance from line) by pursuing relevant learning solutions. Once again, Exco and senior management should be seen to play a prominent driving role as learners themselves, engaging in Fresh and Smart learning opportunities.

Because the roles of mentor, coach and learner are so crucial to the success of a learning organization, an incentive to assume and participate in these roles should be provided by

means of measurement in the individual balanced scorecard. The measurement of these roles should be fully incorporated in the scorecards by end of 2009.

***Policies and procedures/processes:***

In order to build a culture of learning, certain policies and procedures will need to be introduced to guide actions in the right direction. A Learning and Development Policies and Procedures Handbook will therefore be implemented in the business by the end of 2009. This will provide an outline for all the Learning and Development reporting which will need to be undertaken on an annual basis and will include such aspects as:

- A workflow guide which details the process to follow from when a learning need has first been identified; to the implementation of a learning solution to address that need; and finally the evaluation of that learning
- A workflow guide which guides the business towards submission of annual learning plans and from which appropriate budgets could be drawn
- Keeping an accurate record of learning (displaying staff member's name, date and title of learning intervention and results). This record of learning will be kept manually in the short term, but should become electronic in the long term so that the learner can access his own records. This record of learning will be an important input to the Balanced Scorecard and should be linked to Return on Learning Investment (ROLI) activities.
- A verification process to follow when engaging with external vendors around learning needs. This verification process would be based on identifying whether the vendor aligns to the strategy of BancABC, both in learning methodology and values/vision and whether their solutions can be applied at a standardised level across countries.
- The completion of a needs analysis template (motivation for learning) when sending staff on an external solution etc. The purpose of this needs analysis would be two-fold :1)to start planting the seed of true learning ROLI i.e. a staff member should not just be sent on "training" without any plan of how they will bring these skills back to the workforce. 2) The identification of an appropriate intervention, within a holistic plan of development for an individual is important i.e. not just ad hoc sending of staff on courses as and when they arise.
- The introduction of a Schedule of Learning (formerly known as training calendar) All formal learning solutions will be advertised on a schedule of learning which will be published quarterly. This schedule will advise the name of the intervention, venue and facilitator per month, per country.

By 2010, the Learning and development handbook should be accessible on the Intranet (please see notes under Learning Architecture – "Places").

***Places:***

Places of learning implies the environment in which learning takes place, including both technological and physical factors. Ideally, in a learning organization, learners will learn

continually as they go about their work...learning becomes part of the way of doing things. This will only happen however, if there is support from all levels of management in the active encouragement of learning and with the support of an environment which is equipped towards creating this culture.

Technology will greatly enhance the ability to transform into a learning organization, enabling the provision of ongoing, just-in time and collaborative learning.

Considering the geographic distribution of BancABC, and in order to succeed in our ability to provide 'Fresh Thinking, Smart Banking', an important piece of technology to invest in by the end of 2010, is a virtual classroom tool e.g. Centra. Although expensive in the short term, over the long term this tool will more than triple its return on investment. Such a tool can be used to facilitate interventions from a central point i.e. technical experts in Johannesburg could deliver e-learning solutions to all the countries, without much being compromised with regard to the learning approach i.e. delegates can still break away into discussion groups, can present their feedback to others, can view all presentations etc. Communities of practice could also be held across countries using this medium. The provision of such a tool would provide the lead in Africa and BancABC could use this advantage to enable the hosting of learning events in the broader Africa – hosting events relevant to the banking sector across multiple banks and countries.

Upgrading of the Intranet by end of 2010 is also a must to ensure competitor advantage, with the inclusion of a Learner management System and single "learning" portal through which the learner can access information pertaining to his learning e.g. schedule of learning for quarter; templates for completion; nominations to attend, notification of attendance; records of learning; e-learning; electronic performance support tools, communities of practice etc. Ideally this would be integrated with the performance management system and also the knowledge management system.

Other places of learning include a place/site dedicated to learning in each point of representation. This place/site will provide staff with the opportunity to engage in learning opportunities, uninterrupted. They will be able to conduct research in this place/site, engage in independent study; complete e-learning etc. Also, as the staff complement increases and the demand for learning increases, as well as when learning becomes enabled via the Intranet, it will become more practical to rely on internal resources for places of learning/venues, rather than external facilities. By 2010 a place/site for learning should be created in each country, equipped with the relevant resources which provide an environment conducive to learning to enable the learner to engage in self-directed or other learning activities. Some of the factors to consider in creating this environment would include: Being a flexible and multi-purpose space to allow for group and individual learning; being easily accessible from the workplace; providing multi-sensory stimulation; and providing seamless integration to the technology being used in the business

In 2009, use will be made of the facilities which exist either externally or internally e.g. PC's at work stations, board rooms, auditorium in Zimbabwe (for facilitated interventions) or external venues

## **2) Learning Solutions:**

Consideration needs to be given to a number of variables in ensuring the implementation of appropriate and effective learning solutions in business:

### ***a) Learning Maps:***

A learning map gives each job title direction towards relevant learning activities. To develop a learning map, the job description needs to be carefully examined and the competencies (both core and other) identified and mapped to appropriate learning solutions. This learning map must be made readily accessible to staff so that they can see what learning they need to engage in, in order to achieve competency in their current roles.

Learning maps for all job descriptions in BancABC will be available for staff to view, by the third quarter of 2009. By the end of 2010 these learning maps should be displayed on a learning site on the Intranet – the learner would select a job title, be directed to the respective learning map, then be able to select a specific solution and be directed to information around that solution i.e. dates, duration and brief overview.

### ***b) Curriculum of Learning:***

Integrally linked to the learning maps is the curriculum of learning i.e. the learning solutions which make up a learning map, together form a curriculum of learning. Upon finalization of the learning maps, each job function within the bank will have a curriculum of learning and, on a broader scale, each business unit will also have their own curriculum of learning i.e. Wholesale, Retail and Support. The curriculum of learning per business area will be displayed by the last quarter of 2009. By the end of 2010, as the IT Architecture is built, this curriculum will be viewed on the Intranet.

### ***c) Learning solutions:***

Learning solutions are the key components of the curriculum; a curriculum is built from learning solutions.

Albert Einstein once said, "I never teach my pupils, I only attempt to provide the conditions in which they learn".

Learning solutions take many forms; for the purposes of this strategy document, focus will be placed on: formal interventions, development programmes; communities of practice; independent study; self-directed learning; knowledge management and performance

support tools. A blend of all of these solutions will give BancABC the competitive edge in the market and ensure 'Fresh Thinking, Smart Banking'.

As an overarching principle covering all learning solutions in BancABC, only those which apply a learning methodology should be engaged in i.e. that, where applicable, the solution is facilitated rather than trained; that every solution has tangible outcomes and that all 4 levels of evaluation of learning are assessed i.e. Level 1 (Reaction); Level 2 (Learning); Level 3 (Behaviour); Level 4 (Results)

#### Formal Interventions:

Formal learning consists of facilitator led or, in the case of seminars and conferences, instructor-led solutions and e-learning solutions.

By the end of 2009, standardized solutions will have been implemented in the Retail; Wholesale and Support areas. Because this is a new process for the bank, the number of solutions implemented will not yet be exhaustive but by the end of 2010 a fully inclusive solutions curriculum in all areas of the business will have been implemented.

By the third quarter of 2009, an E-Learning solution, focusing on the Microsoft Suite of Applications, will be made available to all staff. These courses will be accessed either via the internet or installed in each country, with the appropriate tracking and reporting functions linked. By end 2010, the courses should be enabled via the Intranet. By 2011, the variety of courses available on E-Learning will be extended to encompass relevant technical skills and soft skills (e.g. Induction).

In South Africa, because of the Skills Development Legislation, it would be advantageous to consider engaging mostly in learning solutions, for SA staff, which are aligned with the National Qualifications Framework. This will mean that some of the monies paid towards the Skills Development levy can be reclaimed. A workplace skills plan will be submitted by end June 2009 which will outline the proposed training to take place between April 2009 and March 2010 and this will form the basis for claim of monies spent. Although this will be a manual process for now, by end of 2010 this information should be elicited electronically.

#### Communities of Practice:

Communities of Practice are discussion forums where people of a similar profession share best practice, ideas and knowledge.

These forums play an important role if skills are to be kept alive in the organisation, and if a continuous learning dialogue is to be encouraged. All staff will be asked to engage with their colleagues in other countries as well as in other banks, in these communities of practice. As a form of ROLI (Return on Learning investment) anyone attending a conference, seminar etc will be required to host an event on their return to work, whereby they share what they have learnt with their colleagues and are evaluated accordingly. Networking with other banks around best practice is equally important and the use of the Virtual classroom tool

will greatly assist with this. Once again, Exco and Senior Management must take the lead with this initiative and be seen to be actively involved in and driving such communities. Initially, and in part, some of these sessions will be co-ordinated by L&D, but gradually as the mindset changes to that of a learning organisation, the responsibility would be assumed by the staff themselves who would host these sessions as natural discussion groups around case scenarios; problem solving etc.

By mid 2009 discussion forums on Change Management will have been introduced in all countries and by the end of 2009 the concept of communities of practice in each country will have been introduced. These forums should be actively driven by the business by the end of 2010.

#### Independent Study:

In addition to the learning already mentioned, the learner should be encouraged to engage in a self directed pursuit of knowledge to broaden his knowledge on his industry and develop to his full potential. This learning could either be via individual research on topics related to the business (reading of industry specific publications... and the subsequent sharing of that knowledge through Communities of Practice), or through higher learning i.e. formalized programmes provided by tertiary institutions. In order to encourage tertiary education, bursaries should be allocated as an incentive to support advancement for relevant fields of study. This should also be built in as part of the talent management and succession planning policy of the bank. Study loans could also be awarded for those staff who do not qualify for a bursary and do not have the financial means to study further. Incentives in the form of specialized learning (specialist development programmes/international programmes) should be awarded to those staff identified as having talent.

#### Knowledge Management:

The term knowledge management refers to a central repository for the storage of uniform information commonly required by the business e.g. Electronic libraries of information, articles written internally; templates etc.

The knowledge management tool will enable easy access to all relevant information by the organization, ensuring standardization of work flow, greater efficiency and minimizing loss of intellectual capital when someone leaves.

All data required in creating a knowledge management base is currently being stored on shared drives. In 2010, knowledge champions will be elected for each business unit in BancABC and an audit will be conducted on what information is used daily and needs to be stored on the Knowledge Management System. The goal should then be to invest in a knowledge management tool which could be housed on the Intranet by end 2010, and all relevant information stored accordingly.

### Development programmes:

A variety of development programmes will be introduced in BancABC by end of 2009.

These programmes will include executive and management leadership development programmes as well as a graduate development programme. The graduate development programme will form a building block to the management leadership programmes, which in turn will form a building block to the executive programme.

The primary objective of the graduate development programme, will be to fill gaps which have been identified in the business with aspirant graduates who show the aptitude and ability to develop further. These graduates would have the potential to progress through the leadership development programmes, as they move upwards in the organization. The leadership development programmes should be seen as important in laying the foundations for leadership and enhancing leadership ability. They are also a good support tool for succession planning and for managing talent.

The programmes will be offered in three tiers i.e. junior leadership, middle/senior management and executive. The executive programme will be supported with access to executive coaches, as mentioned earlier

By end 2009, the design of all of the development programmes will be complete, with a pilot of the executive programme scheduled for 2009 and implementation of all programmes in 2010.

### Performance Support Tools:

Performance Support tools are becoming increasingly popular as learning aids, particularly with regard to the technical aspects of a job and are an important resource tool in any learning organisation. A performance support tool is an on-the job performance/learning aid which enables users to follow predefined processes and solve problems in real time. No longer would the learner be required to rely on his memory to house all information required, or to refer to numerous reference guides (learner guides included) to elicit an answer. Instead, he would have ready access to electronic on-the-job support which will provide him with his answers. i.e. a staff member is attending to a customer who asks him a question he is unsure about; he types in the question on his PC and is immediately directed to the relevant, accurate information. He can also access workflow support in this manner i.e. he is unsure about what step to next follow, types in the relevant process related query and is directed to the workflow with step-by-step instructions.

In 2010, the concept of a performance support tool will be introduced to the business and by the end of 2011, the primary areas of the business areas should have easy access to the tool which will assist them in their daily performance.

**In Conclusion:**

If BancABC is to espouse “Fresh Thinking, Smart Banking”, it will be necessary for an investment to be made in the one Learning and Development differentiator which will separate the bank from its competitors - the building of a learning organization. The investment being made will need to be transacted in a variety of ways: in the time taken by EXCO and Senior Management to actively pursue their own learning opportunities; in the modelling by the Executive and management of coaching and mentoring; in the time and effort learners take to pursue higher learning; in monetary investment to build the Architecture and in implementing the necessary solutions.

As a return on this very important investment, there will be the tangible measures of growth in intellectual capital; retention of key staff talent and an increase in staff skills and competencies. As an improvement in all of these areas is observed, an accompanying increase in revenues will be noticed – knowledgeable and competent staffare better equipped to offer increased levels of service to their customers and to the business which subsequently has a positive impact on the bottom line.

BancABC will become recognized as the leading bank in Africa as success is achieved as a learning organization and inspiration will be provided for others to follow  
Together, we can craft a rich future of learning....”the rich man is he who has a wealth of knowledge, the poor man is he who has none.”

**BancABC Learning and Development Strategy**

**Signatures of Acceptance:**

\_\_\_\_\_

**Group Chief Executive Officer**

\_\_\_\_\_

**Group Head, Human Capital**

\_\_\_\_\_

**Date of Acceptance**

## ANNEXURE B: Questionnaire



Dear Participant

I am a final year student with UNISA, undertaking Masters in Business leadership (MBL). This research is being carried out as partial fulfillment of the requirements of the MBL degree programme for UNISA.

Thank you very much for agreeing to participate in this research. The purpose of this questionnaire is to evaluate "***The extent to which BancABC is a learning organization***" in accordance with established literature on learning organizations.

The information that will be gathered from this study is meant to improve the understanding of learning organizations, particularly at African Banking Corporation of Zimbabwe Limited, (BancABC). The information that you will provide will be treated in strict confidence and will not be disclosed to your organization or any other individual participating in this research.

Participation in this study is voluntary and the researcher will ensure that your valuable contribution is effectively utilized. If you require the results of the study, the researcher will make them available to you and they will not make reference to your individual contribution.

If you require any clarifications, feel free to contact me on [lkayinamura@bancabc.com](mailto:lkayinamura@bancabc.com) or on 0772 513 303. I hereby request that you spare some of your time to complete this questionnaire and email it to the undersigned on [lkayinamura@bancabc.com](mailto:lkayinamura@bancabc.com). Once again thank you for your participation

Yours sincerely  
Lilliossa Kayinamura

*The information required below is purely for classification purposes*

Name of Participant

**A. Information on the participant**

- A.1 Age    21-30      
                  31-40      
                  41-50      
                  51-60

- A.2 Gender Male      
                  Female

A.3 Highest qualification

A.4 Position in Organization

A.5 Number of years in organization

- 1-2      
2-4      
5-7      
8 or more

A.6 How many BancABC internal courses have you attended in the last two years?

A.7 How many external courses has the Bank organised for you to attend in the last two years?

A.8 What is your understanding of a learning organization?

A.9 On a scale of 1 -10 (1 being the worst, 10 being the best) how would you rate the Bank's general performance in the industry?

**B: The effect of enabling organisational structures/structures on learning organisations.**

B.1. I feel I have a degree of decision making in my current position.

- A. Never
- B. To a very small extent, rarely
- C. Neither agree nor disagree
- D. Most of the times
- E. To a very large extent (almost all the time)

B.2. People in the organisation are not afraid to make mistakes on the job:

- A. Never
- B. To a very small extent, rarely
- C. Neither agree nor disagree
- D. Most of the times
- E. To a very large extent (almost all the time)

B.3. In my current position if given the opportunity, I am not afraid to make a decision.

- A. Never
- B. To a very small extent, rarely
- C. Neither agree nor disagree
- D. Most of the times
- E. To a very large extent (almost all the time)

B.4. My senior manager is very accessible and available to me.

- A. Never
- B. To a very small extent, rarely
- C. Neither agree nor disagree
- D. Most of the times
- E. To a very large extent (almost all the time)

B.5. If I am away from the office, there will be a smooth continuation of my tasks.

- A. Never
- B. To a very small extent, rarely
- C. Neither agree nor disagree
- D. Most of the times
- E. To a very large extent (almost all the time)

B.6. As an organisation we are very flexible.

- A. Never
- B. To a very small extent, rarely
- C. Neither agree nor disagree
- D. Most of the times
- E. To a very large extent (almost all the time)

B.7. As an organisation we adapt quickly to suit business needs.

- A. Never
- B. To a very small extent, rarely
- C. Neither agree nor disagree
- D. Most of the times
- E. To a very large extent (almost all the time)

**C: The effect of learning leader/leadership style on learning organisations.**

C.1. A learning leader impacts the learning culture in an organisation

- A. Never
- B. To a very small extent, rarely
- C. Neither agree nor disagree
- D. Most of the times
- E. To a very large extent (almost all the time)

C.2. The organisation's leadership prioritizes learning and views it as important

- A. Never
- B. To a very small extent, rarely
- C. Neither agree nor disagree
- D. Most of the times
- E. To a very large extent (almost all the time)

C.3. It is critical and important to the organisation and to me for my leader to be learning

- A. Never
- B. To a very small extent, rarely
- C. Neither agree nor disagree
- D. Most of the times
- E. To a very large extent (almost all the time)

C.4. There is trust between leadership and people on the line

- A. Never
- B. To a very small extent, rarely
- C. Neither agree nor disagree
- D. Most of the times
- E. To a very large extent (almost all the time)

C.5. I am confident to express my honest views and ideas to my leadership

- A. Never
- B. To a very small extent, rarely
- C. Neither agree nor disagree
- D. Most of the times
- E. To a very large extent (almost all the time)

C.6. My leaders are not afraid to take risks

- A. Never
- B. To a very small extent, rarely
- C. Neither agree nor disagree
- D. Most of the times
- E. To a very large extent (almost all the time)

**D: The effect of learning and development on a learning organisation**

D.1. Investment in Learning and Development is money well spent and I can see the benefits

- A. Never
- B. To a very small extent, rarely
- C. Neither agree nor disagree
- D. Most of the times
- E. To a very large extent (almost all the time)

D.2. The learning and development function is critical in our organisation

- A. Never
- B. To a very small extent, rarely
- C. Neither agree nor disagree
- D. Most of the times
- E. To a very large extent (almost all the time)

D.3. Learning and development is very visible in my organisation

- A. Never
- B. To a very small extent, rarely
- C. Neither agree nor disagree
- D. Most of the times
- E. To a very large extent (almost all the time)

D.4. Learning and development is critical to my performance

- A. Never
- B. To a very small extent, rarely
- C. Neither agree nor disagree
- D. Most of the times
- E. To a very large extent (almost all the time)

D.5. All the knowledge I gain through training in the organisation is shared with one or more of my team members

- A. Never
- B. To a very small extent, rarely
- C. Neither agree nor disagree
- D. Most of the times
- E. To a very large extent (almost all the time)

D.6. The bank assists and supports employees pursuing and furthering their education and professional qualifications

- A. Strongly Agree
- B. Agree
- C. Neither agree nor disagree
- D. Disagree
- E. Strongly disagree

D.7. Continuous learning has a direct impact on organizational performance

- A. Strongly Agree
- B. Agree
- C. Neither agree nor disagree
- D. Disagree
- E. Strongly disagree)

D.8. BancABC has a clear Learning and Development policy

- A. Strongly Agree
- B. Agree
- C. Neither agree nor disagree
- D. Disagree
- E. Strongly disagree

**E: The effect of organisational culture on learning organizations**

E.1. Our organisation has a culture of learning

- A. Never
- B. To a very small extent, rarely
- C. Neither agree nor disagree
- D. Most of the times
- E. To a very large extent (almost all the time)

E.2. I am comfortable to contribute new ideas to my manager

- A. Never
- B. To a very small extent, rarely
- C. Neither agree nor disagree
- D. Most of the times
- E. To a very large extent (almost all the time)

E.3. When individuals are moved into new positions they are adequately trained to take on the new tasks

- A. Never
- B. To a very small extent, rarely
- C. Neither agree nor disagree
- D. Most of the times
- E. To a very large extent (almost all the time)

E.4. There is open communication in my department/organisation

- A. Never
- B. To a very small extent, rarely
- C. Neither agree nor disagree
- D. Most of the times
- E. To a very large extent (almost all the time)

E.5. The organisation promotes the culture of people working in teams for the attainment of the organisation's goals

- A. Never
- B. To a very small extent, rarely
- C. Neither agree nor disagree
- D. Most of the times
- E. To a very large extent (almost all the time)

E.6. At BancABC we work as a team in the attainment of organisational goals

- A. Never
- B. To a very small extent, rarely
- C. Neither agree nor disagree
- D. Most of the times
- E. To a very large extent (almost all the time)

E.7. As an organisation we have a culture of acknowledging our mistakes and learning from them

- A. Never
- B. To a very small extent, rarely
- C. Neither agree nor disagree
- D. Most of the times
- E. To a very large extent (almost all the time)

**F.** What strategic mistakes has the Bank made in the last five years?

**G.** What has the Bank done differently, if it has, as a learning point from these mistakes?

**H.** What practices or structures are in the Bank, if any, which hinder the bank from learning from its own mistakes?

**I.** As an organization how quickly and/or easily do we adapt to changes in our environment?

**J.** How do you feel experts in different areas of the Bank have availed their experience and skills to the rest of the team to learn from them?

**K.** What can experts in the different areas in the Bank do to share and impart knowledge to their team members?

**L.** What recommendations would you make to BancABC management to make the Bank a truly learning organization?

## ANNEXURE C: BALANCE SCORE CARD ASSESSMENT SCALE FOR VALUES

Balance Score Card Measurements & Indicators						Balance Score Card Rating Scale				
Objective (Key Result Area)	Objective Weight	Measurement (Key Performance Indicators)	Target	Result	Rating	120%	110 - 119.99%	90 - 109.9%	80 - 89.9%	<80%
						1	2	3	4	5
Professionalism	20%	Professionalism entails being uncompromising, focused, and confident in offering world class products and services. We strive for excellence in what we do and are always seeking to improve on our performance.	3		1					
Integrity	20%	The ability to be reliable, ethical, credible, and trustworthy with a great sense of heritage. Our cast-iron ethics form our unquestionable character and business practice.	3		1					
Passion	20%	Passion describes the people focused, accessible, personal and customised approach, anchored on vital African energy. In short, we are passionate	3		1					

		because we believe in and love what we do.								
Innovation	20%	This embodies the key trait of being visionary, dynamic, energetic, challenging and agile. In practical terms, adoption of this key value means devotion to driving change by provoking new ideas and always doing things differently.	3		1					
People	20%	People is the essence of our existence. Our world class staff, customers, clients, shareholders and stakeholders define our ambitions, success and passion. Our passion for people makes us customer centric.	3		2					
	<b>100%</b>									

ANNEXURE D: BancABC STRUCTURE

