

**A SYSTEMS PERSPECTIVE ON ENQUIRY  
INTO TRAINING & DEVELOPMENT  
NEEDS AND INTERVENTIONS**

*In An Organisation Striving for World-Class  
Retailing Standards*

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**Submitted to the University of Cape Town in partial fulfilment of the requirements  
for the Degree of Master of Industrial Administration.**

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## **DECLARATION**

I, Claudia, Graziella Ragni submit this thesis for the Degree of Master of Industrial Administration. I claim that this is my original work and that it has not been submitted in this, or any similar form, for a degree at any University.

# DEDICATION

To my Mother, for her continued inspiration to achieve our goals in life, her presence is much missed.

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## **CONFIDENTIALITY OF INFORMATION IN THIS REPORT**

All information in this report is confidential and for use by the University of Cape Town to assess the suitability of this research project for qualification towards the degree of Master of Industrial Administration. The information may not be used by other organisations.

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## SYNOPSIS

Globalisation, increasing competition, financial fluctuations and a need to become evermore effective and efficient is part and parcel of the business environment today. Organisations are also realising that the old assumptions, methods and structures that worked in the past will not necessarily guarantee future viability.

Truworths, a medium size fashion retailer in South Africa, has had considerable success and steady growth for many years. It realised approximately four years ago, when South Africa opened its borders, and customer research started to indicate a negative perception of merchandise and services, that it could not remain complacent, and that to continue to grow it had to meet these challenges.

It was in this climate that the Managing Director and his team decided to explore opportunities to differentiate the Organisation and find a competitive edge. A process of exploring and defining the direction and future strategy of the Organisation was initiated with the top 43 managers, facilitated by two consultants from the Centre for Business Ethics. The outcome after two years of research and debate was the Organisations' new strategy, which is called the Truworth Business Philosophy.

In essence the Business Philosophy defines the Organisations' 'Moral Purpose', its 'Value System' and its 'Vision'. The difference between this new strategy and the old one is that it has a clear and defined purpose, which specifies the target customer, what the customer wants and how this will be delivered. It also addresses the issue of shared principles and values. For example 'Moral' refers to the belief that in order to survive and prosper the Organisation has to provide the customer with a positive perception of value. This translates into the idea that each employee also has to give a value added contribution and that the new 'Value System' should support and reinforce this desired 'Unique Contribution' of each individual. From a philosophical point of view it is believed that this type of purpose will ensure sustainability. The 'Vision' is a statement that defines the desired output and it is believed that it can be achieved by the application of the 'Moral Purpose' and 'Value System'.

When I joined the Organisation towards the end of 1996, in the head office Training and Development department, this new strategy had been the driving force behind major changes. 'Made in the World' or a drive for 'International' standards, which was an output of the new strategy, had been launched in March 1996. This involved the improvement of many aspects of the business from store design, to service strategies in stores.

It was immediately apparent that a lot of work was needed to raise the standard of training and development, particular in stores operations, which had been minimally

staffed for the past 4 years and hence received little attention. This part of the business (training and development) was not at this stage able to provide the service required to equip managers and employees to be able to deliver service of 'International' standards. This was recognised by the business and my brief was to look at ways to improve training and development in stores operations.

The context that was therefore chosen for this research was the enquiry into training needs and interventions in stores operation, which is described in detail in *Part 1: Description of the Situation for Enquiry*. I saw this as an opportunity to apply management and systems thinking theories to research and practically try to improve the situation described.

Why systems thinking, is a question that the reader may ask? Systems thinking and its methods, I will argue in this paper, seeks to address the dilemmas facing methods centred around analysis. Systems thinking uses both analysis and synthesis to gain a broader understanding of a problem situation. Analysis is defined as the process of breaking down something into parts, understanding the parts, and aggregating the understanding of the parts to understand the whole. The problem with analysis, on its own, is that although a lot of detailed knowledge of the working of the parts is gained, understanding about the whole is often lost. The properties of the whole are not an aggregation of the parts and hence the addition of synthesis, which identifies a whole system for investigation, establishes the purpose of the containing system and then explains the system being studied in terms of its purpose or role within the containing whole. Analysis in other words yields a lot of knowledge of the parts of the system, synthesis builds understanding. Systems thinking is found to be particularly useful when examining systems which include humans, as they have the ability to choose how to react to interventions in a system. As a result care was taken to choose methods that are designed to take this into account for example Soft Systems Methodology.

Having decided on the context for research, the next step was to develop a process to guide the research. To this end various theories were looked at, which mainly have their roots in systems thinking, and to then develop an enquiry framework which is detailed in *Part 2: Developing a Framework for Enquiry*. The framework is developed on 3 levels: philosophy, methodology and techniques.

The work of Charles Peirce, a pragmatist, was chosen for the philosophy underpinning the model. He argues that there are various ways of fixing belief, but the one that has proven most successful to date is what he terms the method of science. He argues that this method, which includes a clear and defined, repeatable process and observation of results, is the only one rigorous enough to converge on the 'truth'. The concept of

'truth' is defined as a belief which is provisionally held until disproved by unexpected observations and hence he terms all knowledge and beliefs as 'fallible'.

Several methods were studied and utilised to develop the enquiry framework which includes: the method of science proposed by Peirce; Revan's comparison of scientific and management enquiry; Minto's and Ryan's thesis on logical enquiry, thinking and writing; and Argyris' ideas on single and double loop learning. In addition several systems based methodologies were used within the enquiry framework, namely Soft Systems Methodology (SSM) by Checkland and a Human Performance Technology (HPT) Model. Ackoff's work was also looked at to explore the difference between mechanistic, organismic and social systems (that involve people).

A few of the techniques used within the enquiry process were interviews and focus groups, which will be described in more detail when applying the enquiry framework.

In summary the enquiry framework broadly consists of 3 phases:

*The Abductive Phase:* where an hypothesis is generated;

*The Deductive Phase:* which makes predictions regarding the hypothesis;

*The Inductive Phase:* which is the process of examining the results and assessing whether to accept, modify or reject the hypothesis.

A foldout copy of the enquiry framework is found at the end of this paper for easy reference when reading the paper.

Soft Systems Methodology was found to be particularly useful in the abductive phase as it provides a means of viewing the problem situation from multiple perspectives and hence to draw in the beliefs and thinking of a number of stakeholders. It also examines the roles of the various parties involved and looks at the political and social dynamics of a situation. The concept of multiple perspectives is of particular significance in South Africa at present where the democratisation of the country has raised the expectations of employees and managers to be involved in and to understand decisions affecting them.

*Part 3: Research in Action* details the process and results from applying the developed enquiry model to identify and action improvements with regard to training and development in stores operations. A summary of the main points follows.

The abductive phase used SSM as a method of developing an hypothesis for action. Different stakeholders ranging from sales assistants to directors were interviewed or involved in focus groups. Overall 88 people were formally involved in finding out what needed to be done to improve the situation. Various analyses resulted in 9 common themes for action which revolved around:

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- Further deployment and communication of the new strategy.
- A transformation in leadership style, which is less focused on a 'command and control style of management' and more on enabling, setting standards and creating the conditions for contribution.
- The need to induct all new staff into the Organisational culture.
- Ensuring training and development is planned into store activities.
- Improving the resources available for training and development.
- Changing the style and type of training to a more interactive and practical approach.
- Including casuals (who are becoming a major component of stores operations) in the training and development processes.
- Involving and communicating more with stores operations staff on issues affecting them.
- Improving career and succession planning.

In summary what was predicted was that employees and managers would be better able (enabled) to provide the desired 'International' service to customers if the proposed interventions were successfully implemented.

An action plan revolving around these themes and the expected improvements, and potential pitfalls are documented in the deductive phase. Potential problems were highlighted regarding, the management and coordination of casuals, which if not carefully managed, could result in increased staff turnover and stress on the system. Other possible problems revolved around the transformation expected from the introduction of the 'Value System' and leadership style which required significant changes in culture and 'habit'.

The inductive phase details the results and observations, reflects and compares this against predictions made and then evaluates the hypothesis. It is noted that many of the interventions are by no means complete, but that it was nevertheless important to evaluate progress to date and assess this against predictions made.

Results from customer research show that Truworths is perceived by the customer to have superior service compared to major competitors. Customer service results, overall within Truworths however, if compared year on year (1996 to 1998) shows a decline, which is a concern. Possible reasons for this and proposals are discussed in detail in parts 3 and 4.

Areas of success and where significant progress was made with regard to the various improvement projects were: the communication of the new strategy and subsequent

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changes in human resource processes (e.g. role clarification, performance evaluation). Improved induction material and processes, although casuals, due to problems with turnover and scheduling are still not being consistently included. Improved resources e.g. more specialist support and up to date programmes. However there is still a backlog with regard to updating material to train and develop store managers. There is also positive feedback regarding the new more practical and interactive training approach reflected in both the material, processes and methods used. Extremely successful was an interactive and cross functional approach to developing one of the new training workbooks. Involving users in the development process increased commitment as well as the quality of the material developed, and this approach has now been adopted in other interventions.

Identified areas that are more problematic involve: the change in management or leadership style. Opportunities in this regard will be discussed in detail. Planning and integration of training and development into store and divisional activities is also still inconsistent and while improving in some areas is extremely neglected in others. One of the most concerning aspects is the poor service levels of casuals which can be directly related to a lack of induction, training and poor recruitment. As predicted difficulties with scheduling and managing the casual pool resulted in ongoing high turnover, which creates more work for managers and hence less attention is paid to training and developing casuals consistently. Improvements to the process of career and succession planning has only recently been introduced and it is too early to observe results. These areas are receiving attention from stores operations management at present.

The inductive phase highlighted the importance of coordination between the various parts of the system, and continual audit of strategy deployment and improvement interventions, in order to assess progress, and make the necessary corrections as early as possible. It also emphasized that problems in one part of the system could have negative repercussions throughout and affect the overall desired transformation of improved service levels in all stores.

The hypothesis for action was modified in view of the observations and findings, and it is suggested that possible leverage points are an emphasis on leadership development, casual pool management and planning training and development into stores operational activities. Progress and successes in the other areas mentioned should not however be taken for granted and progress should continue and be reinforced.

The last part of this paper: *Part 4: Reflection on Research* covers a summary of the results, proposals going forward, reflections on the research process and relevant theories used, comments on the context chosen and personal development and growth. A diagrammatic summary of the structure of this paper is depicted in Figure 1.

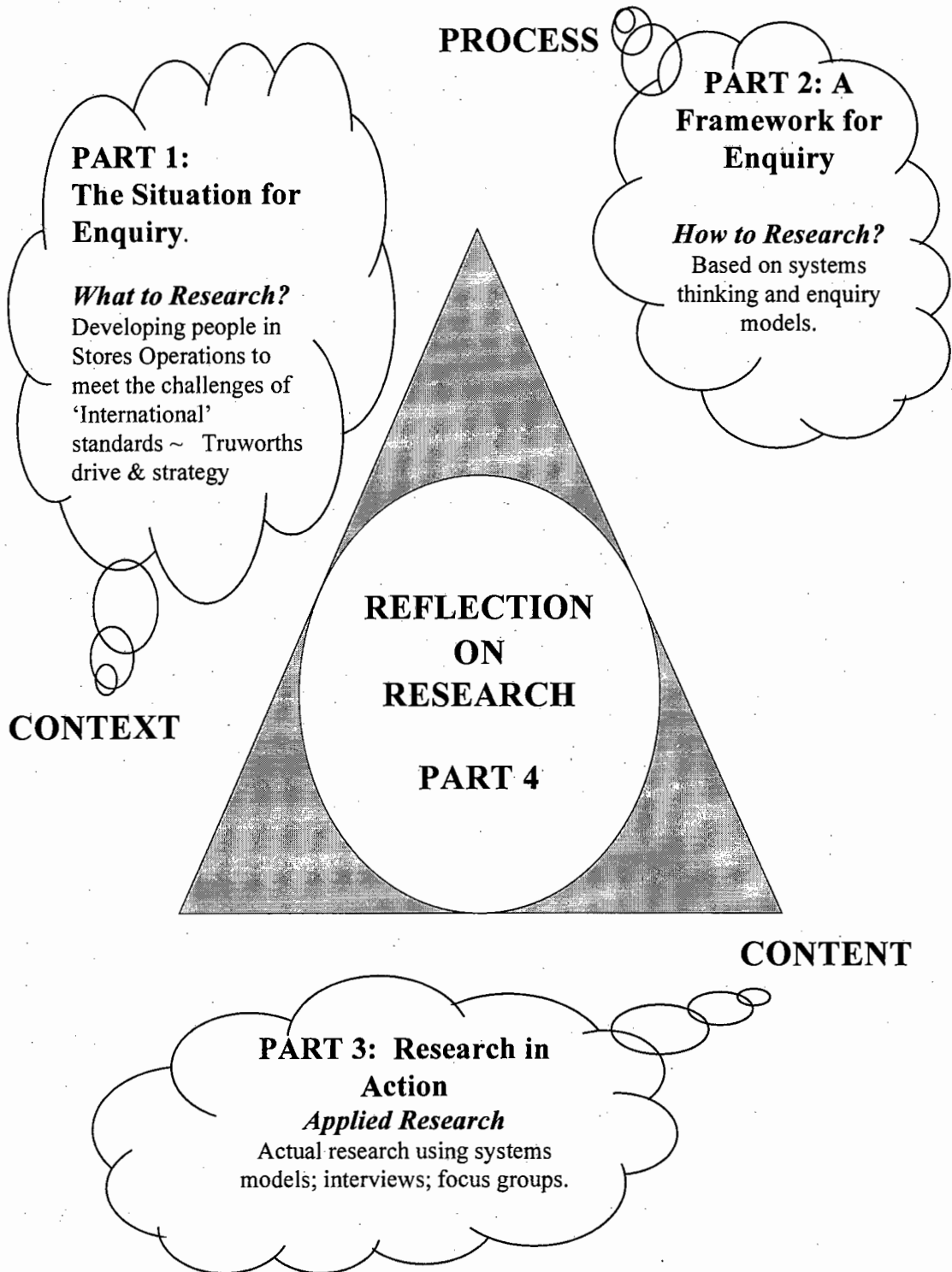


Figure 1: Research Paper Structure

The enquiry framework, and the various theories used to develop it, were invaluable in introducing a disciplined and rigorous approach to what is essentially a 'soft' and difficult to define situation. Applying methods of science to management enquiry has the potential to assist organisations deal with increasing competition and the need to change and adapt. It can also be used to assess the success of innovative ideas, solutions, and products, in order to utilise the competitive advantage this can have. This is of particular importance in the fashion industry where innovation in both products and service has the potential to differentiate an organisation.

Peirce's philosophy and method was found to be of particular value, as it not only provides a clear and detailed method of enquiry, but also a philosophy which looks at various ways of fixing belief of which he terms the method of science to be the most reliable means of converging on the 'truth'. Observation of results after following a clear and defined method was found to be extremely useful in highlighting problems and opportunities in this research. The concept of 'truth' being provisionally held until some surprising result casts doubt on the theory or belief held, was also found to guard against management interventions without close scrutiny and continual observation.

Argyris' theory regarding 'espoused Vs theories in use' further highlighted for me the danger of management speaking about changes without continually evaluating actions. In many instances, espoused beliefs regarding desired changes with regard to the new strategy were not found to translate into action e.g. leadership transformation, casual management and balance between cost saving and customer service strategies. This is having a negative impact on achieving desired changes and management needs to be continually evaluating this gap in order to encourage what Argyris terms double loop learning, where theories in action are questioned against espoused beliefs. This should encourage real changes in behaviour and thinking.

Systems thinking and its methods encouraged me to enquire not only from an analytical point of view, looking at the various parts, but to broaden my understanding of the situation by looking at training and development within the broader purpose of the Organisation. It also very strongly highlighted the importance of overall coordination of the parts of the identified system. Methods like Soft Systems Methodology (SSM) encouraged this approach further, and used an interactive approach that drew in multiple stakeholder perspectives. This greatly enriched the outcome of the training needs analysis and subsequent interventions also tried to follow a more interactive approach as will be described in part 3.

Finally this research process has developed my ability to critically look at management interventions and has enriched and broadened my perspective.

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In summary, 3 simultaneous streams of learning took place for me:

- researching and developing a theoretical framework for enquiry which required looking at different theories and management experiences;
- actively involving myself in improving a situation within the Organisation I work in and
- continually reflecting on the interaction of the theoretical framework and practical results.

The rigour, discipline and need for continual observation and reflection against expectations has for me highlighted, the significant opportunities for critical examination and early identification of problems and opportunities that following such an explicit enquiry framework provides. This can only be of benefit to management in organisation, like ours, who are facing increasing levels of competition, continual change and a great deal of uncertainty as to finding optimal ways of meeting the challenges of globalisation and world-wide economic fluctuations.

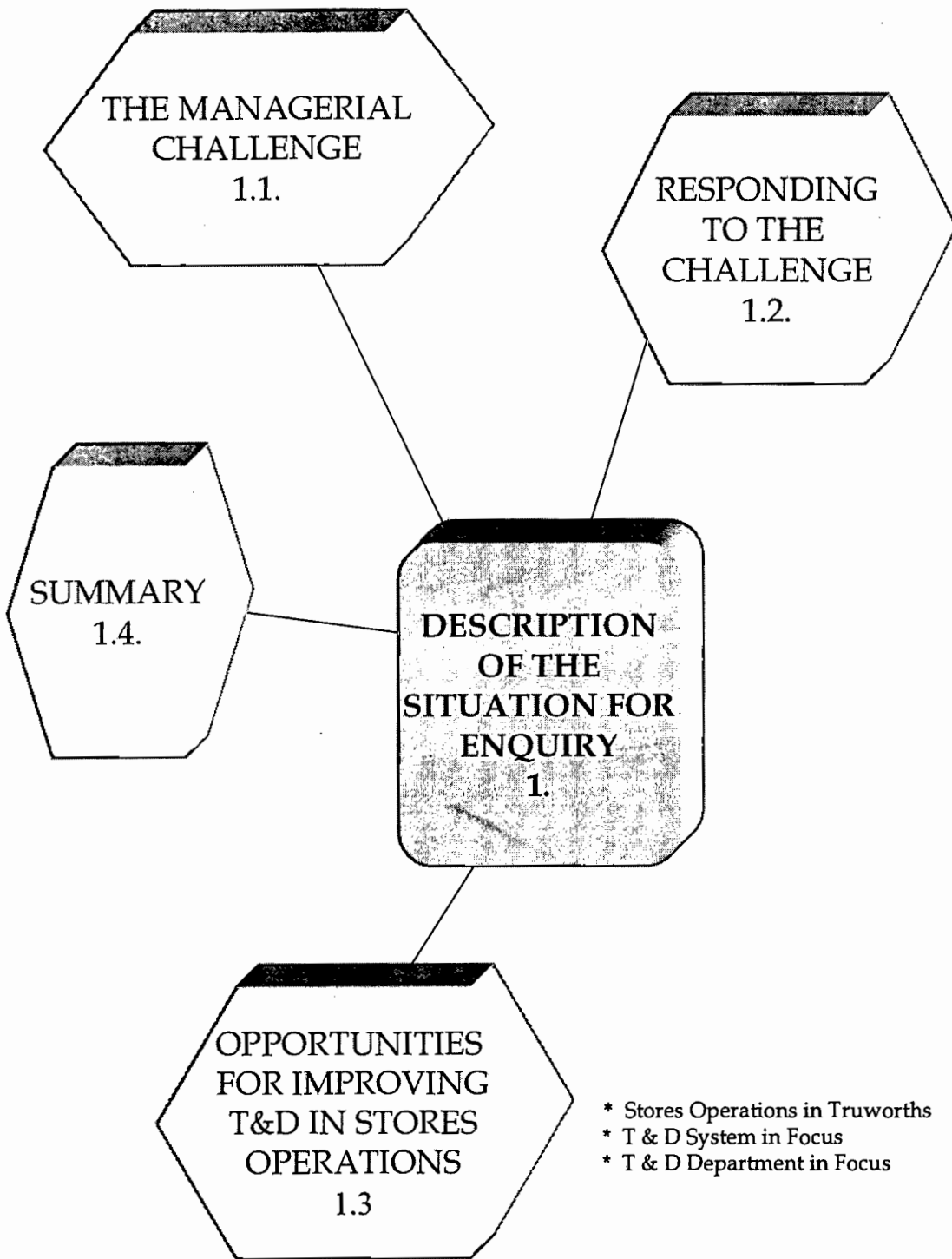


Figure 2: Structure of Part 1 - Description of the Situation for Enquiry

## 1. DESCRIPTION OF THE SITUATION FOR ENQUIRY

In business multiple opportunities exist for enquiry and learning with the view to improve and develop the business and its stakeholders ability to prosper in an increasingly fast moving and competitive global economy.

The decision of what to research was for me, the author of this research paper, based on several factors namely:

Firstly, I had just joined a new organisation which was in the process of dynamic changes and interventions to improve on many aspects of the business. Like many South African firms the threats and opportunities of globalisation had spurred its management to re-focus the business to be able to compete internationally.

Secondly, the area in which I joined namely, Training and Development <sup>1</sup>, targeting stores operations had been neglected for several years and was not supporting the major changes taking place.

Thirdly as a 'management researcher' I wished to choose a topic that I was actively involved in and would be able to practically influence via proposals and improvement projects.

The principle of 'action research' which is actively promoted on this course, was utilised, where the researcher is part of the research taking place and the focus is on applying and testing hypotheses and theories in the business, be it in a pilot form to start with, rather than laboratory type research.

Part 1 of this paper seeks to outline the context and situation for enquiry. It firstly details the challenges facing Truworths in an increasingly global economy, it then describes how the realisation of these challenges lead to the development of a new strategy. This new strategy is then described from an organisational perspective and then the current situation with regard to training and development in stores operations is outlined. Finally the opportunity for researching ways to improve training and development in stores operations is described.

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<sup>1</sup> Training and Development will be abbreviated as T & D.

## 1.1 The Managerial Challenge

Organisations today are faced with increasing levels of competition and with the need to change and adapt. The context of this challenge comes from the globalisation of markets. Products and services are becoming increasingly portable through the use of modern means of transportation and the effective use of information technology. Leading organisations are also capturing markets through innovation and continuous improvements in all aspects of their business. This includes not only an increase in efficiency, but the ability to adapt to demanding customer requirements for flexibility in both products and services.

South African organisations, on the whole, have awoken to this reality later than organisations in other parts of the world. Evidence of this can be found in the 1995 World Competitiveness Report of the World Economic Forum, which evaluated 48 countries using almost 400 criteria. South Africa ranked 42 out of 48, and came last in terms of a number of criteria, mainly those related to 'people' variable, in particular poor training and development, access to education, and social services. (Liebenberg, 1996) The political and economic policies of the past, sheltered and isolated organisations, firstly within the country, through the use of high import tariffs, and secondly, externally, due to economic boycotts aimed at pressuring the government to end apartheid.

The net effect was that while America and Europe in the 1970's and 1980's started feeling the pressure of globalisation, with imports flooding in from Japan and the rest of the 'Asian Tigers', South Africa was isolated for the reasons just given. America and Europe were forced to change in view of this challenge and methods of adaptation and enquiry were introduced into organisation. An example was the adoption of Total Quality Management (TQM) concepts, used in leading organisations in Japan, by American corporations in the 70's, not always successfully.

South African organisations are now facing this challenge with the added concerns of political uncertainty, devaluation of local currency, labour unrest, relatively poor levels of education and a short period in which to adapt. Protection tariffs are being phased out, due to the introduction of GATT (General Agreement on Trade and Tariffs) over a 5 year or shorter period, in many industries. The effect of this has already been seen in many industries, for example in clothing and textiles, where many organisations have already closed down or relocated to Malawi, Botswana or Zimbabwe where labour is cheaper. The motor vehicle industry is also a striking example with fully

imported products entering the country at very competitive prices, in spite of the current protection tariffs.

In the clothing retail industry a number of foreign chains have opened outlets, for example Levi's, Diesel, Kookai, with excellent quality, service and customer appeal. Globalisation brings with it threats as well as opportunities to expand in markets outside the national borders. South African retailers, who remain complacent, risk competition from new players, who have been competing in international markets for years and have not been sheltered by South Africa's previous economic and political isolation.

Truworths recognised the challenges of globalisation and increased competition to itself and major suppliers. To meet these challenges it initiated a process of exploring a new strategic direction which is described in the next section.

## **1.2 Responding to the Challenge**

In this section the structure, culture, strategies and major challenges facing Truworths will be described.

Truworths is a medium size fashion retailer which is part of a large South African 'blue chip' Group, namely Wooltru. It has two major products namely: its primary product, fashion merchandise and its supportive product, credit which enables the customer to purchase its primary product. Truworths has more than 220 stores country-wide, and franchise stores in the Middle East and in other African countries. It is also moving to acquire or form partnerships with similar types of businesses internationally. At the start of the research (1996) it had acquired a loss making Australian retailer which at the end of the research (1998) was in a profit making situation. This strategy of becoming 'International' also included the plan to list as a separate Company on the Johannesburg Stock Exchange, as Truworths International, which took place in May 1998, towards the end of this research.

The strategy of becoming an 'International' or 'World-Class' retailer also included a major drive to improve standards in service, merchandise, quality etc. and to find leverage points for differentiation e.g. information systems (account base management and utilisation), merchandise selection and procurement strategies and processes.

Truworths defines 'International' or 'World-Class' as having the standards, appeal, merchandise and service of successful international fashion retailers

such as 'The Gap' and 'Next' (see Appendix 5.1 for more detail). In the Managing Director Michael Marks words:

*"Our Stores should in the future be able to stand next to The Gap etc on the high street in London, Paris, Milan and be able to compete." (Michael Mark, M.D. of Truworths presentation.)*

All of the changes given as examples above, came out of the realisation that global competition was to become a reality. There was also concern about customer research that, to the 'surprise' of management, indicated customers perceptions of Truworths' product and services to be much more negative than expected.

This situation led to the development (which is an iterative process) of a 'Business Philosophy' consisting of Truworths' purpose, vision and values.

Prior to the development of the Business Philosophy, Truworths had been introduced to Covey's "*Principle Centred Leadership*" via the Chairman of the Wooltru Group, Colin Hall, who's vision is to harness the potential of the unique talents of the individual and groups in the Organisation. All senior, middle management and specialists at Truworths were exposed to "*Principle Centred Leadership*" via workshops. This was one of the initial attempts at changing the culture of the organisation from an old style command and control hierarchical structure to a more flexible enabling environment. Essentially "*Principle Centred Leadership*" attempts to encourage a change from managing people as resources or objects, to an influencing approach, where through the leader's example and vision, teams are facilitated to give of their best. The belief is that through building personal mastery, the leader is better able to achieve this objective. The foundation of effective management and living in this paradigm, are outlined in the "*Seven Habit of Effective People*" (Covey) which are the principles underpinning the "*Principle Centred Leadership*" workshops (see Appendix 5.2 for summary of Covey's Seven Habits).

Simultaneously Truworths' top management began a process of exploring ways to define its strategy and values going forward, taking into account the challenges discussed earlier. To this end the assistance of David Lapin, a consultant who explores the concept of business and ethics, was enlisted.

The process involved a two year development process undertaken by the top 43 managers and it included an organisational survey and research process which asked for input from customers and employees at all levels. The core development work was then undertaken by the Management Team, facilitated

by David Lapin and based on the research and survey work undertaken. The outcome was the Business Philosophy, which is briefly described as follows:

- **Moral Purpose:** identifies who the Truworths customer is, why she shops with the organisation and how Truworths can best serve her.
- **'Vision':** what Truworths would like the customer to say (based on research) which would indicate a satisfying shopping experience and enhanced relationship.
- **Values:** a system of values that would create the environment and culture to enable employees and managers to achieve the 'Moral Purpose' and 'Vision'.

(Refer to Figures 3 and 4: The Truworths Business Philosophy)

The 'Business Philosophy' was developed to assist with decision making and to align Truworths to a common purpose, values and vision, which is customer focused. Policies and practices at all levels therefore came under scrutiny. Questions that were, and are commonly asked, include:

- Is the shopping experience we offer what our customers desire?
- Are our front-line service staff 'lively and committed' and if not why?
- Are we giving our customers an 'International' shopping experience?
- What information systems could assist us to differentiate our service and products?
- Are our human resource processes aligned to enable our staff to deliver excellent service?

These are some of the questions that generated certain major changes, which are still ongoing.

At the start of this research (1996) the biggest change was the launch of 'Made in the World' or drive for 'International' standards. 'Made in the World' involved major transformations within the organisation. The whole 'look' of the stores was transformed including: the fixtures, music, swing tickets, customer accounts, advertising, a customer fashion magazine was introduced to name but a few. Merchandise departments used the Moral Purpose to become much more focused and actively targeted *'the youthful, fashionable South African, who wants to feel enthused with confidence'* (Truworths Moral Purpose). This was done by each lifestyle department interpreting and creating a strategy to buy for this customer within its particular market segment.

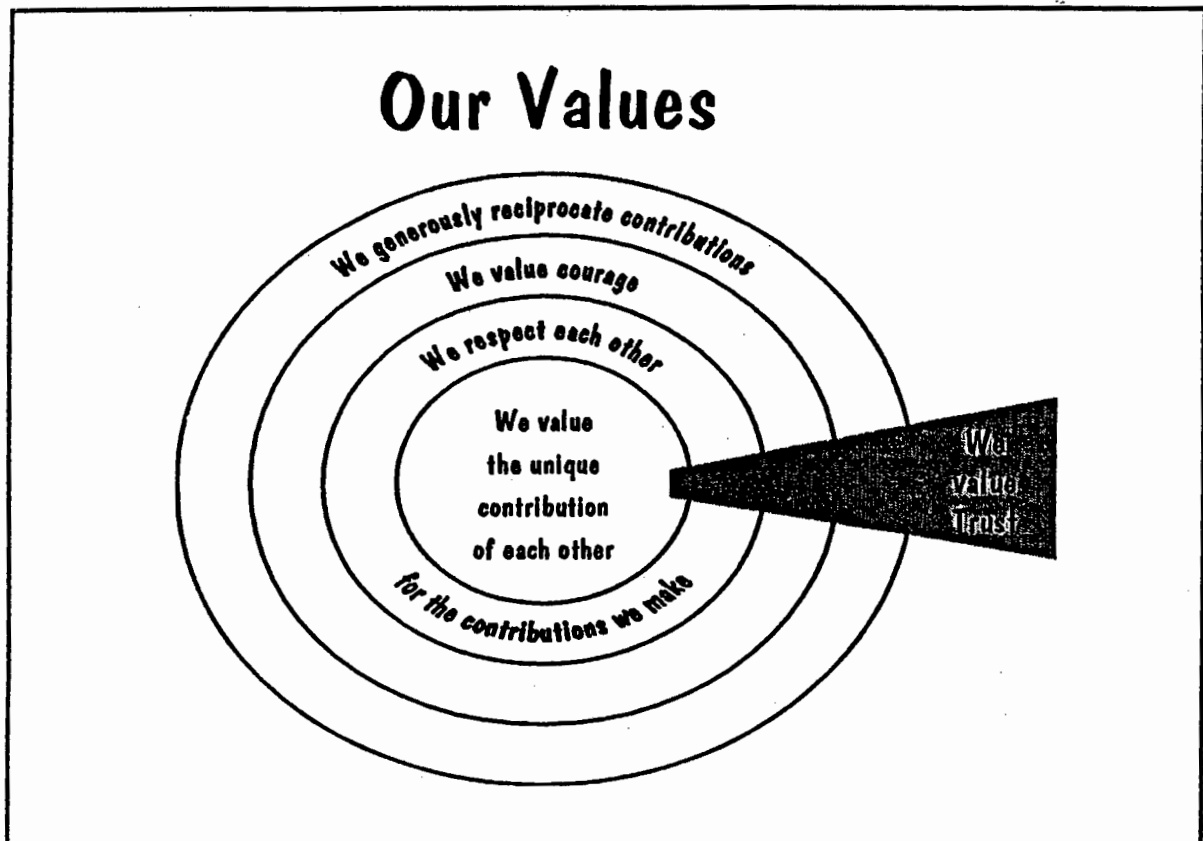
Customer Research thereafter revealed an improved customer perception of Truworths and sales increased dramatically for a year thereafter (March 96 to 97) and then levelled off, but continued to grow. Customer Research in itself became a permanent ongoing activity focusing on qualitative perceptions of customers country-wide. Where previously focus group research was the main method used, 'Mystery Shopping' (research method used to assess, qualitatively, service standards) was introduced as an additional method, in 1996 to ensure each store was being assessed twice a year.

The Human Resource Management processes and policies had been subjected to some improvement, particularly in the field of recruitment, however, training and development in stores operations had received little attention, and on face value appeared inadequate to prepare leaders and employees for the challenges of 'International' service and operating standards. One of my briefs on joining Truworths was to look at ways to improve training and development in Stores Operations.

## ***TRUWOTHS MORAL PURPOSE***

The youthful, fashionable South African wants to look attractive and successful and feel enthused with confidence. To this end, Truworths entices her into the most exciting and visually appealing store environment with an innovative and adventurous blend of colour, fabric, value and fashion styling of international standards.

**Figure 3: The Truworths Business Philosophy - The Moral Purpose**



## TRUWORTHS VISION

“Truworths will be first place I go to when I want quality fashion that makes me look attractive and successful and feel enthused with confidence because I can easily find what I am looking for and be helped by lively and committed people.”

Figure 4: The Truworths Business Philosophy - Values & Vision

### **1.3 Opportunities for Improving T & D in Stores Operations**

In order to understand or apply any improvements it is important to understand the context and situation prior to any interventions. This section attempts to give the reader of this paper a brief overview of the situation and the resulting opportunities for enquiry.

Training and development of people at Truworths is described as a process of enabling individuals or groups to contribute efficiently and effectively to the business. Enabling employees is defined as the process of inducting, training and providing sufficient resources and information for the employee to contribute. It is a multifaceted process involving a number of people and departments. Figure 5 illustrates the desired transformation that the training and development system seeks to achieve. As can be noted from the diagram a number of departments are involved in this process. The following three subsections describe the situation in more detail, firstly looking at Stores operations and the Divisional Management structures, secondly taking an overview of the head office departments involved and thirdly taking a more detailed look at the Training and Development department within the system.

It is important to remind the reader that the area of focus I will be concentrating on will be the T & D department's contribution to improving training and development in stores operations for the reasons described earlier.

#### **1.3.1 T & D in Stores Operations at Truworths**

One advantage for the development of people in stores operations (also referred to as the Field) is that line managers are primarily responsible for training and developing their staff. This has encouraged line managers to become actively involved in the development of their staff and with 220 stores country-wide it makes training and development (theoretically) accessible to all.

The stores operations structure is designed to facilitate this process. Each main centre (4 in 1996, 6 in 1998) has a divisional office with a Divisional Manager, Area Managers and Retail Administrators (Figure 6). Each Area Manager, with a Retail Administrator, have 6 to 10 stores they are responsible for. Each store has a Store Manager, and in large stores Floor Managers as well. Some divisions have the assistance of a Personnel Officer who assists field managers with the full human resource function, others use this position purely for pay administration purposes. Divisional offices are responsible for deploying strategy in stores, audit and maintenance of

standards e.g. customer service, visual display, shrinkage, etc including staff development and training, and the efficient operation of the stores (e.g. cost control).

As stated earlier, line management is responsible for developing their staff with support and resources from head office (described in the next section). A cascade approach is utilised i.e. the Divisional Team receive input from head office, they then train their store managers, who are then responsible for developing staff within their store.

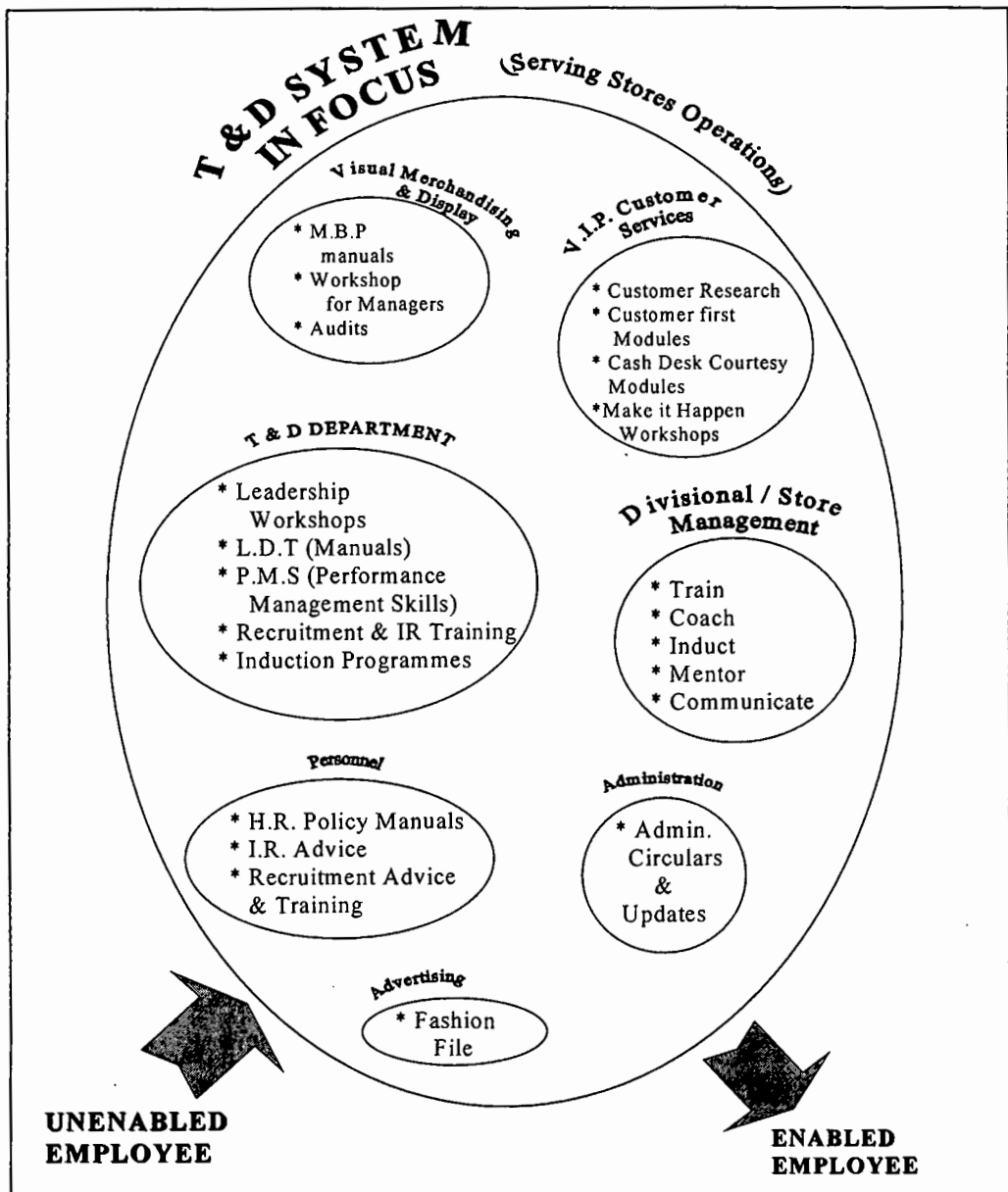


Figure 5: T & D System serving Stores Operations

## PART 1 - DESCRIPTION OF THE SITUATION FOR ENQUIRY

At store level most of the training is 'learner directed' training, which theoretically means that the trainee via training manuals drives the training process with the guidance of the line manager. The training is self paced and the trainee gets 'checked out' of a module when they can answer or complete tasks on a checklist. These LDT (Learner Directed Training) manuals were developed by the T & D department at head office in the 1980's and in many instances no longer reflect the training needs and culture of the Organisation.

Stores also received customer service and motivational type training workshops in the form of modules developed by V.I.P. Customer Services department at head office. This function was started in 1994 and introduced to co-ordinate customer service issues. Customer research, a customer hot-line, and account marketing are other examples of activities V.I.P. services co-ordinate.

The situation at the start of this research was that management and employees were generally dissatisfied with training and development in stores operations. Managers complained of out of date manuals with no reference to 'Made in the World' or 'International' standards, many employees received little or no development, particularly casual employees, training was inconsistent and took far too long.

It is worth mentioning a new staffing policy in this context. In order to gain greater flexibility and to reduce costs in staffing stores, and with the reality of week-end trading becoming the norm, Truworths introduced in 1996 a process of gradually decreasing their core or Full Time Equivalent (permanent) staffing levels and therefore introducing a greater percentage of casual staff who mainly worked at peak period e.g. weekends. The object was to move from an approximately 80:20 (permanent to casual ratio) to a 60:40 ratio. Casuals were at that stage excluded from the training process, which in view of the change in policy had obvious implications for customer service standards.

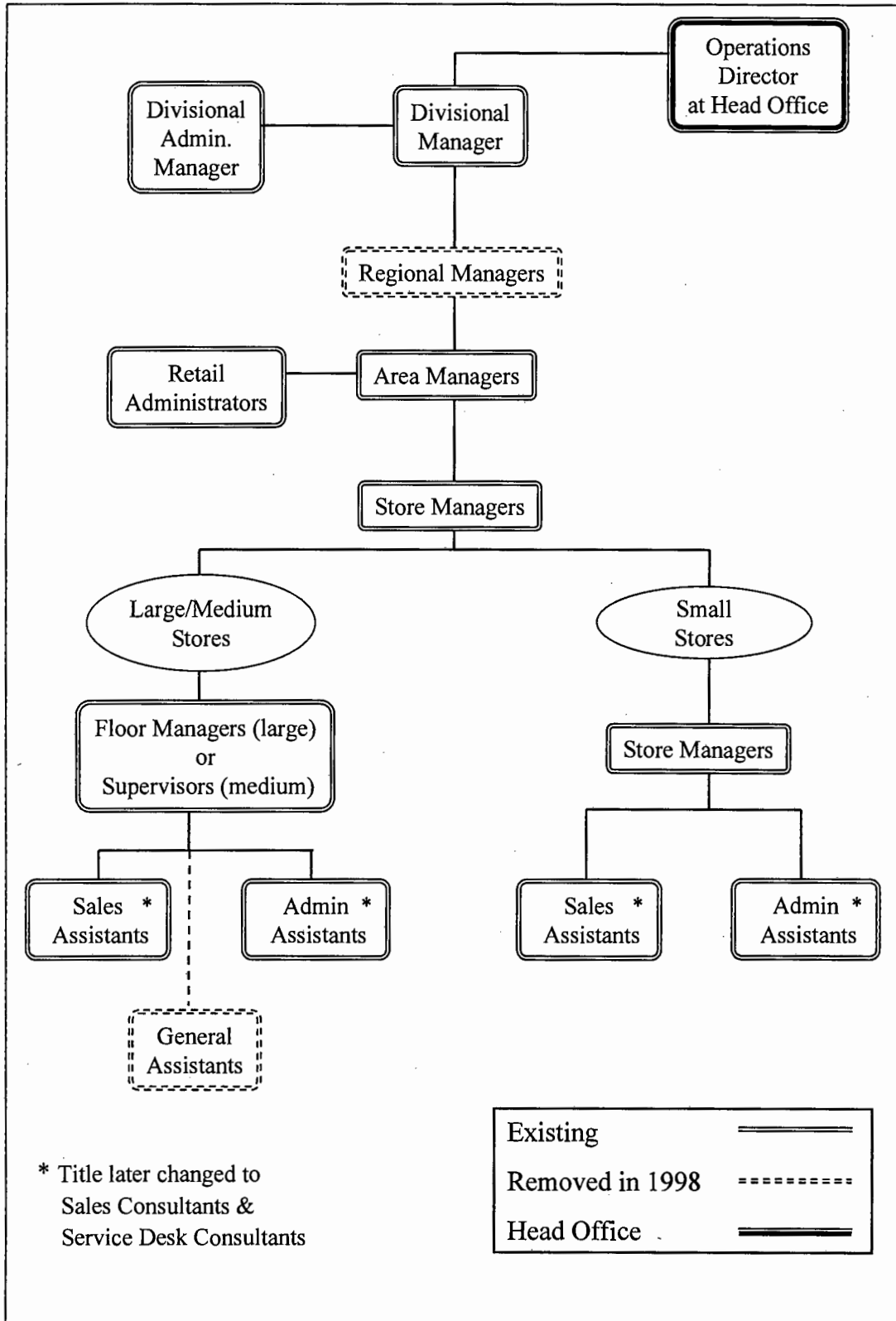


Figure 6: Stores Operations Divisional & Stores Structure

### 1.3.2 Overview of Head Office Services to enable T & D in Stores Operations

Head office were and still are responsible for enabling divisional management by:

- providing management training,
- developing and obtaining resources (e.g. Sales Assistant Manuals),
- developing divisional management to train store staff to be able to deliver effective service and run an efficient operation.
- give feedback to stores operations on customers perceptions of service via ongoing research.

The parties involved at head office are as follows:

**T & D Department (part of Human Resources)** - responsible for management development, and so called 'technical' training of store staff. 'Technical' training was defined as activities that service staff had to be exposed to in order to competently perform in their job e.g. basic customer service; terminal operations, visual display and merchandising, security procedures etc.

**V.I.P. Service (specialised Customer Service Department)** - developed and implemented motivational staff programmes and customer service modules e.g. Customer First, Cash Desk Courtesy, Make it Happen workshops. V.I.P. Service are also responsible for co-ordinating customer research and feeding results back to stores operations for action.

**Visual Display** - provide detailed guide-lines of how to display merchandise via workshops and an M.B.P. Manual (Merchandise Based Principles). They also audit standards and consistency of the visual display in stores country-wide.

**Advertising** - co-ordinate and collated a monthly 'Fashion File' which is a manual sent to all stores. The Fashion File illustrates what garments and their co-ordination (stories) are going to be delivered to stores and how to merchandise (layout and display) the garments. It also is a fashion guideline for stores staff.

**Administration** - sends out documented updates on any changes in administration procedures e.g. terminal procedures.

The above head office departments at the start of this research essentially worked independently of each other. There was very little cross functional co-ordination taking place. The research documented in Part 3 also revealed

that many of the resources and tools sent to stores from head office were poorly utilised.

Due to the lack of co-ordination between the various head office sections there was also a clash of priorities within stores when 2 or 3 head office workshops or training interventions would be launched concurrently. The implementation, and effective utilisation of the programmes and resources suffered as a result.

These are some observations made during the initial research. Part 3 documents the detailed findings and process.

### 1.3.3 Overview of the T & D Department within the T & D System at Truworths

The T & D department services all 3 main areas of the Business:

- Head Office (Merchandise, and Service Departments);
- Stores Operations including the Distribution Centre;
- Credit Services.

If one focuses on the T & D department's contribution to stores operation in the last 3 to 4 years prior to the research, it is clear that there were major problems, which mainly focused around a lack of resources and priority from an overall perspective. For this period the T & D department consisted of 2 to 3 staff members (including the Administrative Assistant and Manager) whose focus was mainly head office and general management training (e.g. Covey Workshops, Merchandise Trainee Development).

Some changes were in the process of being developed and implemented for example, the Manager of the T & D department had co-ordinated, together with divisional management, a new recruitment and selection process, but again due to inadequate resources had not been able to complete the project at the time. A year prior to this research a new trainer had been recruited from Truworths Credit Services department, whose main responsibility was to service this section of the business. She was also tasked with developing a new induction programme for Credit and Stores that reflected 'Made in the World' and that all current staff could also be exposed to. This was at developmental stage at the start of this research.

In summary, due to the above situation all the training material being utilised in stores (including management level) was extremely out of date and was not adding value to Truworths' new strategy of striving for 'International' standards. The strategy encapsulated in the Business

Philosophy was therefore not reflected in the development of stores staff and management and was identified as an improvement area in the business.

#### **1.4 Summary of the Situation for Enquiry**

Part 1, outlines the strategic changes that are taking place within Truworths in response to opportunities and threats of increased competition due to globalisation. Truworths realised that in order to continue to prosper and grow it had to clearly define its strategy going forward and implement changes throughout the Organisation. This new strategic direction required improvements and realignment in all parts of the business to its desired purpose. In addition the new strategy included a value system that would have direct impact on human resource management within the Organisation, which included training and development.

Training and development improvements in stores operations is one area that needed to be improved and was chosen by myself, the author, as this was the area I worked in. In addition I chose to follow the 'action research' route, where the researcher is involved in the research process and practical implementation and changes within the workplace.

The context of the research documented in this paper, is therefore the identification and implementation of improvements in the process of developing employees within stores operations in Truworths, with the objective of enabling employees to achieve improved and consistent service standards. This within the broader context of the transformations taking place within Truworths and the local and global economy.

The process and philosophy used to guide the research is described in *Part 2: A Framework for Enquiry*, which follows.

PART 1

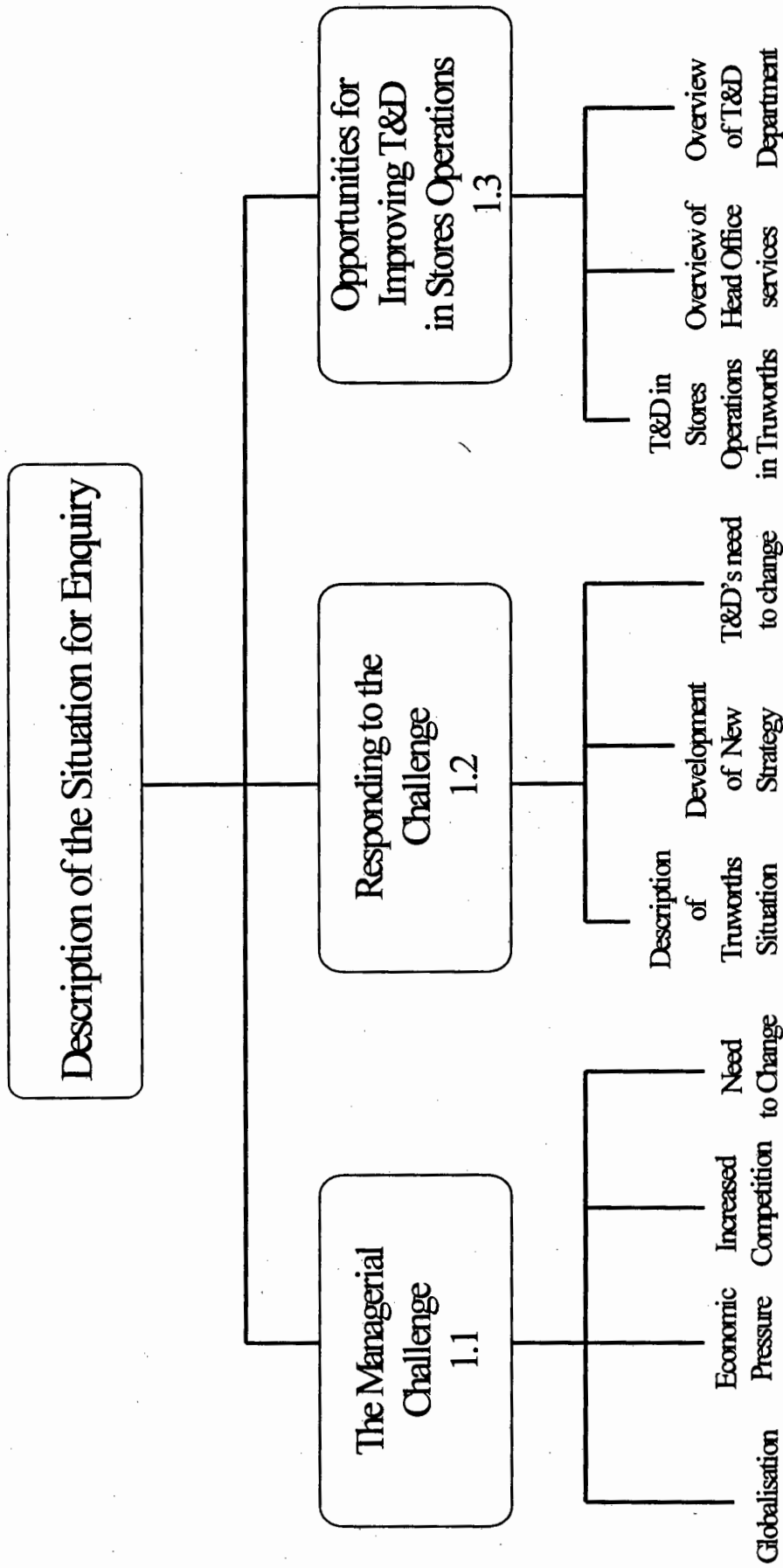


Figure 7: Logic Tree of Part 1: Description of the Situation for Enquiry

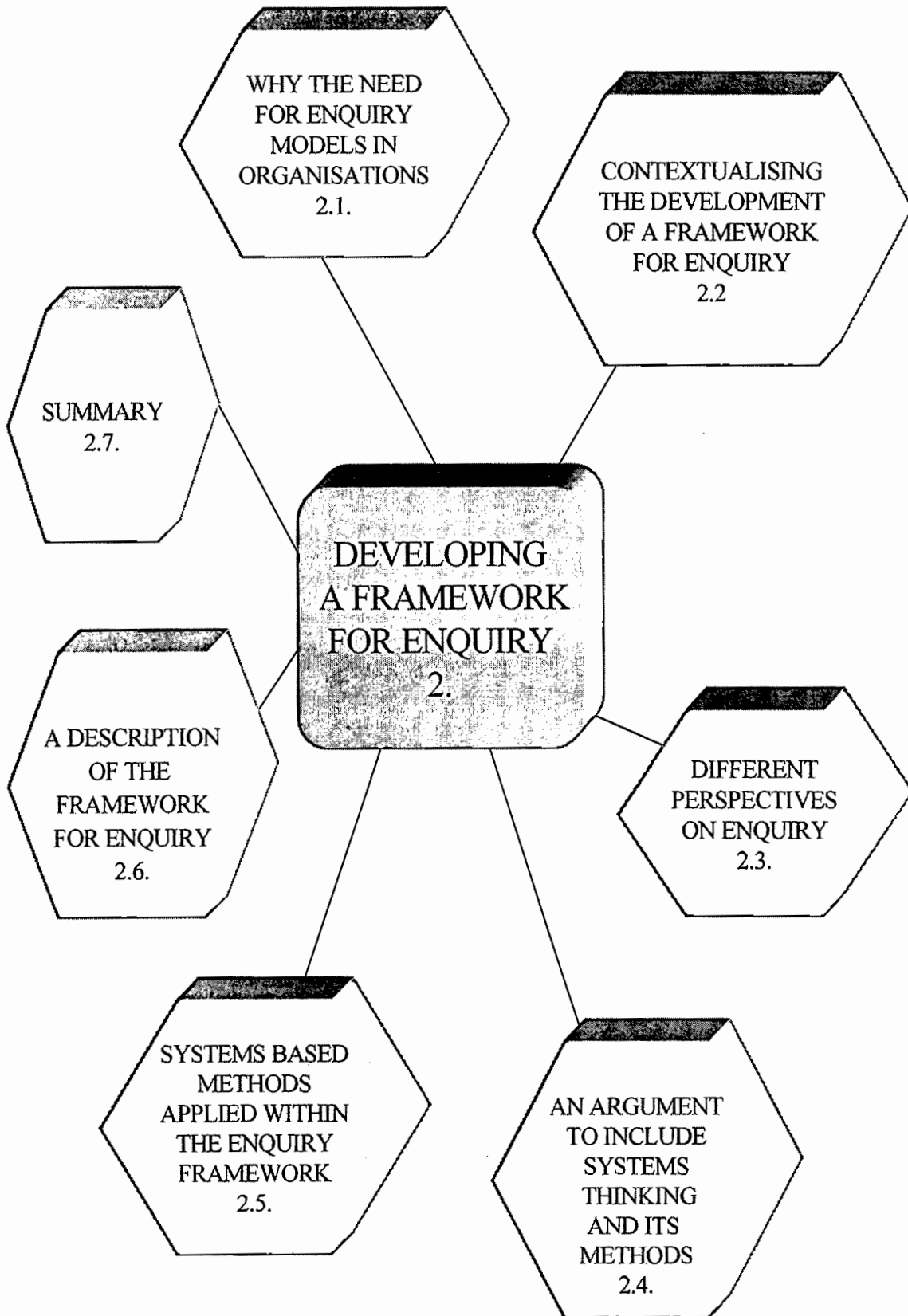


Figure 8: Structure of Part 2 – A Framework for Enquiry

## 2. DEVELOPING A FRAMEWORK FOR ENQUIRY

Part 2 describes how the research was undertaken or, in other words, the process and thinking utilised. This is termed a framework or model for enquiry and is synthesised from the philosophies and methods of various people.

In Part 1 the context or what to research was outlined in broad terms. The area of concern chosen, namely training and development improvements in stores operations, is essentially what is termed a 'soft' issue involving many stakeholders with multiple viewpoints and the ability to respond in differing ways to any proposed interventions. For this reason the framework developed has to take this into account, and integrate philosophies and methods that attempt to deal with complex situations involving people.

The outline of this part of the document is as follows:

An argument for the need for enquiry models in organisations facing the challenges of globalisation, and as a result, continuous and rapid changes in the business environment.

Outline of a framework for contextualising enquiry models on three levels, namely: philosophy, methodology and techniques.

Philosophies and methods used to develop the framework or model for enquiry, which primarily includes the methods and thinking of Peirce, Revans, Argyris and Minto.

An argument for including systems thinking within the framework for enquiry.

Outline of specific systems methods, namely Soft Systems Methodology (SSM) and Human Performance Technology (HPT) used extensively within the enquiry framework.

A description of the synthesised framework used within this research and applied in *Part 3: Research in Action*.

## 2.1 Why the Need for Enquiry and Learning Models in Organisations

In Part 1 the challenges facing South African organisations, that have been isolated by policies of the past, was described. In this context what is to happen to South African organisations in the future, faced with these challenges? How can they learn to compete and 'catch up' with their global counterparts? One of the arguments in this paper is that organisations have to adopt a deliberate, and well thought out strategy, which includes the ability to enquire and learn. The pace of change in the global market is such that organisations have to be able to adapt and learn at an increasingly rapid rate to be able to prosper and survive. This means that management needs to adopt a philosophy which takes this into account, and develop thinking and strategies accordingly. This would include adopting philosophies and methodologies which facilitate enquiry into technical, organisational and social issues.

It is important that organisations make explicit (to themselves) the philosophy or guiding principles that they are operating to. This is to prevent the adoption of a short term, or piece meal 'flavour of the month' approach. Copying successful organisations blindly without an understanding of the particular requirements of that particular organisation and of an organisation in the South African context, increases the risk of failure. The failure of many highly successful Japanese concepts in South Africa is a case in point. Quality Circles failed in many South African organisations as they were implemented as a technique in isolation, without understanding the philosophy and processes that should surround such a concept for successful utilisation.

Learning and enquiry models are therefore very important in the modern organisations which have to continuously adapt, learn and look for innovative solutions and approaches. In this paper a model of enquiry has been developed from several different sources and then practically applied to investigate training and development needs and interventions in the stores operations of a medium size retail organisation in South Africa, striving for 'International' or 'World Class' standards. As stated in Part 1, this area of concern was chosen because the author was new in the Organisation at the start of the thesis and needed to find out what practical interventions were required in training and development in stores, which had received very little attention for the past 2 to 3 years. In addition, it appeared from readings and observations of organisations that are leaders in global terms, that learning, innovation and enquiry are part and parcel of their strategy to become, and remain, successful leaders in their industry.

## 2.2 Contextualising the Development of a Framework for Enquiry

A useful way of contextualising any enquiry, or proposed intervention is to look at it on three levels namely: the philosophical, the methodological and the tools and techniques level. (Easterby-Smith et al. 1991)

When reviewing and synthesising different perspectives on enquiry this triad will be utilised. The following sections will define the meaning of these three concepts and define how they will be used to develop an enquiry framework.

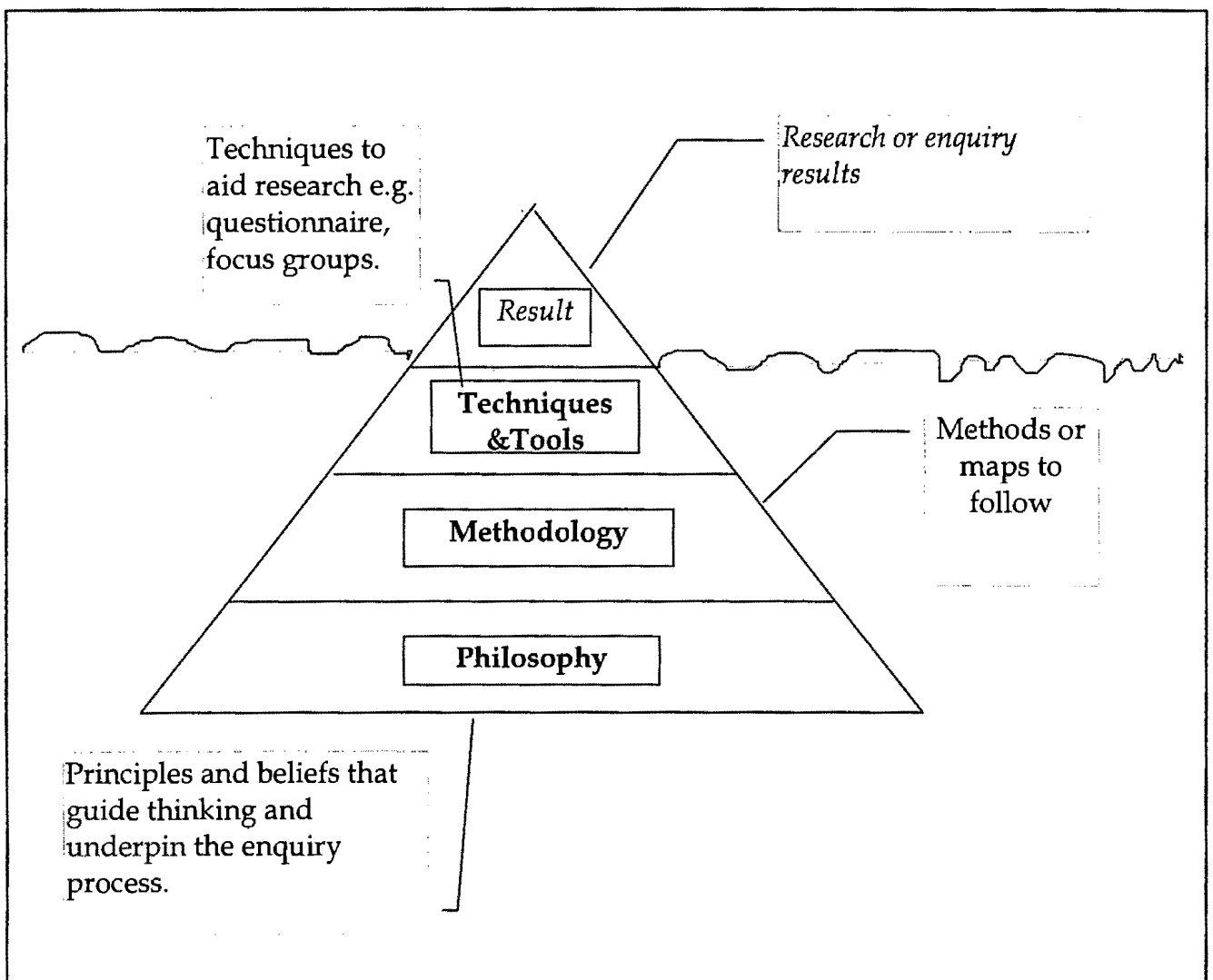


Figure 9:-Philosophy, Methodology and Techniques

### 2.2.1 **Philosophy**

Philosophy refers to the fundamental assumptions or beliefs held about the world by a person or a group. It is important to make these explicit when proposing any theory and/or intervention, so that the world-view in which the theory is formed is understood.

The reason philosophy is believed to be important in this context is that our assumptions or beliefs govern behaviour and give coherence to a set of interventions or actions. Without the context of philosophy, interventions can lose their power and coherence. Their usefulness in business, or for that matter, other contexts (education, health, politics) can be questioned as the worldview and logic in which they are framed in is not explicit.

Philosophy is not, however a fussy term to denote a point of view, but rather a rigorously thought out argument for holding certain beliefs or guiding assumptions. The philosophical thinking of Peirce, a pragmatist, was primarily used in developing the utilised enquiry framework and will be discussed later in 2.3.1.

### 2.2.2 **Methodology**

Methodology guides patterns of thinking and is often expressed as mental models. It helps to structure thinking and serve as 'maps' to share ideas or processes. Examples of methodologies are systems thinking models, for example, Soft Systems Methodology (SSM) used to guide enquiry into 'soft' or human populated systems. Mathematical or statistical models are often used for more 'hard' issues and could involve, for example, computer coding, machine construction and maintenance, inventory control, process control. 'Soft' issues would include any concern where people are a main factor, for example introducing a new system, project implementation involving humans, production processes in which the operator is an important factor, designing training and development interventions.

The framework for enquiry developed, and described in the last section of Part 2, can be viewed as a methodology for guiding enquiry, within the context of a chosen philosophy or set of beliefs. Various methodologies are used within the enquiry framework, for example Soft Systems Methodology and Human Performance Technology.

### 2.2.3 Tools, Techniques and Actions

This refers to specific interventions, for example, the use of a survey or interview method to 'measure' product success in a chosen market. Another technique could be the collection of data using computerised bar coded labelling in a store to research the success of a particular range of clothing..

Techniques are useful for gathering data, observations and perceptions and are tools to use in research or enquiry about an area of concern. In this research some of the tools and techniques utilised were focus groups, interviews, mind-maps, and rich pictures to mention a few.

### 2.2.4 Summary

Peter Checkland gives useful definitions for the above 3 concepts in his book *"Systems Thinking, Systems Practice"*:

*"A philosophy will be a broad non-specific guideline for action: it might be held as a philosophy, in this everyday sense, that say, 'political action should aim at a redistribution of wealth in society', or that 'industrial expansion should be carefully balanced against environmental degradation'. At the other extreme a technique is a precise specific programme of action which will produce a standard result: if you learn the appropriate technique and execute it adequately you can, with certainty solve a pair of simultaneous equations or serve a tennis ball so that it swerves in mid-air. A methodology will lack the precision of a technique but will be a firmer guide to action than a philosophy. Where a technique tells you 'how' and a philosophy tells you 'what', a methodology will contain elements of both 'what' and 'how'." (Checkland, p. 162)*

The above framework will be used to contextualise the practical research undertaken, and detailed in parts 3 and 4.

## 2.3 Different perspectives on Enquiry

In this section the learning and enquiry models of Peirce, Revans and Argyris will be briefly outlined. These models are used as a basis for the enquiry framework used in this research and detailed in 2.6.

It is important to note that the philosophy of Peirce primarily underpins the enquiry model developed, although many other methods, such as the SCQARE based on Minto and Ryan's work (described in 2.6), Revans, Argyris (described in this section) and Checkland's and Ackoff's methods and thinking (described in 2.5) were drawn from and synthesised to develop the enquiry model utilised.

### 2.3.1 The Philosophy and Method of Science Proposed by Peirce

Charles Saunders Peirce, was a 19th century pragmatist whose work proposes a scientific method of enquiry, which from readings and discussions, appears to be based in a systems framework used in this research project.

Pragmatism can be defined as:

*"The philosophy of meaning and truth especially associated with Peirce and James .. where ... The driving motivation is the idea that belief in the truth on the one hand must have a close connection with success in action on the other." (Blackburn – p.297)*

The pragmatist studies human knowledge via the study of the purpose and methods of science. Peirce believed that scientific thinking is the only form of enquiry of real significance, and that the truth can only be obtained by careful and proper enquiry as laid down in the scientific method.

William James extended pragmatism to include the belief that a proposition is true if it fulfils its purpose. He stressed the idea that the value of any idea or theory is based entirely on its usefulness and workability.

John Dewey, a notable 20<sup>th</sup> century philosopher further developed Peirce and James' concept of pragmatism. He believed that the only way to test ideas was to practically implement them and to observe the results to verify their usefulness or 'truth'. He was a major proponent of 'learning by doing' which is a corner stone belief in 'action research' applied in this research.

### 2.3.1.1 *Converging on the Truth*

Peirce believed that through the scientific method man had the greatest chance of progressing towards the truth. This is achieved through experience gained from a community of enquirers over time using proper methods. He stresses, however, the concept of fallibilism, namely that *“knowledge is not a completely certain and adequate representation of its object. Science never achieves the final and absolute formulation of the universe.”* (Reilly - p.80) Reilly summarises the concept of a community of knowledge in the following paragraph, *“We cannot be quite sure that the community ever will settle down to an unalterable conclusion upon any given question. Nor can we hope for any overwhelming consensus. All that we are entitled to assume is in the form of a hypothesis that such conclusions may be substantially reached concerning the particular question with which our enquiries are busied.”* (Reilly - p.90)

The concept that enquiry is a continuous cycle, and that knowledge has to be shared, is an important part of Peirce’s method of enquiry. In addition it is present in most models of enquiry and learning, including the one developed and used in this research.

### 2.3.1.2 *How Best to Converge on the Truth*

Peirce believed that the method utilised for enquiry and thinking would determine how close one got to the truth, or to put it another way, how accurate your beliefs are. Peirce defines four ways of fixing belief namely, tenacity, authority, a priori and the scientific method, and proposes the last to be the only means of getting closer to the truth. They are described as follows:

**I) Tenacity:** Also named the ‘Ostrich syndrome’ by Peirce, implies the holding onto beliefs purely because it is the most comfortable alternative. It can possibly be likened to a selective ignorance, which is practised to protect an existing belief. It is generally formed from repetition of a view point with no observable or factual basis.

*“Typically, it is what ‘they’ are saying (and they ought to know). At this stage, the viewpoint has no special merit for the man who expresses it, for its causal origins are understood - it is not a belief. However, it is brought out - and increasingly brought out - to be aired. Gradually it becomes inculcated as a habit of thought : eventually it is indeed fixed as a belief.”* (Houser – p.17)

Peirce reasons that one cannot ignore the environment for a sustained period unless leading a reclusive lifestyle. Man is a social creature and is influenced

by other people's opinions. It can therefore only offer short term security and can easily be refuted as there is no basis for the belief.

**II) Authority:** *"The second way of settling opinion without being scientific is by appeal to authority. In today's society, this mode of thinking is possibly the most important in fixing belief: it is the will of the institution ..."* (Houser - p.22)

Directly relevant to this method is the concept of control over the beliefs of individuals, by groups or individuals with power, using coercive means. Peirce argues that no state (or organised body) can regulate the opinion of every subject, which reduces the long-term viability of this method.

**III) A Priori:** This is the third way of fixing belief and can be defined as:

*"An a priori argument in logic is one which begins from a set of axioms which are assumed to be true, rather than from experiences that have been undergone."* (Houser - p.26)

A group of intellectuals democratically decide which propositions are acceptable against a set of criteria. The basis for the selection of the beliefs is not observed facts, but rather by the degree by which these propositions support reason.

Peirce sees this method as more acceptable than the other two, by virtue of its more beneficial nature, but sees the lack of including observable facts in the determination of beliefs as hampering the potential of this method to support sustainable belief.

**IV) Method of Science:** This is the fourth method of fixing belief and proposed by Peirce to be the only one to be rigorous enough to ultimately converge on the truth. It is the only method which bases beliefs on observation and follows an explicit method of enquiry.

Rigour is a critical concept in understanding this process of fixing belief:

*"Rigour is a precise formulation of method: something clear and definite, testable and repeatable. If we want to use words carefully, in fact, the method of science is method. It follows from this that we ought not to have called the three modes of thinking already described 'methods' at all. They are habits of thinking, and the most flattering words we can use to describe them is 'procedures'."* (Houser - p. 29)

Observation is a critical concept in Peirce's philosophy and method. Peirce believed that the enquirer should scrutinise nature for observations to either dispute or verify predetermined questions or hypotheses that the enquirer is trying to find answers to. He believed that it is only through this process

that we can get closer to the 'truth' but that belief in this 'truth' is only held until new observations cast doubt on the belief. This doubt in turn initiates a new cycle of enquiry. The truth is therefore only provisionally held until new observations dispute the held theory or hypothesis.

The next section describes Peirce's Method of Science in more detail.

2.3.1.3 *Description of Peirce's Scientific Method of Enquiry*

Peirce's method of enquiry is illustrated in figure 10 and is explained as follows:

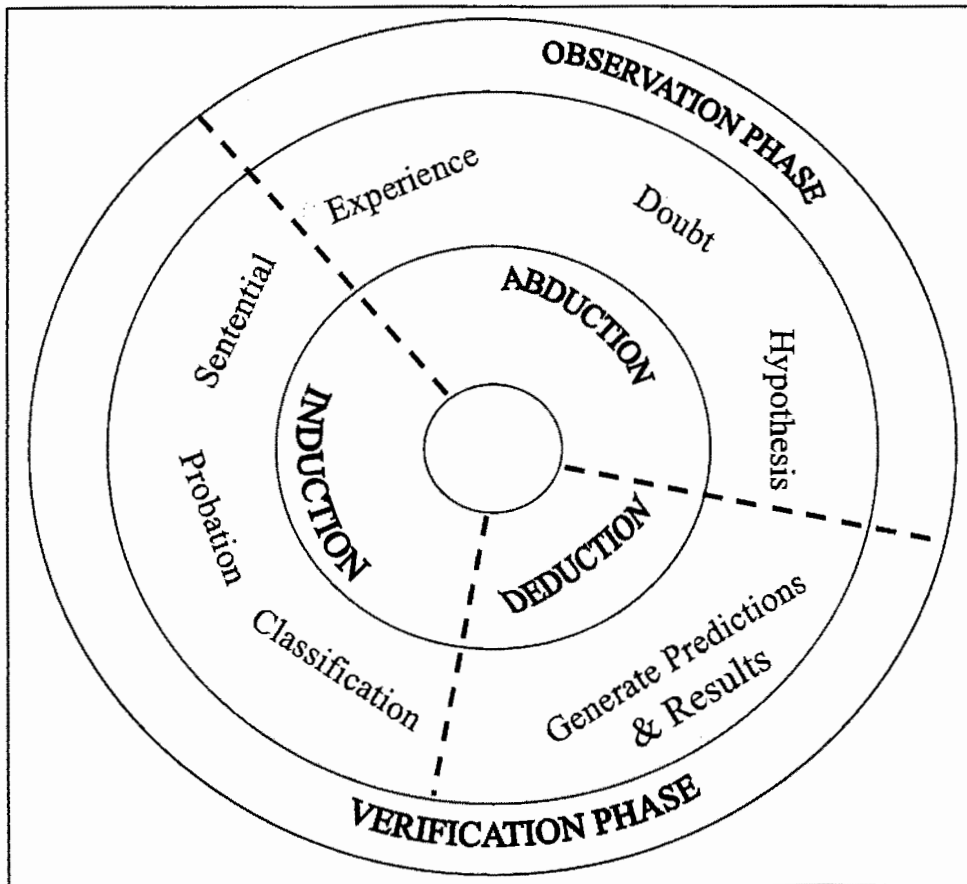


Figure 10: Peirce's Method of Science

**Observation Phase**

The first phase is the observation and **abduction** phase which includes experience, doubt and the generation of an explanatory hypothesis. Enquiry starts from experience, which is based on observation of real life phenomena. Doubt or surprise arises when observations do not correlate with the observer's beliefs or guiding principles about a particular situation. This starts a processes of formulating an explanatory hypothesis for the

phenomena observed. This process is termed abduction and is the mental process by which an hypothesis is formed. Abduction is concerned with examining the result, against a rule or generalisation and creating a possible explanation or hypothesis for exploration and testing. (This concept will be expanded on in section 2.6.2) Peirce argues that belief and experience, coupled with human intellectual invention and intuition, stimulated by doubt and observation, produces the explanatory hypothesis.

It is important to note Peirce's definition of experience, namely that:

*"Every enquiry whatsoever takes its rise in the observation ... of some surprising phenomenon, some experience which either disappoints an expectation, or breaks in upon some habit of expectation of the inquisiturus." (Peirce in Reilly 6.469)*

*The short quotation mentions the inquisiturus, the person who is beginning a scientific investigation, and the habits of mind which he brings to the project. This is an important topic, and deserving of careful consideration ... The enquirer begins his scientific work with a background of experience. The longer he has lived the life of a scientist, the more experience he has accumulated; the expectations that he brings to his project are more refined, more accurate than when he first began to do scientific work ... But, veteran or not, the scientific inquisiturus has some background of experience which acts as part of the context for his next experience." (Reilly – p.25 and 26)*

This is an important philosophical point and ties in with the concept of "world-view" used in Soft Systems methodology (described later in 2.5) which is used extensively in this research.

### **Verification Phase**

The next phase is the verification phase, which is divided into **deduction** and **induction**:

Once the hypothesis is formed a processes of making the hypothesis explicit and generating predictions takes place. This is termed **deduction** and

*"... in a scientific enquiry must terminate with genuine predictions of the 'if-would' variety." (Reilly – p.61)*

Deduction is the reasoning from a general premise or rule to an expected result, within the context of a specific case. The main purpose in this phase is to produce observable predictions or results to be used in the inductive phase.

**Induction** is the last phase in Peirce's method of enquiry and is the process of generating generalised rules from a specific case via the observation of results.

*"Induction, therefore, is the process by which the enquirer scrutinises nature to see whether the predicted observable consequences of the hypothesis actually occur; he then judges the hypothesis according to its success in predicting; and from the evaluation he proceeds to adopt, adjust, modify or reject the hypothesis." (Reilly - p.62)*

Induction is divided into **classification**, **probation** and **sentential**. **Classification** is the stage where the enquirer tentatively makes generalisations based on single or a small number of observations. **Probation** is the step where the number and quality of the predicted occurrence is examined. The counting of the number of occurrences is termed **quantitative induction**, and the estimation of the importance of the observations, **qualitative induction**. An example Peirce gives of qualitative induction is:

*" ... that a certain man is a Catholic priest, the enquirer should put more value on the man's role in ceremonial functions than on the style of clothing that he wears." (Reilly - p.70)*

The last stage of induction is the **sentential** part, where the results are finally examined, appraised and the hypothesis is verified, partially accepted or rejected. *"Through induction, the enquirer should be able to pass sentence on his explanatory hypothesis: it may be regarded as proved, partially proved, unworthy of further investigation, in need of modification, still highly dubious, and so forth." (Reilly - p.72)*

Again, as stated earlier, even if the hypothesis is regarded as proved and accepted as true at that point in time, the concept of fallibilism determines that when new observations indicates that there is doubt, the cycle of enquiry starts again. The hypothesis can never be completely proven and at any time, new observations may cast doubt on the generalisation or rule believed to be true.

**2.3.2 Revans - Parallel between the Scientific Method and Management Enquiry**

Revans argues that there exists a parallel process between the scientific method and good management practice. It should be noted that there are similarities between the scientific method proposed by Revans and Peirce's method of science, on a methodological level, however Revan's work is not underpinned by an explicit philosophy as defined by Peirce. He describes his scientific method as having 5 reiterative steps namely:

**Scientific Method**

1. **Observations** - from the external world
2. **Formulation of a theory** - based on these observations
3. **Design and conduct of experiments** - to test theory
4. **Comparison** - of experimental results with predicted results
5. **Rejection, modification or confirmation of theory** - in accordance with the results of the comparison

Revans believes that rigorous adherence to the scientific method has allowed science to progress as the cycle forms a self correcting loop and that results are shared and open to scrutiny. He argues that in business the same method can be utilised by substituting a technological product or management theory into the scientific method. He illustrates this concept as follows:

**Management Theory**

1. **Survey** - process of determining what needs exist and what has already been produced or developed to satisfy these needs
2. **Policy** - process of formulating decisions about what to do or produce
3. **Operations** - establishing methods of manufacture or service
4. **Inspection** - processes of audit set up
5. **Control** - changes in what to produce or how to serve customers

Revans proposes that management should use such a re-iterative cycle of enquiry to improve business functioning and to ensure continual renewal in a changing world.

A difference that he identifies between management and science is that management, unlike the scientific process, seeks to fulfil subjective desired aims and values, but that these should be clear and unambiguous from the outset. Management must identify and declare preferred objectives and aims at the beginning so that these can be used for comparison with the actual results achieved by the actions taken. Another difference that he identifies, and suggests management should adopt from science, is that in general, scientific investigations maintain a high level of record keeping and statistical knowledge that has resulted in a high rate of learning. He cautions however that the cost of improvement should not exceed the intended gain.

In this research Peirce’s method of science is primarily utilised in developing an enquiry framework, however the idea of applying a scientific method to a management issue, is adopted from Revans.

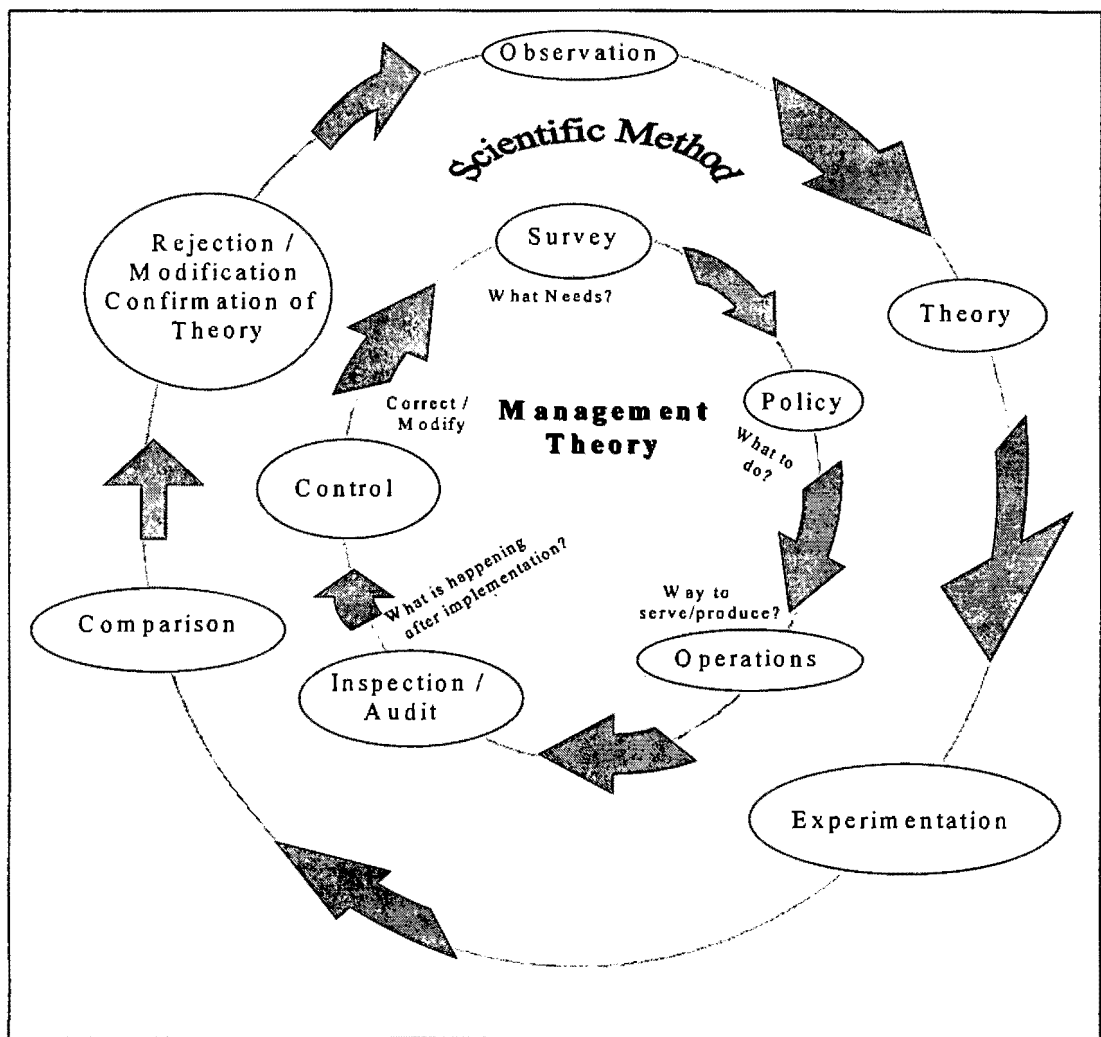


Figure 11: Parallel between the Scientific Method & Management Theory

### 2.3.3 Chris Argyris –Single and Double Loop Learning

Linked to the concept of continuous learning cycles, as illustrated in the two models described, is the model proposed by Chris Argyris. In this model he identifies two types of learning, namely single and double loop learning. This links to his theory that management (and all learners in general) have a set of beliefs which are acted on namely 'theories in use'. Often these 'theories in use' differ from the theories they profess to hold, namely 'espoused theory'. Management's actions are therefore the best source for identifying beliefs held as 'theories in use' as managers are often unaware of the gap.

Single-loop learning occurs when an error or gap between actual and expected results, within a 'theory in use' is identified. In this case there will be corrective action taken, but there will be no change to 'theories in use'. Double-loop learning occurs when there is a change in management actions due to a change in their 'theory in use'.

In organisations both types of learning are required and needed. Single-loop learning is useful to solve routine, repetitive problems, within a particular framework. Double-loop learning is needed for the more complex, non-programmable problems, often of a long term nature.

Many organisations have had to go through double-loop learning when faced with increased competition globally. An example is the old belief held by the Swiss watch making industry in the 1970's that all watches were fairly expensive, labour intensive mechanical devices. A lot of single-loop learning occurred to improve the quality and reliability of the watches, but their market was totally eroded by the Japanese who introduced an inexpensive battery operated watch. The Swiss managers could have made this change themselves, but did not look outside their belief system. (*Video – "The Business of Paradigms" by Joel Arthur*)

Double-loop learning is therefore often the result of a failure of current 'theories in use' to deal with threats or problems successfully, after repeatedly trying to solve them via single loop learning, or when outside threats force innovative insights into ways of dealing with issues.

On reflection of the learning that takes place in this research undertaken, evidence of these two types of learning will be looked for and examined, as well as applied Vs espoused theories Vs actions.

### 2.3.4 Summary

In section 2.3 the thinking of Peirce, a pragmatist, was examined and proposed as a philosophy to guide enquiry. Peirce's belief that progress towards the truth can best be achieved by following a precise and rigorous method and that truth is only provisionally held, until observations cast doubt on the held belief, forms the philosophical basis for the framework for enquiry being developed.

Revans work of drawing parallels between a scientific method and management enquiry is further adopted in the developed enquiry framework, which seeks to apply a scientific method of enquiry (Peirce's) to a management problem.

The difference between Peirce and Revans' scientific methods is that Peirce's method of science has a philosophical basis underpinning it, which is not apparent in Revans work, which is mainly a method.

Argyris' work highlights the importance of observing management behaviour rather than espoused theories to deduce the theories management are really operating to. He proposes that to verify if double loop learning has occurred one needs to observe management behaviour Vs their espoused beliefs, and to check for congruence. If there has been no change in 'theory in use' behaviour will not have changed. This concept is integrated into the proposed model and will be used to assess if actual changes in observed behaviour have occurred, from predictions made, when applying the model.

Many more models have been proposed on learning and enquiry, for example some other learning cycles are:

- Kolb: Experience - Reflection - Generalisation - Test
- Mumford: Experience - Reviewing - Concluding - Planning
- Pedler: Experience - Understanding - Planning - Action
- Shewhart: Plan - Do - Check - Action
- Handy: Question - Answer - Test - Reflection

These models have not been discussed, but it should be noted that all these models, including those discussed, are envisioned as a re-iterative,

continuous, self-correcting cycle. They also all propose that enquiry be undertaken in a structured manner, following an explicit methodology, within a belief system, that one needs to be aware of and make explicit to other stakeholders.

As proposed by T Ryan *“Careful consideration of the learning cycles, the scientific method and double loop learning reveals a close similarity between learning, problem solving, enquiry and management in general”*. (Ryan, lecture notes U.C.T. 1996)

The framework developed therefore includes the theory proposed that managerial learning should be enhanced by the use of a scientific method of enquiry which is rigorous and explicit.

## 2.4 An Argument to Include Systems Thinking and its Methods

Systems thinking developed as a reaction to difficulties encountered when using methods purely based on analysis to try to explain complex phenomenon (particularly those involving people). As the area of concern chosen for investigation is complex and involves people, who have choice and differing viewpoints, it is argued in this section that the methods chosen need to include a systems approach.

This section outlines the dilemmas facing analysis, or machine age thinking, and the subsequent development of systems thinking, which includes both analysis and synthesis. It then explores Russel Ackoff's thinking with regard to systems involving people and proposes ideas on how to enquire into such systems. Peter Checkland's Soft Systems Methodology (SSM) is described in detail in the next section, as it was extensively used as part of the framework of enquiry developed, within the abductive phase.

### 2.4.1 Machine Age Thinking: Dilemmas facing Analysis

The past 300 years, starting from the Renaissance, have been characterised by a method of enquiry centred around analysis. Analysis is founded around the belief that the world can be viewed like a machine or a hermetically sealed clock, which can be understood by breaking it down into pieces, discovering how each piece works and then understanding the whole by aggregating the understanding of the parts. This belief that one can break everything down into parts which when aggregated, explains the whole is termed reductionism.

In essence, understanding is gained by looking for elements, for example, in chemistry, the periodic table was developed, biology looked at cells, psychology divided the understanding of the mind into Id, ego and superego (Freud), work was divided into specialised tasks. Once the elements were identified and understood relationships between the parts had to be found. It was believed that this could be done by finding cause and effect relationships between the elements.

*"One thing is said to be the cause of another, its effect, if the cause is both necessary and sufficient for its effect. One thing is necessary for another if the other cannot occur unless the first does. One thing is sufficient for another if the occurrence of the first assures the occurrence of the second." (Ackoff (ref. 2) – p.10)*

Everything was regarded to be the effect of some cause and this doctrine was named determinism and precluded choice.

Reductionist studies also excluded the concept of the environment and enquiry was usually conducted in a laboratory, where the effects of the environment are controlled.

*"... cause was taken to explain its effect completely. Nothing else was required to explain it, not even the environment. Therefore, Machine-Age thinking was, to a large extent environment-free ..."* (Ackoff (ref. 2) – p.11)

This type of enquiry has resulted in enormous strides in learning, but in recent years, several dilemmas surfaced, in Russel Ackoff's words:

*"Doubts about a prevailing world view usually begins with the appearance of dilemmas ... a problem or question that cannot be solved by the prevailing world view ..."* (Ackoff (ref.2) – p.13)

The dilemmas revolved around:

- How did one account for free will in this paradigm? Social systems, which include people, have choice and can react to predictions made about them.
- Some things could not be explained by breaking them down and reassembling them. The essential or emergent properties are lost when disaggregated. Personality or intelligence are examples of phenomenon difficult to explain mechanistically.

The reaction to these dilemmas was the development of interdisciplinary activity and research outside the laboratory. Numerous new disciplines developed, for example, Operations Research, Management Sciences, Cybernetics, Information Science. Common to these new disciplines was the behaviour of identified 'systems', and hence the development of systems thinking.

#### **2.4.2 Systems Thinking: Expanding on Analysis and including Synthesis**

Systems thinking does not reject analysis, but rather builds onto it by adding a concept called synthesis.

Before this term can be explained, the concept of a system needs to be defined:

*"A whole that cannot be divided into independent parts... every part of a system has properties that it loses when separated from the system, and every system has some properties - its essential ones - that none of its parts do."* (Ackoff (ref.2) – p.15)

Key to the concept of a system, is that the properties of a system derive from the interaction of the parts and therefore if you take it apart and try to examine the parts, in isolation, the whole cannot be understood. This is termed the **emergent properties** of that system. The purpose of an eye, for example, is for sight, but if you remove the eye from the body and try to study it in isolation the emergent property of sight is lost. (Ackoff video – “Interactive Planning”.)

Synthesis, overcomes the problem of losing emergent properties of a system under scrutiny by examining the system under consideration, as part of a larger system in order to explain its behaviour and obtain understanding.

The concept of **recursion** or ‘levels’ is therefore important in systems thinking. This means that any system under investigation can be described in terms of the whole or suprasystem (R0) and in terms of its parts. The parts in turn are systems in themselves, with further levels of recursion (levels R1, R2, R3 ... see Figure 12). Any system therefore exists as part of a wider system in an environment in which it interacts. This is often termed a hierarchy of systems, but must not be confused with ‘hierarchy’ in the organisational sense.

Another key concept to systems thinking is that a system is **goal seeking** or teleological, namely that the system has a **purpose** which it seeks to fulfil.

*“The system is complete (i.e. the highest level of the hierarchy is reached) when the configuration of sub-systems is such that it achieves the purpose for which the system as a whole was designed e.g. to heat a building (central heating)” (Patching, p.12)*

It is important to note however that the definition of a system is a concept and largely a matter of perspective. This is termed setting a **boundary**, for example, we could regard a personal computer as a device for storing and retrieving information, or a device which enables organisational communication, or as a device that enables global networking, depending on where you set the boundary. In other words, the level or recursion at which you want to investigate the personal computer. Deciding at which level(s) of the hierarchy to investigate is an important part of enquiry using systems thinking.

Each system or sub-system is described as having a **transformation** i.e. an input and output, which it passes to the environment or another sub system.

It also needs to have some sort of **control** and **feedback** mechanism that relays how the system is performing against certain determined criteria.

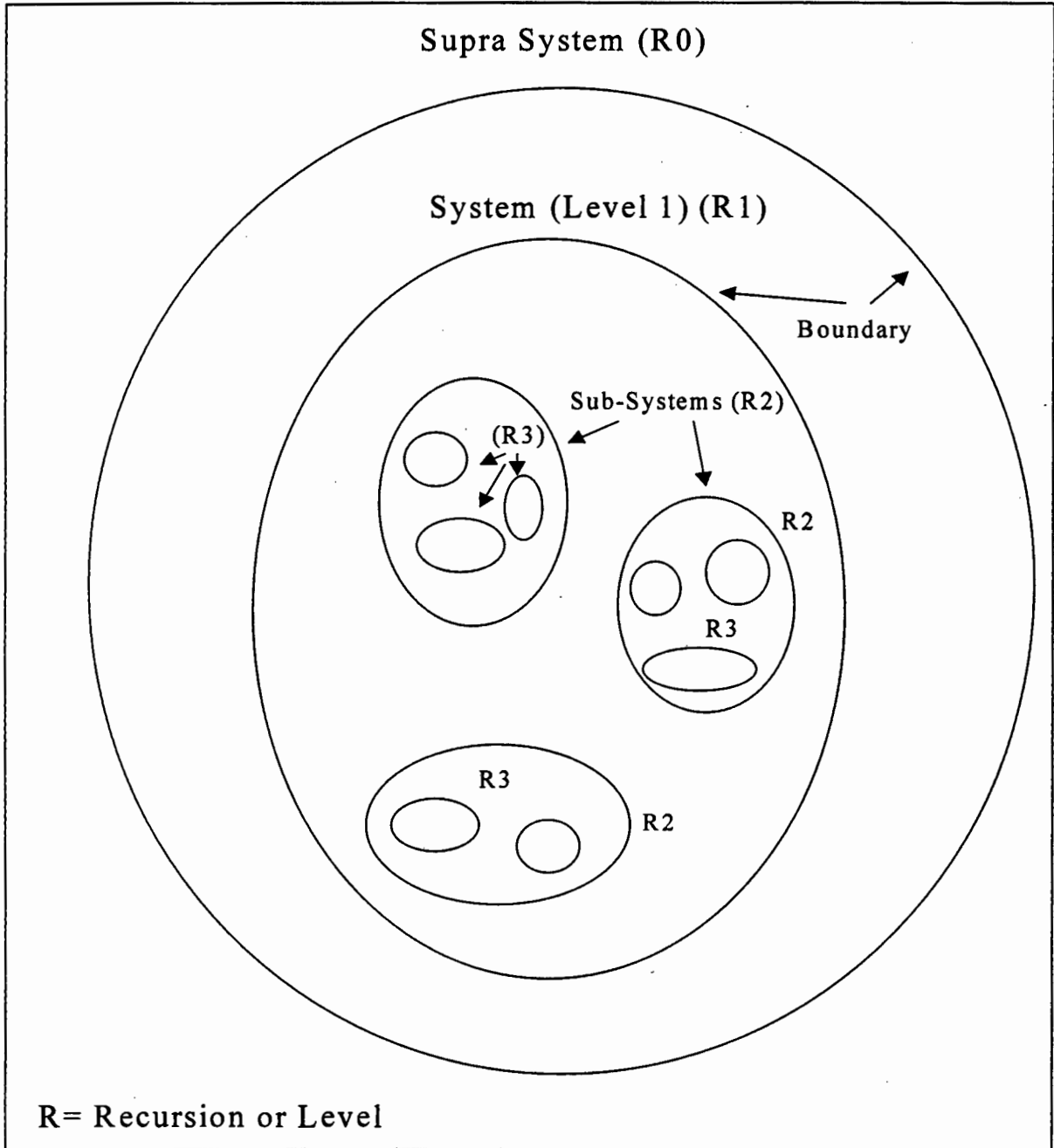


Figure 12: Levels of Recursions in Systems Thinking

Systems thinking is therefore an attempt to enquire, learn and think using both analysis and synthesis:

<b>Synthesis</b>	<b>+</b>	<b>Analysis</b>	<b>=</b>	<b>Systems Thinking</b>
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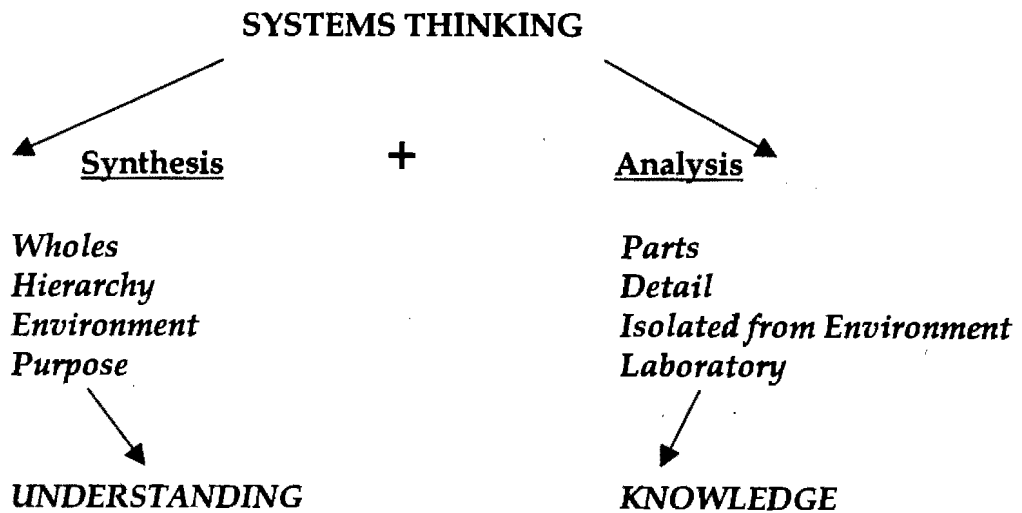
**Synthesis**

1. Identify the whole or suprasystem, of which the system under investigation is a part;
2. Identify the purpose of the containing whole;
3. Explain the system being studied in terms of its purpose or role within the containing whole.

**Analysis:**

1. Reduce the problem to its parts;
2. Understand the parts;
3. Aggregate the understanding of the parts to understand the whole.

Systems thinking therefore uses synthesis, to gain understanding and then analysis to gain knowledge and data about how the system being studied works.



**Figure 13: Systems Thinking = Synthesis + Analysis**

### 2.4.3 Dealing with Systems Involving People

Ackoff, in his article *“Mechanisms, Organisms and Social Systems”* proposes that people think using models and that the two traditional models used until now to view organisations are inadequate, namely the mechanistic model, already explained and the organismic model. The social systems model is proposed as the most comprehensive at this point in time.

The **mechanistic model** will view an organisation like a machine. Work is reduced to elementary tasks, people performing the tasks are centrally controlled by autonomous authority. Members of the system are only given information required for their job. *“Operations of an ideal machine do not vary so the focus is on inputs rather than outputs.”* (Ackoff – p.4) This type of model has been the basis for many organisations and is fairly successful when the environment is static and the products required are standard. In rapidly changing environments, however, it is very inflexible and is not structured for learning and rapid growth. Effectiveness suffers and the organisation enters a downward spiral, with ineffectiveness reinforcing closer adherence to and the formation of more rules which in turn increases ineffectiveness.

The **organismic model** conceptualises an organisation as an organism with a purpose but the parts, like a body, do not have purpose. The parts are there to serve the whole. Growth is central to this model, as necessary to survival. Control is not as centralised and management is less bureaucratic than in the mechanistic model. Goals are set for the members, or parts, but the means of getting there are not prescribed as in the first model. The focus is on output rather than input. Attention is still centred on efficiency of the various parts. Planning consists of preparing for an environment that they can predict but not control.

The **social systems** model of management believes that the whole system and the parts have purpose. It therefore focuses on development of its members on serving the purposes of the whole system as well as the parts. This inevitably results in conflict and the resolution thereof is management’s responsibility. Development is defined as a process of encouraging and facilitating the development of stakeholders. Resources are viewed to be limited and stakeholders are developed to utilise them in as creative and effective way possible. Planning within a social system is regarded to be the processes of designing a desirable future and finding ways of reaching it, with involved stakeholders. The prime advantages of this model is the flexibility it generates due to the parts having a wide latitude of freedom of

choice. Problems could arise however if stakeholders are not adequately prepared and the organisation does not co-ordinate and control decentralised activity, in relation to the overall purpose of the supra-system, adequately.

#### 2.4.4 Summary

In this section an argument was put forward for the inclusion of systems thinking methods within the enquiry framework. The problems encountered with thinking and enquiry which purely utilises analysis was described and the resulting development of systems thinking. Russel Ackoff's models on how we view organisations was included to highlight the importance of viewing organisations as social systems, with people who have choice and so can react to interventions. This model links with Checkland's Soft Systems Analysis which proposes a methodology which attempts to take this choice of purpose into account when designing interventions.

In summary this research paper deals with organisational issues, involving, social systems that have people involved and hence are complex and difficult to make predictions about. It is believed that using methodologies based on systems thinking (for example, Soft Systems Methodology) will give a better understanding than an investigation based on analysis only. This is because a method such as SSM seeks to sweep in the perspectives of as many stakeholders as possible in designing interventions.

It must be stressed, that it is difficult to make accurate laws for social systems, but at present the best we can hope for are predictions on trends and patterns that may occur. Peirce's concept of fallibilism is in fact accentuated when studying systems involving humans, but it is believed that using rigorous methods will improve the predictions and outcomes generated by enquiry.

## 2.5 Systems Based Methods Applied within the Enquiry Framework

The previous section argued for the inclusion of systems thinking methods as part of the enquiry framework being developed. This section seeks to describe the two main methods used within the framework namely Soft System Methodology (SSM) and Human Performance Technology (HPT). Both these methods deal with 'soft' rather than 'hard' issues which will be defined before describing the methodologies used.

### 2.5.1 Soft Vs Hard Methodologies

Powerful methodologies have traditionally been utilised in the "hard sciences" namely, Engineering, Physics, Chemistry, to tackle real world problems. Great strides have been made particularly in the last century in solving problems in business and industry utilising these "hard" methodologies such as Systems Engineering and Operations Research.

In management, the hard systems approach such as Operations Research, has had limited successes in assisting with dealing with complex human issues. It was found that when faced with complex, multifaceted problems, typical of management and social concerns, these "hard" methodologies did not yield results. The hard methodologies could not deal with multiple objectives of a variety of legitimate stakeholders. They also did not take into account that social systems consist of 'parts' i.e. people, who unlike machines or organisms, have choice and hence may agree or conflict with the purpose of a social system, such as an organisation, of which they form a part.

Soft systems refers to complex matters involving a high degree of human involvement typical in many management problems, e.g. motivation, teamwork, decision making, training and development, and decision making processes. Typically the Social Sciences like, Psychology, Economics and Sociology are called the soft sciences and Physics and Chemistry the hard sciences.

It is in this climate that alternative enquiry systems evolved, designed to assist in the understanding of social or human populated systems. Within the enquiry framework developed several methodologies based on systems thinking were extensively utilised which will now be described.

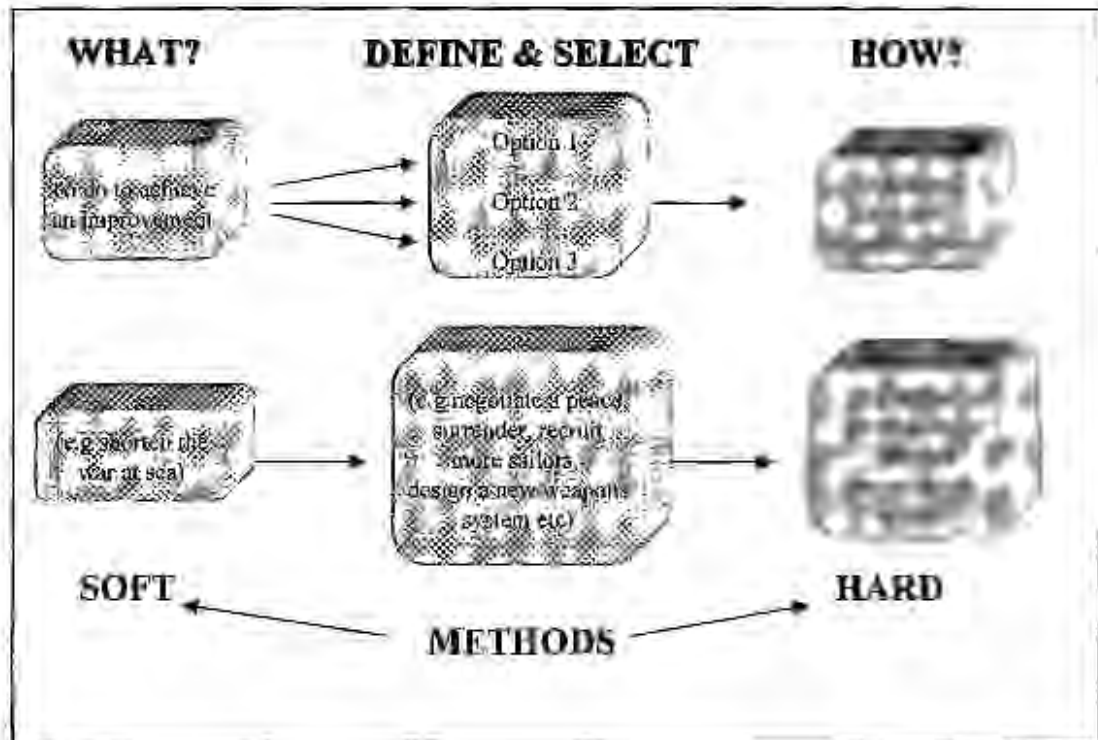


Figure 14: Soft & Hard Comparison (*Patching - p.27*)

## 2.5.2 Soft Systems Methodology (SSM)

SSM was developed by Peter Checkland and co-workers in response to the inadequacies of hard engineering enquiry processes, to deal with soft issues. Soft Systems Methodology is a learning system with the aim of exploring complex situations from its stakeholders different viewpoints with the aim of "addressing the *what to do* question" (*Patching, p. 27*).

SSM is particularly useful when dealing with messy situations, where the objectives are not clear and the combination of people, technology and business issues creates a variety of unstructured problems.

The focus in SSM is on deliberately collecting, modelling and debating various stakeholder viewpoints or world views in order to learn about the situation and so design interventions that are both systematically desirable and culturally feasible.

SSM is a process of managing, and must take a view of what managing is and what a manager does. It assumes that different individuals and groups will see things differently and in order to design an intervention, that will have a chance to succeed, these world views have to be taken into account. Different world-views are also seen as overlapping, but never sufficiently to

solve the problem by taking into account only one view. Success of an intervention is seen as hinging on sweeping in as many views as possible in order to ensure stakeholders are committed to the proposed intervention or change.

Key to SSM is therefore the idea of human activity systems, which have purpose of their own. This is in contrast to machines or materials in an operation which are purposeless and do not perceive, and so react, to management interventions.

SSM learns by comparing pure models of purposeful activities with perceptions of what is going on in the real world problem situation. Intuitively, humans carry out this activity, but SSM provides a highly explicit kind of comparison based on systems models used in an organised process which is itself a learning system.

SSM is a participative process which proceeds via debate in addressing complex social problems in which the assumptions about the world, as well as the logic of achieving purposes which are expressed in the systems models, are tested out.

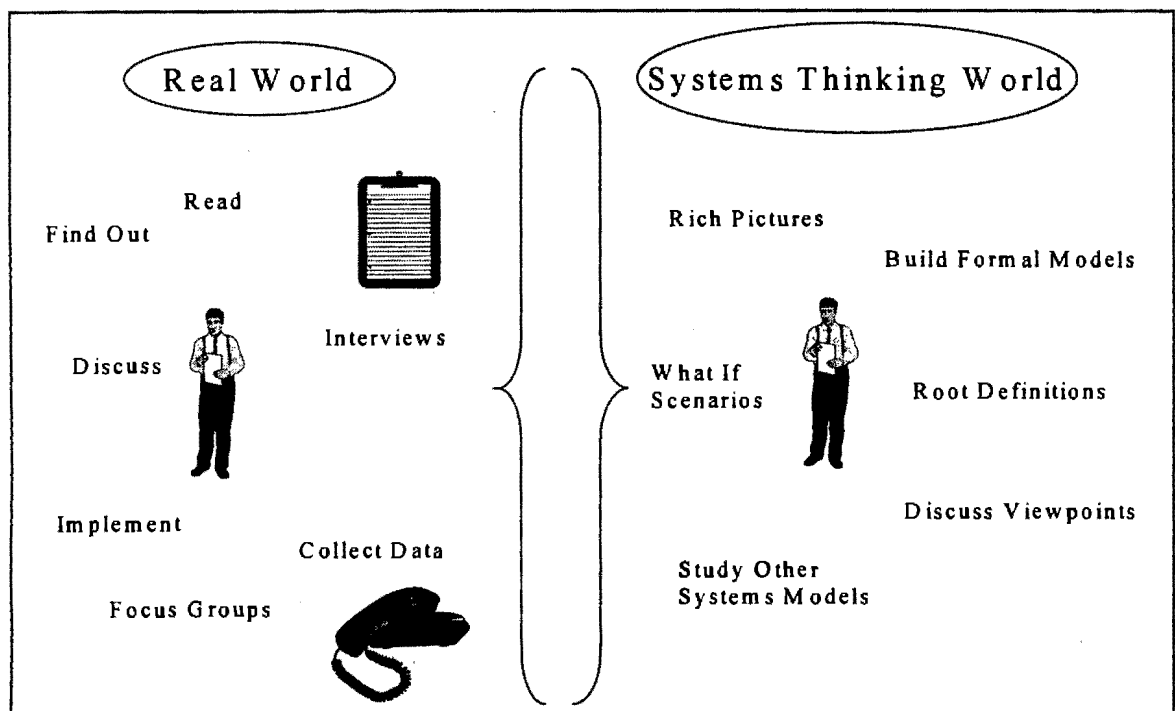
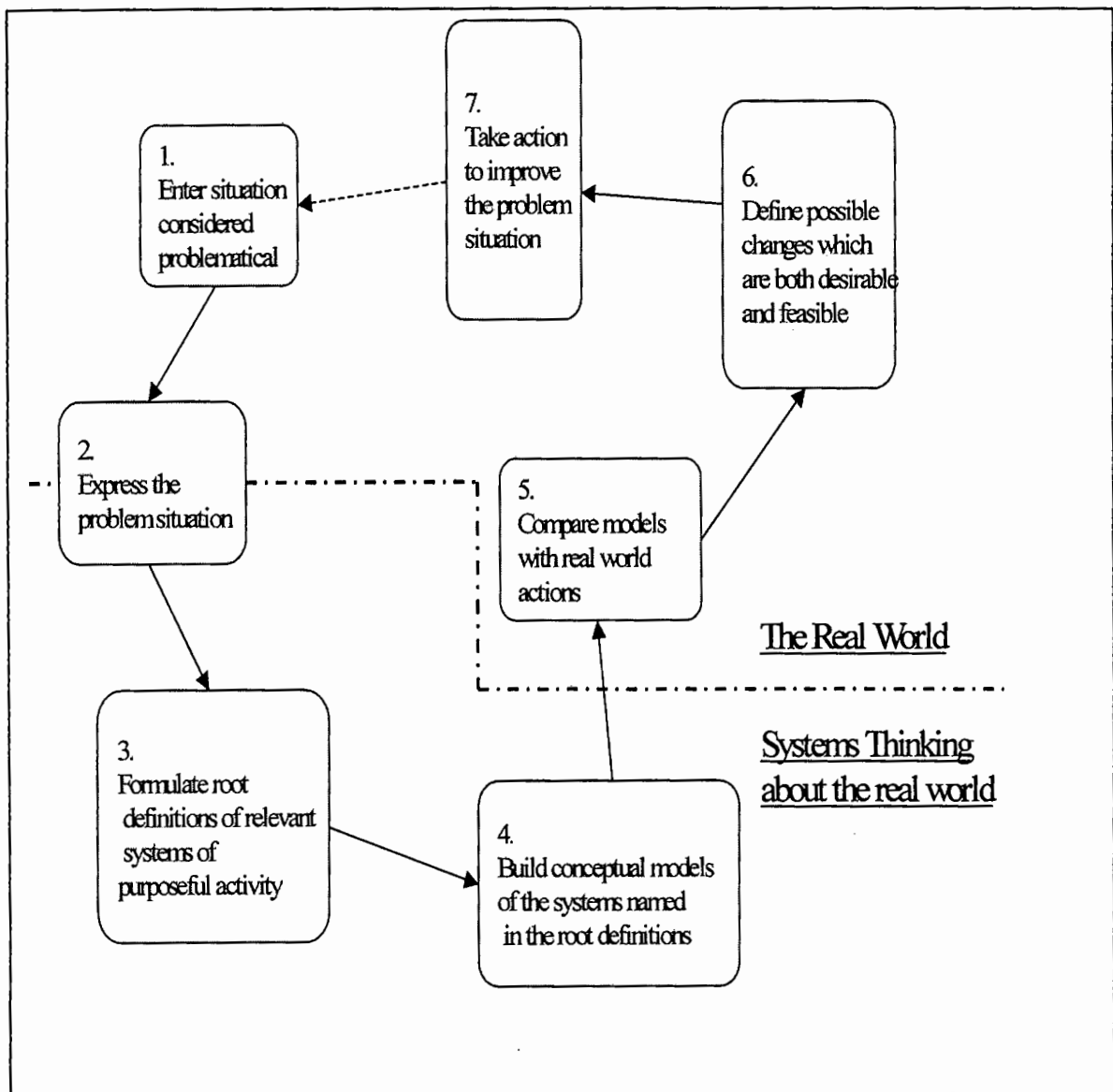


Figure 15: Real Vs Modelling split in SSM

**The Seven Stages of Soft Systems Methodology:**

SSM is divided into two parts, namely a "real world" section, consisting of stages 1,2, 5, 6 and 7 and a "systems thinking" section consisting of stages 3 and 4 (Figure 16). It is important to note that although the steps are presented sequentially and can be used in this fashion, one can also use the individual's experience to vary these stages. It is also important to note that like other enquiry models it is iterative due to continual learning and discovery taking place.



**Figure 16: The Seven Stages of SSM (Soft Systems Methodology)**

2.5.2.1 *Stages 1 and 2: Finding out and expressing the problem situation*

In these two stages the enquirer immerses him or herself in the situation under investigation termed the 'problem' situation. Essentially the first stage is about finding out as much as possible through discussions, interviews, reports, readings, focus groups etc. from as many interested parties as possible, to generally build up as varied a picture as possible. The second stage is about expressing the findings.

Various methods have been developed to carry out the first two stages. Essentially the problem solver(s) collect ideas from various actors or stakeholders concerned with the problem situation. Care must be taken to be aware that the problem-solver(s) also have a world-view and should be aware of this. The "findings" can then be expressed using various techniques such as rich pictures.

Three analyses can also be used to gain insight namely:

*role identification* (clients, problem owners, problem solvers)

*cultural analysis* (expected norms and values of behaviour from role holders);

*political analysis* (distribution and dynamics of power).

Another possible method of analysis is to examine the relationship between the process and structure of a situation. One could also use other systems models at this stage to explore the situation further.

Together these analyses should give the problem solver a more varied picture of the situation under investigation.

### 2.5.2.2 Stage 3: Formulating Root Definitions:

This stage is concerned with writing down the names of some systems responsible for carrying out the purposeful activity. This system must be relevant to finding a means of improving the current situation. A couple of scenarios are normally sketched out and the enquirer uses learning methods of determining the most effective possibilities. Root definitions should be constructed by consciously considering the CATWOE namely:

**Table 1: CATWOE Analysis**

C	Customer	Who are affected by the system? Who would be beneficiaries \ victims of the purposeful activity?
A	Actors	Who would perform the activity in the system?
T	Transformation	What is the system trying to change or accomplish? (i.e. conversion of input to output)
W	Weltanshaung or Worldview	How is the system perceived by a specific person or group?
O	Owner	Who could stop this activity? Who is the system answerable to?
E	Environmental Constraints	What constrains or influences the system, but has no control over it?

The main focus of the root definition is the transformation which the system is hoping to achieve by changing some defined input into some defined output. Using the CATWOE, a coherent formulation of some root definition is constructed and used to build up models for testing the situation in the real world.

### 2.5.2.3 *Stage 4: Building Conceptual Models*

In this stage the root definitions are used to build conceptual models. This model building consists of describing the activities which are essential to the system named in the root definition and structuring them according to logical dependencies.

The final model is that of a system which can adapt and survive via a process of communication and control in a changing environment. An operational monitoring and control sub-system would be essential to examine the operations and take control action to change or improve them. Having defined the transformation process, we need to ask what serves as a measure of effectiveness, efficacy and efficiency, which are defined in the following table:

**Table 2: Definitions of Effectiveness, Efficiency & Efficacy**

Effectiveness	Doing the right thing.
Efficiency	Doing it right
Efficacy	Providing the means of doing it right.

In developing this model the researcher must be disciplined to work only from the root definition, that is in the systems world, and not be tempted to make inference of the perceived "real world". Every phrase in the root definition will lead to a particular activity in the model. The model does not have to be correct, it should rather be a coherent representation of the problem situation which can then be tested against the 'real world'.

**2.5.2.4**     *Stage 5: Comparing Models and Reality*

Here the researcher compares the models to what is perceived in reality. There are four ways in which this can be done:

1. Simply record the differences which stand out.
2. A formal listing of differences observed with activities required in the real world.
3. You could "operate" the activity system on paper and write scenarios on how things could happen.
4. Build a model of a part of reality similar to a model thought to be relevant.

This stage provides the framework and substance of an organised debate about improving a situation thought of as problematic.

**2.5.2.5**     *Stage 6: Defining Changes*

The purpose of this stage is to make the debate a coherent one and to compare the models and reality in order to discuss and then decide on changes or interventions. As much debate as possible should be generated with the view to drawing in as many world-views as possible. The objective is to reach proposals which are culturally desirable to as many of the stakeholders as possible and to ensure they are systemically feasible.

**2.5.2.6**     *Stage 7: Taking Action to Improve*

The changes identified should be implemented at this stage. It should be noted however that the changes and even the process of going through SSM will change the original situation to a smaller or greater extent. Parties closest to the debate will also have changed and moulded their view-points, whereas those on the fringes, or not involved, may not have had the opportunity to explore the issues under focus.

In this stage care should be taken to avoid an 'ivory tower' approach, where a lot of high level analysis stifles practical initiatives to improve the situation. (Patching, p. 117) It is also important to take into account the client's original brief and scope of the investigation. In this research paper care was taken to work within the problem solvers "*Circle of Influence*" and to concentrate on practical interventions i.e. "*Proactive people focus their efforts in the Circle of Influence. They work on the things they can do something about.*" (Covey, p.83)

### 2.5.3 Human Performance Technology

Human performance technology assists in modelling the organisation in order to systemically diagnose and solve performance problems. The organisation is viewed as an adaptive system which exists in a larger environment.

There are three levels of performance namely:

Level 1: Organisational level

Level 2: Process Level

Level 3: Job \ Performance level

The Human Performance System refers (see Figure 17) to five components, input, performer, output, feed-back and consequences to the performer and company. Individual performance is also based on 6 factors which interact with this system namely:

1. Task Interference - this is important at the input stage. The individual must have the tools necessary, work flow must be logical, and interference from other actions should be kept to the minimum.
2. Performance Specification - for the required output to be relevant the performer must know what is desired by the system and the standards expected by the customer.
3. Consequences - it is critical that this is meaningful to the organisation and performer.
4. Feedback - the performer must receive feed-back from the other parts in the system on performance, which should be accurate and timely.
5. Knowledge - this refers to basic skills, know how and understanding of the performers' relevance within the rest of the system.
6. Individual capacity - this the physical , mental and psychological ability to do the work.

All these factors interact within the wider system to produce individual performance. To quote: *"If you pit a good performer against a bad system, the system will win every time. (p. 39 - Rummler & Brache article in The Handbook of Human Performance Technology)*

Feed-back is an important concept in HPT at the micro level with regard to the individual performer and at the macro level with regard to the organisation

## PART 2 – DEVELOPING A FRAMEWORK FOR ENQUIRY

Essentially HPT assists us to view performance in the context of the system as a whole and can be greatly enriched by using it in conjunction with other systems models as will be the case in this research.

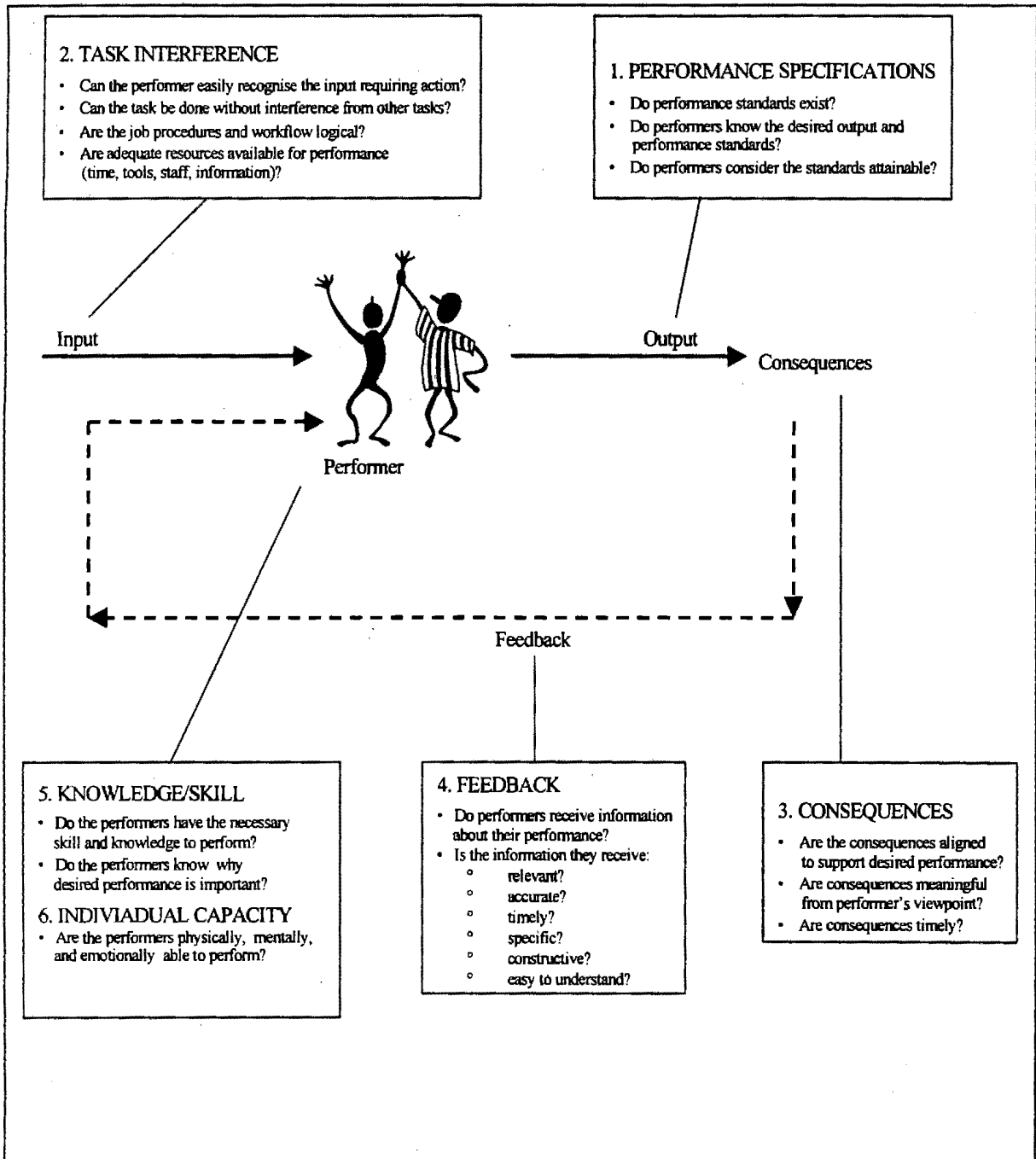


Figure 17: Human Performance Technology

#### 2.5.4 Summary

The methodologies chosen for application in this research have their roots in systems thinking. SSM and HPT were chosen as they are designed to deal with soft issue or social systems involving people.

Soft Systems Methodology treats 'what to do' as well as 'how to do it' as part of the problem. It accepts that the real world problems are more complex than pure models and therefore uses the models to structure a debate where conflicting beliefs can be tested. The underlying philosophy of SSM is that there are no permanent solutions and systems thinking has to be envisaged as a process which is never ending, and more of a learning system, than an optimising system.

It is extremely valuable as a methodology to formulate an hypothesis for action, but does not really address how to implement and evaluate *Stage 7: Take Action to Improve*, thereafter. Testing of results and the formulation of generalised principles is also not explicitly looked at.

This methodology will therefore be used in the abductive phase of the enquiry model, described at the end of this section, to enquire into a management concern regarding training and development within the stores operations. The choice to use SSM in the abductive phase is deliberate as in David Patchings words:

*"SSM thinking is not solution-oriented, but biased towards clarifying the problems that are felt to exist in given situations." (Patching, p. 25)*

It is therefore most useful when used to formulate hypotheses.

HPT will be used to gain a detailed perspective on human performance issues at a micro level. It will be used within Stage 2: Expression of SSM, as an additional analysis to those generally utilised.

## 2.6 A Description of the Framework for Enquiry

In this section a framework of enquiry, synthesised from the theories and models discussed thus far will be described. This model will be used in the research undertaken and documented in part 3 and 4 of this paper. The Model will be described in a 'building block' fashion, starting with the basic model and expanding to how it compares and was developed from Peirce, Ryan and Revans' theories.

### 2.6.1 The Basic Model

The basic learning model is outlined in figure 18. It is heavily based on the SCQATRE Method (Situation, Concern, Question, Answer, Test, Reasoning and Evaluation) (Ryan, 1995), which is founded on the work of Minto, documented in the "Pyramid Principle - Logic for Writing and Thinking."

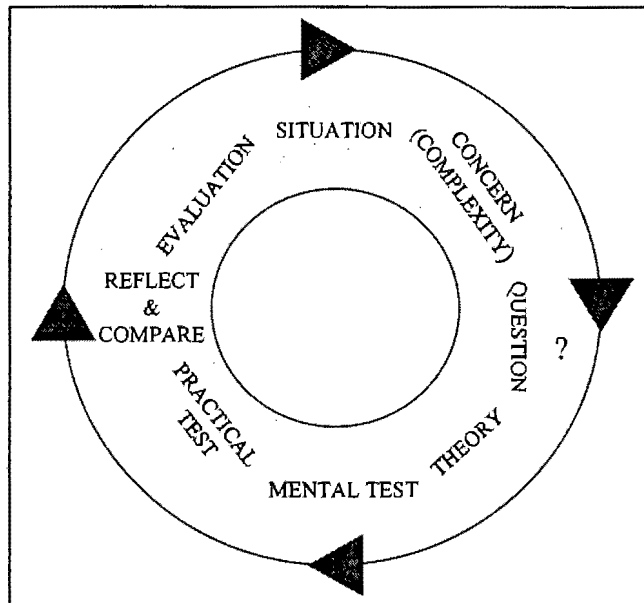


Figure 18: SCQARE - Enquiry Model

The enquirer or manager observes a **situation**, a **concern** is raised about the situation, **questions** are then asked regarding the nature of the concern. A **theory** is then formulated, predictions made through a **theoretical or mental test**, and then a **practical test** is undertaken. The enquirer then **reflects** on the findings and **compares** them with predictions from the original theory or rule. The final stage is **evaluation**, in which the theory is rejected, accepted or modified. The enquiry process is circular and therefore self corrective. This model correlates closely with Peirce's Method of Science as illustrated in Figure 19.

PART 2 – DEVELOPING A FRAMEWORK FOR ENQUIRY

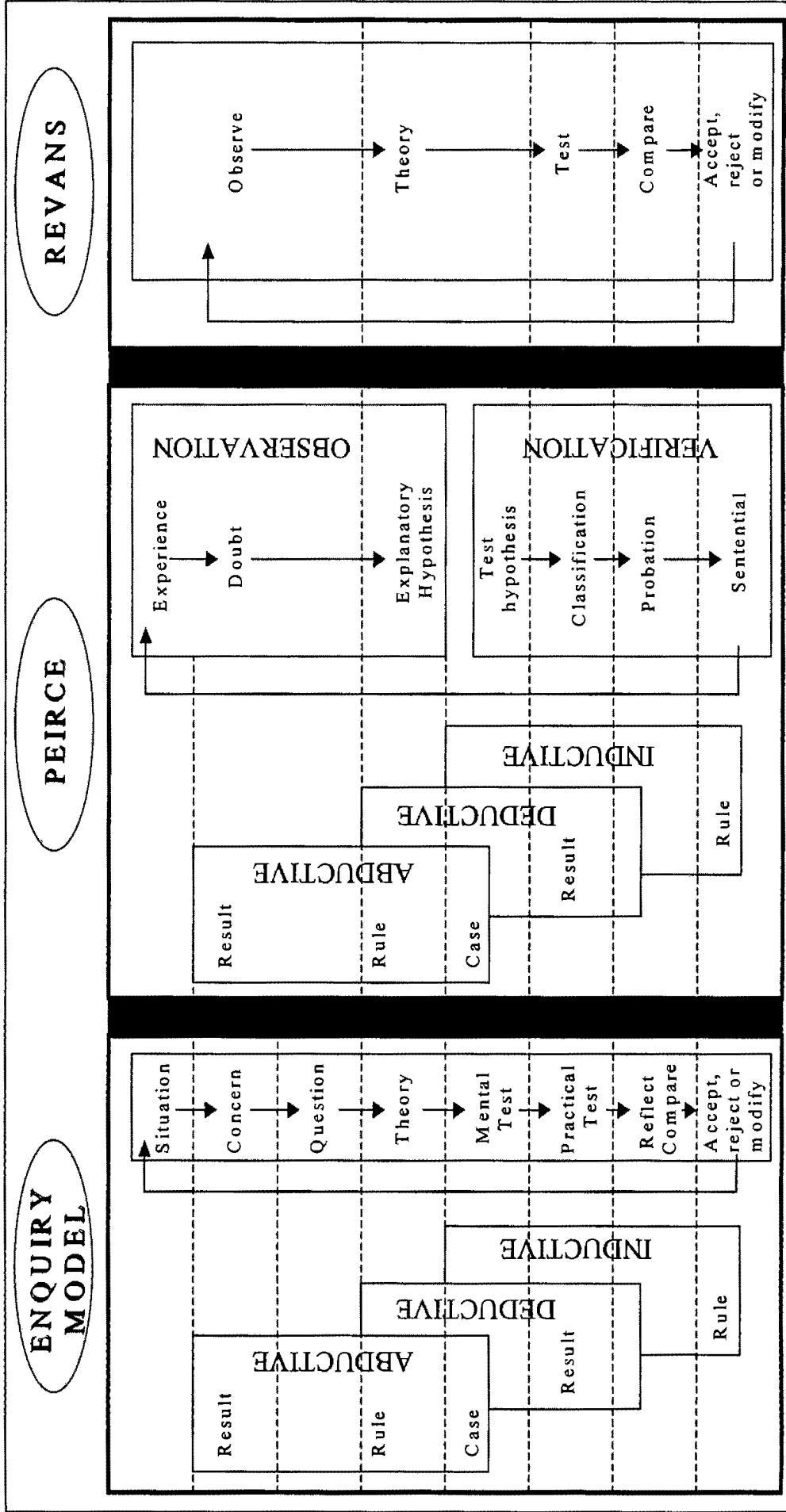


Figure 19: Comparison of Developed Enquiry Model, Peirce and Revans Methods of Enquiry

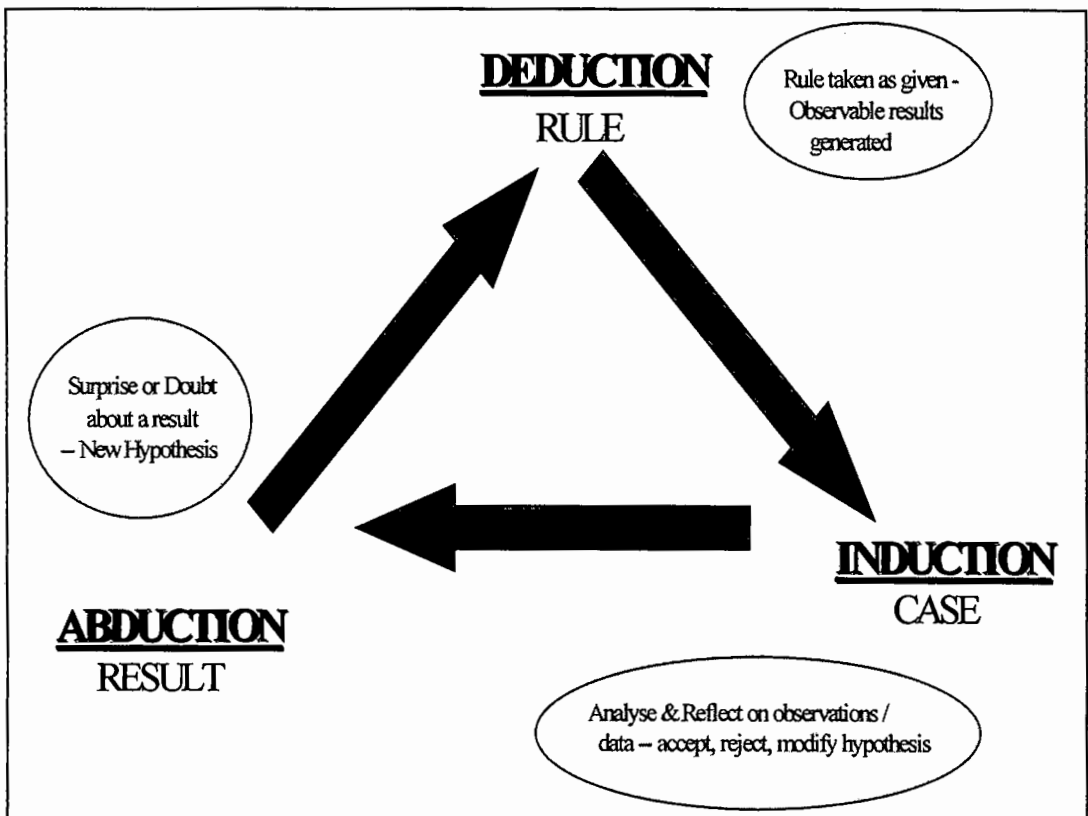
2.6.2 **Abduction, Deduction and Induction within the Enquiry Model**

Figure 19 illustrates Peirce’s concepts of abduction, deduction and induction as part of the enquiry model. The concepts have been explained in section 2.3.1.3 *The Description of Peirce’s Scientific Method of Enquiry*, but will be further expanded on as follows:

*The reasoning process deals with three entities:*

- Rule:** Belief about how the world is structured
- Case:** Observed fact that exists in the world
- Result:** Expected occurrence, given the application of the rule

Where you start in a process will determine the type of reasoning that you use (Figure 20). Where you start will be determined by what you know. (Ryan – lecture notes 1996 U.C.T.)



**Figure 20: Abduction, Deduction, Induction**

### I) The Abductive Phase

The abductive phase, is the hypothesis generating phase, as discussed earlier. It is concerned with examining a result, for example a management concern, against a rule or generalisation and creating a possible explanation or hypothesis for exploration and testing.

For example, experience from previous inductive work or generalised principles tested in science or management show that:

**Table 3: Abduction**

<b>ABDUCTION - DEVELOPING A HYPOTHESIS</b>	
<b>Rule</b>	Employment increases when inflation increases (current knowledge)
	<i>You are now in a new situation, namely observing employment trends in third world countries, and observe the following result. (Start of the Abductive Phase)</i>
<b>Result</b>	Employment has decreased, but inflation has increased
	<i>This generates DOUBT, in Peircean terms, and you then go into a phase of research in order to formulate a new theory or hypothesis for example:</i>
<b>New Rule</b>	Employment seems to decrease in third world countries, when inflation increases
<b>Case</b>	Check to see whether employment decreases when inflation increases in third world countries
	<i>This "New Rule" or hypothesis now has to be explored and tested in the next two phases.</i>

Various methodologies can be used within any cycle. In this research, Soft Systems Methodology (SSM), which is described in section 2.5.2, has been used within the inductive phase to reach an hypothesis.

**II) The Deductive Phase**

Deduction is the reasoning from a general premise or rule to an expected result, within the context of a specific case. For example:

**Table 4: Deduction**

<b>DEDUCTION - MAKING PREDICTIONS REGARDING THE HYPOTHESIS</b>	
<b>Rule</b>	Employment seems to decrease in third world countries, when inflation increases. You then observe that:
<b>Case</b>	Employment decreases when inflation increases in third world countries.
<b>Result</b>	We can expect high inflation.

In this phase the rule is taken as given and the main purpose is to produce observable experiences or results to be tested for in the inductive phase. The deductive phase attempts to develop predictions, with regard to the hypothesis, as to what might happen under certain conditions.

**III) The Inductive Phase**

Induction is the process of generating generalised rules from a specific case via the observation of results obtained from testing. For example:

**Table 5: Induction**

<b>INDUCTION - EVALUATING THE HYPOTHESIS</b>	
<b>Case</b>	Employment has decreased in third world countries.
	<i>We then observe or test why this is the case by collecting, classifying and analysing data and results</i>
<b>Result</b>	There is high inflation (in a statistically significant number of third world countries) where employment has decreased.
<b>Rule</b>	Employment decreases when there is high inflation, in third world countries.

The rule is either rejected, accepted or modified through a process of careful examination of all the data or observations, context of the test or survey, and any other variables that could affect the results.

The confidence that we have in the rule will depend on many factors, for example:

- ◆ testing conditions
- ◆ complexity of the problem
- ◆ number of variables involved
- ◆ size of the sample selected
- ◆ length of time or number of trials of the test
- ◆ whether it is a ‘soft’ or ‘hard’ system (explained in 2.5.1)

It is important to note that the rule generated by induction is provisionally accepted until experience shows that there is doubt and the cycle of enquiry is then repeated. The learning process is therefore, cyclical and reiterative.

### 2.6.3 Applying Systems Based Models within the Enquiry Framework

Figure 21 illustrates where SSM and HPT are applied in the developed enquiry framework. It should be noted that SSM is utilised in the abductive phase to assist with clarifying the area of concern by sweeping in multiple perspective. HPT is used, together with a number of other analysis, within *Stage 2: Expressing the Problem Situation* to explore the area of concern from another perspective.

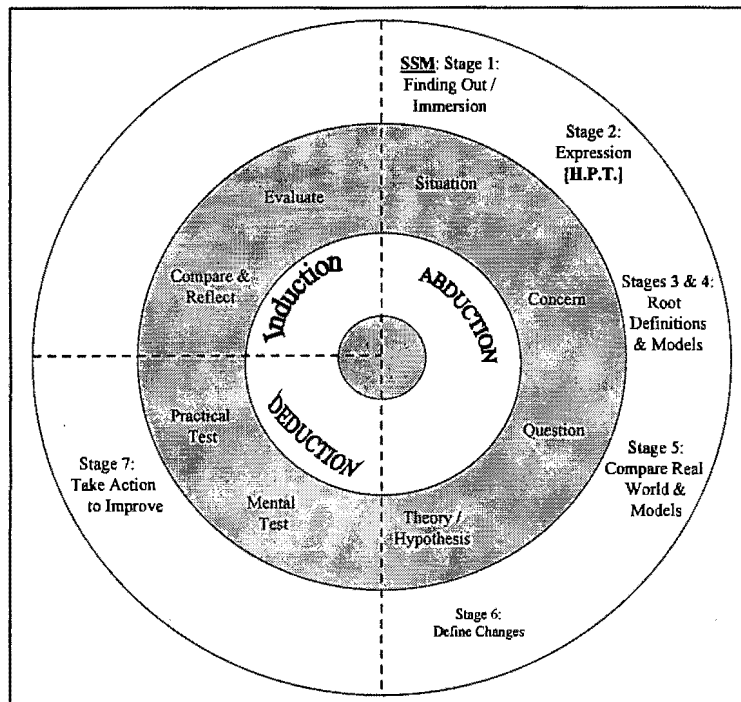


Figure 21: The inclusion of SSM & HPT in the Enquiry Model developed

#### 2.6.4 Summary

This section has synthesised a framework for enquiry from a methodology point of view, to guide research. The philosophical basis for the model is the work of Peirce, as described earlier. Models drawn from to develop the enquiry framework include the work of Peirce, Revans, Minto and Ryan, as detailed earlier.

Peirce's method of science is used as a basis for the abductive, deductive and inductive phases, its steps are also closely paralleled as shown in Figure 19, with the developed framework used. In addition, Minto and Ryan's work was used to develop the final model. Systems thinking and methods are applied within the model through the use of Soft Systems Methodology and Human Performance Technology.

Revans' proposal that management enquiry should follow a scientific method of enquiry has been adopted, as has his ideas that management must identify, and declare, preferred, subjective objectives, aims and values. The Truworths Business Philosophy described in Part 1 is such a statement for the Organisation as a whole. The applied research that follows will further detail preferred aims, objectives and values.

## 2.7 Summary of Developing an Enquiry Framework

Part 2 describes the development of the framework for enquiry that will be used in this research.

An argument for the need for enquiry models in organisations was made based on the increased competition globalisation has brought about, the tough economic conditions in the country and the need for increased and constant improvement and change. It is proposed that in order to meet these challenges management in organisations need to adopt approaches which includes the need to enquire and learn using rigorous methods and an explicit philosophy.

A triad is used for contextualising enquiry revolving around: philosophy, methodology and techniques. The work of Peirce, a pragmatist, primarily underpins the philosophical basis of the framework developed. His method of science together with Minto and Ryan's work form the basis of the framework..

Revans' model is not explicitly used, but his ideas on paralleling management enquiry with scientific enquiry is adopted. Argyris' observations on the need to observe behaviour to ascertain the theories management hold, rather than listen to what is being espoused, will be used extensively when reflecting and evaluating results.

This part of the paper also argues for the inclusion of systems thinking methods and details the dilemmas facing a purely analytical approach, which is often adopted in management enquiry. The two main systems methods utilised within the enquiry framework are Soft Systems Methodology and Human Performance Technology, which were described in some detail.

The enquiry framework will now be applied practically to an area of concern as described in Part 1. A fold out copy can be found at the end of this paper to aid the reader follow the logic of the framework when reading the applied section that follows.

**PART 2**

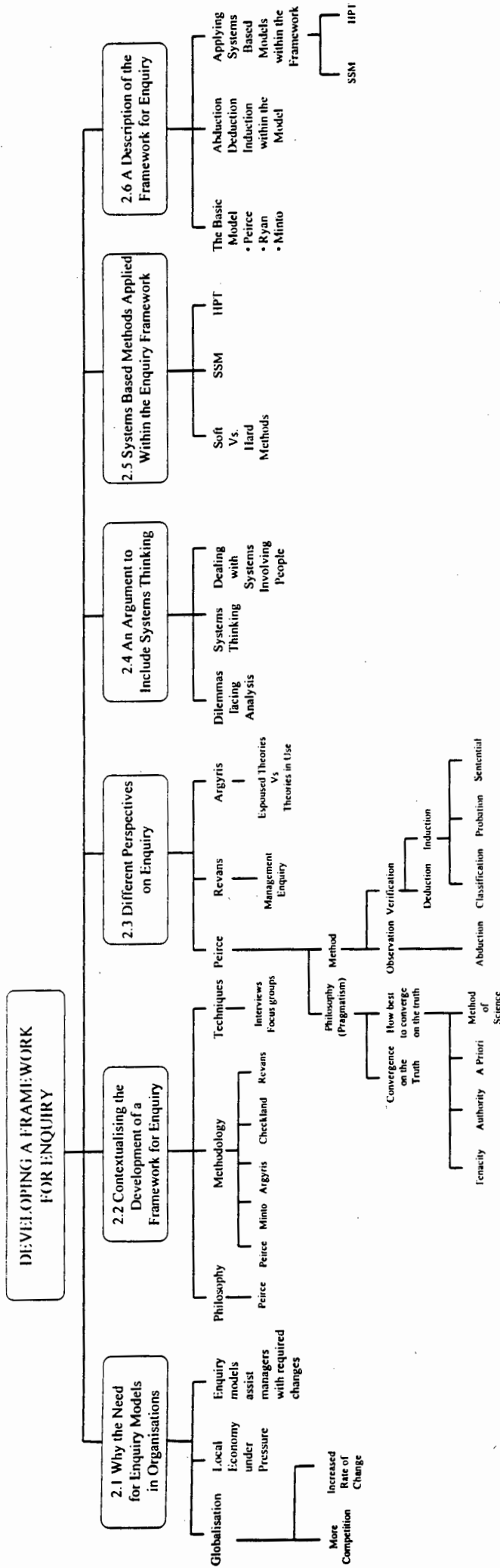


Figure 22: Logic Tree of Part 2 - Developing a Framework for Enquiry

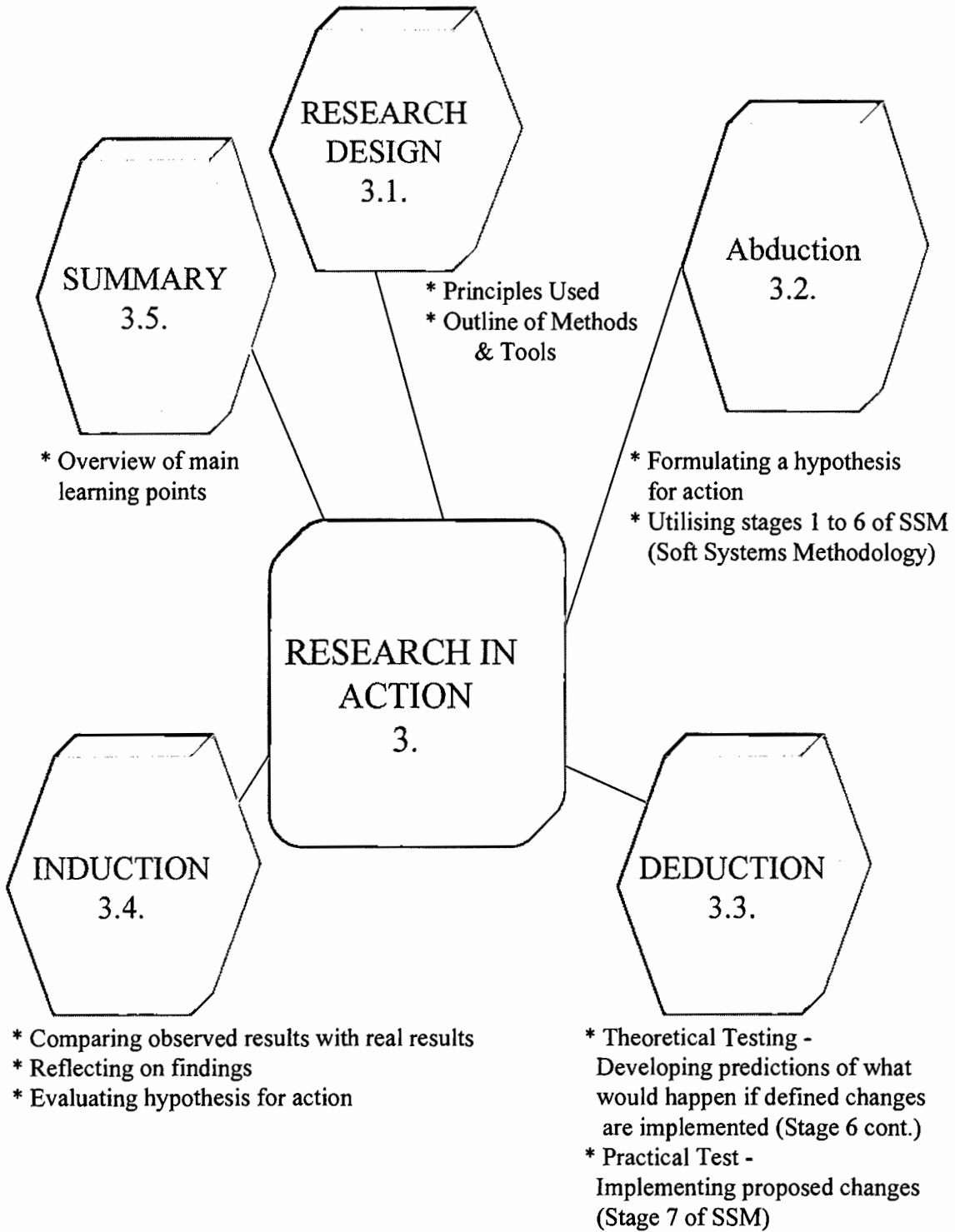


Figure 23: Part 3 – Research in Action

### 3. RESEARCH IN ACTION

#### 3.1 Research Design

As outlined in Part 1, the area of concern that the author chose to investigate is the training and development needs and interventions required to enable Managers and Employees to attain 'International' service standards in Stores operations at Truworths.

The research was initiated in discussion with the T & D Manager in September 1996 and continued through to August 1998. The author was given leave of absence from the University from April to December 1997 for personal reasons, however application and observations continued in the work place, due to the applied nature of the research, and are documented in this paper.

The philosophy and method of research is outlined in Part 2 and in summary involves the application of the developed enquiry model to the area of concern outlined.

Key principles applied throughout the research are:

**Iterative enquiry** - learning as a never ending cycle of innovation and improvement;

**Multiple perspectives** - obtaining input from a number of stakeholders and sources (a) will give a richer and broader view of the problem situation and (b) interventions taking into account the ideas and views of multiple stakeholders are more likely to generate commitment.

**Action research** - the researcher is part of the research process and 'tests' hypothesis in the work place itself rather than in a laboratory or an isolated test group.

The advantages of action research are that the hypothesis is being tested in a real life situation with all the interacting variables involved. The research is also practically useful and seeks to improve a problem situation. The disadvantages are that the number of variables acting on the situation makes the acceptance or rejection of the hypothesis being tested more difficult. The researcher must also be aware that being actively involved in the research means that your own views and perspectives of the situation under investigation are changing and therefore the importance of a rigorous process or method are critical to increase the reliability and validity of the research.

## PART 3 - RESEARCH IN ACTION

To minimise risk and improve the probability of success all interventions were first tested or piloted on a smaller group within the target population (Divisional and Stores staff within Truworths).

The research techniques utilised within the research were interviews, focus groups, SWOB analysis (strengths, weaknesses, opportunities and blocks), analysis of literature such as old training material, reports to management, rich pictures etc. The table below summarises some of the research techniques utilised at the different phases of research.

**Table 6: Enquiry Framework including Methods and Techniques Used**

Phase	Method	Techniques & Resources
<b>Observation Phase:</b>		
<i>Abduction</i>	<i>SSM (Soft Systems Methodology):</i>	
Exploring the Situation	Stage 1: Finding Out - Immersion	<ul style="list-style-type: none"> <li>▪ Interviews (21 people)</li> <li>▪ Focus Groups (8 = 67 people)</li> <li>▪ SWOB</li> <li>▪ Current Training Material</li> <li>▪ Reports</li> <li>▪ Documentation - Strategy Sessions</li> </ul>
Concerns & Complexity of the Situation in focus Questions	Stage 2: Expression	<ul style="list-style-type: none"> <li>▪ Rich pictures</li> <li>▪ Discussions</li> <li>▪ Report writing</li> </ul>
"	Stage 3: Formulating Root Definitions of Systems of Purposeful Activities	<ul style="list-style-type: none"> <li>▪ CATWOE (BATWOE)</li> </ul>
"	Stage 4: Building Conceptual Models	<ul style="list-style-type: none"> <li>▪ Models</li> </ul>
"	Stage 5: Comparing Models with the Real World	<ul style="list-style-type: none"> <li>▪ Analysis of Interviews &amp; Focus Group proposals</li> </ul>
Theory or Hypothesis formulation	Stage 6: Defining Changes	<ul style="list-style-type: none"> <li>▪ Report &amp; Discussions with Management</li> </ul>

Table 6 (conti.): Enquiry Framework including Methods and Techniques Used

Research Phase	Method	Techniques & Resources
<b>Verification Phase:</b>		
<i>Deduction</i> Theoretical Test	Developing Stage 6 further i.e. Developing Predictions of what should happen if defined changes are implemented	<ul style="list-style-type: none"> <li>▪ Discussion &amp; Debate</li> <li>▪ Observations</li> <li>▪ Documentation</li> </ul>
Practical Test	Stage 7: Taking Action to Improve	<ul style="list-style-type: none"> <li>▪ Cross Functional Task Teams</li> <li>▪ New Training Material Developed</li> <li>▪ Pilot Programmes</li> </ul>
<i>Induction</i> Compare & Reflect  Evaluate	<p>Comparing actual results and Observations to predictions made:</p> <p>Two cycles:</p> <ul style="list-style-type: none"> <li>▪ one for pilots;</li> <li>▪ Again for main implementation</li> </ul> <p>Accepting, rejecting, modifying hypothesis.</p>	<ul style="list-style-type: none"> <li>▪ Questionnaire</li> <li>▪ Discussions</li> <li>▪ Interviews</li> <li>▪ Case Studies</li> <li>▪ Comparisons</li> <li>▪ Observations</li> </ul>

As can be deduced from the research design, as many stakeholders as possible were involved to varying degrees at different stages in the project. In a large organisation with more than 220 stores, a Head Office and four (now six) Divisional Offices the decision of who and how many people to involve is always a balance between:

- practical considerations e.g. time, distance, group size
- levels of knowledge and expertise
- decision making, power structures and dynamics.

In each phase of the research as many parties as possible and practical were involved to varying degrees taking into account these 3 factors. SSM suggests the concept of a Lockean Community or group, which is the group that is most heavily involved in the focus of enquiry and undergoes the most learning and change as a result. A diagrammatic representation of levels of involvement for one of the projects is depicted in Figure 24.

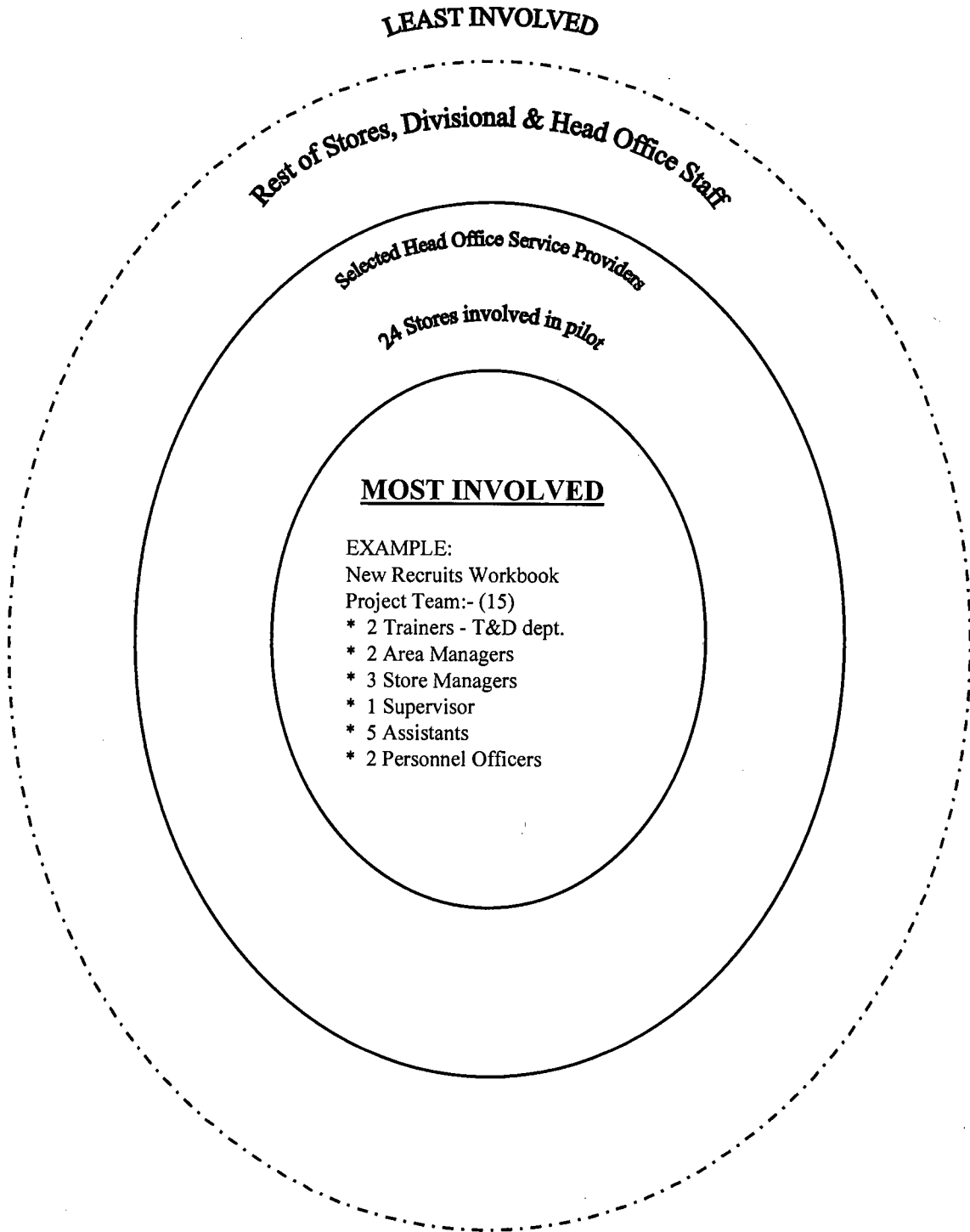


Figure 24: Lockean Community - Involvement level on a project

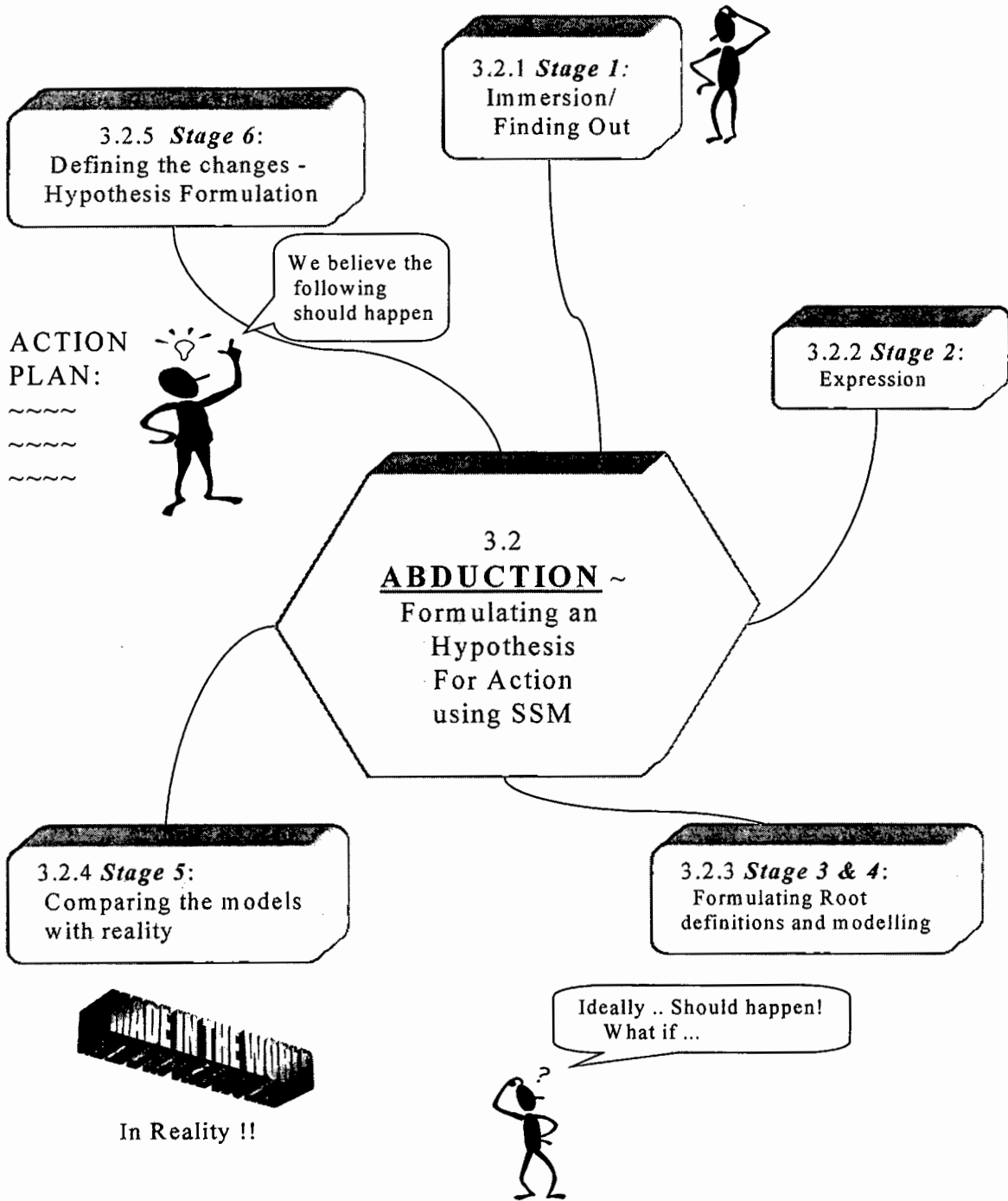


Figure 25: The Abductive Phase

## 3.2 The Abductive Phase

This phase of the research process involves the formulation of an hypothesis for action. It is the phase in which the researcher formulates what needs to be done. Soft Systems Methodology (SSM) and a Human Performance Technology Model (HPT), outlined in 2.5. are utilised.

### 3.2.1 SSM - Stage 1: Immersion - Finding Out

The aim of this stage is to find out as much about the problem situation from as many viewpoints as possible. It is important in this stage to keep an open mind and to see your own viewpoint as one of many possible multiple perspectives. As I, the researcher, was new to the organisation this was perhaps easier than if I had been immersed in the organisational issues for some time, however being new had its disadvantages as every aspect of the organisation was new and had to be investigated to gain clarity and understanding.

Together with the T & D Manager and with input from the HR Director the immersion phase utilised 3 research techniques namely:

- Interviews (semi structured)
- Focus Groups
- Reading various material e.g. formulation of the Business Philosophy documentation, current training material, reports etc.

Simultaneously the author also gathered information and data about the organisation via a structured induction process.

#### **Interviews:**

The interviews were semi structured and questions revolved around a modified version of a SWOT namely a SWOB(C) - Strength, Weaknesses, Opportunities and Blocks (Constraints) instead of Threats. 'Blocks or Constraints' as a concept was found to be more meaningful to people being interviewed particularly at the lower levels as the issue was an internal one and 'Threats' were generally viewed as external to the organisation.

**Table 7: Number of Interviews**

<b>Interviews</b>	
<i>Designation</i>	<i>Number</i>
Management Committee	2
Divisional Managers	2
Regional Managers	2
Area Managers	2
Stores Managers	2
Divisional Admin. Personnel Officers	2
Stores Assistants	2
Head Office Services - V.I.P. Services X 3, Trainers X 2, Visual Merchandise X 1, Advertising X 1	7
<b>TOTAL</b>	<b>21</b>

The following table illustrates typical questions asked:

**Table 8: Typical Questions in SWOT Format**

<b>SWOB FRAMEWORK</b>	<b>SAMPLE QUESTIONS</b>
<b>Strengths</b>	What do you think we are doing well at Truworths?
	What do you think we are doing well with regard to developing our staff to meet the challenges of the future?
	What from our current training and development process would you keep if you had to design a new process?
	What works well for you personally when following a training and development programme?
<b>Weaknesses</b>	What do you think we could do to improve our service to customers in Stores?
	What would you change if you had to be trained or train staff in the future?
	What are the major weaknesses with the way we train and develop our staff in the Field (Store Operations)?
<b>Opportunities</b>	What do you think we could do to improve our Service in Stores?
	What do you think we could be doing to be truly 'Made in the World' or 'International'?
	What opportunities do you see for improving our Training and Development of people in the Field?
<b>Blocks (Constraints)</b>	What is blocking us from giving 'International' service in Stores?
	What is blocking or constraining us from training and developing our employees in the Field?
	What are your major frustrations with regards to the Training and Development of staff and managers (depending on level) in the Field?

## PART 3 - RESEARCH IN ACTION

These are examples of the type of questions used and in addition to being structured around the SWOB were chosen as a mixture of questions:

- focused on training and development as a human activity system (Recursion 1),
- more generally focused on the organisation (Recursion 0) and
- specific to the employee's experiences and ability to perform (Recursion 2).

### Focus Groups

In addition to the interviews detailed above, 8 focus groups were conducted country-wide. A similar process was used i.e. the SWOB as detailed earlier, however a group brainstorming process was used where individuals firstly noted down their own SWOB and then the whole group discussed issues raised. The facilitator (myself) collected the observations and ideas and summarised each session. Focus groups have the advantage of involving a greater number of people in a shorter space of time. They are also useful for picking up trends within a particular group.

**Table 9: Focus Groups**

<b>Focus Groups</b>			
<i>Division</i>	<i>No. Of Sessions</i>	<i>Number that Attended</i>	<i>Levels</i>
Western Cape	1	10	Store Managers, Supervisors, Sales & Admin. Assistants (including casuals), Personnel Officer
Pretoria	3	19	1. (10) Area Managers & Retail Administrators 2. (6) Store Manager & Supervisors 3. (3) Store Managers & Supervisors
Johannesburg	2	20	1. (12) Store Managers, Supervisors, Sales & Admin. Assistants (including casuals), 2. (8) Area Managers & Retail Administrators
Durban	2	18	1. (9) Store Managers, Supervisors & Assistants (including casuals), 2. (9) Area Managers, Retail Administrators, Personnel Officer
<b>TOTAL</b>	<b>8</b>	<b>67</b>	

### **Reading various material and Attending Training Workshops**

As part of the immersion process the author also analysed various documents and attended training workshops for example:

- Read all current training manuals and guides
- Read documentation pertaining to Strategic Sessions (Business Philosophy)
- Attended three Truworths Workshops:
  - (a) Principle Centred Leadership (Covey 3 days)
  - (b) Overview of Truworths Business Philosophy (Strategic Direction 1 day)
  - (c) V.I.P. Customer Services Induction Workshop (3 days)

In both the interviews and focus groups, care was taken to seek out representatives from all levels and all areas who were either a service to, or recipient of, employee development and training.

88 people were officially involved in the interviews and focus groups and a large amount of information was collected from different groups and individuals. Each interview and focus group was documented and a bound copy given to individuals within the T & D Department for comment and input. These notes are too numerous to include but are available from the author on request. Samples are included in Appendix 5.3 and 5.4

The next stage documents the process of expressing the vast amount of information and viewpoints collected.

#### **3.2.2 SSM - Stage 2: Expression**

The processes utilised in expressing and making sense of the vast amount of information and viewpoints collected was to utilise a number of analysis suggested by Checkland and outlined in 2.5.2. namely:

- Role Identification
- Political Analysis
- Cultural Analysis
- Analysis of Different Viewpoints and Emerging Themes
- Viewing the Situation using a Human Performance Technology Model

### **Role Identification**

The author's role was that of a problem solving facilitator, who was tasked to assist, identify, and implement solutions that were practical, and which would improve the situation and support the new strategic direction of the organisation. They also had to be systemically desirable, that is they could logically be justified to improve the situation and be culturally feasible, that is, acceptable to the 'owners' of the system and those that would be affected by the changes. The clients were the Management Committee (decision making body) and the store operations staff and management. The problem solving team or teams consisted of a mixture of users and \or 'experts' (people with a high level of technical knowledge and expertise in a particular field required in the project).

In doing this analysis it became clear that one person generally had more than one role to play e.g. many area or store managers were both users and part of the problem solving team(s) and also 'experts' in certain areas.

### **Political Analysis**

Power is manifested in several ways in the organisation, firstly the normal hierarchical structure brought with it positional power and secondly people who understood the new strategic direction of the organisation, encapsulated in the Business Philosophy, were better able to challenge and 'make things happen'.

At the start of the project this was of major significance as few employees in stores operations had been explicitly exposed to the new strategy. 'Made in the World' or the drive to improve standards was their only exposure to part of the strategy and was generally poorly understood.

### **Cultural Analysis**

With the development of the new strategic direction the culture of the organisation was undergoing 'turbulence' and many changes. Stores operations traditionally saw their role as implementers i.e. they implemented solutions developed and 'packaged' by head office. This brought with it a fairly formal top down management style. It was interesting to note that titles and the use of surnames was the norm in stores operations between different levels in the hierarchy, whereas a more informal culture prevailed at head office where managers and subordinates were on first name terms.

This made the management and employees in stores operations highly dependent on structure, which in turn reflected on the training and development side, as a need for very structured manuals or programmes.

The development of the Business Philosophy had surfaced a number of debates around values and management styles which centred around the issue of innovation and how to become a 'leader' rather than a 'follower' in the fashion retail field. Many questions were raised e.g. :

- How can one encourage people to think rather than just follow instructions?
- How can one encourage constructive challenging without losing focus and efficiency?
- How can one harness the strengths of the past e.g. excellent processes in the business without stagnating?
- How can one encourage unique contribution and team synergy simultaneously?
- How can one build a contribution culture?

This state of flux was creating confusion and pressure regarding roles and accepted norms of behaviour, but also a multitude of opportunities for improvement and innovation.

#### **Analysis of Different Viewpoints and naming Emerging Themes**

The aim of this analysis was to identify some systems that were relevant to the problem situation. The process that was followed was to:

- Read each interview and focus group recorded
- Draw rich pictures of the viewpoints of the major stakeholders
- Summarise common themes by the major stakeholders - Management Committee, Divisional Management, Stores Management and Staff, Head Office Services (See Table 10)
- Document themes and label them

## PART 3 - RESEARCH IN ACTION

The main themes that were identified were described as follows:

<b>Theme name</b>	<b>Description</b>
Strategy Deployment	Continue and expedite the process of sharing and implementing the Business Philosophy - Moral Purpose, Vision and Values. Continue the process of moving to a 'Principle Centred Approach' to Leadership.
Leadership and Management Development	<p>Truworthis wants to harness the unique contribution of every employee in the organisation. This requires a different style of leadership and management which needs to be explored and facilitated.</p> <p>In addition the external environment in South Africa is rapidly changing and managers need to be prepared for these challenges (e.g. New Labour Relations Act, democratisation of society in general)</p>
Induction of all New Staff	All new staff, including casuals, should be properly inducted into the Truworthis culture and basic operations in their area of responsibility.
Increase the relative importance of training as an Operational Activity	The training and development of store staff is a neglected activity in stores and it is not planned in as part of 'operational' activities.
Improve Training & Development Resources	In order to prepare employees and managers to deliver International Service Standards more emphasis needs to be placed on training and development. Current lack of resources and equipment are constraining this process.
Training & Development Approach Needs to Change	Training and Development as a process needs to support the new business culture encapsulated in the Business Philosophy. It also needs to realign itself with changes taking place in education, training and development internationally.
Casuals as an integral part of delivering excellent service to customer	With Truworthis aiming to increase its casual to permanent ratio significantly in order to increase staffing flexibility, it can no longer neglect to train casuals. Customers do not differentiate when they are being served in stores.
Communication and Involvement	<p>Employees and managers at all levels in stores operations are expressing the need for more communication on what is happening in the Organisation.</p> <p>Greater involvement on issues that stores operations have to implement could be an opportunity to harness ideas and build commitment.</p>
Career & Succession Planning	The process of identifying and developing staff internally for development, promotion and lateral moves is inconsistent and ineffectual.

These main themes were further explored in the next stages of SSM in order to develop a plan of action or in research terms an hypothesis for action and are detailed further in the following table.

Table 10: Common Themes of 4 Identified Groups

Common Themes	Themes: Management Committee	Themes: Divisional Management (Stores Operations)	Themes: Store Staff (Managers and Assistants)	Themes: Head Office Service Departments
<p><b>Strategy Deployment – Continue &amp; Expedite the process of sharing the Business Philosophy</b></p>	<ul style="list-style-type: none"> <li>International Standards</li> <li>Customer Focus Required</li> <li>Fashion Leaders not followers</li> <li>Need a Culture of Innovation - thinkers not copiers</li> <li>Contribution Culture</li> <li>Manage Performance</li> <li>Recognition &amp; Reward for Performance</li> <li>Shared Values</li> <li>Encourage Constructive Challenging</li> </ul>	<ul style="list-style-type: none"> <li>International Standards - 'Made in the World'</li> <li>Customer Focus</li> <li>Manage Performance</li> <li>Recognition &amp; Reward</li> <li>Shared Values</li> </ul>	<ul style="list-style-type: none"> <li>'Made in the World' - International Standards</li> <li>Better performance</li> <li>management system needed - people need to know what is expected of them</li> </ul>	<ul style="list-style-type: none"> <li>Many staff in stores are confused about the meaning of 'Made in the World' (research revealed this)</li> <li>Major opportunities in sharing the Business Philosophy (Purpose, Values, Vision)</li> <li>Customer Centred approach should continue</li> <li>'What gets measured gets done' - need to Manage Performance</li> </ul>
<p><b>Induction</b></p>	<ul style="list-style-type: none"> <li>Need a new Induction Process which must include values and customer service culture (Business Philosophy Principles)</li> </ul>	<ul style="list-style-type: none"> <li>Induction Process currently being piloted in Stores excellent</li> <li>Need Induction Process for all new employees</li> </ul>	<ul style="list-style-type: none"> <li>Induction not happening consistently</li> <li>Casuals need to be included</li> </ul>	<ul style="list-style-type: none"> <li>Induction into Truworths culture needed</li> <li>All new staff should be exposed</li> </ul>
<p><b>Leadership &amp; Management Skills for the new Business Environment</b></p>	<ul style="list-style-type: none"> <li>All Managers need to understand the Business Philosophy</li> <li>Managers need to facilitate thinking in their teams</li> <li>Lead by Example - "Walk the Talk"</li> <li>Principle Centred Approach to Leadership is required</li> <li>Leaders should understand and facilitate the changes required by the new Strategy</li> <li>Transformation from "Managers" to "Leaders" required</li> </ul>	<ul style="list-style-type: none"> <li>Managers at all levels need to understand the Business Philosophy (strategy)</li> <li>Managers urgently need skills and knowledge to be effective in the new business environment e.g. New Labour Relations Act (IR Update); Facilitation, Mentoring skills etc.</li> <li>All Managers should attend the Covey "Principle Centred Leadership" course</li> <li>Leadership Model should be stressed - move away from authoritarian type model of the past</li> </ul>	<ul style="list-style-type: none"> <li>Managers lack training on people skills e.g. how to train, coach, facilitate, motivate others etc.</li> <li>Many Managers don't 'Walk the Talk' - say one thing and do another</li> <li>Managers are not committed to developing their staff e.g. they don't 'check people out' and so completion of Training Manuals takes far too long which is demotivating</li> <li>Managers need to learn to 'lead' their team</li> </ul>	<ul style="list-style-type: none"> <li>Managers are not equipped sufficiently to deal with role as facilitators &amp; trainers</li> <li>Managers in Stores are unsure of their role</li> </ul>

Table 10: Common Themes of 4 Identified Groups (continued)

Common Themes	Themes: Management Committee	Themes: Divisional Management (Stores Operations)	Themes: Store Staff (Managers and Assistants)	Themes: Head Office Service Departments
<p>Improve Resources allocated to Training &amp; Development in Stores Operations</p>	<ul style="list-style-type: none"> <li>Training Material (Manuals, Programmes etc.) very out of date and do not support new Strategic direction</li> </ul>	<ul style="list-style-type: none"> <li>Training Material extremely out of date and do not cover any of the new initiative in the Company</li> <li>Skilled Training Specialists Required to Assist Line Managers</li> <li>Basic Training Equipment required e.g. Video Recorders, Flipcharts etc.</li> <li>Need to create time &amp; space for training in Stores e.g. less counting of stock which is done daily</li> </ul>	<ul style="list-style-type: none"> <li>Training Material is out of date</li> <li>Not enough time allocated to training</li> <li>Not enough communication regarding resources available at Head Office</li> </ul>	<ul style="list-style-type: none"> <li>Training Material out of date</li> <li>Training is not seen as a priority - therefore it does not get done (too much emphasis on stock losses - hanger counts daily)</li> <li>Lack of training equipment e.g. videos is a major constraint as many Head Office communications are video based</li> <li>Need to create time &amp; space to develop and communicate with our staff in stores</li> </ul>
<p>Training Approach Needs to Change to support a dynamic, innovative, International Standards approach</p>	<ul style="list-style-type: none"> <li>Keep Learner Directed Training approach as a principle however</li> <li>All training material needs to be updated to support new business strategy</li> <li>Current Material too theoretical not enough practical application</li> </ul>	<ul style="list-style-type: none"> <li>Principle of Learner Directed (LDT) training good however;</li> <li>Current Training Material boring, centred around rote learning</li> <li>Need more practical approach</li> <li>New Material (Recruitment Guide) in pilot form excellent</li> <li>'Check out' or assessment process too theoretical - in checklist form</li> <li>Current Store Manager training basically good (PMS) but out of date</li> </ul>	<ul style="list-style-type: none"> <li>Principle of Manuals - i.e. LDT good but</li> <li>Current Training Material boring, too theoretical, not enough projects</li> <li>Too much focus on how and not enough on why</li> <li>Need more cross referencing between manuals and other resources e.g. Fashion File, V.I.P. Material</li> <li>Need more fun in training e.g. quizzes, games, projects.</li> <li>'Check out' process takes too long</li> </ul>	<ul style="list-style-type: none"> <li>LDT training good in theory but not been applied correctly (managers abdicating responsibility)</li> <li>Training material 'old school' - needs to be more practical, interactive, project driven</li> <li>Training material not user friendly - difficult to slot in with day to day store activities</li> <li>Training needs to reflect Company culture of moving to an innovative, youthful, creative approach (currently does not)</li> </ul>

Table 10: Common Themes of 4 Identified Groups (continued)

Common Themes	Themes: Management Committee	Themes: Divisional Management (Stores Operations)	Themes: Store Staff (Managers and Assistants)	Themes: Head Office Service Departments
Communication & Involvement	<ul style="list-style-type: none"> <li>Need to communicate Business Philosophy (Moral Purpose, Vision and Values) to all employees</li> </ul>	<ul style="list-style-type: none"> <li>Need to share Vision, Values and Purpose with all employees</li> <li>More communication at all levels required</li> <li>Involvement at the lower level should be encouraged e.g. create forums for suggestions</li> </ul>	<ul style="list-style-type: none"> <li>More information needed on how 'things fit together'</li> <li>Not enough or late information on why and what is happening</li> <li>More communication on opportunities facing Truworths in the future</li> </ul>	<ul style="list-style-type: none"> <li>Need to share Vision, Values and Purpose with all employees - lot of confusion in Stores Operations</li> <li>Need systems and processes to involve more Field staff in planning activities or resources they have to implement or utilise</li> </ul>
Casual staff must all be trained & developed	<ul style="list-style-type: none"> <li>Policy of moving to a significantly higher casual: permanent ratio means that training for casuals can no longer be ignored. Customers don't differentiate therefore casuals must receive the same input as permanent staff</li> </ul>	<ul style="list-style-type: none"> <li>Casuals require the same input as permanent employees - currently not receiving any training and working at peak times</li> </ul>	<ul style="list-style-type: none"> <li>No casual induction or training</li> <li>Permanent staff frustrated as they have to 'baby' casuals who are not trained - creates a them &amp; us situation</li> <li>Casuals feel excluded - given the dirty work 'they don't get told what is going on but need to do the same job'</li> </ul>	<ul style="list-style-type: none"> <li>All staff need to be inducted &amp; trained</li> </ul>
Raise the Importance of T & D as a Stores Operation Activity	<ul style="list-style-type: none"> <li>Training &amp; Development of staff has been neglected in the past few years</li> <li>Line Management is responsible for training but other activities take precedence</li> <li>Training needs to become part of Store activities</li> </ul>	<ul style="list-style-type: none"> <li>Need to create time and space for developing staff</li> <li>Number of activities in stores a constraint (pace in stores high)</li> <li>Area Managers and Divisional Office should become more involved</li> <li>Policy of making line management responsible for training should be reinforced</li> <li>Time allocation to training in Stores Operations insufficient</li> <li>More people could be empowered to assist train e.g. look at the "buddy system"</li> </ul>	<ul style="list-style-type: none"> <li>'We don't allocate enough time to train our staff'</li> <li>Make more use of employees in stores to train on the job</li> <li>Make more use of groups when training (especially in large stores)</li> </ul>	<ul style="list-style-type: none"> <li>Too many distractions in stores - training gets neglected</li> <li>Need to allocate time &amp; space on a regular basis to train, develop and communicate</li> <li>Basic equipment e.g. video machines, flipcharts - would facilitate communication and training in stores</li> </ul>
Career Planning	-	<ul style="list-style-type: none"> <li>Better Career Planning is needed in the Field</li> </ul>	<ul style="list-style-type: none"> <li>People need to know what to do to get promoted or for lateral moves</li> </ul>	<ul style="list-style-type: none"> <li>Career Planning is neglected which results in a lot of good people being over looked</li> </ul>

**Viewing the Situation Using the Human Performance Technology Model**

This model was used to get a micro view of the performance management of the individual employee and manager in Stores operations. (Refer to Figure 17, in 2.5.3)

**Table 11: HPT Analysis of the Situation**

<p><b>1. Performance Specifications</b></p> <p>Do Performance Standards exist?</p> <p>Do Performer's Know the desired output?</p> <p>Do Performers consider the standards attainable?</p>	<p>Confusion existed with regard to performance criteria. The espoused theory or message from Management is that Customer Service is the most important priority.</p> <p>Many stores staff however still saw their role as one of 'guarding stock' and this was reinforced by the actions of many store managers e.g. stock counting (hanger counts) took place everyday and was actively measured. Attention to customer service training and awareness, however took a back seat and was generally tackled when head office got actively involved with a promotion launch or a new training programme. On the whole performance specifications were in a transition period with huge demands being placed on staff and in particular store managers with no clear guidelines being given.</p>
<p><b>2. Task Interference</b></p> <p>Can the performer easily recognise the inputs requiring action?</p> <p>Can the task be done without interference?</p> <p>Are adequate resources available for the performance (time, tools, staff, information)</p>	<p>With the introduction of 'Made in the World' and 'International' standards more pressure was being placed on store staff to perform. Both store staff and management were struggling with prioritising the number of activities they had to attend to. Staffing levels also came under fire with a major drive to getting 'International' staffing levels with a greater emphasis on using casual labour. Time pressures increased with the additional expectations and high standards set. General resourcing in terms of late, or lack of information, and out of date training material, constrained potential in the stores. Poor co-ordination at head office resulted in multiple launches happening simultaneously.</p>
<p><b>3. Consequences</b></p> <p>Are the consequences aligned to support desired performance?</p> <p>Are the consequences meaningful from the performer's viewpoint?</p> <p>Are the consequences timely?</p>	<p>The management of consequence was a major opportunity area identified by all groups in this research. At a group or Company level excellent rewards and recognition were in existence e.g. bonus linked to Company performance; Top Team Awards.</p> <p>On the individual level little consequence existed for good or poor performance in terms of remuneration. Small incentives e.g. book awards and certificates of individual recognition were in place and well regarded.</p>

**Table 11 (continued): HPT Analysis of the Situation**

<p><b>4. Feedback</b></p> <p>Do performers receive information about their performance?</p> <p>Is the information they receive: relevant, accurate, timely, specific, constructive, easy to understand?</p>	<p>Again on a macro or group level Truworths gives excellent feedback on performance e.g. Mystery Shopping results per store, sales, turnover etc.</p> <p>At an individual level there was an old Performance Discussion System in place, but this was totally out of date and inconsistently used. The new value system requires excellent feedback at both the individual and group level which was definitely not happening. Another concern was that casual staff were excluded from meetings and so missed important feedback on Store and Organisation performance. They were also not included in the Performance Discussion System.</p>
<p><b>5. Knowledge &amp; Skill</b></p> <p>Do the performers have the necessary skills and knowledge to perform?</p> <p>Do the performers know <i>why</i> desired performance is important?</p>	<p>The 4 main concerns in this regard were:</p> <ul style="list-style-type: none"> <li>▪ Casual staff received no training but worked at peak times</li> <li>▪ Training manuals were out of date and did not reflect the new Strategic Direction</li> <li>▪ Basic skills training was not seen as a priority and many permanent staff were haphazardly trained</li> <li>▪ Old Training Manuals were centred around 'what to do' with little emphasis on 'why' the desired performance is important.</li> </ul> <p>On the positive side the Customer Service and 'Make it Happen' Workshops designed by V.I.P. and run in stores were well regarded and assisted Shop floor staff with skills and knowledge to improve customer service. An opportunity to improve these workshops centred around frequency (they were run haphazardly), the skills and principles taught were also not integrated in new joiner training (manuals) so there was no continuity and the tone was felt to be 'paternalistic' and 'childish' at times.</p>
<p><b>6. Individual Capacity</b></p> <p>Are the performers physically, mentally, and emotionally able to perform?</p>	<p>This had been identified as an opportunity for improvement for some time and revolved around 2 issues:</p> <ul style="list-style-type: none"> <li>▪ Inadequate recruitment &amp; selection processes and practices</li> <li>▪ Inadequate management of misconduct and incapacity issue - linked to fears of the New Labour Relations Act and poor practices in the past</li> </ul> <p>In the case of the former, the T &amp; D Manager had worked together with Divisional Management to introduce a competency based selection process which was being developed at the start of this research. This new process focused on the skills, knowledge, and personality profile required for each job. It also realigned the recruitment process to take into account the New Labour Relations Act (1996)</p> <p>Interviews and focus groups identified that managers felt ill equipped to deal with misconduct, performance and capacity issues. A lot of fear also existed with regard to the introduction of the New Labour Relations Act amongst Field management.</p>

The analysis utilising the Human Performance Technology Model adds a richer understanding to issues affecting human performance in stores. It is interesting to note that most of the common themes resurfaced and that in addition issues like lack of effective feedback, individual capacity and task interference need to be looked at.

The next section takes the themes and explores them theoretically using a modelling process outlined in 2.5.2.

### **3.2.3 SSM - Stages 3 & 4 : Formulating Root Definitions and Modelling**

It is important to note that in these two stages we are firmly in the 'systems world' part of SSM and that the purpose is to explore the various perspectives and themes outlined in Stage 2 from a theoretical perspective.

The themes and perspectives should be seen in the context of iterative enquiry and evolved as the research progressed.

The one theme 'Strategy Deployment' will be discussed at different levels or recursions as it encompasses a change process that was, and still is taking place at an organisational level, and not just within the T & D system. The strategic direction (Business Philosophy) is in essence the driving force behind many major changes taking place within Truworths, which are not explicitly discussed in this research project (e.g. Merchandise, Credit, Information Systems) but impact on suggested T & D interventions within stores operations.

A modified version of the CATWOE (see 2.5.2.2) namely the BATWOE<sup>2</sup> was utilised to differentiate between 'customers' who are beneficiaries and those that could 'lose' or be hurt by the transformation.

Each of the themes is now discussed.

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<sup>2</sup> The BATWOE version was utilised in the previous organisation where I worked by a former research student Paul Middleton

### Strategy Deployment

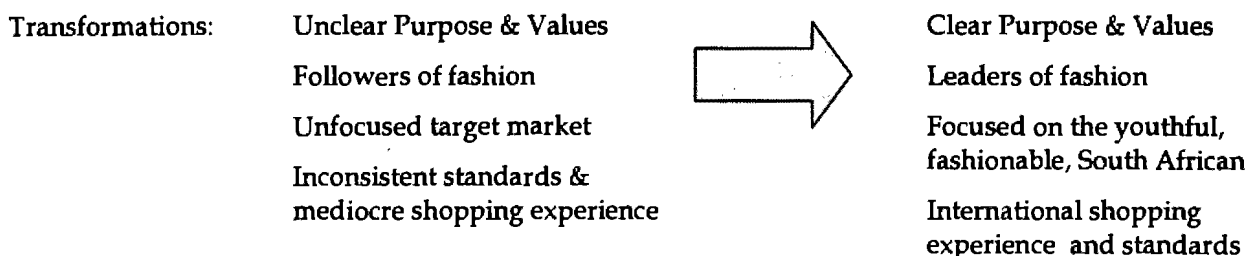
As outlined in Table 10 the 4 different groups all identified elements of strategy deployment as a critical factor in improving how the Organisation conducts business. The exposure and involvement the group had previously to strategy development and deployment (everyone was exposed and involved in the 'Made in the World' launch) influenced how this was expressed.

#### *Strategy Deployment at an Organisational Level (Recursion 0)*

The Business Philosophy outlines a number of desired transformations:

##### *Root Definition:*

The deployment of the Business Philosophy is a system for differentiating itself from the competition and sustaining itself, by offering fashionable merchandise and services of 'International' standards. In addition it seeks to harness the unique contribution of employees, given the threat of increasing global competition and economic turbulence.

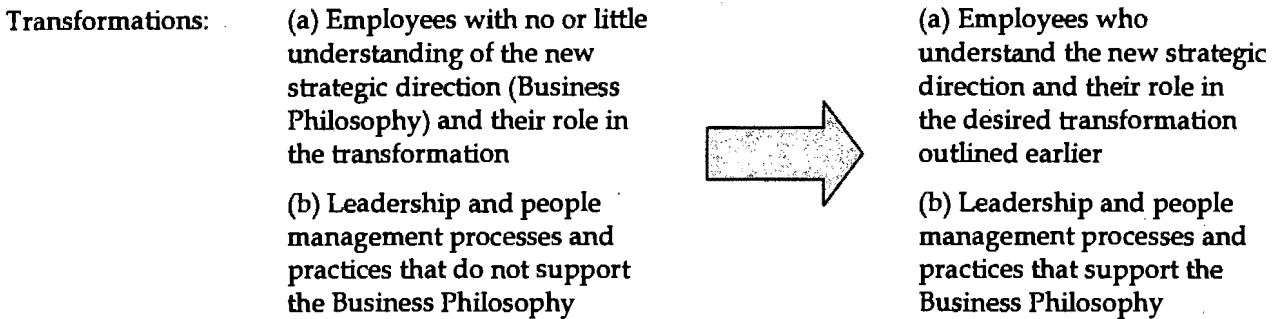


Beneficiaries	Youthful (in spirit), fashionable, South African Customers Employees \ Managers that can contribute to achieve the stated purpose
Hurt	Loyal customers who are not fashionable Employees who can't \ won't contribute
Actors	All Employees \ Managers
Worldview	An opportunity exists for Truworths to differentiate itself from the competition and sustain itself by offering fashionable merchandise & service of 'International' standards. To do this it needs to become more innovative and harness the unique contribution of every employee.
Owner	Directors & Senior Management
Environmental Constraints	Economic Factors e.g. disposable cash available, exchange rate; international competition (globalisation)

**Strategy Deployment - T & D Role (Recursion 1)**

*Root Definition:*

T & D's role in strategy deployment is to design processes and programmes to communicate and support the new strategic direction and to entrench the value system in leadership and people management processes and practices, whilst taking into account the constraints of skills shortages \ losses (brain drain), a deficient education system and multiple languages.



Beneficiaries	Employees \ Managers who understand and want to contribute to the desired transformation
Hurt	Employees \ Managers who do not understand and \or are unable or unwilling to contribute
Actors	All Employees \ Managers
Worldview	A clear, logical well understood purpose, supported by a value system which rewards for unique contribution, encourages respect for contribution, courage and the building of trust, will create the conditions for the desired transformation. This needs to be entrenched in all leadership and people management principles, practices and processes.
Owner	Directors & Senior Management
Environmental Constraints	Availability of skills in S.A. (brain drain), economic factors, international competition, language and education barriers

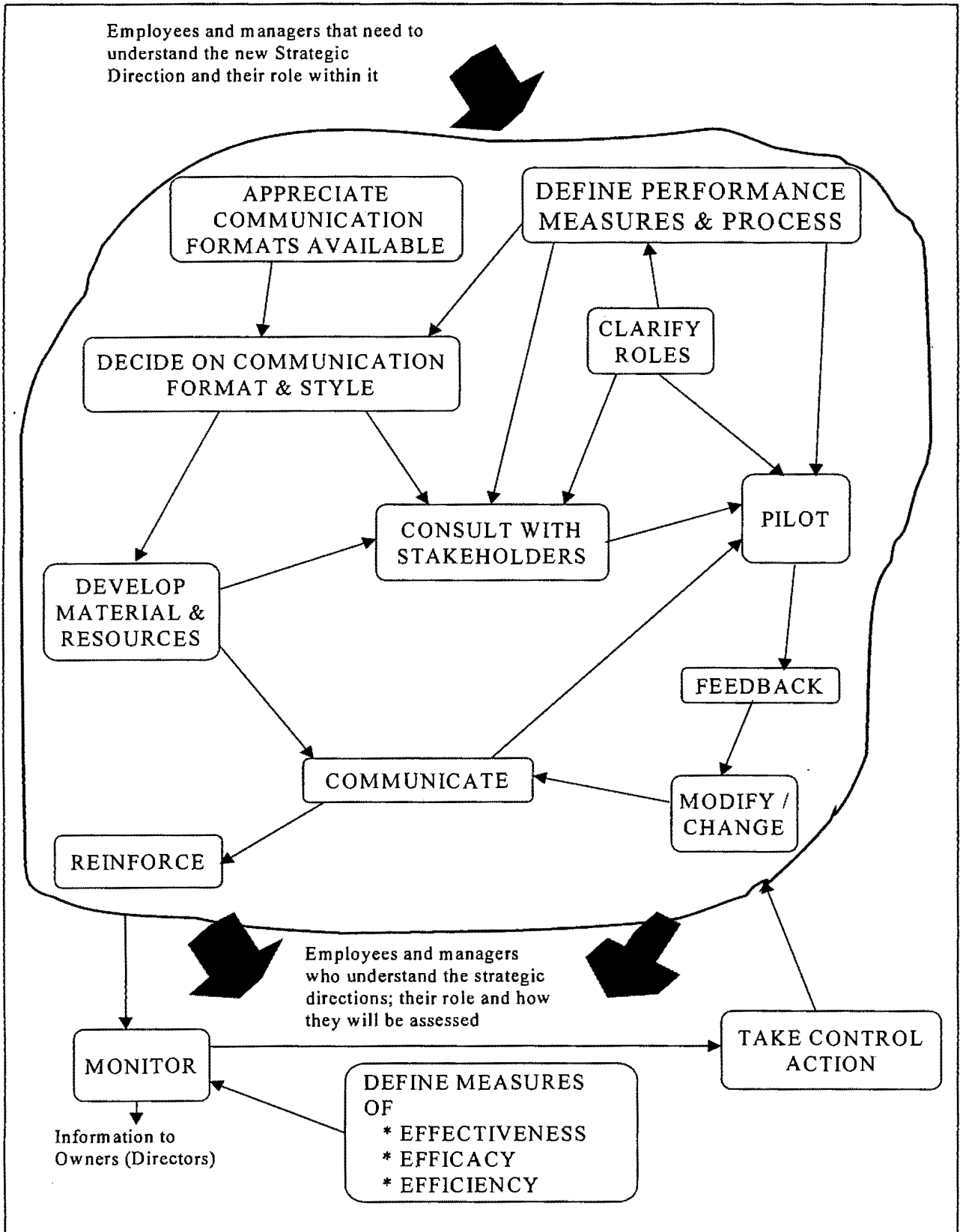


Figure 26: Model of Strategy Deployment (Communication & HR Processes)

## Leadership and Management Development

### Root Definition:

- (a) A system to facilitate a change in management style from a command and control mode of operating to 'manager as a leader' that enables employees by creating the conditions to optimise high levels of contribution.
- (b) A system to ensure the leadership model is practised rather than espoused by ensuring people management processes support and reflect the new model

### Transformation:

- (a) Command and Control Style Management that focuses on what to do
- (b) No consequence for what type of management style practised



- (a) Manager as a leader that enables and sets standards for a high level of contribution
- (b) Consequence exists for the type of management style practised

Beneficiaries	External Customers Employees who are motivated and able to contribute to the desired transformation (Business Philosophy)
Hurt	Managers who mainly use a command and control style
Actors	Directors, selected consultants, Human Resources Department, line managers
Worldview	(a) A leader needs to enable and set standards for a high level contribution and commitment by his or her team by facilitating a contribution and a thinking culture. The 'new style' leader ensures processes are in place to support the desired transformation (b) What get measured gets done.
Owner	Directors, Senior Management
Environmental Constraints	Widely distributed stores (Geographic spread)

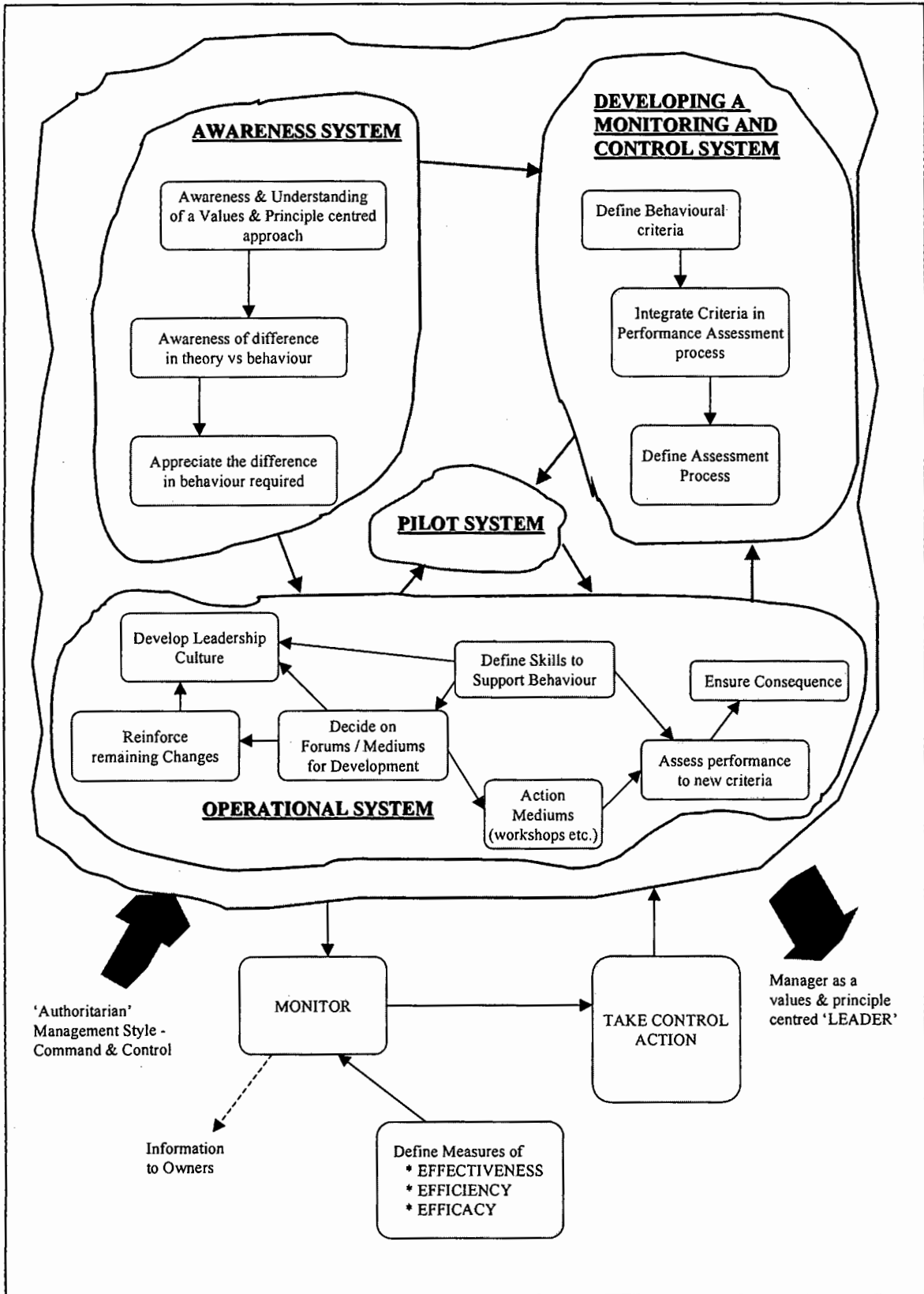
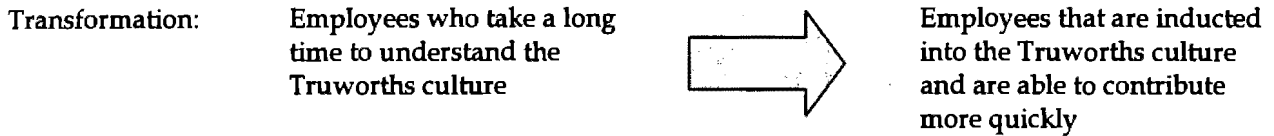


Figure 27: Model of 'Leadership' transformation desired

**Induction of New Staff**

*Root Definition:*

Induction is a system to integrate employees more effectively into the Organisation culture in order to facilitate their ability to contribute, within the constraints of high levels of staff turnover and a wide geographical spread of stores.



Beneficiaries	Customers, all employees (permanent & casual)
Hurt	Managers who don't believe in induction
Actors	Line Managers, Divisional Personnel Officers, Training and Development Department
Worldview	A relevant induction programme assists employees understand the Organisation culture more efficiently and effectively and facilitates their ability to contribute more quickly.
Owner	Directors, Senior Management
Environmental Constraints	Geographic spread of stores, high turnover of staff (particularly) casuals

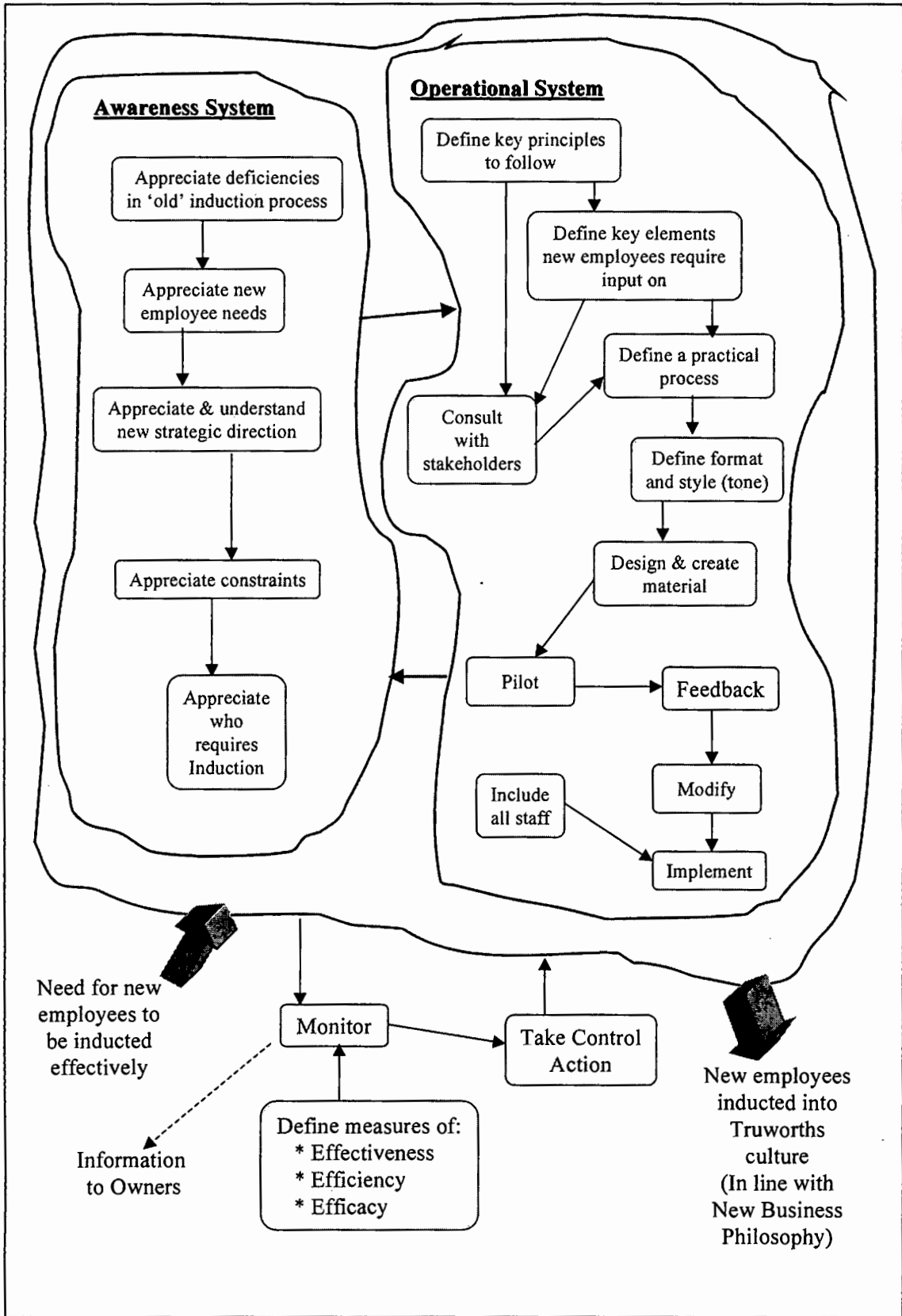
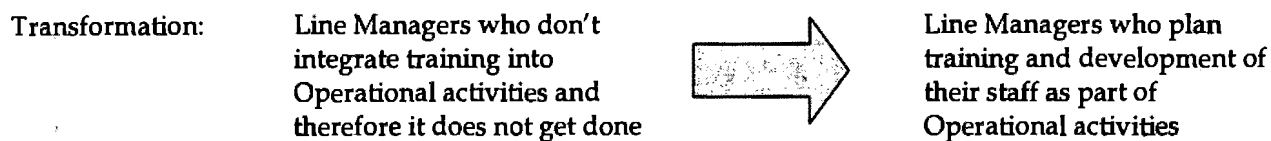


Figure 28: Model of Improved Induction Process

**Increase the Relative Importance of training as an Operational Activity**

*Root Definition:*

A system to ensure training and development of staff is planned and takes place as part of operational activities in order to ensure consistent and high standards in stores, taking into account the constraints of extended trading hours, increasing levels of crime and rapid rate of change in fashion retailing.



Beneficiaries	Customers, all employees in stores
Hurt	Line Managers who do not view training to be part of their role
Actors	Line managers, Head Office Departments developing and supplying training resources and support
Worldview	Training is a line management function and therefore store managers should plan training and development of staff as part of operational activities in order to ensure consistent standards in stores
Owner	Directors, Senior Management
Environmental Constraints	Increased levels of crime (increased shrinkage), extended trading hours in retail, rapid rate of change in fashion retailing

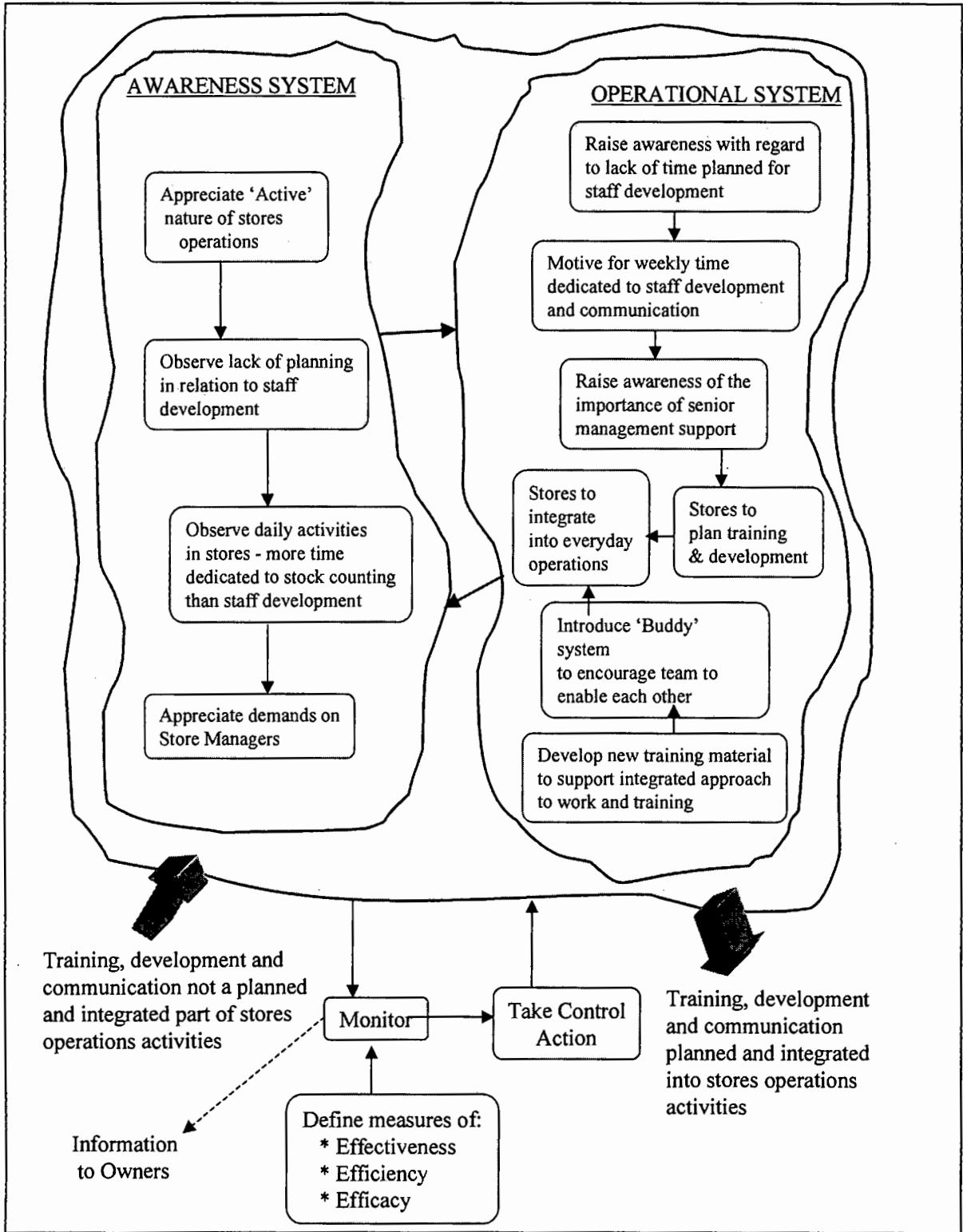


Figure 29: Model of Integrating Training into Stores Operations Activities

### **Improve Training and Development Resources**

It is interesting to note that a fairly major difference in viewpoints exists with regard to the use and availability of resources between the Management Committee and the rest of the 4 groupings outlined earlier. There are mainly 3 'schools of thought':

*Management Committee:* - believe that there is a lack of resources which revolves around out of date and inadequate training material and manuals. Their view is that training manpower in each division should be sufficient as each store has a manager, and in addition, an area manager and retail administrator to assist them (divisions are divided into areas of 6 to 10 stores).

*Divisional and Store Management:* - believe that the lack of resources is a much broader issue and includes:

- (a) training material and manuals,
- (b) equipment like video machines (2\3 video machines available per division of approximately 30 to 40 stores), flipcharts;
- (c) more skilled training specialist to support line management.

*Head Office Service Departments:* - believe that there is a lack of resources, as outlined by divisional and store managers and that, in addition, a concern exists that part of the problem is that line managers lack facilitation and training skills and the ability to use resources available creatively. Another problem is that the T & D Department had been minimally manned for several years prior to the research and all training material and resources were out of date which created a backlog situation.

**Improve Training and Development Resources (Continued)**

*Root Definition:*

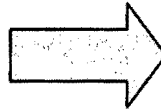
(a) A system to ensure managers have the necessary resources to develop their staff taking into account the rapid rate of change in fashion retailing and backlog of out of date material.

(b) A system to improve the Store Managers' ability to use resources more creatively when developing and training staff

**Transformations:**

(a) Inadequate or out of date resources for training

(b) Inability to use current resources more creatively



(a) Adequate and up to date resources

(b) Creative use of all resources available

Beneficiaries	Customers, employees in stores
Hurt	Line managers using a lack of resources as an excuse not to train
Actors	Training and Development Department, Senior Management
Worldview	(a) The effectiveness and efficiency of staff development and training depends on adequate resources, particularly when line manager with multiple activities to attend to are responsible for developing staff  (b) Many line managers lack facilitation and training skills and therefore cannot creatively use resources available to them, but rather wait for a 'package' solution (manuals that dictate exactly what to do).
Owner	Directors, senior management
Environmental Constraints	Rapid rate of change, backlog of out of date material

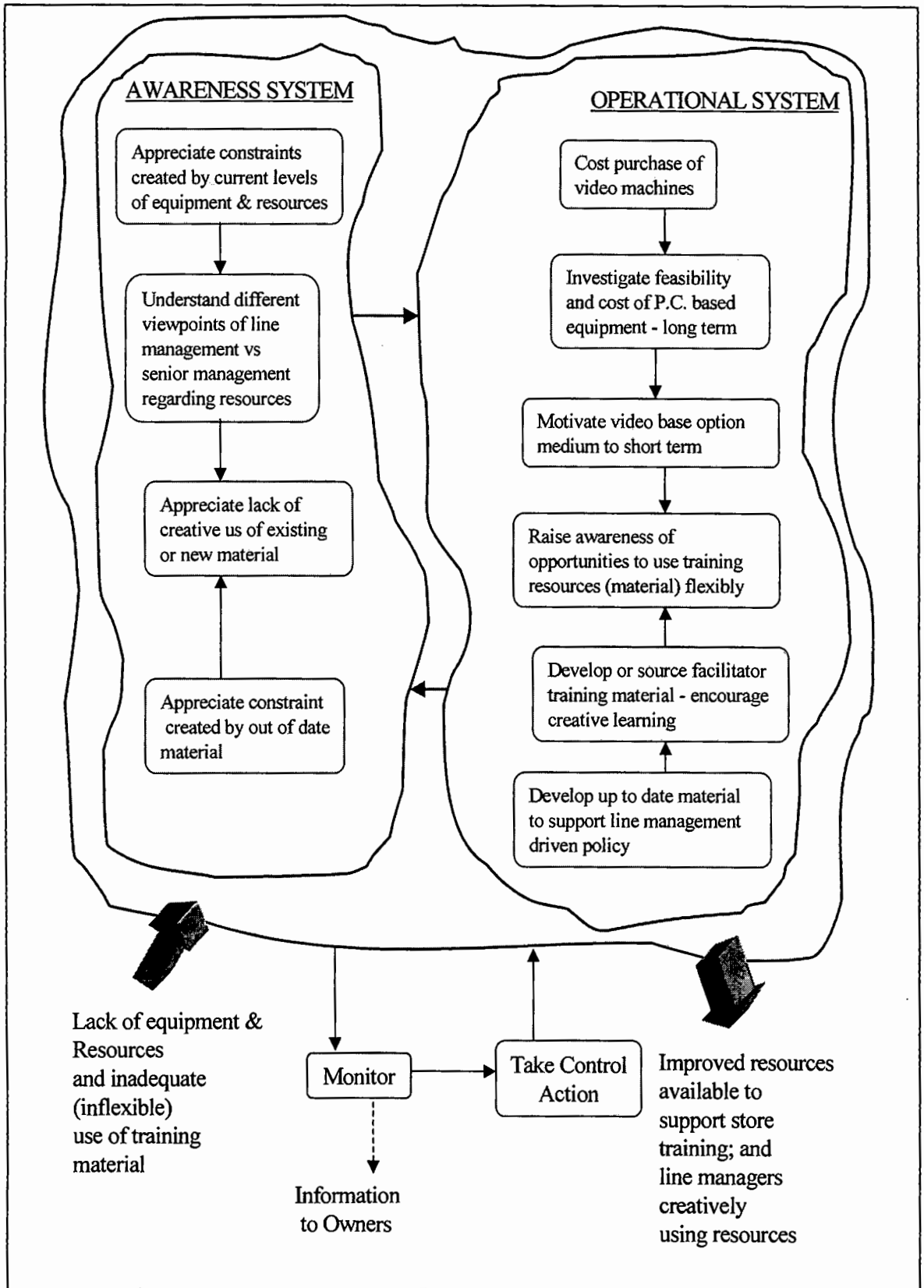


Figure 30: Model of Improving Training Resources & Utilisation

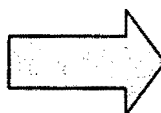
## Training and Development Approach Needs to Change

### Root Definition:

Training and development is a system to transform outdated, training methods and thinking to reflect the dynamic culture in fashion retailing in order to increase the relevance and effectiveness of training taking into account the constraints of 'old mindsets and habits' and a backlog of out of date resources and cost constraints

### Transformation:

Training primarily centred on (rote) learning information, inflexible and dry, 'old' school format and not supporting the new strategy



Training designed to be interactive, practical, flexible and reflecting the current strategic direction (International standards, youthful, etc)

Beneficiaries	Customers, all employees and managers
Hurt	Managers and employees unable to adopt a flexible, dynamic approach
Actors	Training and Development resource providers (head office, selected consultants), managers and employees on design project teams
Worldview	In order to optimise learning in a dynamic, youthful, fast moving culture, training resources and processes must reflect this culture and involve a practical, interactive approach with an emphasis on 'learning by doing'. Training and development needs to be a shared process between learner, trainer and resource providers. This will increase the effectiveness, efficiency and relevance of training and development.
Owner	Directors, Senior Management
Environmental Constraints	Backlog of out of date resources, entrenched old 'habits' and 'mindsets', cost of new technology

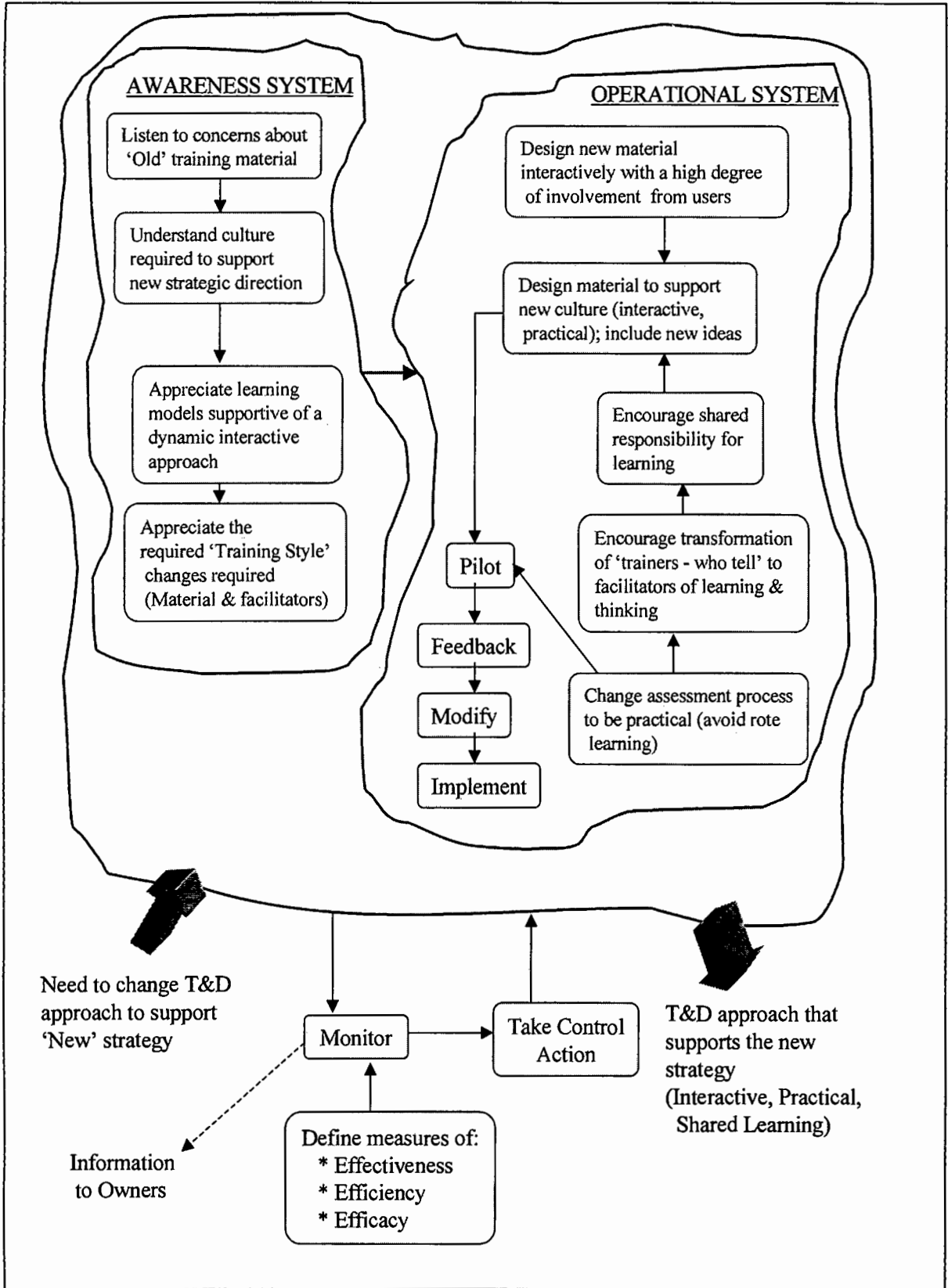


Figure 31: Model of T & D Approach transformation desired

**Casuals as an integral part of delivering excellent service to customers**

*Root Definition:*

A system to recognise, train and develop all staff (casual and permanent) to deliver consistently high standards of service given the constraints of a higher staff turnover amongst casuals and varying work hours.



Beneficiaries	Customers, all staff
Hurt	Managers who don't want to take ownership for training
Actors	Line managers, T & D resource providers, senior management & directors
Worldview	Customers want the same standards of service from all staff and with the policy of increasing the ratio of casuals to permanent staff Truworths can no longer neglect to train casual staff.
Owner	Directors, senior management
Environmental Constraints	Casual staff turnover is higher, varying times that casual staff work (weekends)

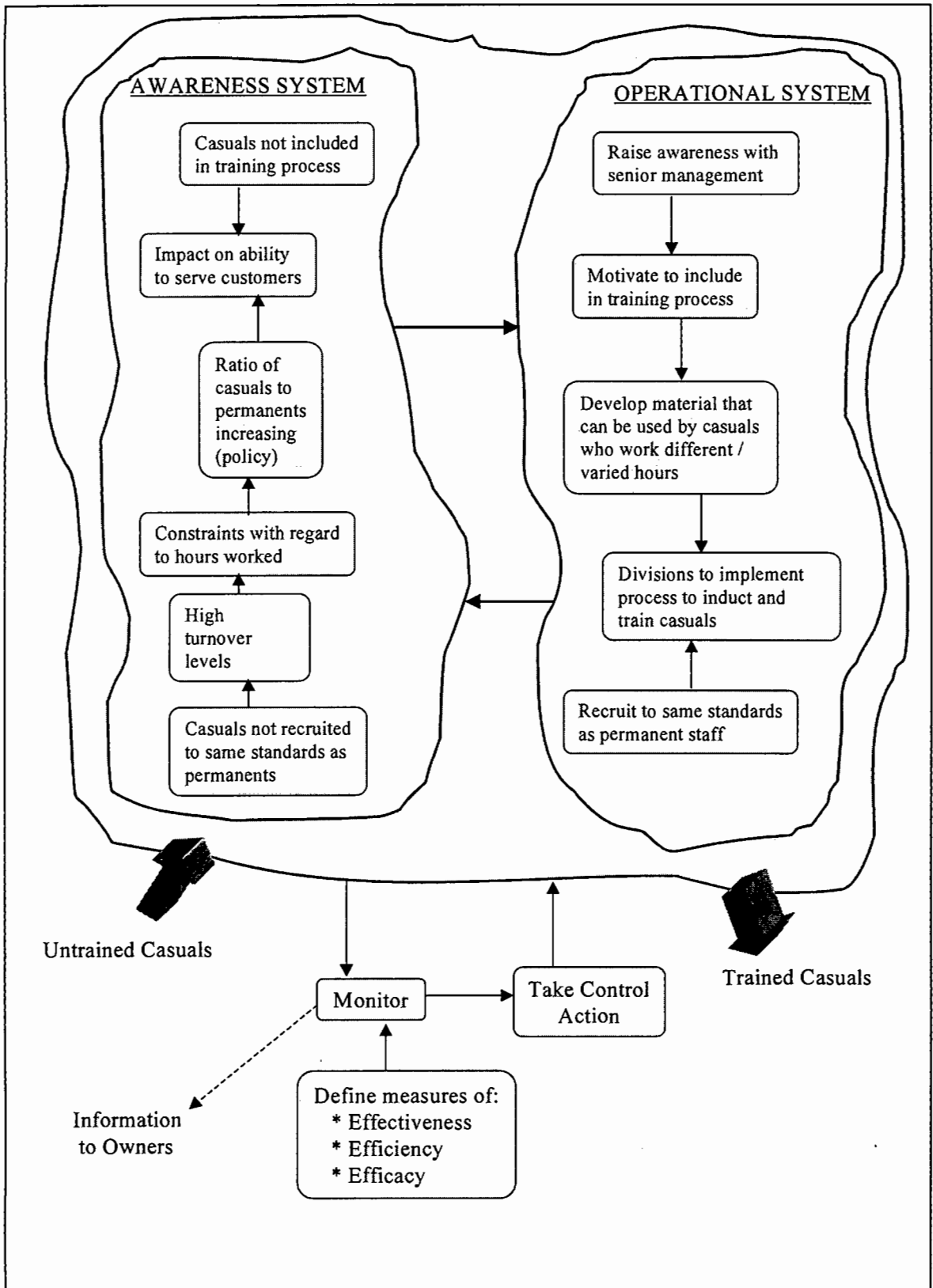
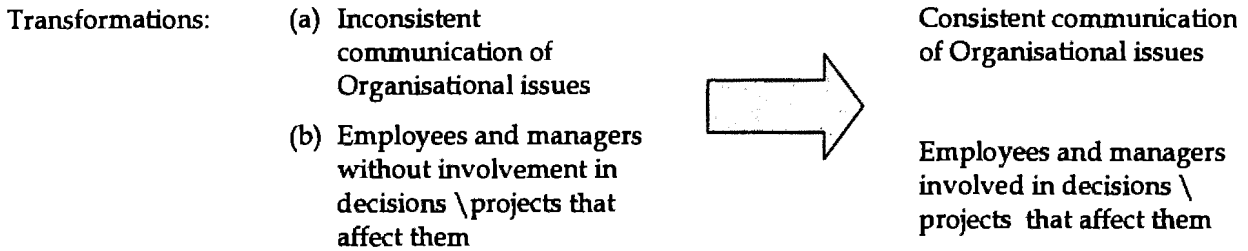


Figure 32: Model to Include Casuals in T & D Process

**Communication and Involvement**

*Root Definition:*

- (a) \*A system to improve consistent communication in stores, in order to promote understanding and commitment taking into account the constraints of the geographic spread and high number of activities in stores
- (b) A system to involve managers and employees in stores operations in decisions and projects (with regard to training and development) that affect them taking into account the constraints of the geographic spread and high number of activities in stores



Beneficiaries	All employees and managers
Hurt	Managers who don't find time to communicate and involve stakeholders
Actors	Management
Worldview	(a) Consistent communication promotes understanding and commitment (b) Involvement in local decision making and interventions (projects) promotes ownership and harnesses 'local' knowledge and know how
Owner	Directors, Senior Management
Environmental Constraints	Number and geographical spread of stores, pace of activities in stores

\* Not Modelled as not culturally feasible to action at that stage.

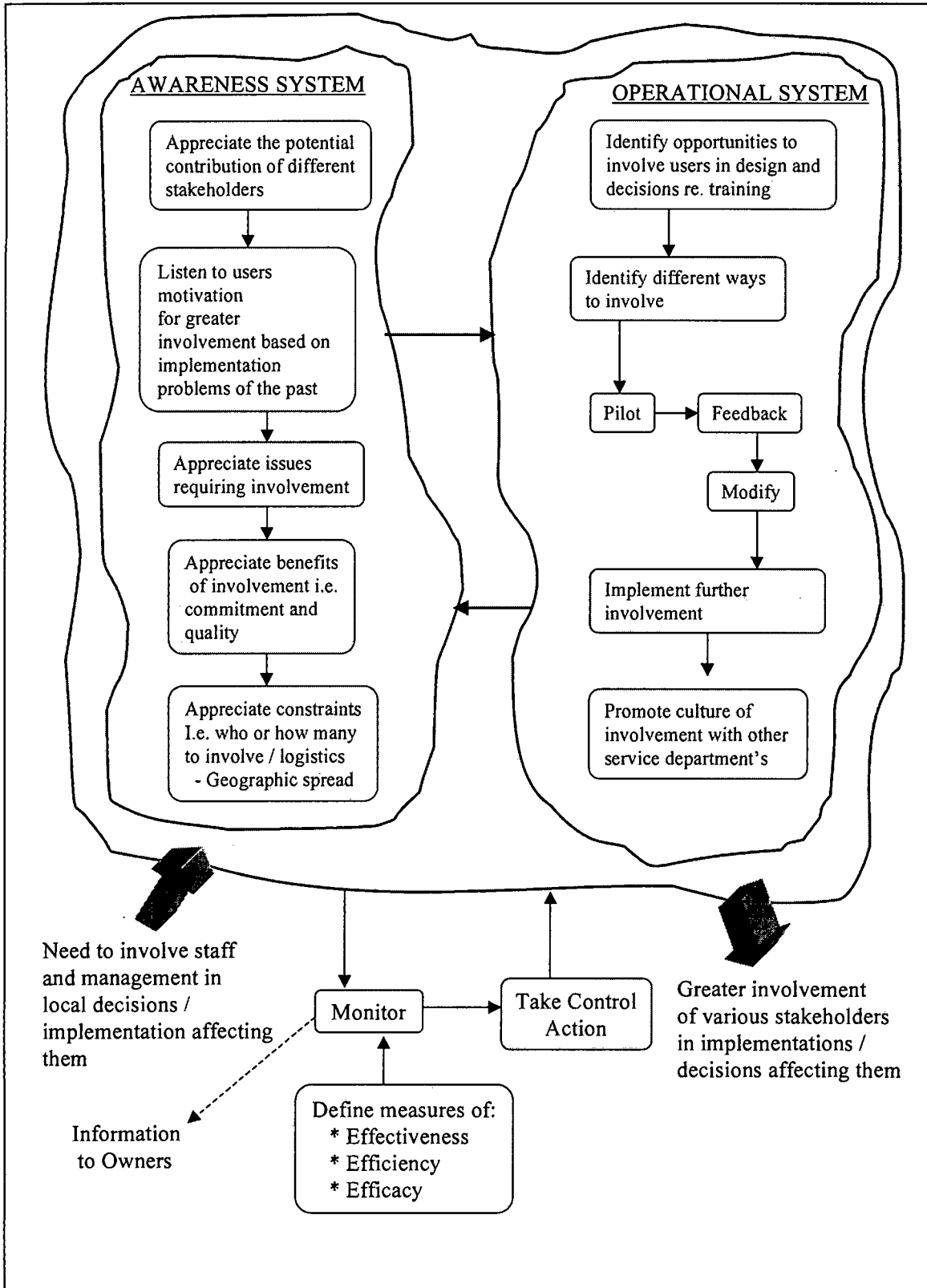


Figure 33: Model to Involve Affected in Local Decision Making

**Career and Succession Planning**

*Root Definition:*

\*A system to develop and promote employees with potential (with an emphasis on previously disadvantaged groups) in order to harness potential and address inequalities of the past



Beneficiaries	Employees with potential for promotion (particularly previously disadvantaged employees)
Hurt	Previously advantaged groups
Actors	Human Resource Department, divisional and store management
Worldview	Harnessing internal potential will increase staff moral, increase staff retention, and address issues of equity.
Owner	Directors, senior management
Environmental Constraints	'Old' mind-sets

\* Interventions only initiated towards the end of the research.

### 3.2.4 SSM - Stages 5: Comparing the Models with the Real World

In this stage the models developed in the 'systems world' are compared with the perceived real world in order to gain insights into areas for action and improvement. Many methods exist for undertaking this stage. The most useful for the purpose of this research was to look at the activities in the models and simply record differences, similarities and opportunities going forward.

#### Strategy Deployment

At the start of this research the main deployment of strategy was the 'Made in the World' launch described earlier in this paper. 'Made in the World' or the drive for 'International' standards was put into action by a cross-functional team which co-ordinated improvements in many area of the business. As stated earlier improvements in standards covered a wide range of areas including the transformation of the visual appeal of the stores, training and communication sessions run by a head office team covering all stores, etc. Excellent results in both sales and service standards in stores resulted. The 'Made in the World' launch however only focused on one aspect of the Business Philosophy namely the 'Moral Purpose'.

A concern existed on how to sustain this change once the initial excitement and hype abated. Research at this point indicated that employees did not really understand what 'Made in the World' meant, but seemed to be caught up in the excitement of the launch. More importantly, ongoing supporting structures and processes, to ensure continuity had not been changed. This was clearly recognised by Senior Management as an opportunity to entrench the objectives and values of the Business Philosophy by further deployment.

This research does not examine the changes in the merchandise procurement or credit operations of the Organisation, but it is important to mention that excellent service from staff in stores will have little effect if the merchandise is not what customers desire or if credit is not available and well managed. It is therefore important to mention that the M.D. and team of directors and managers focused heavily on realigning processes and mind-sets in the merchandise and credit areas to effectively target the 'youthful, fashionable, South African'.

In stores operations the models highlighted the following:

- ❑ An opportunity existed to communicate and involve employees in sustaining the strategic drive;
- ❑ Care had to be taken to involve employees in a meaningful way, which they could relate to and had meaning to them in their jobs;
- ❑ The contribution and roles of employees and managers at all levels in light of the new strategy, had to be explored and clarified (considerable confusion existed as stated earlier);
- ❑ Recognition and reward for unique contribution could not become a reality without a performance management system that reflected the new strategic direction;
- ❑ Any communication and performance management systems should be developed in consultation with stakeholders to check for relevance and understanding;
- ❑ New processes or programmes should be piloted or tested on a smaller group of Stores first to decrease the probability of major problems or errors.

### **Leadership and Management Development**

As stated in 1.2 the Chairman of the Wooltru Group Colin Hall had introduced 'Principle Centred Leadership' (Covey) in the form of a 3 day workshop to the Organisation in an attempt to influence the leadership culture. Truworths had trained selected managers to facilitate the workshop and most middle to senior managers had attended the course. Many managers in the Field were still however practising a 'command and control' type authoritarian management style which seemed to indicate that they were not able to put into practice the espoused theory of moving to a 'Principle Centred' and 'Value Driven' approach.

At the start of this research some confusion existed amongst management on how to integrate the Covey principles with the values in the Business Philosophy. An opportunity existed in this regard, and it was becoming increasingly evident that it was not sufficient to send managers on a workshop, a much more integrated approach was needed which included the realignment of people management processes e.g. the performance management system had to ensure leaders were recognised and rewarded for applying the values and principles of leadership.

In summary the models highlighted the following:

- ❑ The leadership principles as taught in the Covey Workshops needed to be explicitly examined and linked to the values in the Business Philosophy;
- ❑ Leadership behavioural criteria needed to be defined using Covey and the Business Philosophy and integrated into an assessment process for managers;
- ❑ Current skills training did not support the leadership model e.g. an opportunity existed to assist managers to learn to facilitate thinking and learning rather than tell employees what to do;
- ❑ An opportunity was identified to develop a Truworths Leadership Workshop(s) which integrated the Covey leadership principles with the Values, Vision and Purpose expressed in the Business Philosophy;

### **Induction of all New Staff**

Induction was an area in which action was already well in progress at the start of the research. The new induction programme was being piloted at that stage and feedback was positive. The M.D. had also requested that all current staff attend workshops that focussed on 'Made in the World' and 'International' standards to ensure new employees did not receive more information and input than existing staff.

If one compared the model with perceived reality the 'activities' had mostly been taken into account. The following observations are highlighted:

- ❑ Care was taken to make the programme flexible and practical i.e. in modules that could be run in stores or centrally at the divisional offices;
- ❑ Interactive exercises that explored the concept of 'International' standards started to bring in the meaning and objectives of the new strategic direction;
- ❑ Facilitator and delegate support material was visually appealing and easy to use;
- ❑ A potential problem that arose was the use of a lot of video footage for conveying information as the shortage of video machines in Stores made the use of the programme more difficult. This was largely overcome in the bigger centres who decided to run centralised induction at divisional offices, outlying smaller stores were still a concern;

- Casual staff needed to be included in the induction process due to the planned reduction in F.T.E. (Full Time Equivalents) and increased use of casuals.

### **Increase the Relative Importance of Training as an Operational Activity**

This is an area which required major improvement. The reality in stores was that although the Organisation had a policy of line management being responsible for developing their staff this was not happening consistently.

The model highlighted the following:

- Training in stores was not planned as an activity on a regular basis.
- 'Check outs' of manuals (assessment) was continually postponed which results in de-motivated employees who took excessive time to complete programmes. (The way the old manuals are structured requires a lot of time to assess the employee which aggravates the situation)
- Training was not sufficiently integrated into everyday activities in stores. It is important to note however that 'old' manuals do not encourage this approach.
- Many store managers appeared to view training as mainly a 'classroom' or 'office' activity and hence found it difficult to find time to train.
- Store managers, on the whole, did not appear to view training as important (although they stated it was). For example the 30 minutes to 1 hour before the store is opened in the morning was utilised for checking stock (hanger counts daily). This appears to be related to the way they were measured.
- An opportunity existed for divisional managers to raise the importance of basic induction and training in stores.

### **Improve Training and Development Resources and Equipment**

There is no doubt that insufficient or poor resources was constraining the process of adequately training and communicating with staff in stores. As mentioned earlier line managers in stores operations have multiple activities to attend to and any constraint acts as a barrier to efficiency.

The debate on how to resolve this is a difficult one as major differences in the perceptions of the issue existed between senior management and store operations.

The model highlighted the following:

- ❑ Many stores did not have the basic resources in place e.g. flipchart or paper.
- ❑ Many head office training and communications resources include videos, which becomes a logistical problem for stores who share 2 to 3 machines per division.
- ❑ Video supported communication or training takes a lot of organisation and constrains the process under these conditions.
- ❑ Most training material was out of date and did not support the new strategic direction which added a burden on already busy store managers.
- ❑ Different viewpoints with regard to training 'specialists':
  - Divisional Management saw the need for more training (HR) specialists to support Line. They were concerned that one additional body at head office was not sufficient to correct the situation taking into account the backlog of out of date material and the desired transformations.
  - Senior Management believed that the recent addition (myself) should be sufficient to correct the situation. There was a concern that 'throwing people' at a problem was not a solution and that more skilled 'training specialists' if not correctly channelled could result in line managers abdicating their responsibility to train.

### **Training and Development Approach Needs to Change**

When comparing reality to the models it was encouraging to note that recent material that was at that stage being piloted (Induction, and Selection Guide) was viewed in a very positive light by management in Stores operations.

The model highlighted the following opportunities:

- ❑ Make all new material interactive, practical, fun and a shared process.
- ❑ Encourage more 'learning by doing'.
- ❑ Involve more people in the process e.g. use 'training buddies' or other experienced assistants \ supervisors, use groups in big stores to harness team synergy.
- ❑ Keep a certification process, as employees found this aspirational, but make the 'check out' (assessment) process more practical.

## PART 3 - RESEARCH IN ACTION

- Training must reflect 'Made in the World' - fashion forward and International Standards.
- "Avoid grey covers..." in a visual business, visual appeal is important.
- Trainers should use a modern interactive, fun approach (avoid chalk and talk), many of our current trainers need to 'modernise' their training style. Trainers should become 'facilitators' of learning who find means to enable and assist employees to learn and think.
- Training programmes should take into account current constraints in stores by ensuring they are easy to use and can integrate as much as possible in daily stores operations and activities.

### **Casuals as an integral part of delivering excellent service to customers**

In reality casuals were at that stage not receiving any 'formal' training. All parties agreed that this was a critical factor that had to be corrected as soon as possible.

The main problem that existed was that the current training manuals took far too long. Something which could introduce employees to the basics in a shorter period of time was required for most casuals who often only came in for specific peak periods.

The model highlighted the following:

- Awareness needed to be raised regarding the importance of casual training in all stores.
- Recruitment of casual staff had to adhere to the same standards as permanent staff so that the potential for consistent standards could be maintained.
- Current manuals took too long. This was be a major problem with casuals who worked peak periods and fewer hours per week.
- Casuals also needed to be inducted
- Some casuals remained with the business for extended periods of time (students throughout their studies) and should be afforded the opportunity of completing any programme offered to permanent staff.
- All staff, including casuals, find certification (formal assessment) motivating.
- Certification and structured training can assist to set high and consistent standards.

- Constraints such as different hours casuals worked should be taken into account.

### **Communication and Involvement**

When comparing the model with reality the following opportunities were identified:

- Managers and employees wanted to feel involved in issues affecting them.
- Lack of consultation on issues directly affecting them resulted in unhappiness and resistance.
- Many head office resource providers failed to<sup>Q</sup> involve or check the practicality of interventions resulting in impractical solutions and \ or a lack of commitment.
- Spread and geographical location of stores is a logistical problem which had to be carefully managed e.g. head office communications that constantly changed created major problems in stores.
- Many store managers neglected to communicate important issues to their staff, particularly casuals or shift workers.
- An opportunity existed to design communication structures or forums to facilitated communication and involvement of staff and managers.

### **Career and Succession Planning**

This issue did not surface very strongly at the beginning of this research but was mentioned as an opportunity. It became, however, towards the end of the research a major issue, especially in view of the increasing pressure on organisations to develop and promote Affirmative Action (or previously disadvantaged) employees. A recent audit (July 1998) of the 'Retail Trainee Programme' in the field revealed very low success rates (few of them went of to management positions) and interviews with involved parties revealed major opportunities for improvement. It was therefore decided to model this issue for future action.

The model revealed the following insights:

- Awareness had to be raised regarding the importance of internal development and promotion.
- Awareness had to be raised regarding the importance of actively monitoring and correcting potential problems;

- Mentoring and regular feedback was neglected and poorly done generally.
- The current development programmes are inadequate or non existent (depending on area).

Comparing the models with the perceived real world highlighted multiple opportunities, concerns and potential constraints. The process to date surfaced many issues that will be formulated more specifically into a hypothesis for action in the next stage.

### 3.2.5 SSM - Stage 6: Defining Changes - Hypothesis Formulation

#### Hypothesis Formulation

Soft Systems Methodology was used as an investigation process to establish training and development needs in stores operations.

If one looks at the Organisation as whole, it is clear that Truworths' leadership had undertaken (through a process of intensive investigation, debate and discussion) the decision to transform the Organisation into a focussed, fashion forward, fashion retailer able to compete internationally in both its chosen product field, store appeal and service. This was expressed in the formulation of the 'Moral Purpose' and 'Vision'. To successfully accomplish and sustain this objective Truworths' leadership believed that it was not sufficient to develop a 'Purpose' and 'Vision' but to develop a 'Value' system that would create the conditions to harness the unique contribution of each of its employees. The 'Moral Purpose, Vision and Values' formed the basis of the Business Philosophy or new strategic direction.

As previously stated the 'Made in the World' launch was the first attempt at deploying the Business Philosophy. This research was initiated 6 months after this 'launch' and already major improvements in both service and sales could be measured and observed.

Leadership was however well aware that this was just a start and that every area of the business would have to come under scrutiny to ensure processes (and the necessary culture) were in place to support and sustain this transformation. (Figure 34 depicts the relationship between culture and process in organisational transformation.) Concern exists that if this is not done effectively the changes would not be sustainable going forward. It is

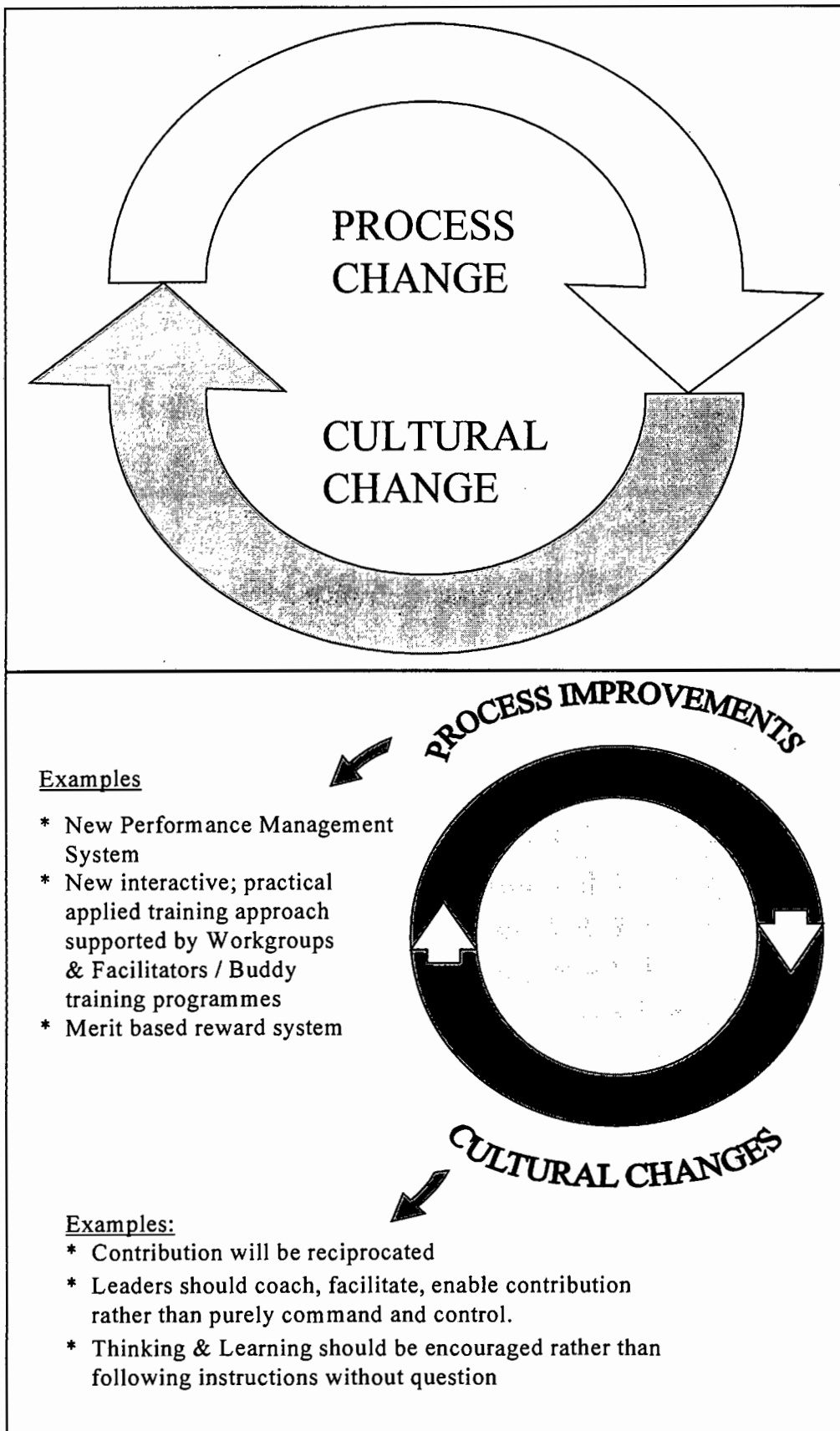


Figure 34: Relationship between Process & Culture Change

also realised that customers perception of service changes and becomes more difficult to satisfy, in view of increasing options from globalisation of markets and intense competition between retailers.

Some of the questions this research was trying to answer revolved around the following issues:

- What was the role of the T & D System (see Figure 5, 1.3.1 note the differentiation with T & D as a Department) in this transformation in store operations?
- Within this system what was the role of the T & D Department?
- What were the strengths, weaknesses, opportunities and constraints within the current T & D and Store Operations Systems in view of the desired transformation?
- What needed to be done to ensure and sustain the required transformation, from a human performance point of view, in Stores operations?

The answer or hypothesis developed utilising SSM suggested that many of the processes and thinking in Stores operations were not conducive to the desired transformation. The ongoing sustainability of the 'Made in the World' success depended on an integration of the principles, goals and values of the Business Philosophy into the processes and leadership culture.

The suggested interventions are outlined in Figure 35 and in summary revolved around:

- Developing an understanding and commitment to the new Strategy;
- Further developing a new leadership culture to support the transformation (this should translate into the way managers communicate with, train and develop their staff);
- Clarifying roles and standards in Stores operations;
- Realigning and redefining human resource processes (e.g. Performance Assessment) to support the desired changes in behaviour and action;
- Creating means of involving Stores operations staff and management in interventions directly affecting them;
- Improving and integrating the new culture into tools and resource (e.g. Training Manuals) to support all employee training on an ongoing basis (new joiners and current employees);

### PART 3 - RESEARCH IN ACTION

- Raising awareness and entrenching the role of line managers as primarily responsible for developing their staff;
- Raising the importance of communicating, training and developing staff as part of operations in stores;
- Ensuring adequate resources and equipment are available and utilised;
- Raising the awareness of the importance of casual training, and designing means to implement this practically;

It is important that interventions are not viewed in isolation. 'Success' in one intervention may not significantly impact on the desired transformation if not 'supported' by the other suggested activities or interventions. In a system the 'parts' are interrelated and depend on one another to fulfil the overall purpose. Each 'part' has a purpose to fulfil which supports the overall purpose.

Involvement of stakeholders is also viewed as an important part of implementing changes. In social systems involving people who have the ability to choose how to act on a situation or intervention, involvement plays an important role in 'sweeping in' different perspectives and experiences. Involvement therefore can improve the quality of the intervention and also generates commitment. The challenge is how to involve the affected in a large, geographically spread out and busy stores operation.

Monitoring and taking control action is also an important activity that requires defining measures for efficiency, efficacy and effectiveness. Measures of effectiveness include 'Customer Service Research'. Measures of efficiency are found in the same research and in the quarterly audits on what training took place in stores. Measures of efficacy appear to be the most neglected aspect of monitoring service in stores. Efficacy as stated earlier is creating the conditions for efficient translation into action of a stated purpose or objective. Senior management, divisional management and head office services (including the T & D department) are primarily responsible for creating conditions for efficient service to take place. This hypothesis stresses the importance of creating the correct conditions i.e. efficacy in stores operations.

The role of the T & D system in this transformation is an important one. At the time a problem with the T & D system was that there is little co-ordination between the various 'parts'. The outputs of the 'parts' in the system were also not on the whole supportive of the desired transformation

(as outlined earlier). This hypothesis suggests that improved synergy between the different 'parts' in the T & D system would generate improved support to stores operations. Each part also needed to examine their contribution to the overall purpose of the Organisation and take up the challenge of improving their own contribution (e.g. improved fashion file, up to date interesting training material, divisional managers who adequately induct and train their store managers).

The role of the T & D department (who I belong to) within the T & D system has the potential to contribute greatly to the stated transformation. T & D are responsible for a lot of divisional line management training and for developing new recruits stores training material. They also form part of the Human Resources department who are heavily involved in the development and implementation of performance assessment, performance management, reward and recognition processes. The T & D department could also influence the greater involvement of store operations in developing processes and tools that affect them. Another opportunity identified was to seek to improve the co-ordination between the various parties within the T & D system. One way this could be done by setting up cross functional teams to work on improvement projects.

### **Defining Practical Changes or Interventions**

As stated in the beginning of the report a pragmatic approach is required in the business environment. The changes required are considerable and involve many areas of the Organisation. As a researcher it was important to try to influence changes throughout the T & D system, but more importantly to implement some changes within my own 'Circle of Influence' (Covey, p.81 - 88) i.e. within the T & D department. As a new joiner to the Organisation my credibility to influence decisions would increase as results were seen from (hopefully) successful changes (Covey terms this expanding ones Circle of Influence).

Together with the T & D Department Manager (who was heavily involved in the new strategy formulation) a report was generated which is attached in Appendix 5.5. The report outlines the outcome of the SSM analysis and proposed practical interventions. The Human Resources and Operations Directors, all Divisional Management and involved head office staff received copies of the report for discussion and input.

The interventions and actions that were decided on are discussed in detail in *3.3 The Deductive Phase* of this research

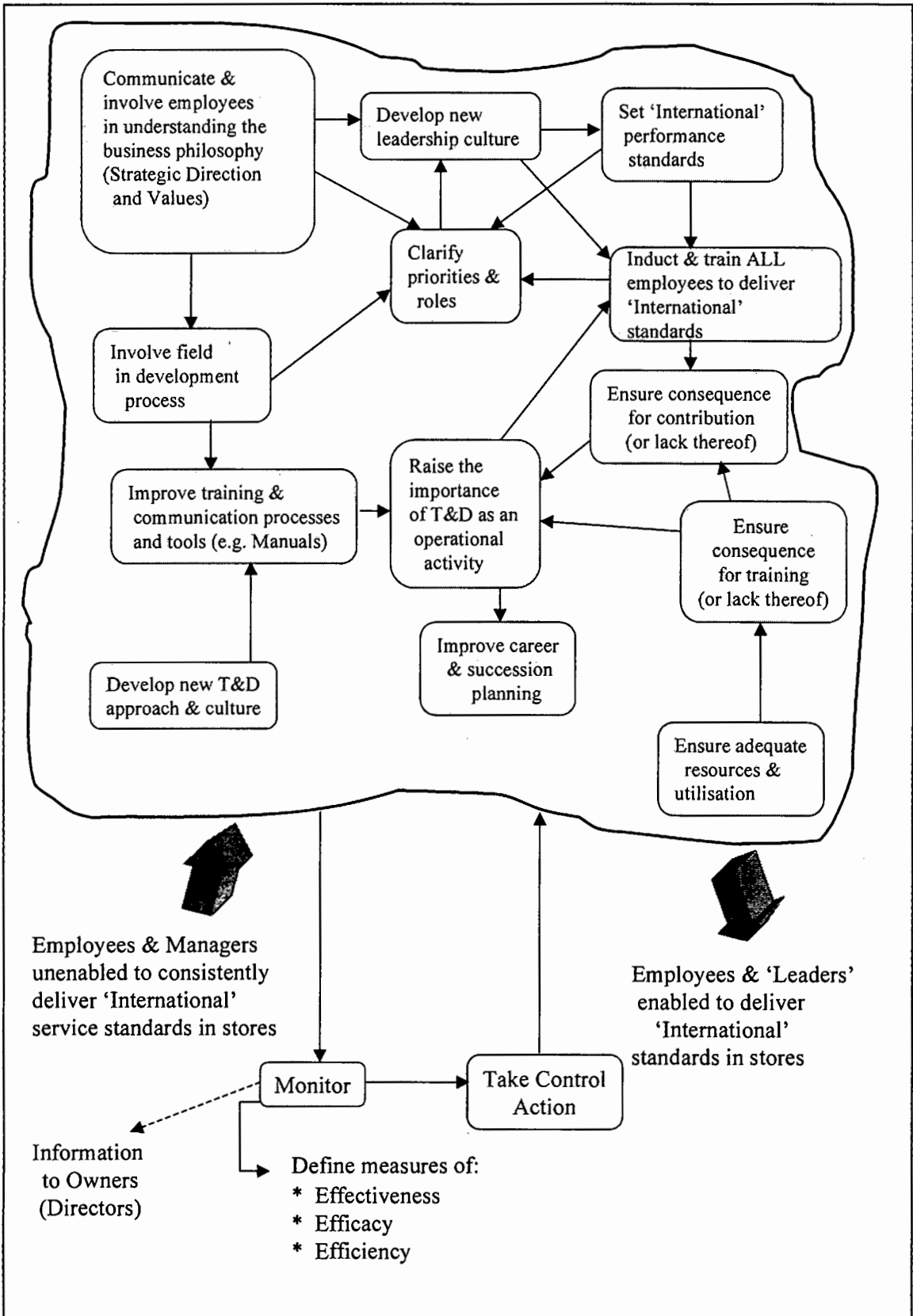


Figure 35: Summary of Proposed Actions

### 3.2.6 Summary of the Abductive Phase

Using SSM to 'sweep in' a number of perspectives has led to the generation of an hypothesis or hypotheses for action. In summary the hypothesis states that in order to improve employees ability to provide service of 'International' standards in stores a number of interventions need to take place which revolved around 9 main themes:

- Strategy Deployment: communicate and share the Business Philosophy with all employees and ensure human resource processes (e.g. performance management, reward systems) are aligned to support the desired changes.
- Leadership Development: facilitate and reward a change in management style which harnesses the unique potential and contribution of the individuals and team he or she is responsible for.
- Induction: ensure all (permanent and casual) staff are inducted.
- Increase the relative importance of training as an operational activity: training needs to be planned for and part of everyday store activities (practical).
- Improve T & D resources: both physical (manuals, video machines, more training specialists)
- Change the T & D approach: Modern, interactive, practical approach required.
- Ensure casuals are inducted and trained: to deliver the expected service standards.
- Involve Store staff and management: on issues they have to implement or resources they require (e.g. new training material, performance management system).
- Career and Succession Planning: Improved processes to improve internal staff development and promotion, particularly with regard to Affirmative Action.

It became apparent during the processes of formulating the theory or hypothesis, that proposed actions of any kind in a social system involve a value judgement:

*"the information needed to understand the problem depends on ones idea on how to solve it ... To find the problem is thus the same thing as finding the solution; the problem can't be defined until a solution has been found. We can thus say that social mapping implies social design, just as social design implies social mapping. The two terms are useful to replace the sharp and often misleading dichotomy of 'theory' and 'practice' by a 'softer' differentiation, one that does not imply value-free descriptions, or theory-free design, of social reality." (Rittel & Webber in Ulrich: p.242)*

The Business Philosophy, as the definition for proposed strategic change is such a value judgement and was as stated earlier developed through intense debate at management level, employee opinion surveys and customer research that indicated opportunities to improve focus and deliver to customers.

The proposed changes should also be seen as interdependent, and that changes or failure to change in one area will affect the overall desired transformation of improved service levels in stores.

This research is taking place in the context of these broader changes and it is believed that using an interactive enquiry system such as SSM should emerge 'theories for action' that are culturally acceptable by the majority of involved parties and systematically desirable to both the affected and the designers. This does not imply that every person or groups proposals or ideas can be implemented but rather that by looking for common, and differing 'themes' for action, a solution can be worked on, which draws on as many of the participating parties views as possible. The process in itself generates new levels of understanding and tolerance for differing and similar viewpoints and ideas.

### 3.3 The Deductive Phase

The previous abductive phase developed an hypothesis for action. In this phase predications are made regarding the hypothesis and what is expected to happen if the defined changes are implemented.

In the first part of the deductive phase the hypothesis is 'theoretically' or 'mentally' tested in order to generate predictions and to highlight potential pitfalls or concerns. This stage is a continuation of the *SSM Stage 6: Defining Changes*, as outlined in the enquiry model utilised.

The second part of this phase consists of a 'practical test' where actual implementation is briefly described which is the final or *SSM Stage 7: Take Action*. The observations and results from the practical implementation will be described in 3.4 : *The Inductive Phase*

#### 3.3.1 Theoretical Test

Much debate took place with regard to implementation, particularly around the further communication of the Business Philosophy and the clarification of standards and expectations (roles) of involved parties in stores operations.

A 'practical test' had already taken place in the form of 'Made in the World' (described earlier) and results indicated that both customers and employees responded positively to the new 'Purpose' of striving to give customers an 'International' shopping experience.

This success gave management the confidence to continue with further changes and interventions.

The theoretical predictions and thinking around the proposed interventions are now described under each 'sub-intervention' and then the interactions and impact on the whole will be elaborated on:

#### **Communicate and involve employees in understanding the Business Philosophy**

Initially (November 96 to February 97) a pilot was conducted by the consultants involved who ran a one day workshop with different levels in the Organisation. The objective was to 'teach' what the new strategic direction meant and the philosophical thinking behind the new strategy. 'Teach' is used deliberately as it was believed that the role of management was to teach the principles that guided the strategy and logic that underpinned the strategy in order to generate understanding. The role the

consultants took was to attempt to make explicit the thinking behind the strategy and explain some of the thinking the Management Development Team went through.

The results of the pilot were not entirely positive as observations indicated that employees (and managers) were confused by the terminology, philosophical models and the amount of information and thinking that was covered in the one day workshop without the opportunity for debate and interaction of participants.

Much debate took place in the months thereafter (March to July 1997), which included the Consultants, Senior Management, Selected Middle Management and the implementation team (which I was a member of), on how best to involve employees on a level that was meaningful to them and created a basis for a common purpose going forward.

The theory that was developed from this debate was based on observations of what had worked in the past. For example 'Made in the World' had on the whole been a successful start and had engaged employees in the practical actions needed to make 'International' happen. The change was also exciting and the communication forums used involved interaction and fun. Practical changes in process and ways of doing things had simultaneously been introduced e.g. new credit products and processes. The 'Made in the World' project had been internally driven by a cross-functional team.

It was therefore decided that in order to generate further understanding of the new strategic direction the first step was to engage employees in a communication process that used language and analogies that were easily understood, i.e. avoided academic language, took into account a multi lingual culture and used symbols that were readily understood by all involved parties.

The prediction was that if everyone understood in a practical sense what the strategy meant at a store and individual level :

- a common language about the new strategy would have been developed;
- a framework for a shared set of values and purpose would ensure everyone understood the direction the Organisation was heading in;
- managers and employees would be able to contribute in a more focused manner to the strategy going forward.

### **Clarify Priorities and Roles & Setting 'International' Performance Standards**

Again much debate took place around this issue in management circles. The debate revolved around how one gave employees direction without taking their choice of purpose away. The 'Value System' stated that each person's 'Unique Contribution' was respected and encouraged. On the other hand research clearly indicated what customers desired in terms of service and there were certain activities and standards in each job that had to be attained in order to achieve the overall desired output.

Examining the learning from one of the customer service improvement interventions in the 'Made in the World' launch assisted the team to come to a proposed solution and to 'theoretically test' the expected result. The case in question revolved around the implementation of a concept called 'Moments' borrowed from a large airline and 'scripted lines' borrowed from Disneyland. The idea was that there are 'Moments' in Stores where you can make miserable or magic 'Moments' for the customer. Five key 'Moments' or points of contact were identified and employees were given 'scripted lines' of what they should say to make 'Magic Moments'. Research thereafter revealed that although employees and customers agreed with the concept of 'Moments' the 'scripted lines' did not work. Customers complained that employees sounded like 'robots'. Employees struggled to sound sincere and felt uncomfortable saying the 'lines'. The scripted lines worked in Disneyland where the service providers were literally playing a part. In a fashion retail environment and a Company trying to encourage the unique contribution of its employees this did not work. Management realised that although the principle of having easily identified 'Moments' in stores was a good one there was a need to give employees the freedom to build a relationship with the customer and to use their own language and interpersonal abilities to do so.

In addition the concept of having 'principles' and guidelines for action is also entrenched in Covey's "Principle Centred Leadership" and is congruent with the need to give employees and managers some direction and standards to use as a guideline without prescribing (as in the scripted lines) an exact 'recipe' for action.

### PART 3 - RESEARCH IN ACTION

The solution or theory for action that was finally decided on was a 'new' format 'job description' which moved away from the 'old' task based format which told employees what to do, to a principle centred approach where the employee or manager was given broad guide-lines based on research and 'best practices' developed over the years. This was termed a 'role' rather than a 'job'.

The new 'Role Descriptions' covered the following:

- ❑ Overall or 'Prime' contribution required for each role (e.g. Assistants, Store Manager, etc.)
- ❑ Priorities within each role i.e. the key and supporting roles were specified within each main role to assist with the current confusion of what to do when in stores (discussed earlier).
- ❑ Specified standards to be achieved (from research and best practices).
- ❑ It encouraged employees and managers to use their initiative in utilising multiple tools and resources available in fulfilling their role.
- ❑ Specified how each role would be measured.
- ❑ Encouraged each employee \ manager to develop their unique talents within their role.
- ❑ Where new roles no longer fitted the title description, new titles were given (e.g. the Sale and Administration Assistants, became Sales and Service Desk Consultants).

The new role descriptions were designed to: clarify expectations at all levels; realign measures; encourage prioritisation; encourage employees to utilise their unique talents.

Some examples of changes that were predicted would result from the new 'Role Description' concept were:

- ❑ Customer service rather than stock losses would be seen as a priority in stores i.e. Consultants would be encouraged to see their role as one of serving customers rather than guarding merchandise as this was defined as their 'Prime Contribution' (Building Relationships with Customers).
- ❑ Better prioritisation and time management would result from clarified expectations.
- ❑ Store Managers would focus on people management issues (recruitment, training, development, communication, performance management) as

this was defined as their 'Key Role' rather than focusing primarily on operational issues. This would mean the stores team would be better enabled to deliver the desired service levels.

It was expected that change could take time as the 'habits' of old measures and activities ran very deep in store operations particularly at management level. The intervention that would leverage this change was believed to revolve around improved performance management ('What gets measured gets done - worldview') which is described in the next intervention.

**Ensure Consequence for Contribution (or lack thereof) (Including ensuring consequence for training, or lack thereof)**

The new 'Value System' stated that there should be 'Generous Reciprocation' for 'Unique Contribution'. This could not be achieved if the performance management system did not take this into account. As stated in the abductive phase all parties interviewed were dissatisfied with the performance management system used at the time.

It was decided to introduce a new performance management system which was based on the new role descriptions. This meant that employees and managers would be assessed on how well they achieved the required standards, if they focused on key rather than support roles (prioritisation capability) and if they used their unique talents. In addition a 'Personal Effectiveness' and 'Leadership Effectiveness' assessment sheet was designed, which would form the basis for a proposed 360 degree feedback system. The reason for wanting to introduce this concept was to get input on performance from the whole team rather than just the manager and person being assessed. This supported the desire to move to more participation and involvement of employees in decision making processes at a local level.

It was recognised that the concept of 360 degree feedback could easily be misused and required a high degree of maturity from parties concerned. Many managers, although they supported it in theory, felt threatened and uncomfortable with the concept of being assessed by their subordinates. There was also the concern that too many changes all at once could be confusing and counter productive. It was therefore decided that it would be used at the management level first, within a contained group, before being introduced to the whole organisation.

One of the key roles for Store and Area Managers was defined as people management, which included recruitment, induction, training, coaching,

development and effective communication. It was believed that by measuring and rewarding managers for focusing on enabling their employees, service to customers would improve over the long term.

A concern in this regard was the new policy of reducing the permanent head count (Full Time Equivalent or F.T.E.). If not carefully managed this could result in a drastically increased rates of staff turnover which would make the above policy more difficult to implement. It was therefore important that the casual pool be carefully recruited, managed and trained.

The reward and recognition system was also gradually being aligned to recognise contribution i.e. a merit based system. At this stage it was decided to target individual salary increases primarily with the view to expanding the system to other forms of reward at a later stage. Concerns existed around how to do this without removing the rewards for team and organisational performance. Rewards, as already stated, were well developed at a group level. It was predicted that in order to encourage unique (individual and group) contribution there had to be positive consequence for good performance and employees 'going the extra mile' to use their unique talents.

A culture of recognition (e.g. praise etc) was encouraged. Managers were no longer told to treat everyone in the same manner but to differentiate based on the special talents employees utilised in their role.

It was recognised that more work needed to be done in the future in this area, but that at present sufficient means existed to ensure a merit based system made an initial difference. Amongst union staff this could not be fully implemented as the Union disagreed in principle with merit based reward systems. This however did not significantly impact the workforce as a relatively small percentage of staff are Unionised within the Organisation.

### **Developing a new T & D Approach, Support Resources and Processes**

As stated in the abductive phase most of the material and resources were out of date and did not support the new strategic direction. Improved resources and material had to reflect the new culture, for example, they should provide standards, not tell employees and managers exactly what to do, they should reflect the high standards being worked towards, they should be 'visually appealing', user friendly, practical and encourage a culture of empowerment (enable staff) and involvement within store operations.

It was predicted that the improved communication and training processes and resources would provide both a support and a means to encourage the desired change. A concern in this regard revolved around the amount of material that was out of date versus the people 'resources' at head office available to update the material. Resources that were not updated could constrain the transformation process, for example, employees trained on 'old' manuals would not receive the input required to perform to the required standards. The 'old' material (particularly the assessment process) also reflected a culture that was no longer desired and could potentially be perpetuated through the use of this material.

### **Ensure Adequate Resources and Utilisation**

The need for improved resources in terms of support material and manuals has been dealt with in the previous paragraph. The debate and difference with regard to the allocation of improved equipment was and still is a difficult one to resolve. There is no doubt that the lack of video machines for example was (and still is) a constraint. The ability of area and store managers to efficiently utilise certain training programmes e.g. induction would be constrained if the matter was not addressed. Strong motivation based on the new strategic direction would have to be made by the parties involved to invest in improved equipment.

The more complex matter of more 'specialist' trainers to support line management, being asked for by divisions could partially be resolved by store and area managers taking a more active role in communicating with, and training and developing their staff. Encouraging greater involvement (Buddy Training System) should also take the pressure off store managers and raise the skills of those involved (the best way to really know something is to teach it). However there was still a concern that current levels of staffing dedicated to supporting line managers, with the number of changes required, could constrain the change process.

Another possible solution could be to elicit the support of outside consultants to assist with training and development requirements. If carefully selected and supportive of the Truworths culture and desired transformation, this could 'inject' valuable ideas, skills and creative processes. 'Peer Group' training which will be discussed in more detail later on, is an example of outside 'help' that was researched and implemented.

### **Induct and Train all Employees to Deliver 'International' Standards**

Two problems existed in this regard: firstly the problem of inconsistent induction and training of existing staff and secondly the total lack of induction, training and development of casual staff.

The first problem should largely be corrected by the other interventions mentioned (i.e. improved resources, time allocation, prioritising staff development as an important activity etc). The second problem required a policy decision by senior management which should then be implemented in all stores. A reduction in Full Time Equivalents (F.T.E.) and increase in the casual pool will adversely affect customer service if staff are not adequately enabled and the management of the casual pool is not effectively co-ordinated.

A concern in this regard was the readiness of the store managers to take on the full responsibility for managing and training casual staff, taking into account the hours casual staff generally work. It was suggested that divisions would have to take a strong co-ordination, support and control (audit) role. A possible solution the divisions came up with was to centralise some induction and training in the larger areas where this was feasible.

### **Raise the importance of T & D as an Operational Activity**

Many of the interventions proposed depend on store and area managers allocating time to staff training and development. Highlighting the key role of store and area managers as 'people management' should facilitate a change to more emphasis on managers allocating the necessary time to ensure staff are enabled to perform.

However, due to the nature of operating practices in stores that do not deliberately plan in communication and training activities, it is predicted that unless a concerted effort is made at senior management level to raise the importance of training within stores on a regular (weekly) basis and as part of everyday stores activities, it will take a long time to change the prevailing culture. As stated earlier most stores at the time were dedicating on average 3 to 4 hours per week on counting stock losses, and less than 1 hour per week on average to communicating and training staff (individually and in groups).

This imbalance had in part been created by the way store performance was measured in the past. However a concern was that changing the

measurement system on its own would not illicit a change in behaviour as the consequences would only be felt on the medium to long term.

For this reason a proposal was made that the Operations Director encourage, as a policy, 1 hour per week dedicated to group communication or training sessions in stores in which issues such as improving the visual appeal of the stores, preventing stock losses, improved customer service etc are discussed and proposed solutions implemented.

In addition training and development should, where feasible, be integrated into practical day to day activities. This could be encouraged by new manuals which integrate this approach and by coaching from area managers. Integrating most training with practical everyday work in stores should significantly decrease the need for the store manager to be in the 'office' training \ assessing and it was predicted that this would increase the probability that training takes place.

The concept of a 'Training Buddy' (i.e. a non management employee practically assisting an employee with their training) should further facilitate this process and develop those further involved in training staff.

#### **Involve Store Operations Staff and Management in New Interventions**

The belief in the principle of involvement is well researched in modern management literature. A study of 'World Class' interventions and practices all mention the importance of teamwork, involvement, local empowerment and participation. In addition the prevailing political and social culture in South African has sensitised employees to their 'right' to be involved and consulted on certain issues.

A small case study will again be used to illustrate the motivation for deliberately involving employees and managers in the development of new interventions.

One of the interventions proposed and implemented with the 'Made in the World' launch was the introduction of a 'Dress Code'. The need and type of 'Dress Code' was well researched and debated at head office and with senior management. It was agreed to introduce a flexible option of dressing, which was not a uniform but laid down certain parameters (colours, styles). The motivation for introducing a 'Dress Code' was based on research that indicated assistants were difficult to identify and at times did not look the part.

The implementation did not go smoothly. In analysing the situation it became clear that employees were not rejecting the concept, but the way it had been implemented. Many key factors had not been considered, for example the full cost implication to staff for the change over. In a nutshell they would have liked to be consulted and involved in a decision that so directly affected them. More than 2 years down the line there are still a few militant union members who refuse to conform.

Co-incidentally my previous Organisation had implemented a similar project but with great success. The difference was that the implementation and planning had involved a joint employee and management project team who discussed and made suggestions for implementation. What was also interesting to note was that the Organisation in question was heavily unionised and generally resistant to changes affecting their working conditions compared to Truworths with little union representation.

The challenge of how and who to involve is not an easy one in a large organisation, but it is proposed that in both small and large interventions greater commitment and useful suggestions and input will be gained from taking this approach. Ways of practically achieving this are to set up cross-functional and if necessary cross-hierarchical 'Project Teams', and \ or to pilot or test proposals and then ask interested parties for input. What is critical to the success of this approach is to ensure the involved parties in some way represent the target affected group and that the process is widely 'advertised'.

Another means of involving employees and indirectly developing their capabilities further, would be to introduce the 'Buddy Training' concept. The 'Buddy Trainer' would be an experienced staff member within the store that would take responsibility for coaching an inexperienced employee through a particular part of their training. It is predicted that this concept will serve multiple purposes namely:

- Practical training requires a coach that is readily available and can work with the 'trainee';
- Coaching someone else will develop the 'Buddy' both technically and from a leadership point of view;
- Empowerment of the training 'Buddy' relieves the store manager who is already struggling to find time for all the various activities that have to be attended to.

A possible constraint to this approach was that although management espoused the belief in empowerment of staff at a local level, there appeared to be a concern that involvement would 'waste' time i.e. slow down the process. It was also a relatively new concept and therefore there was the need to implement some successful intervention that would illustrate that although development could take longer, the implementation was often more successful and with less practical hitches and conflict.

### **Communication Improvements**

How to improve the consistent and effective communication in store operations and between stores and head office proved a difficult issue to address. The proposal to introduce some type of 'communication and problem solving forum' similar to the 'Green Areas' concept (adopted from Japanese manufacturers) was met with resistance at management level. A previous 'bad' experience where such areas had degenerated into 'gripe' sessions was quoted as the reason for not attempting such an approach. The reasons and surrounding circumstances of this failure were not explored as part of this research, but may be an opportunity for the future. This appeared to be a proposal that was not culturally feasible at the time.

For the purposes of this research improved communication, particularly between the T & D department and store operations, would be initiated via a) improved communication with Divisions, and b) the suggested introduction of a weekly training \ communication session in stores.

To ensure improved communication with the 4 (now 6) divisions, each division was asked to elect a T & D co-ordinator who would liaise with the T & D department on issues revolving around employee development.

The predicted improvements in this regard are: improved co-ordination between Stores and the T & D Department; early identification of training needs; a central person to co-ordinate 'local' pilots or implementations; and a champion for people development in general within each division. As can be gathered the proposed improvements are modest and it is predicted will not address the problem, but may lay a foundation for future possible discussions and proposals.

### **Develop a new 'Leadership' culture and prepare them to lead and manage in the 'New South Africa'**

As stated in the abductive phase it was believed that a 'Principle Centred Approach' was required to support the new strategy and that a

transformation from a purely 'Command and Control' style management to that of manager as a 'Leader' who creates the conditions which enables employees to contribute was desired.

The main change proposed was that in addition to continuing with 'Principle Centred Workshops' (Covey) for new management staff, the people management processes (e.g. Performance Management and Rewards Systems) needed to be re-aligned to encourage sustained changes in behaviour.

The major changes that were proposed were:

- Clarifying and redefining the role of management within store operations to focus on the desired transformation.
- Creating a means of giving feedback via the new performance management system.
- Rewarding managers for practising and applying a 'Principle and Value Centred Approach'.
- Prepare managers to deal with new labour legislation and greater democratisation within South African society in general.

This was recognised to be a longer term process which revolved around ensuring there was consequence, both positive and negative, for the type of leadership encouraged. As stated earlier an 'Effective Leadership Assessment' process was to be introduced as part of the new assessment process which was centred around the Truworths' values and 'Principle Centred Leadership' principles proposed in the Covey Workshops.

It is predicted that this will be one of the most difficult areas to influence in the short to medium term. Management style is developed over years of beliefs and habits. The change to the espoused new 'Leadership' style will come easily to those who are already practising this style. Those who are comfortable with a mainly autocratic approach will have to receive very specific feedback and recognise that the Company is serious about requiring this new 'Leadership' approach. They should also be able to observe success 'stories' of leaders that adopt this approach.

The Truworths 'Value System' requires that the new 'Leader' is able to recognise the potential for 'Unique Contribution' in his or her subordinates and encourages this through ensuring obstacles are removed, processes are in place to support his or her team, and a positive, enabling culture prevails.

This is very different from telling your employees exactly how and what to do. It also does not mean that as a leader you abdicate responsibility for: coaching; mentoring; ensuring employees have the resources and means to perform; agreeing standards; questioning and challenging your subordinates suggestions and decisions and sharing your own knowledge and expertise developed over the years. However, at the same time, the leader needs to be aware of his or her own position of power and potential to 'block' contribution.

It is predicted that the new proposed processes will create a means to address feedback and consequence for leadership style, but that the transformation will depend on observable 'success stories'. In other words managers who can demonstrate success by following a 'Principle Centred Approach' and are 'recognised' and 'rewarded' accordingly. The converse will also serve to reinforce the desired transformation.

The emphasis on this type of leadership it is predicted will also create the need for workshops and forums to develop skills such as: coaching, facilitation, problem solving, conflict handling, mentoring and interactive planning.

### **Interactions and impact on the whole**

The interaction of the interventions proposed are critical in attaining and maintaining high levels of service and productivity standards in stores. They are interrelated and work together to achieve the desired transformation of employees able to attain high levels of service standards. This has been discussed in principle at the end of the abductive stage (see figure 35), it is however important to explore in more detail the possible relations between the proposed interventions that could hamper or expedite improvements and predictions in this regards.

**Leadership** is key in attaining the desired transformation. This is highly dependent on leaders understanding and believing in the new purpose defined in the new strategy. Leaders enforce the new 'International' standards, a principle centred approach captured in the role definitions. If managers do not believe and act on these new standards the status quo will prevail i.e. an emphasis on watching targets and budgets (shrinkage, sales etc) will remain. Management is responsible for enabling staff and if they do not make the necessary changes e.g. focus on training staff, empower 'buddies' to assist them, communicate important information, encourage

questioning and problem solving, reward and recognise contribution, the desired changes will not take place.

The new **Performance Management System** and processes are designed to reinforce the new values, culture and processes, but again if leadership does not 'walk the talk' or continues to operate from the old paradigm, real change will not happen. This can be the typical vicious circle where for example, the store managers espouse the Business Philosophy, but do not act on it (e.g. fails to enable staff, do not reinforce high standards, expects to tell employees and not involve employees etc). This again results in the status quo continuing with no resultant change in behaviour or improvement. The performance management system is in the hands of leadership and therefore the quality of the use of such a measure is dependent on the leadership's judgement and application.

Another key intervention is the ability and strategy of **greater involvement at local level**. More involvement increases the understanding and commitment of involved parties. Failure to do this adequately could result in interventions (e.g. a new training programme, performance management system or role description) that are inaccurate, fail to take key issues into account or are poorly understood. The ability to involve employees (and management) in decision making at local level is on the whole dependent on the ability to adopt a different leadership style i.e. one in which the role of the leader is much more that of a facilitator and enabler than before. This again requires a different belief in how to lead or manage. Again employees cannot become involved, if they have not been adequately enabled (training, communication, barriers removed to performance etc) as they will not have a basic platform from which to constructively contribute.

The decision to **train all employees, permanent and casual**, is highly dependent on Field management recruiting to the same standards and effectively managing the casual pool. For example if the store manager has too large a casual pool, employees will not be committed to staying with the Organisation as they will work too infrequently. This could result in the store manager keeping even more casuals in the pool just in case one leaves. This will place an additional burden on all Field management who will continually be training and inducting new staff. This in turn could result in existing staff being 'neglected' as the store manager has no time to devote to them. Again this would result in another 'vicious' circle.

Another important relationship is that between the availability of **updated material and adequate resources** and developing new 'mindsets' and standards and **raising the importance of training as an operational activity**. Outdated resources reinforce 'old mindset' and 'habits', they also place an additional burden on Field management who have to spend time trying to modify out of date processes. This in turn reduces the probability of employees being effectively trained, which in turn affects morale and standards of service. Lack of equipment (e.g. video machines discussed earlier) although appearing to be minor, acts as another barrier to managers ability to use resources.

These are a few critical relationship that have been highlighted to illustrate the interdependence and relationship between the proposed interventions.

### 3.3.2 **Practical Test - Implementation**

Descriptions of some of the practical interventions that were undertaken have already surfaced at the end of the abductive phase and in 'theoretical testing'. In this section a brief overview of the various practical interventions is described. The interventions took place at differing time periods within the period November 1996 to August 1998 (some still continuing). For the sake of brevity and to avoid repetition when discussing the observed results, a brief synopsis of the main points regarding each intervention will be documented.

#### **Strategy Deployment:**

On the next page is a table illustrating the various stages of strategy deployment from a people management point of view. Typical of many management interventions many iterations, learning and modifications took place during this process. A number of pilots were conducted, as illustrated, which served to provide valuable feedback and in some instances a complete change in thinking and new proposed 'solutions'.

The parties involved in this process were a core implementation team consisting of the Human Resources Director, the Operations Director, the Training and Development Team, VIP Services (for part of the project) and at strategic points the external Consultants and the Managing Director. The Management Committee also became involved at critical point. Other involved parties were the Divisional and Regional Managers and particularly with the roles, selected Divisional and Store Management.

**Table 12: Main Phases of Strategy Deployment in Stores Operations****SUMMARY - STRATEGY DEPLOYMENT IN STORES**

In summary a phased approach was taken to communicate strategy with all employees in store operations, with a number of pilots and subsequent modifications to the method of communication and involvement.

The main phases were as follows:

- 'Made in the World' launch (centred around the Moral Purpose) which focused on the tangible expression of striving for 'International' standards (Initiated March 1996)
- Consultants pilot a one day Workshop to 'teach' the strategic thinking (November 1996 to February 1997)
- Internal implementation team formed (including use of the Consultants) to review pilot and suggest an improved process going forward (Initiated March 1997).
- First attempt at defining jobs within the new strategy piloted and found to be too structured - back to the 'drawing board' (March to July 1997)
- Operations Director 'drives' discussions and implementation in stores via Divisional and Store Management on the meaning of the 'Vision' and how this connects with 'Made in the World' (July to December 1997)
- Interactive communication sessions of the whole Business Philosophy, including the 'Value System' and new 'Role Descriptions' developed and piloted in Stores (August to November 1997)
- New performance management system developed and piloted in stores (August to December 1997)
- Feedback obtained from pilots - modifications made (October to December 1997)
- Communication sessions on the whole of the Business Philosophy (Moral Purpose, Values and Vision), including the new 'Role Descriptions' and the implementation of new performance management system. (January to March 1998 ongoing)

The interventions can be summarised as follows:

- Communicate the Business Philosophy (strategic direction).
- Clarify the various roles (including management roles) within stores operations.
- Develop a new performance assessment process.
- Ensure the reward system starts to differentiate between contribution (performance) levels .

**Leadership & Management Development and Training:**

Senior management with selected middle management developed the new strategic direction with the Consultants (Centre for Business Ethics) and with input from customer research and an employee survey.

It was hoped that this involvement would generate understanding and commitment to the new strategy. In addition middle management in divisions (area manager and retail administrators) were exposed to the thinking through the initial workshop run by the Consultant, 'Made in the World' and discussions around further deployment within their division. A possible weakness in strategy deployment could be that not more divisional and store managers were involved at the start with the strategy deployment process.

In addition to various levels of involvement in strategy deployment, the following interventions were planned:

- Continue with 'Principle Centred Leadership' Workshops (Covey).
- Continue with the Retail Development Programme aimed at developing potential in up and coming management.
- Introduce Peer Group Training.
- Implement the new competency based Recruitment and Selection Guide, developed with divisions, once input and modifications have been made from the pilot.
- Develop and implement an updated Industrial Relations Workshop in consultation with divisions.

### **Stores Induction & Training Programmes and Resources**

Within this area the interventions listed are concentrated within the T & D department and V.I.P services. Resources from other service departments were not directly focused on, other than through informal networking. Towards the later part of this research more cross functional co-operation started to take place between service departments.

In the abductive phase changes within the other head office service departments will be discussed from a results point of view.

Planned interventions:

- ❑ Implement the new induction programme, once input and modifications have been made from the pilot, for all employees (casuals included).
- ❑ Reinforce 'Made In the World' through workshops (Truworths Today, Customer Service Workshops).
- ❑ Develop and implement a 'New Recruits Workbook' designed to introduce all employees (casuals included) to the 'Basics of Fashion Retail' required in Stores. Pilot an interactive development process in developing this new workbook utilising a cross functional and hierarchical team. Ensure this new programme addresses the initial training needs of new recruits including casuals. Pilot the 'Buddy Training' concept i.e. experienced staff given the responsibility to assist train on the job.
- ❑ V.I.P. services at head office to continue with Customer First, Cash Desk Courtesy modules and motivational workshops, but to include casuals and work with T & D department to integrate concepts in new recruit material.
- ❑ T & D Department to share with the Advertising department suggestions (from interviews and focus groups) to improve 'fashion file' as a resource e.g. more product knowledge and fashion information and suggestion to make it more user friendly.

### **Concerns and Opportunities to Raise Awareness About**

In line with the initial research (interviews and focus groups) the following issues were discussed and \ or motivated for to senior management:

- Raise the awareness that casuals need to receive the same input as permanent staff.
- Motivate to Operations Director the need for weekly training \ communication sessions in stores to entrench the 'habit' of regular communication and training of the team in general.
- Raise awareness with divisional management regarding the lack of consistent training (both individual and group) in stores.
- Motivate for additional video (or research alternative equipment e.g. P.C. based) to encourage and assist video and \ or interactive based training and communication in stores .

### **Involvement and Improved Communication**

As discussed the whole idea of involving divisional and stores staff in developing interventions that would affect them was relatively new although it had been practised for some time at senior and middle management levels. The research to date indicated that this was a major opportunity and it was decided to pilot the concept whilst developing new training material. A deliberate attempt was also made within the T & D department to involve stakeholders in other projects (e.g. Industrial Relations Workshop, Role Descriptions -to a lesser extent).

Improved communication was tackled at a very local level i.e. within T & D department as there did not seem to be a readiness (cultural feasibility) to look at a more broad based approach as yet.

Planned practical interventions:

- Set up a cross functional team to pilot the concept of interactive development of training material for the 'New Recruits Workbook'.
- Pilot the 'Buddy Training' idea when piloting the 'New Recruits Workbook'.
- Co-ordinate the 'appointment' of a 'Training Champion' or co-ordinator in each Division.

- Raise awareness with divisional managers for more regular and structured communication in stores (including casuals) who miss out on important information e.g. New Account drives, policy changes etc.
- T & D department to network and communicate between service departments within head office to encourage cross-fertilisation of ideas and to avoid duplication.

### **Monitoring and Taking Control Action**

The importance of ensuring some kind of monitoring processes takes place is critical in order to be able to analyse results and take corrective action. This implies an 'audit' or 'checking' process should be utilised.

In this research both the formal established measures already in place at an Organisation level, such as sale figures and customer research results, as well as observations and information collected by the T & D department on a smaller scale were utilised. Note that due to the confidentiality of such results to the Organisation, real figures may not be used, other than those available to the general public. However general descriptors were utilised based on real figures e.g. results have significantly increased or decreased, to give the reader an indication of trends.

Table 13: Proposed Actions

Theme	Proposed Action	Actors
Strategy Deployment in Stores Operations	<ul style="list-style-type: none"> <li><input type="checkbox"/> A programme to be developed to communicate the New Strategic Direction.</li> <li><input type="checkbox"/> A new process to be developed to clarify roles and assess performance within the new system.</li> </ul>	Initially a pilot was conducted by External Consultants (Centre for Business Ethics). On reviewing concerns with regard to the pilot it was decided to form an internal cross functional team which included the consultants. Various stakeholders were co-opted at different stages in addition to having the 'Implementation Team'.
Leadership & Management Development	<ul style="list-style-type: none"> <li><input type="checkbox"/> Covey Workshops would continue to be run with the aim to include more Store Managers.</li> <li><input type="checkbox"/> Managers in the Field (particularly Senior Management) would be actively involved in Strategy Deployment..</li> <li><input type="checkbox"/> Peer Group Training Programme (Developed by outside consultant) to be explored and implemented.</li> <li><input type="checkbox"/> Implement competency based recruitment &amp; selection.</li> <li><input type="checkbox"/> Develop and implement and an updated I.R. Workshop.</li> <li><input type="checkbox"/> Current Management Skills Programme to be update and realigned.</li> <li><input type="checkbox"/> Explore the concept of a New Leadership Workshop which integrates Covey &amp; Business Philosophy principles.</li> </ul>	Trained Internal Facilitators (Senior Management), Divisional Managers and T & D Department. Senior Management (various levels), T & D Department, V.I.P. Services. Consultants, M.D., Human Resources Director, Regional Manager, T & D Department  T & D and Personnel Departments and Divisional Staff  For later action.  For later action
Induction of all New Staff (including casuals)	<ul style="list-style-type: none"> <li><input type="checkbox"/> New programme already in pilot format.</li> </ul>	T & D Department, Divisional & Store Management
Increase the relative importance of training as an Operational Activity	<ul style="list-style-type: none"> <li><input type="checkbox"/> Proposal to Operations Director to suggest a weekly 'slot' be set aside for training and communication in Stores.</li> <li><input type="checkbox"/> Design new Stores training material to practically integrate with everyday Store Operations i.e. a lot of training can be done whilst working.</li> </ul>	T & D Department, Operations Director  T & D Department

Table 13 (continued): Proposed Actions

Theme	Proposed Action	Actors
Improve Training & Development Resources	<b>Training Material:</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Develop new material for all new recruits, including casuals.</li> <li><input type="checkbox"/> Implement programmes currently being piloted (Recruitment &amp; Selection Guide &amp; Induction)</li> </ul> <b>Equipment:</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Motivation to Management Committee for additional video recorders &amp; monitors.</li> </ul> <b>Training 'Specialist' support:</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> One additional head count dedicated to Stores (myself) had been approved which Senior Management believed was sufficient.</li> <li><input type="checkbox"/> Trainer (myself) to co-ordinate an individual in each Division responsible for training.</li> </ul>	T & D Department & team from local Division and Stores T & D Department " "
Training & Development Approach needs to change	<ul style="list-style-type: none"> <li><input type="checkbox"/> All new programme and material to be interactive, dynamic, practical and of high standards.</li> <li><input type="checkbox"/> Encourage a 'mind-set' of shared learning between learner, resource provider and 'trainer' (coach \ mentor \ facilitator)</li> </ul>	T & D Department, Management "
Casuals as an Integral Part of Delivering Excellent Service	<ul style="list-style-type: none"> <li><input type="checkbox"/> See new Induction &amp; Training Material.</li> <li><input type="checkbox"/> Motivation to Operations and Human Resources Director</li> </ul>	T & D Department T & D Department, Divisional Managers
Communication & Involvement	<ul style="list-style-type: none"> <li><input type="checkbox"/> Use of cross functional teams (See New Recruits Workbook)</li> <li><input type="checkbox"/> VIP led team to be set up to improve communication to Stores.</li> <li><input type="checkbox"/> Motivate to Divisional Managers to raise awareness in Stores</li> <li><input type="checkbox"/> Facilitation Skills Training (Part of Leadership Development)</li> </ul>	T & D Department VIP Services, selected Managers T & D Department For later action

### 3.3.3. Summary of the Deductive Phase

The deductive phase has explored the hypothesis for action in more detail and made predictions of expected results and possible 'pitfalls' (theoretical testing). Practical application or testing was also briefly outlined. Further details regarding the process of implementation, observations and results will be discussed in the Inductive Phase.

It is predicted that employees will be enabled to provide and sustain high levels of service in stores, if management at all levels in both stores operations and head office are able to make the necessary changes and interventions proposed. Possible 'barriers' and 'pitfalls' have been outlined that could negatively affect the desired outcome, if not carefully managed.

It should also be stressed that many of the changes proposed revolve around changes in culture which are often fraught with difficulty. Trying to develop shared values and a different leadership culture is not likely to be an easy transformation. The interventions that are described and implemented during the course of this research are only a start and will be under constant scrutiny and evaluation. Due to practical considerations not all the proposed changes were implemented in the research period, but are for intended action in the future e.g. new leadership development workshops and skills training.

The intervention are also viewed in the context of the greater transformations taking place in the Organisation and within the local and global economy.

In concluding the deductive section the proposed interventions were compared to a model of organisational change obtained from a consultant (Karen Osler of Centre for Managed Change, in Cape Town).

The Model proposes that the various aspects of people management, as outlined in Figure: 36, needs to be evaluated and re-defined when trying to change the way people are managed in an organisation seeking to change. It also stresses the importance of understanding the beliefs or guiding principles underpinning the interventions and ensuring that they are the same throughout the Organisation to prevent conflict and confusion.

The proposed interventions have been mapped onto the diagram to illustrate that they aim to address more than one aspect of managing people. In addition the principles and philosophy underpinning the proposed interventions, as discussed earlier, are centred around a 'Principle Centred

Approach' (as defined by Covey) and the 'Values' espoused in the Business Philosophy.

It must be stressed however that some interventions such as introducing a new performance management system and changing the leadership culture are more long term in expectation of results than, for example, developing a new induction programme, 'New Recruits Workbook', or implementing 'Buddy Training' as a concept.

It is also important to note that practical implementation of the various interventions took place at different points in time within the period of research and are at different stages of implementation.

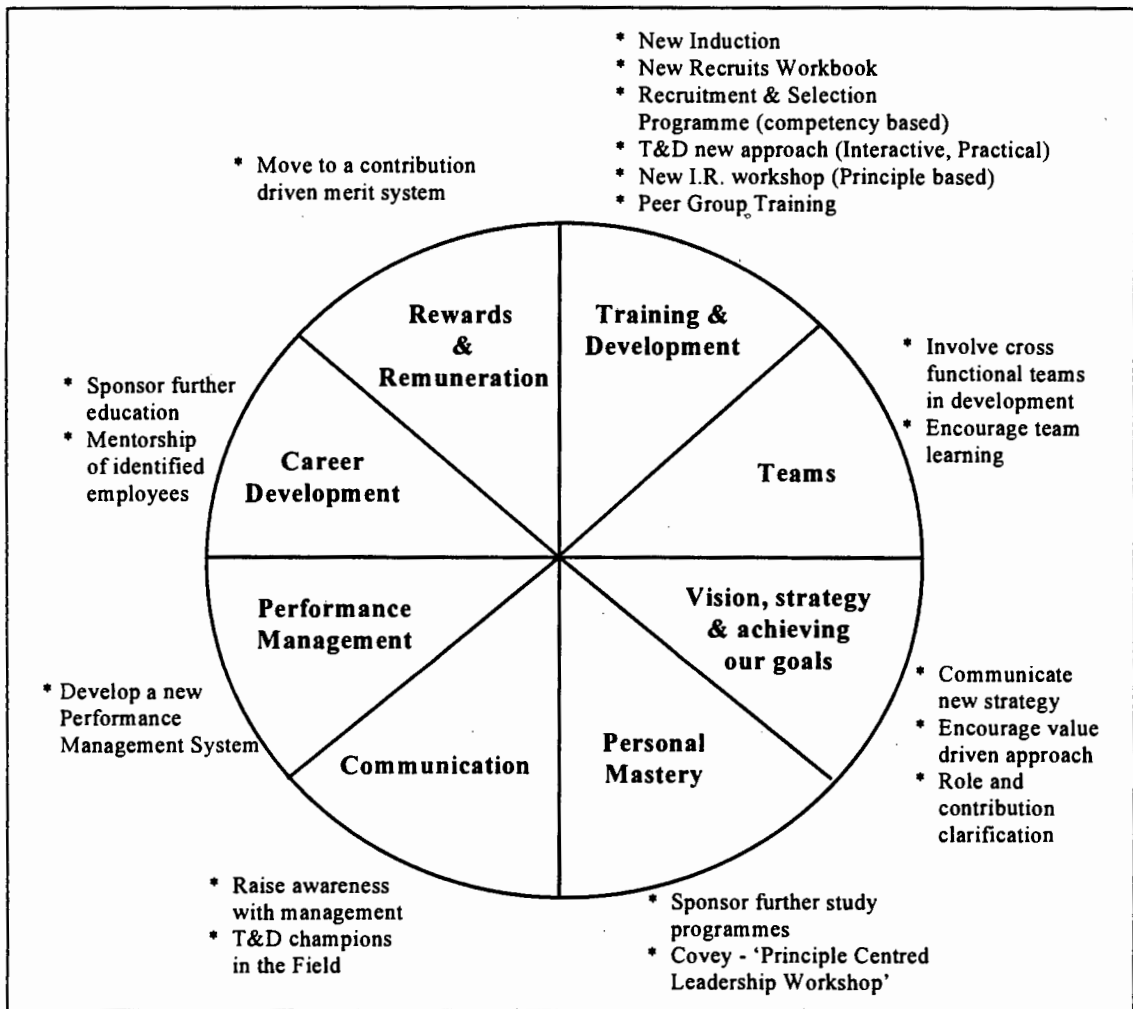


Figure 36: Model of Organisational change (K.Osler, Centre for Managed Change)

### 3.4 The Inductive Phase

The deductive phase made explicit the predictions regarding the expected results from the proposed practical interventions. It then briefly described the practical implementation or practical 'tests'.

In this phase observations and results from the practical 'tests' or interventions described in the deductive phase will be examined and evaluated. Variables that could have affected results will also be discussed. The planned Vs actual implementation of interventions will also be examined. It is important to note that as outlined in 2.5 the task of evaluating results involving 'soft' issues (e.g. changing behaviour, customer perceptions) is always more complex and is essentially a qualitative assessment or judgement against defined criteria. Due to the confidentiality of many of the figures used (as discussed earlier) in most instances trends rather than actual results will be mentioned. However the reader should note that these trend are based on the actual figures.

#### 3.4.1 Description of Measures and Observation Methods Utilised

A number of measures were utilised in this research, and cross referenced to try to evaluate observations and results from as broad a perspective as possible. A mind-map (Figure: 37) illustrates measures used for the different interventions.

In this section a brief description of the main measures used and a general indication of their reliability and validity will be outlined.

##### **Customer Research**

Customer Research at Truworths consists of three types of research:

- Mystery Shopping - which takes place at least twice a year in every store. A structured questionnaire is used (same for all stores) which is used by the 'mystery shoppers' who notes down their perception of their shopping experiences using the structured questionnaire. An outside research agent is used to co-ordinate and compile the results, but is overseen by an internal co-ordinator within V.I.P. Services. The research is essentially qualitative, but rigour is introduced via very detailed questions and standardisation of procedure. Each store receives a detailed breakdown of their performance twice a year for action. The results are also summarised per division and for all the stores country-wide.

- Focus Groups - are run on an ongoing basis with different customer groups. This is a less structured research process and aims to collect qualitative perceptions of what customers have experienced and 'feel' about Truworths Vs competitors, both regarding merchandise and service, but with an emphasis on service.
- In addition V.I.P. Services run a hot-line and trends resulting from compliments and complaints are regularly monitored and assessed.

### **Sales Growth & Company Earnings**

Sales are dependent on both the appeal of the merchandise, credit availability and service. Experience indicates that the most critical aspect within Fashion Retail is the appeal of the merchandise, however this does not mean that credit and service are not important. Service includes displaying garments so that they are easy to find, assisting the customer find what is desired and generally making the experience of shopping a pleasurable one.

Therefore, sales results on their own, can be a misleading indicator of service standards, but can be useful when used with other indicators (e.g. customer research). Care must be taken when looking at sales figures to take into account variables such as location i.e. one cannot directly compare figures from an affluent, population dense area with a store in an economically depressed, less populated area. One can however look at projected budgets for that store versus actual performance, as these variable have then been taken into account.

### **Performance Discussions (PD) Results**

The PD is part of the performance management system. This is a measure which has very recently been changed (beginning of 1998) hence it is too early to use as an indicator. However it is an important measure going forward and a sample of 70 PD's were analysed for results and observations.

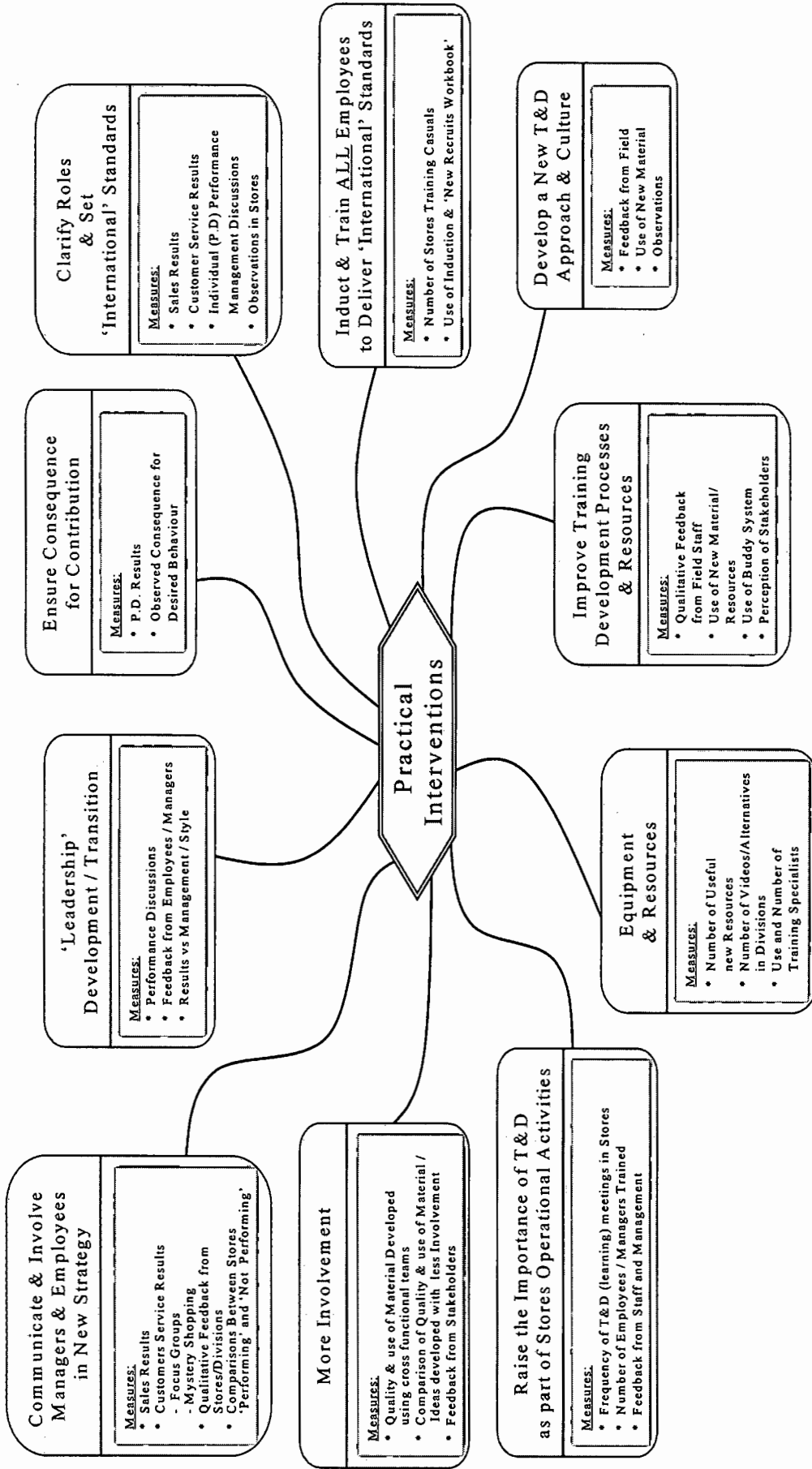


Figure 37: Mind-map of Measures Utilised

### **Quantitative Measures of Stores Training (Form C's)**

This measure purely tell one how many people have been trained on formal manuals and programmes. It does yield some useful quantitative information, e.g. how long employees are taking to complete formal training, number of employees trained Vs not formally trained. It has its limitations as information can be inaccurate and it does not give any indication of group or team based activities that took place in stores. The new programmes have also not as yet been included.

### **Store \ Division Visits and Telephonic Contact (Observations & Interviews & Focus Groups)**

Useful information was gathered via interviews and observations from store and divisional visits and telephonic contact. It is realised that this type of information can be very subjective and therefore it is used with caution. To try to standardise information a set of questions or a 'Mini Survey' was used (see Appendix 5.7). The most useful information gathered in this regard was to check whether interventions that are 'espoused' at Management level and believed to be 'happening' are actually taking place.

### **Participation-Observation**

As an employee of the company I participated directly in many of the projects and initiatives described. This provided useful insights and observations, which again is an interpretation from my personal viewpoint, but supported by other observations and information gathered, yielded useful insights.

### **Comparisons**

Various comparisons can be made when comparing and analysing results. Profiles of stores that performed well on a variety of criteria, including customer research compared to those not performing, generated useful insights. Performance of divisions was also compared to gain insight into different management styles and operating practices.

### **Pilots and Feedback**

Structured pilot programmes yielded useful information on many of the new interventions. A questionnaire was use as a feedback tool in one of the pilots, namely the 'New Recruits Workbook' and 'Buddy Training System'.

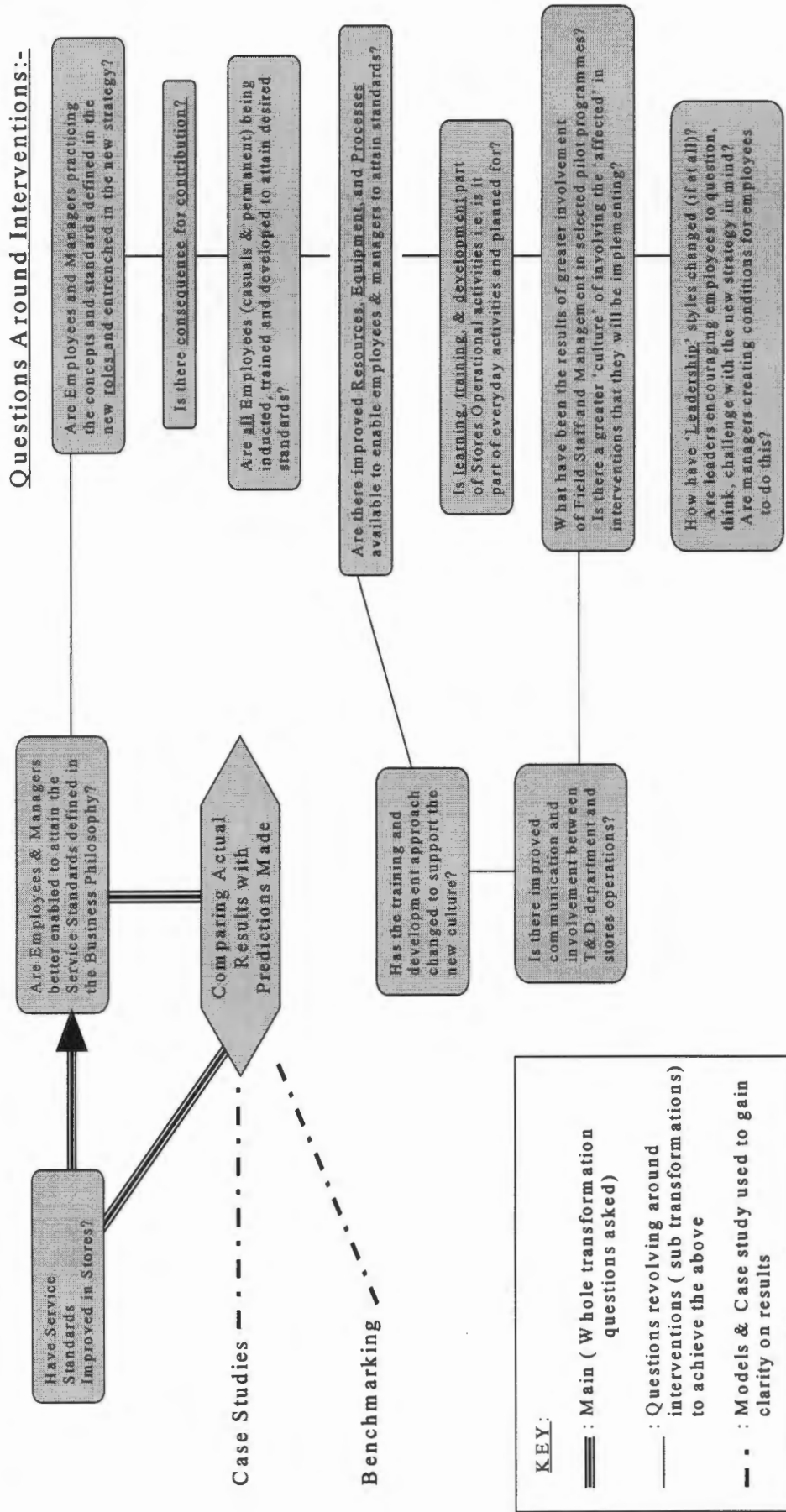


Figure 38: Process Used to Compare Actual with Predicted Results

### **Case Studies**

Internal case studies were examined to gain further insight into the differences between stores \ divisions that were achieving good results Vs those that were not performing.

External case studies were used to compare the 'hypothesis for action' (and subsequent results) with other organisations striving for 'World-Class' service.

#### **3.4.2. Comparing Actual with Expected Results**

A summary of the questions that this research is trying to answer are document in Figure: 38 on the previous page. The results will now be examined:

##### *Have Service Standards improved in Stores?*

Customer Service research (as described in 3.4.1) is used as the main indicator of service levels in stores. The latest 'Mystery Shopping' results (March \ April 1998) were lower overall than expected. What was more concerning is that service results overall, indicated a downward trend since they reached a high after the 'Made in the World' launch. 'Focus Groups' however still indicated that Truworths was regarded as having very good service compared to the competition.

When one stratified the overall results by division a different picture emerged. Two of the divisions performed well, three of the divisions performed at an average or just below the high benchmark that was being looked for, and one performed extremely poorly and well below the expected standard. There was a differential between the top and lowest divisional results of approximately 20 %. The lowest division was 10 % lower than the second lowest Division, which significantly affected the average performance overall.

The questions that immediately sprung to mind were: why was there such a discrepancy and were there any variable that had changed significantly? It was interesting to note that the division that had the worst results had recently lost their Divisional Manager and a new manager, transferred from another division, had recently (February 1998) taken over. This division had consistently (over the last 2 years) had very good results and their current drop was on average 15 % lower than previous results. Another significant change was that one very large division had been split into two smaller

Divisions. Comparing these Divisions operating and leadership styles might yielded useful insights which will be discussed later on.

Another very important variable that had changed (as discussed earlier) was the number of Full Time Equivalent (F.T.E. or permanent staff) had significantly decreased (by 25 to 30 %) with an increased use of casuals. This was a productivity benchmark that was trending internationally. Using more casuals and decreasing the F.T.E., it was predicted, should increase flexibility of staffing, improve productivity and reduce costs. Most stores had reached the targets set but many area and store managers were concerned about the effect it was having on service in stores and that the ratio was now too low. The Operations Director was well aware of the 'balancing act' that was taking place and stated that it was possible that productivity improvements had been pushed to the limit and were now starting to impact on service. This variable will be discussed in more detail when looking at the interventions one by one.

Another measure looked at to assess the performance of stores overall was sales growth. This together with careful expenditure control resulted in a fairly good overall performance (11 % growth in earnings, see Appendix 5.8) taking into account extremely tough trading conditions, with most competitors suffering poor sales and low or negative growth. As stated earlier sales growth overall is more closely correlated with merchandise appeal than service, but that service is a very important component of customers perceived value.

What was interesting to note was that sales growth overall did not always correlate with service results e.g. certain divisions with poor customer service results had in some instances higher sales growth than a top performer with regard to customer service. This however could be explained by looking at the location of the divisions i.e. the one was in a sparsely populated, economically depressed area, the other in a densely populated more affluent area.

The next step was to examine the results of the different interventions that were aimed at *enabling employees and managers to attain the defined service standards the new strategy aimed to achieve.*

*Are managers and employees practising the concepts and standards defined in the new roles and are they applying the principles espoused in the Business Philosophy?*

Again customer research was a good indicator of this with regard to front-line service staff (Sales and Service Desk Consultants) as directly serving customers was their defined 'Key Role'. As stated earlier results varied considerably between divisions, with some performing exceptionally well and others poorly.

Individual Performance Discussions (PD's) could not at this stage be used as a measure as the process was new and data was not readily available for analysis. A sample of 70 Performance Discussion revealed some interesting observations namely:

- ❑ More than half of all management level PD's were completed using the old rather than the new process and role descriptions.
- ❑ Lower level PD's however followed the new format and principles and were fairly consistently completed.
- ❑ A fair amount of variation existed with regard to the standard of the assessment, which raises questions regarding the judgement skills and leadership ability of those doing the assessment.

Assessing whether store and area managers were focussing on ensuring their team was able to provide the service levels required rather than focussing on day to day operations (stock losses, administration, merchandising etc) was more difficult to measure. Interviews with employees and managers in 15 stores country-wide in June \ July 1998 revealed that more than 50 % of the managers were still not focussing sufficiently on their 'Key Role' of ensuring their employees were enabled (e.g. training, communication, recruitment, feedback). This was further confirmed in discussion with divisional and area managers.

Further analysis of the 'Mystery Shopping' results per area manager yielded interesting observations. The results were stratified and classified in bands of performance at 5 % intervals from highest to lowest performance. Area managers that were rated by certain senior managers as most likely to be dedicated to customer service and to enabling their employees (i.e. applied and believed in their 'new' role) had on the whole the best results. They were also the managers that appeared to be most people oriented and focussed a lot on involving, communicating with and setting high standards for achievement with their staff. This was further supported by personal observation e.g. store visits, interviews with staff, involvement in projects.

Another area of concern was that store visits and telephonic discussions indicated that many store managers were still heavily focussed on stock losses, at the expense of other activities, due to pressure from management to maintain low shrinkage levels with increasing levels of crime country-wide.

Another indication that the transformation was not as yet entrenched was that Retail Trainees (trainee store managers) had very little input from their mentors (Area and Store Managers) on people management development. This could be observed from a) the lack of focus in their programme on what should be one of their 'Key Roles', b) interviews with all Retail Trainees further confirmed this. In addition not one of the Retail Trainees had been exposed to the thinking around the new 'Role Descriptions' at management level, although they had been involved in communication session about the new strategic direction and were aware of the new roles at store level (Sales and Service Desk Consultants).

Interviews also generally revealed that those managers most focused on enabling their employees, and were perceived by their staff to be doing so, had the best customer service results.

*Is there consequence for contribution?*

This was a difficult issue to assess at this point in time as the new performance management system had only recently been introduced. A merit based reward system was in place and had been utilised (except with unionised staff) in the most recent (March 1998) salary review period. The audit of PD's however indicated inconsistent application, which was partially due to the newness of the system, and in part due to the fact that the implementation had been rushed.

Personal observations company wide however indicated that management was starting to become much more focussed on rewarding, recognising and sanctioning performance at all levels.

In addition all managers in divisional offices had also been exposed to an intensive workshop developed in house, which covered the requirements of the new Labour Relations Act and more importantly discussed principles and processes to deal fairly with misconduct and poor performance within the framework of Truworths leadership principles and values.

### PART 3 - RESEARCH IN ACTION

Encouraging consequence management as part of strategy is however a long term process and more work is required in this area, particularly at management level.

It is important to note that group reward and recognition (individual and group) system, which as previously stated, was well regarded was kept in place, which ensured continuity. Where ever possible reward were starting to be realigned to contribution e.g. salary increases (non union).

*Are all employees (casual and permanent) being inducted, trained, given the necessary means (information, training etc.) to attain desired standards?*

The new 'Induction', 'New Recruits Workbook' and focused 'Role Descriptions' makes it much easier for stores to effectively prepare both casual and permanent staff for their role. Division are currently more focussed on training new permanent recruits. Information from Form C's and discussions with staff and mangers indicate that permanent staff are receiving more consistent training.

The main 'block' or obstacle however to achieving consistency of standards is the management of the casual pool. This can be verified by the following results and observations:

- Customer Hot-line complaints, which is the last 'port of call' for an irate customer, are largely due to poor service from casual staff;
- The recruitment of casuals is in many instances, not to the same standards as for permanent employees.
- Casual pools are generally far too large resulting in the 'vicious circle' described in the deductive phase.

More than 65 % of trading takes place on the weekend, which means that with the new staffing policy (reduced F.T.E.; increased use of casuals) casuals are in the majority serving over weekends and hence have the most contact with purchasing customers.

Divisional Management in their recent (July 1998) yearly strategy deployment planning process identified this as an area that needs major improvement. It was realised that it was not sufficient to tell managers they must train casuals as this became an impossible and costly task if the pools is not adequately managed and staff turnover is high. The following policy was implemented by the Operations Director (August 1998) to improve the situation:

### PART 3 - RESEARCH IN ACTION

- All casuals to be recruited to the same standards as permanent staff.
- All casuals to receive a minimum of 3 days initial induction and training.
- Casual induction and training to be planned for on Saturdays or times casuals are available.
- The issue of F.T.E \ casuals to be further investigated and a proposal put forward by a designated divisional manager.

In addition the T & D department, together with divisional managers and 'Training Champions' are further institutionalising on the job training and certification of all new recruits via the use of the 'New Recruits Workbook'.

Another area that has deteriorated in the last 18 months is the regular reinforcement customer service awareness workshops that use to be run in stores by the store or area manager. These workshops were 'driven' by modules issued by V.I.P. Services, which had largely fallen away. Although some innovative store managers are still continuing with re-enforcement training, the majority are not. This was also currently being corrected by reallocating the responsibility of this service to stores, to the Customer Research Manager, who in addition to being responsible for co-ordinating customer research, has a strong interest in training.

*Are there improved and up to date (aligned with the new Strategy) resources, processes and equipment available to enable Employees and Managers? Are these resources adequate?*

Feedback from users on new resources developed by the internal T & D department to support Field staff has been very positive and the new more practical, and interactive material is in demand. The main complaint is that resources are not being update fast enough and that there is not enough of an emphasis on updating new store management training resources. There is also a concern that resources that were previously well regarded i.e. V.I.P. customer service modules were no longer being developed as previously stated.

There is no doubt that a line management driven training strategy which focuses most of the learning on the job, is greatly facilitated by up to date, interactive, practical, project driven material. If one analyses what is available in an update format the main gap is at store management level.

However if one looks at the use of the new training resources which should be used flexibly, a concern still exists that many managers are looking for

'canned' or 'packaged' solutions. For example the 'old' store manager training material included a section on managing poor performance and discipline issues. A new programme is available which is much more extensive but many area managers still utilise the 'old' programme and see the new 'I.R. Workshop' as something separate. This is just one example, and indicates that many managers are struggling to make the transition to a thinking and learning culture and are still looking for a lot of direction (packaged solutions). It is however realised that such a transition takes time and that if one looks at the interventions to date little has been done in the last 2 years within stores operations to create forums for exploring this issue and to equip managers with creative problem solving models and tools to facilitate this process. This is one of the opportunities going forward and will be discussed in more detail under the 'Leadership' interventions.

Equipment is still lacking to facilitate video based communication. There is a plan however to update the computer facilities in stores in the next few years which may open up doors for interactive P.C. based training and networked communication. At present however it remains a constraint. One of the solutions is to try to avoid developing training \ communication resources requiring such equipment.

The lack of 'specialists' at head office to support and develop interventions and resources for line managers has recently been improved (May 1998) with the addition of another training facilitator, within the T & D department, who comes from stores operations. The lack of support and resources from V.I.P. service is currently been addressed by involving the Customer Research Manager (co-ordinates the hot-line and Customer Research), particularly on looking for means of motivating and enabling front-line service staff on an ongoing and practical (linked to research) basis.

*Has the training and development approach changed to support the new culture?*

As stated in the previous section the new resources are well utilised and feedback indicates that they are supporting the new culture. The 'Buddy Training System' and 'Peer Group' training further reinforced the need for 'trainers' to become more of 'facilitators' of learning. Observations indicate that training and development is becoming more of a shared process.

There is however still a fair amount of basic material that needs to be updated and in a recent SWOB with area managers this was identified as a major weakness. Their concern is that in the absence of new resources they are forced to utilise the 'old' which clashes with the new culture i.e. not

interactive and out of date. Interviews with store managers and their staff, also indicates that many store managers are still working from a 'tell', rather than a 'facilitative' approach. Facilitator and mentorship skills training for store managers which had been identified as a training need at the beginning of this research, but not implemented as yet, was again requested.

Peer Group training was another initiative which was partially introduced to change the training culture which will be discussed under leadership and management development.

*Is training and learning part of everyday activities and planned into Stores Operational Activities?*

An improvement with regard to new joiners can be seen with the introduction of the 'New Recruits Workbook' which is very practical and a lot of training and learning is designed to happen while the 'trainee' works. The concept of the 'Training Buddy' has been extremely well received both at pilot stage (24 stores country-wide were involved) and when implemented in all stores. As predicted 'empowering' and involving employees in the training of new recruits has enabled better utilisation of time and energy all around. More of this type of practical, interactive material is in demand and a cross-functional team is currently working towards further development for sales consultants.

An audit of the amount of time managers and employee spend on communicating, problem solving and learning as a team indicates that this is still inconsistent. There is a raised awareness among Area Managers of the need for more time to be spent on training, communication and problem solving activities but in practice out of 30 stores audited less than half were spending the minimum of 1 hour per week on these types of enabling activities. Counting stock losses and housekeeping is still generally higher on many of the store managers' list of prioritise. This is however not surprising as it was predicted in the deductive stage that a policy decision and concerted effort from senior management would be required to entrench such behaviour in stores. This was however not implemented. With all the activities in stores a serious 'push' from senior management was and still is needed to indicate to store managers that learning is as important as other operational activities. Senior management hoped this would be achieved by the new 'Performance Management System', but this is still too new and results are infrequent (Performance Discussions happen yearly at salary review time) to make an impact on the short term.

Observations from the recent survey however indicate that some of the divisions are beginning to change and have started dedicating more time to staff training and development, including specifying 2 to 3 hours per week for team development and communication. The Operations Director has also indicated that he wished to enforce a procedure in stores that would move store managers away from daily hanger counts i.e. a roster that includes 2 days for hanger counts, 1 day for a general staff meeting, 1 day for MBP training (Merchandise Based Principles), 1 day for customer service training and discussions.

When looking at 'Mystery Shopping' results per area a positive correlation was generally found between stores that had an emphasis on enabling employees (including dedicating time to training and development) with good 'Mystery Shopping' results.

*What has been the result of greater involvement of Field staff and management in selected pilot programmes? Is there more of a culture of involving the 'affected' in interventions \ resource that they will be implementing or using?*

As stated earlier the development of the 'New Recruits Workbook' and 'Buddy Training System' was done in an interactive manner with a cross-hierarchical and cross-functional team. It was then piloted in 24 stores country-wide for further input and modification. A questionnaire, informal feedback, and use of the new workbook, which was developed around the new principles and culture, indicated that it served its purpose well and was user friendly. The 'Buddy' System was also successfully implemented and found to be well received. In addition the interactive format was used to develop a 'New Recruits Workbook' for Credit Service and is currently being used for other projects. Those most involved in the process appear to have learnt the most and used the material in a creative manner e.g. for team based workshops. This ties in with Peter Checkland's idea of a Lockean Community or group outlined in 3.1, where those most involved undergo the most learning.

Due to time constraints, the development of certain other interventions (e.g. Role Description and Performance Development processes) were done less interactively, and although also well received, it appears that in many instances managers and employees struggled to utilise the support material effectively and creatively.

A general culture of greater involvement is also observed in other service department, for example, the Account Drives Section in V.I.P. Services,

recently took an involvement and empowerment approach when planning an account drive. Where as in the past the running of a certain account drive was allocated to an outside agency, in this instance divisions were asked, within certain parameters, to drive the process. The results were excellent with many more accounts opened than in previous similar drives. A great deal of excitement and positive energy was also generated in stores.

This approach however has not as yet widely spread within divisions and stores. For example, when reviewing the information gathered from store visits and interviews it was noted than managers are on the whole not encouraging involvement sufficiently within their stores. There still appeared to be a mindset of 'I plan' and you 'do'. The culture of greater involvement demands a different leadership style and it appears that many managers are not comfortable or able to adopt the facilitative approach required. This will be further discussed in the 'Leadership' section.

As predicted, where utilised, greater involvement increases learning, quality of interventions and generates commitment. The challenge is to now find ways to entrench greater use of involvement and empowerment at local level within the store culture in general.

*Is there improved communication and involvement between the T & D Department and Stores Operations? What is the current situation with regard to communication within Stores Operations and between Head Office and Stores?*

Great improvements as discussed were not as yet expected in this area as the interventions tackled were modest.

Success was achieved with regard to improved synergy and communication between divisions and the T & D department in general. A 'Training Champion' was appointed within each division, who on the whole significantly improved communication between the parties and served as a 'driver' of development needs and issues. An observation in this regard is that where the champion was a senior manager or had the backing of the divisional manager much more got done.

Effective communication within stores on the other hand seemed to depend on the area or store manager. Some divisions had a compulsory weekly staff meeting, and enforced it. The main problem still arose with regard to casuals where there was no standardised system to ensure they received and could communicate important information as they worked mainly over weekends.

*How has 'Leadership' changed? Are 'Leaders' encouraging employees to contribute uniquely, question and give of their best? Are they creating the conditions or enabling employees to do this?*

A comparison between 'Leadership' styles of divisions and areas with good customer service results and those with poor results indicates that 'Leaders' most focussed on enabling their employees (and managers) and reinforcing high standards have better results. Interviews with employees and managers also revealed that those managers at all levels who actively show their commitment to the proposed changes through action are respected and generate commitment from their staff. Divisions or areas that were not performing showed a large gap between what the Leader espoused was happening and what was happening in reality or had other influencing variables (e.g. recent change of Management). Examples of types of behaviour that were contrary to the espoused new values of the Company and generated unhappiness and lack of commitment amongst staff were: failing to recognise excellent improvements (e.g. sales) but picking up on smaller faults (e.g. untidy store at peak trading hours); failing to show staff respect by greeting and follow up on promised actions; confusing staff by giving out mixed messages (e.g. stressing service is critical, training is important, but when it comes to measures and actions, focusing primarily on other issues).

Consequence management for changes in 'Leadership' in stores operations could as yet not be observed, as predicted the management of performance to the new standards and values was too new.

Recruitment standards for permanent staff, and to a lesser extent casuals, had improved with the introduction of competency based recruitment. Feedback also indicated that area and store managers that had been trained to deal with the misconduct and performance issues and understand the implications of the New Labour Relations Act were more confident in dealing with these issues.

The introduction of "Peer Group Training" (developed by a consultant C. Charney) was designed to encourage learning and peer development within the divisions. The principles underpinning the programme were that managers should themselves choose the areas they need development on and via a process of peer facilitation explore and learn about these areas of concern. Success has been varied in introducing this concept. In looking at successes and failures, it is apparent that again the way the divisional leader

interprets and utilises the concept is key. The division who is most successfully utilising "Peer Group Training" has successfully linked the training forums to issues in the workplace and taken the learning to their staff in Stores. Those that were less successful treated the concept in a more traditional 'classroom' based training approach, looking at theoretical management issues in isolation from the workplace.

The change as predicted is taking time and is as yet not entrenched, but progress has been made in many areas. An important part of achieving the desired transformation appeared to be a change in management or leadership style. A case study will now be described which illustrates the importance of leadership to store performance and what can be done to facilitate improvements if leaders 'walk the talk' and enable their employees and managers.

### 3.4.3 Case Studies Internal

#### *Case 1:*

This is a description of a project tackled by one of the divisional managers to try to improve the performance of the stores in the division and to increase learning amongst managers in the Field (Stores Operations).

The details of the 'project' are as follows:

- All the stores within the division were monitored over a 6 month period and their performance assessed using a wide variety of measures;
- Some of the measures used include: sales turnover, profit and losses, 'Mystery Shopping' results, staff turnover per head, stock losses, staff performance (PD results), ROAM (Return on Assets Managed), feedback on merchandising (MBP), housekeeping, and administration standards.
- Variables that could have affected results through no fault of the store were taken into account (e.g. store that was being revamped, or needed revamping, area that was economically depressed generally, or poor location).
- Based on these measures and variables the 'Top 10' and the 'Bottom 10' stores were identified.
- A team approach was then used to investigate what were the differences between the 'Top 10' and the 'Bottom 10' stores. The method used was for the team to interview staff and customers from these stores and the surrounding area and spend sometime observing.

- The learning from this investigation was then discussed and it was decided to, as a team, attempt to improve the '10 Bottom' Stores.
- One store was tackled per month and to date two stores have been 'actioned'. Both stores have had excellent improvement (one increased sales turnover by 35 %, the other by 12 %)

*Results and learning:*

Management had to take a holistic approach to improving the situation which involved looking at both hard and soft issues.

The most critical determinant of store success, revolving around soft issues, was the orientation of the store manager. For example the store manager in the one poorly performing store had a mind-set of primarily containing stock-losses and so was only keeping one door open, in a multiple door store. Both store managers were not concentrating on being customer focused, and ensuring that their store was appealing to customers (e.g. window displays) it appeared that employees were focused primarily on stock losses rather than customer service.

Having the Divisional Team intervene was a learning experience for the Store Team and practically reinforce the changes required and already communicated, which are defined in the Business Philosophy "*visually appealing Store Environment, ... easy to find, ... helped by lively and committed people.*"

The area managers and retail administrators had also learnt, as the team approach forced an intensive, cross-functional investigation of the stores identified and had focussed them very practically on the differences between 'Top and Bottom Stores'.

In summary the 'Top Stores' put in practice the new strategy of being customer focused and enabling employees create the desired shopping experience both visually and interpersonally. This also focused the Management Team concerned to critically think about their stores and question variables affecting performance.

*Case 2:*

The same Divisional Manager wanted to close a small store that was performing exceptionally badly. Stock losses were high, sales low, service poor and it was located in a depressed area. The Area Manager concerned convinced the Divisional Manager that a change in store management was required. The new Store Manager with the help of the Area Manager turned the store around and demonstrated a 31 % increase in sales turnover within a few months. The non performing Store Manager was moved to a medium store and given a lot more support and assistance from the Area Manager. Again the change was exceptional with the store winning the most improved Store Award.

The Divisional Manager concluded from both these case studies that 'Leadership' was the single most important factor once the 'hard issues' had been attended to in determining store performance and that the personality of the store manager had to be matched to the type and size of store.

The profile that the Divisional Manager concluded (from both these case studies) was required of a good store manager was a person who is: assertive, believes in serving the customer, disciplined, strict, but fair, courageous, and someone who involves his or her store team. Ownership and involvement of the team were found to be key, as well as a belief and application of the new strategy and principles. This Divisional Manager had in fact implemented a morning routine that involved, before the stores opened in the morning: 2 days per week dedicated to counting stock losses, 2 days to training and 1 day for a general staff meeting

Both these case studies seem to indicate that 'Leadership' is critical and that the type of leadership required, although the personality of the manager may vary, should be one of commitment to high standards, courage to challenge, and enables and involves the team. The role of the area manager and divisional team, as a whole, appeared to be extremely important in attaining the transformation from a 'bottom' to 'top' performing Store.

#### 3.4.4 Comparing Current Interventions with 'Best Practices' in 'World Class' Organisations

In order to further explore the hypothesis for action and progress to date, best practices in organisation striving for 'World-Class' service were researched. Two reports were examined, the first is research done by an interdisciplinary team, sponsored by the National Performance Review in the United States, the second the turnaround of Sear a very large retail chain in the U.S.A.

In the first report 10 organisations or "*study partners were selected because of their reputation for high quality customer service and their representation of a cross-section of industries*" (p. 2, *World-Class Courtesy Report*). The organisations selected were: Nordstrom, Federal Express Corporation, Defence Commissary Agency, GTE Directories Corporation, The Ritz-Carlton Hotel Company, Social Security Administration, Ultimate Support Systems, USAA (Insurance), U.S. Department of Agriculture and the Veterans Affairs Medical Centre.

According to the report "*each of the organisations studied exhibited the following characteristics:*

- The organisation's cultural climate reflects a commitment to meeting and exceeding customer expectations.
- Senior leaders demonstrate by example the organisation's commitment to exceptional courtesy.
- Employees are empowered to fully meet the needs of their customers.
- Courtesy (service) is practised by everyone throughout the entire organisation.
- Specific and ongoing training in courtesy is provided.
- Formal and informal screening techniques are used to hire employees with exceptional skills in courtesy.
- The organisation establishes systems to measure the value of its service to customers.
- Services are provided seamlessly from the customer's perspective.
- There is zero tolerance for discourteous service.
- All the organisations found that courtesy improves customer loyalty." (p.5, *World-Class Courtesy Report*)

These key themes are further elaborated on as follows:

**Cultural Climate:** Two key issues were identified here, firstly the customers define service expectations (organisations listen to customers) and secondly employees and managers treated each other with the same respect and courtesy. All the organisations stressed the importance of “... *employees who worked in a nurturing environment and had the tools they needed to do their jobs were more courteous and helpful to their customers and fellow employees.*” (p.7, *World-Class Courtesy Report*).

**Leadership:** All organisations stated that: “*leaders are responsible for creating, communicating, exemplifying, and reinforcing the organisation’s commitment to courtesy.*” (p. 8 *World-Class Courtesy Report*). The concept of “servant-leadership” was discussed as an effective way of creating the conditions for good service. This type of leadership focuses on continual empowerment and the development of employees ability to meet service challenges.

**Employee Empowerment:** Again a key element was “... *make sure their employees have the tools, technology, and training they need to perform at the world-class level.*” (p. 9 *World-Class Courtesy Report*)

**Organisational Courtesy:** Good service and courtesy extends to everyone in the Organisation. “*In customer-driven companies, courtesy among employees is as important as courtesy to customers.*” (p. 10)

**Training:** The essential elements about training was that it had to be ongoing, seen as an investment not an expense, practical (role-plays etc). “*The messages from these organisations is that their best asset is a trained employee.*” (p. 11)

**Hiring Techniques:** All the companies surveyed placed a lot of emphasis on ‘hiring right’. They all proposed that one had to hire people who were already predisposed to service excellence. Other important factors were that competencies had to be selected to be in line with the Organisations strategy, for example Portland Medical Centre required creative problem solving or “*thinking outside the box*”, Nordstrom believes that “*Combining nice folks with Nordstrom customer service training guarantees that customers will be treated with courtesy, sensitivity and respect.*” (p. 13 *World-Class Courtesy Report*)

**Performance Measures:** All companies surveyed had systems for measuring service levels e.g. focus groups, complaint data, surveys, exit interviews, toll free number, customer comment cards.

**Seamless Service:** All organisations saw service in a broad context and managed all aspects of customer interaction e.g. the use of technology, designing employee and customer friendly procedures etc.

**Discourteous Service:** Emphasis was placed on making every employee responsible for service and that any discourteous service be addressed immediately. The company culture and processes had to enforce a “zero tolerance” policy for discourteous service.

**Customer Loyalty:** Findings in this report showed that customer loyalty is increased by consistent good service. *“Customer loyalty ... comes from experiences that are truly exceptional and seamless.”* (p.18 *World-Class Courtesy Report*)

Another good example of an organisation striving to attain ‘World-Class’ standards in service, is Sears. Within a 4 year period Sear turned its organisation around from a loss making to highly profitable organisation.

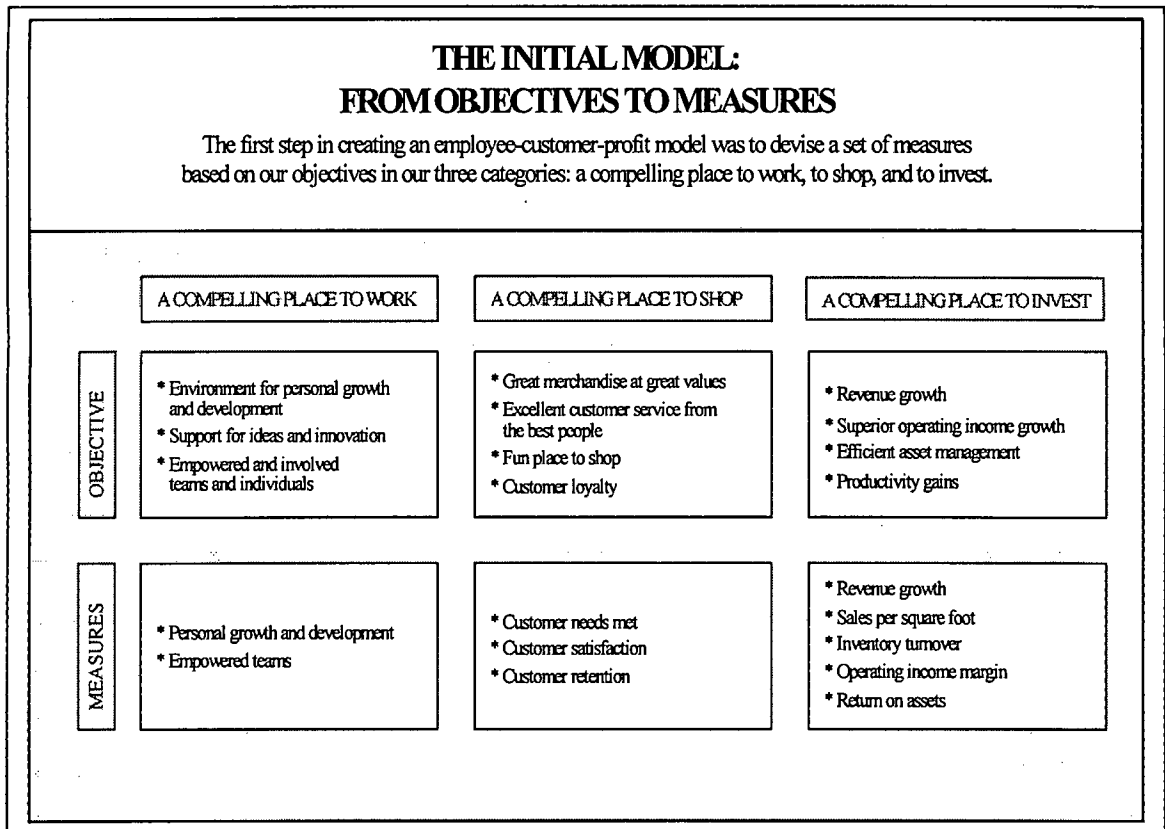
The strategy they used revolved around developing an in house a model that stated the organisational objectives and sophisticated measures (TPI or Total Performance Indicators) that tracked action against these measures. The model is depicted in Figure 39 and basically revolves around 3 statements, Sears as :

- A compelling place to work
- A compelling place to shop
- A compelling place to invest

What is interesting about Sears is that they have similar retail conditions to Truworths. For example 70 % of their employees work part-time and they have a high employee turnover rate. Sears has found that for them management skills are critical as they create the conditions for employees to perform. What was striking about their experience is that they found that:

*“a 5 point improvement in employee attitudes will drive a 1.3 point improvement in customer satisfaction, which in turn will drive a 0.5 % improvement in revenue growth.”* (p. 91, Rucci, Kirn, Quinn)

Part of the turnaround involved the reengineering of stores operations, *“... with a heavy emphasis on training, incentives, and the elimination of administrative and other non selling tasks for sales personnel. Staffing was adjusted to put more of the best people in stores during evenings and weekends, when the best customers were shopping”* (p. 85, Rucci, Kirn, Quinn)



**Figure 39: Sears Model of Change (Rucci & Kirn & Quinn)**

The entire service strategy changed including making the stores more responsive to busy women, deliveries, repairs offered etc. The results were spectacular.

In summary Sears strategy revolved around internally developing their initiatives, defining their objects, setting up a measurement system to track it and then act on results. Focus on innovative ways of training employees (town hall discussions with 'learning maps), reward performance and creating an exciting positive culture through their leaders.

Their focus on leadership is believed to be critical and focussed around 12 criteria outlined in the Figure 40 . They also introduced 360 degree feedback performance management system for all their managers and an intensive emphasis on leadership training and have trained 40 000 Sear managers at their in house 'university'. The top 250 managers receive additional and ongoing development designed to: *"create constructive discontent by requiring executives to do case studies of other retailers that have achieved world-class status on some critical dimension of retailing."* (p.96, Rucci, Kirn, Quinn)

These 2 reports have useful and interesting information that can be compared to what Truworths is attempting through their current transformation. This will be done in the next sections when reflecting and evaluating the hypothesis.

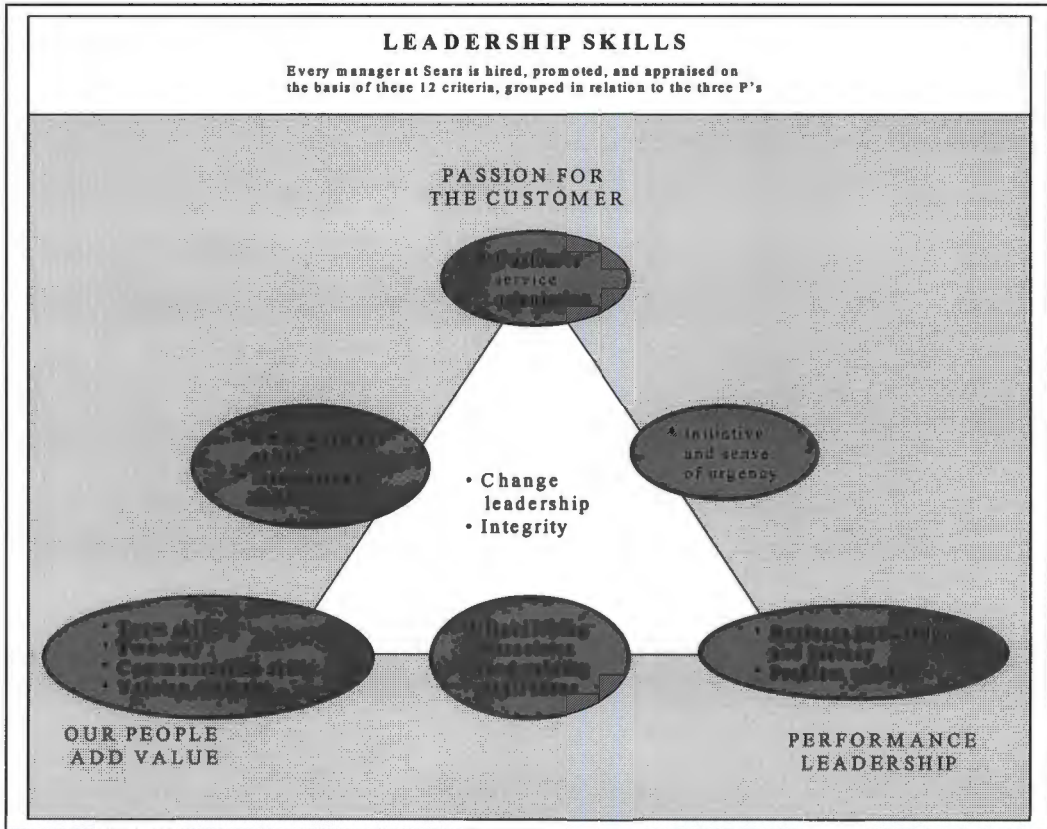


Figure 40: Sears Leadership Model (Rucci & Kirn & Quinn)

3.4.5 Reflecting on Findings

The implementation and improvement process is an ongoing one and by no means complete at the time of this 'reflection'. The aim is to take stock of the current situation and to try to assess at this point in time what is having a positive impact, what is not being applied, what has improved and what has deteriorated with regard to interventions (or lack thereof).

Truworths overall as a Organisation has performed well, compared to the competition as their results show (11 % growth in revenue). The 'Moral Purpose and Vision' has given the Organisation a focus and purpose in economically difficult times. Merchandise procurement and credit strategies and application have improved. The implementation of the new 'Value System' has been more complex and seems to centre around leaderships' ability to make the desired transformation.

The observations and findings to date, as can be gathered, indicate that service levels vary between divisions. The proposed interventions are also at different levels of implementation and levels of maturity. The divisions that seem to have the most success to date appear to be those that are more focussed on a leadership style centred on enabling employees and generating a culture of respect and reciprocation. They also appear to either have a low staff turnover or are heavily focussed on ensuring casual staff are trained to meet the challenges of 'International' service standards.

An observation that is a concern is that many of the actions that are now being seriously implemented were an issue two years ago, for example casual pool management, casual staff training and the need for dedicated time in stores for training and development. The issue of managing the increased productivity of staff in stores whilst balancing service levels, appears to indicate that productivity and cost control are still the main priority Vs the espoused one derived from the new strategy, that states that within stores building relationships with customers is priority.

This is a concern as if one reflects on Chris Argyris's concept of 'theory in use' and 'theory in action', actions are what indicate the real mental models managers are operating from. The 'espouse theory' will only become a reality when observed in actions. In order for double loop learning to occur, were the managers actions correlate with their (new) espoused theories, the manager needs to question the mental models that he or she is acting from and question why there is such a 'gap'.

The Business Philosophy developed by the top 43 managers in the Organisation is a 'mental model' of an Organisation with shared values, vision and purpose. 'Moral' has a very specific meaning in this context, namely that Truworths must give the customer perceived value if it wishes to prosper and survive. The customer must believe that she is getting more perceived value than she is paying for the merchandise. This Management states will be achieved by the ensuring the right forward trending merchandise, visual appeal and service. The 'Values' as stated in Part 1 centre around creating the right culture for this to happen i.e. encourage each individual to give of their best (unique contribution), a climate of respect and reciprocate this and encourage a questioning (courageous) culture that encourages employees and managers to look for better ways of achieving the Truworths 'Purpose' and 'Vision'. Principle Centred leadership is centred around respecting and understanding those one

interfaces with (Seek First to Understand), looking for solutions than includes differing stakeholder needs and views (Win-Win mind-set), and building effective teams (synergy).

Many of the stumbling blocks outlined indicate that some interventions are not succeeding as actions indicate an ongoing culture of cost control above service (casual issue) or managers who fail to innovate in how they develop their staff and look for 'packaged' solutions. If service and relationship building is the espoused and desired priority of staff why have operating practices and activities in Stores not been aligned from a policy point of view to ensure this happens?

If one examines the interventions that have taken place with regard to leadership development this may be one of the primary stumbling blocks. Leadership development and training is still largely neglected particularly at the store management level. The store manager from observations in this research (together with supporting policies and procedures) appear to be the key driver of creating the conditions for her store staff to be "lively and committed". As outlined earlier successful 'World-Class' organisations such as Sears, Nordstrom etc. all emphasised the importance of leadership and suggest a 'servant-leadership' approach and have an explicit leadership model (see figure: 40 Sears Leadership Model). Covey in his article "*New Wine, Old Bottles*" (*Executive Excellence*, December 1994) cautions using a 'servant-leadership' approach without fundamentally changing the leadership style. In this article Covey proposes a 3 step approach:

1. Build a new relationship - based on the principle of mutual respect, and trust. This needs to be in place before a meaningful performance agreement can be reached.
2. Create a new psychological contract or performance agreement - this means that the expected results (quantity and quality) should be agreed, the focus should be on principles not procedures, resources should be identified, accountability and performance criteria and consequence (positive and negative) must be discussed up-front.
3. With the transfer of power and responsibility of results, the leader can then become the servant and a source of help.

The new role definitions and performance management processes have attempted to integrate these principles, however the integration into leadership has as yet not happened, for example divisional management

roles are not clearly defined as yet. An audit of store and area management performance discussions, also indicates that more than 50 % of managers used the old format, in spite of the new role and discussion format being available. This is a significant point as the old format's emphasis (as discussed earlier) is different and does not include the new values and principles. Discussions with management indicates that this was due to the rushed manner in which the implementation took place and a lack of confidence in using the new system.

Observation indicates that Truworths lacks a cohesive and shared mental model of is meant by leadership at this stage. Confusion still seems to exist as to how to integrate the 'servant-leadership' concept with the Truworths 'Values' and how best to apply these concepts in practice. This is an opportunity going forward and is proposed as a leverage point to further harness human potential.

On the positive side the intensive focus on communicating the new strategy has created a common language and focus. The new training approach and resources are fully utilised, in demand and have created a means to assist stores operations management enable their staff. The latest (July 1998) divisional strategy deployment plans are also encouraging as one of the main stumbling blocks, managing and training the casual pools is one of the key action points, as is creating more planned time in stores for communicating with and developing staff. The Operations Director has also highlighted these two areas as critical to improving service going forward. He is also looking at changing certain procedure (seamless service) to improve employees ability to serve e.g. authorisation procedures at the service desk. Recruitment (hiring techniques) have also considerably improved and the focus going forward is to ensure this is applied to casual recruitment as well. Ongoing reinforcement customer service training (V.I.P Services) is planned to be reinstated, the M.B.P. (Visual Display) manual is currently been updated to be principle rather than task driven. New recruits training resources are available and in place to support line driven training. In addition more requested material is being developed interactively with stores to further support the improved and ongoing training in stores. The mentorship process and skills of managers responsible for Retail Trainees and new store managers is also currently being improved in consultation with the 'affected'.

### 3.4.6 Evaluating the Hypothesis for action

If one compares the hypothesis developed in the abductive phase, with results it is clear that some actions were implemented and others were not. Overall service levels and the process of enabling all staff is not to the levels desired in all divisions, which is the ultimate objective.

If the hypothesis is compared to best practices in 'World-Class' service in other organisations the proposed themes are similar. Differences that can be observed are:

- a) a very clear and focussed drive from management and an emphasis on leadership development,
- b) there also appears to be a very clear focus on training as an investment that must be ongoing and consistent.

At Truworths observations indicate that there is still an emphasis on cost control (e.g. F.T.E. situation, daily stock-counting) above ensuring employees are enabled to meet the challenges of providing consistent, high levels of service.

It appear therefore that the hypothesis for action needs to be modified and that a greater emphasis needs to be placed on the role of leadership at all levels to create the conditions to provide the required service.

Senior and middle management also need to continually check that the balance between maintaining an efficient, cost effective operation and driving down costs is not too the detriment of key service factors. Innovative thinking is required to simultaneously attain an improvement in service and a decrease in costs, without the key focus or objective of the new strategy being lost.

The modified hypothesis for action would therefore propose that we continue with the interventions proposed but that the leverage points are:

- An emphasis on Leadership i.e. developing a shared understanding of leadership, role clarification and observable consequence for desired actions (not purely espoused).
- Leadership needs to continually observe results going forward and ensure there is co-ordination between the various organisational initiatives and objectives. Failing to do this could result in one initiative having a negative impact on another as is the case in the observed parallel drives to drive down costs and improve service described earlier.

- Clear strategy and actions to manage and train the casual pool effectively, as they serve at peak period when 65 % of turnover occurs.

The results from this research further reinforce that interventions are interrelated and that success in the one does not translate into overall improvement if other interdependent systems are not achieving the desired transformations.

#### **3.4.7 Summary of the Inductive Phase**

Improvement of the new situation can only happen if results and observations of strategies being implemented are continually reviewed through the inductive process.

Careful scrutiny of results in this research revealed that many of the actions that were being espoused were in fact not in reality being implemented. An example of this is the lack of attention and poor management of the casual pool. In many instance casuals are still not being inducted and trained. The management of the casual pool is also an area of concern, with large pools and turnover. It also raised awareness of the complexity and interrelated nature of any intervention. Observation is, as Peirce asserted, the only way to check that hypotheses and subsequent actions are in fact having the desired effect. The difficulty in a complex 'messy' issue such as the one under investigation is trying to make sense of the results and to be able to critically think about, learn and come up with improved solutions going forward. Without going through a process of induction, which includes observation and evaluation of results, learning and thinking about a problem situation cannot occur, as has been illustrated in this research.

### 3.5 Summary of Research in Action

Part 3 applied the developed enquiry model to a management concern, namely the improvement of training and development in Stores Operations. The objective was to find means of improving employees and management's ability to provide 'International' levels of service comparable to top fashion stores in the world.

The abductive phase used an interactive model, Soft Systems Methodology, to identify the suggestions and concerns of different levels of staff involved (i.e. from Sales Floor Staff to the Management Committee). SSM was used to develop a hypothesis for action which revolved around 9 themes or desired transformations namely:

- *Further Strategy Deployment* - creating a shared purpose, values and vision in Stores.
- *Leadership Development* - transformation of managing people as 'resource' or 'objects' to creating the conditions for unique contribution at all levels.
- *Induction of all new staff* - ensuring all new employees, including casuals, are properly inducted into the Truworths culture.
- *Increase the relative importance of training as an operational activity* - planning and integrating staff development and training into store operational activities.
- *Improve training and development resources* - updated material, more equipment and more specialist support required.
- *Change the training and development approach* - interactive, modern, practical, exciting methods and resources are needed.
- *Include casuals in training process* - an increased ratio of casual staff means that to maintain and improve service levels they must be trained.
- *More communication and involvement* - employees and managers express the need to feel part of what is happening, and request to be more involved in intervention that they implement.
- *Improved career and succession planning* - improved processes for identifying and developing internal staff would motivate staff and improve retention.

The deductive phase defined the suggested practical interventions in more detail and predictions regarding implementation of the hypothesis. The purpose of this phase is to have predictions against which to compare actual

results. In summary it was predicted that progress needed to be made in all the suggested interventions and that failure or poor application in one 'theme' could negatively impact the overall desired transformation of employees ability to provided improved customer service.

The inductive phase examines and compares the actual results or observations to predictions made. It is noted that implementation is still ongoing, and is an iterative process, however it is important to continually assess and review progress.

Progress can be summarised as follows:

- Further Strategy Deployment - creating a shared purpose, values and vision in stores. All employees and managers in stores have been exposed to the new strategy. Surveys indicate that the majority see it in a positive light and believe in the new direction.
- Leadership Development - this is an area which the research has highlighted is a potential leverage area. The desired transformation from principally a 'command and control' style to an influencing and enabling leadership style is not yet entrenched and requires more exploration. The opportunity to build on Covey's "Principle Centred Leadership" and integrate it with the Business Philosophy was identified, but still needs to be explicitly actioned.
- Induction of all new staff - from a logistics point of view programmes have been developed that are aligned to the new strategy. Application is generally good for permanent staff, but the induction of casual staff is still inconsistent in many divisions.
- Increase the relative importance of training as an operational activity - planning and integrating staff development and training into store operational activities. This is an area that was not implemented until recently (July 1998) and is still problematic. Training and development on the whole is still a neglected activity in stores although recently 4 (out of 6) of the divisions have instituted a plan to create time in stores for team development and communication.
- Improve training and development resources - a fair amount of progress was made with regard to new programmes and an additional 'specialist' trainer supporting stores. A backlog of required programmes, however, is still a concern regarding improved material for store managers. Video or

PC based training is also still not a possibility, due to lack of this type of equipment in stores.

- Change the training and development approach - feedback and observations of the use of new material is extremely positive. The practical, interactive new material is well regarded and utilised. More support resources of this nature are requested, particularly for store manager.
- Include casuals in training process - an increased ratio of casual staff means that to maintain and improve service levels they must be trained. This is an area that has had a major detrimental effect on service standards. Poor co-ordination and management of the casual pool and lack of attention to casual training has resulted poor levels of service, which research indicates is in the main from casual staff. Staff turnover amongst casuals is also very high and feedback indicates that it is made worse by inconsistent recruitment practises and poor staff scheduling.
- More communication and involvement - deliberate efforts to involve different stakeholders in developing training interventions has resulted in positive feedback and well utilised resources. Observations indicate that where there was less involvement, more 'rework' and poorer implementation resulted. Improved communication was an area where little was done, other than to build improved working relations and networks between the T & D department and divisional offices. This is still an area for improvement in the future, and is still an issue in the Field.
- Improved career and succession planning - improved processes for identifying and developing internal staff would motivate staff and improve retention. As discussed this was only tackled in the latter part of the research and observable results are not as yet available, although feedback from those that are involved in the process is positive.

Overall the inductive phase revealed that:

1. A greater emphasis is needed on leadership development and creating the conditions for employees to consistently attain the desired purpose;
2. Involving different stakeholders in the improvement process, and using interactive processes and methods, has resulted in improved resources and commitment of those involved;
3. Improved co-ordination and continual observation, through 'audits', research and feedback, is required to check if proposed changes are

espoused rather than implemented, and to establish constraints or blocks to the desired changes.

4. A clear strategy and actions to manage and train casuals who form a large percentage of the service staff and serve at peak periods needs to take priority.

This has resulted in a modified hypothesis, for action which it is proposed, should continue with all the identified themes, but focus more specifically on the leverage points mentioned.

Implementing and utilising the enquiry model has highlighted for me the importance of completing the full enquiry cycle.

Using SSM in the abductive phase resulted in an interactive training needs analysis and an hypothesis which was based on multiple perspectives. It also highlighted differences in perspectives between various groups and potential problems to implementation. It also encouraged learning and as predicted by Checkland those most involved showed the most learning and commitment to change initiatives (the idea of a Lockean Community see 3.1).

The deductive phase is as stated one of the most neglected in management and essential if one is to assess whether predictions have translated into observable results or if the hypothesis needs to be modified or rejected. It also highlighted that, as Revans states, management objectives are subjective desires, aims and values, but that they should be clearly stated and unambiguous from the outset.

The inductive phase resulted in some 'surprise' observations and highlighted where application of the hypothesis was not translating into action. It also emphasised the importance on ongoing and continual co-ordination and auditing on the part of management to ensure the desired results are being attained and to assess constraints or lack of action.

The enquiry model, based on explicit methods, and underpinned by Peirce's pragmatist philosophy, injected rigour into management learning and actions. Without such an explicit model I would have not gained the insights and learning outlined and be a lot less critical of expected Vs actual results. SSM also provided a powerful framework for involving different perspectives, which in itself was an innovation and powerful means of gaining commitment and ideas to improving T & D in stores at Truworths.

PART 3

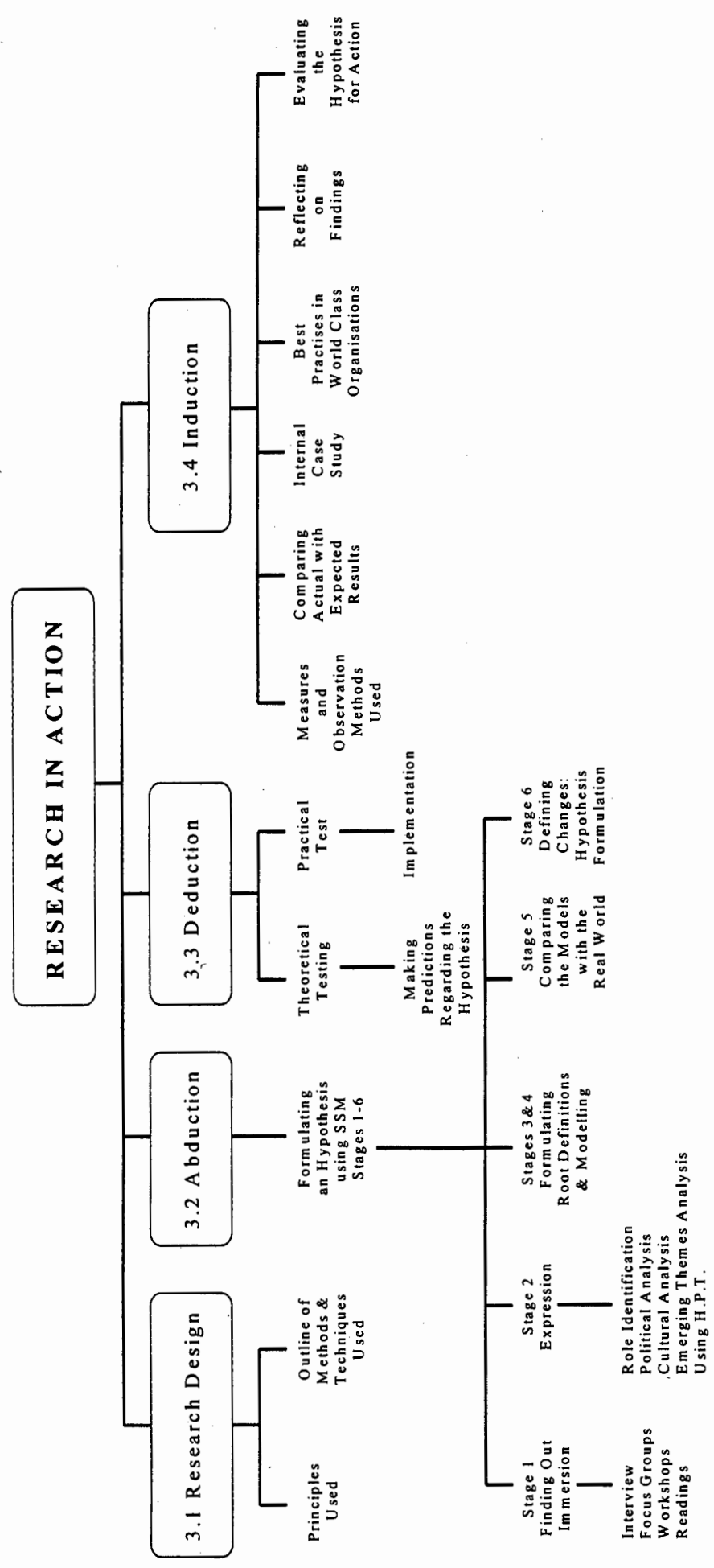


Figure 41: Logic Tree of Part 3: Research in Action

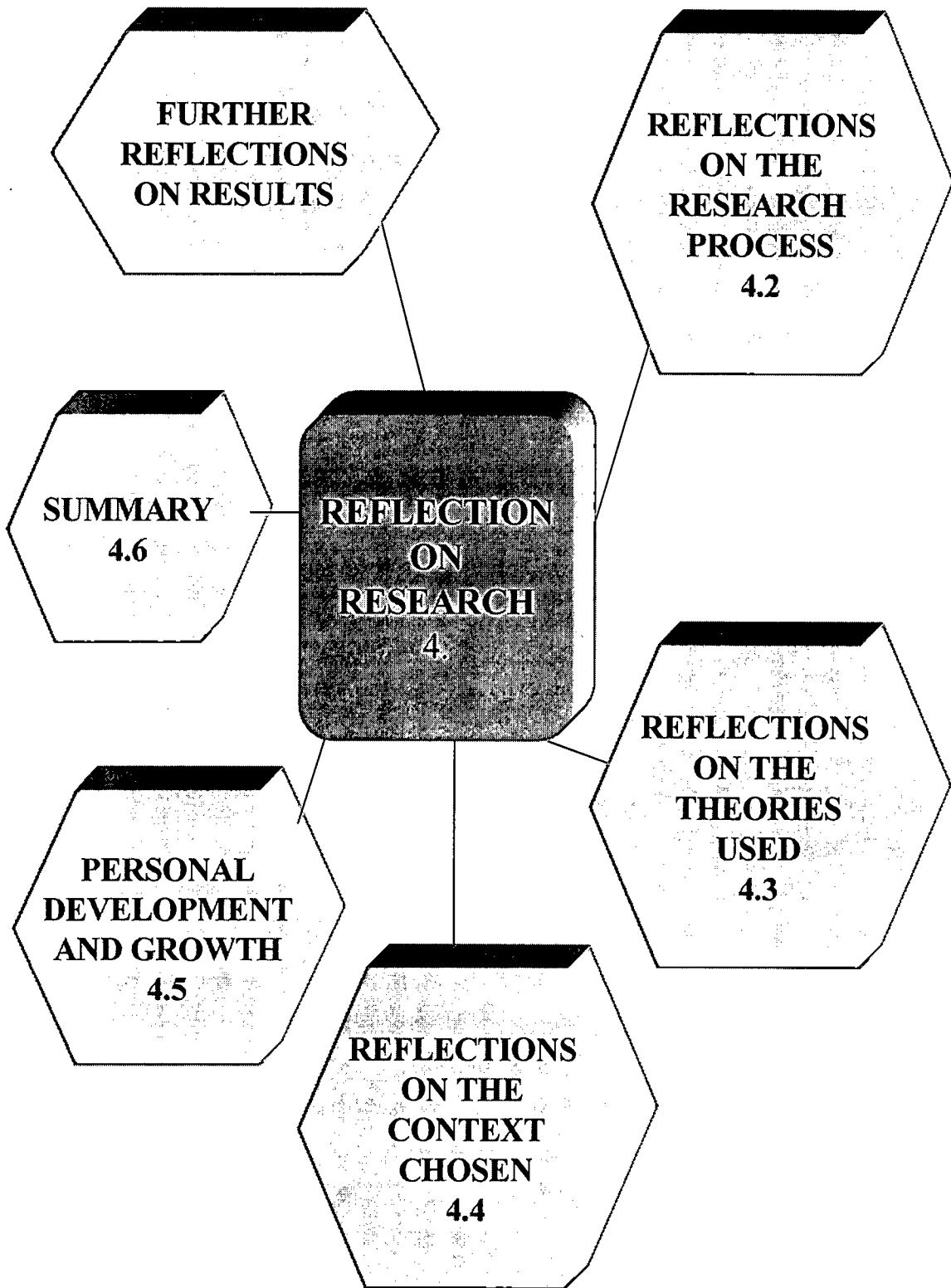


Figure 42: Part 4: - Reflection on Research

## 4. REFLECTIONS ON RESEARCH

In the previous part the actual applied research and application of the enquiry framework was described. Part 4 concludes this paper by reflecting overall the on the research undertaken. The content covers the following main points:

Further reflections on the results and suggesting proposals going forward. It is a continuation of the reflections undertaken in part 3 which is part of the actual enquiry framework and process.

Reflections on the process used, including the enquiry framework, its development, the 3 main phases within the framework and the iterative nature of enquiry.

Reflections on the relevant theories used including systems thinking and its methods.

The benefits and roles of the various parties within the research context is then explored further.

Finally, my own personal growth and development is briefly looked at.

## 4.1 Further Reflections on Results

Reflection is part of the enquiry model, therefore it has been covered in detail in Part 3. This section seeks to summarise the main points and further proposed actions going forward.

Overall improvements and significant progress was made with regard: to involving stakeholders in improving the T & D resources and identifying needs; changing to a more practical, interactive style of learning and training; clarifying roles and developing a new performance management process aligned to the new strategic direction; creating the means to be able to induct all staff; and communicating and creating a shared language for the new strategy, namely the Truworths Business Philosophy.

Areas that were problematic, and \ or require more attention were: the management of the casual pool; consistent recruitment and training of casuals; planning and integrating training into everyday stores operational activities; and leadership development. Career and succession planning has only recently received significant attention, and although a new process is in place and mentors have been identified and trained, it is too early to observe results.

It is proposed that to further improve the situation and co-ordinate improvements in all the various interventions, so that significant and consistent service levels are attained throughout stores operations the following should be done:

*Leadership Development:* forums or workshops should be created to debate and develop the desired leadership style centred on creating conditions for contribution and moving away from a purely command and control style of management. This should be reinforced by training and development focussed on principles, methods and techniques that support this type of leadership.

*Casuals:* urgent attention should be paid to ensuring the correct calibre of casual staff is recruited and retention is improved through providing enough working hours per casual through improved scheduling. Induction and basic training should also become a non negotiable and scheduled into the planning processes in stores and divisions.

*Customer Service Training:* ongoing reinforcement customer service training should be reinstated using practical, interactive training methods.

*Planning and Integrating Training into Stores Operations activities:* time for training should be scheduled into stores and divisions planning (e.g. set hours

## PART 4 - REFLECTION ON RESEARCH

per week). In addition new resources should continue to encourage the integration of training activities and projects into the work situation and use the 'buddy system' to encourage peer training.

*Involvement:* positive results indicate that greater involvement generates commitment and improved output. It is proposed that more emphasis be placed on involvement processes e.g. cross functional teams and interactive planning.

*Communication:* an opportunity still exists to improve consistent and ongoing two way communication in stores. It is proposed that processes be looked at to action this area particular in view of the increasing number of casuals, extended working hours and democratisation of society in general, which is creating a workforce with greater expectation of being kept informed and having the right to challenge decisions.

*Career and Succession Planning:* the ground work has been done with regard to setting up new processes, however with Affirmative Action playing an increasing role, challenges going forward involve the successful mentoring and development of these candidates, and managing potential obstacles identified (e.g. threatened white managers, lack of challenge, promotional opportunities and market opportunities for this group of managers).

*Training and Development Approach:* changes to a more practical, interactive approach has been very successful. Depending on the speed of computer updates in stores opportunities may present themselves to take this even further using technology and P.C. based methods of training. This however is a more medium to long term proposal (3 to 5 years hence), compared to the suggestions above which can be initiated in the next year.

## 4.2 Reflections on the Research Process

The development of the enquiry model, was in itself an important process. Viewing enquiry from different perspectives and synthesising a model that was then applied, clarified the importance of a scientific method of enquiry focussed on all aspects of management: finding out and developing an action plan (abduction), reflecting and making explicit expected results (deduction) and evaluating results (induction). I found that having to deliberately go through each phase highlighted the importance of the need for more rigour in management.

The abductive phase utilised SSM which encouraged an interactive and multiple perspective view of identifying training needs and the development of an hypothesis for action. This I found to be a particularly useful method as it created a structured and methodical means of sweeping in perspectives and modelling alternatives. For me this resulted in a much richer understanding of the situation and the various analysis served to surface the political, social, organisational, and individual perspectives. It also highlighted the dynamics ingrained in structures of power and how these influence practical interventions. The constraint revolving around, who to involve in a large organisation is difficult to overcome, and those more involved definitely learnt the most and developed shared mental models of thinking. For me this is an area I would like to explore more fully and questions come to mind on what other methods one can use to reduce this problem and create less of a gap between those involved and those that are not, or less involved.

The deductive phase is often glossed over in management. Making predictions is essential to the process of enquiry. Without predictions real learning, thinking and improvement does not take place, to the detriment of the organisation and stakeholders involved. This can be an intimidating process for the 'faint at heart' or in a culture where 'errors' are not accepted or encouraged.

The inductive phase was for me a very important step and highlighted the need for a more detailed assessment of results revolving around soft issues such as people management and customer service. Within the Organisation hard issues such as sales, profits, stock-losses, stock turn etc. are reviewed regularly (daily, weekly, monthly etc). Soft issue are not under the same scrutiny and hence are often fall on the 'back burner', for example customer service results have taken a long time to surface as problematic. Soft issue are also more difficult to evaluate and hence managers are often tempted to discredit poor results as being the result of the measuring process (which can be the case), but instead of

looking for alternative sources for confirmation of the 'poor' results they get ignored. Having to look at results from a variety of measures and creative sources has highlighted for me the importance of more regular and serious evaluation of service and human performance issues in the Organisation.

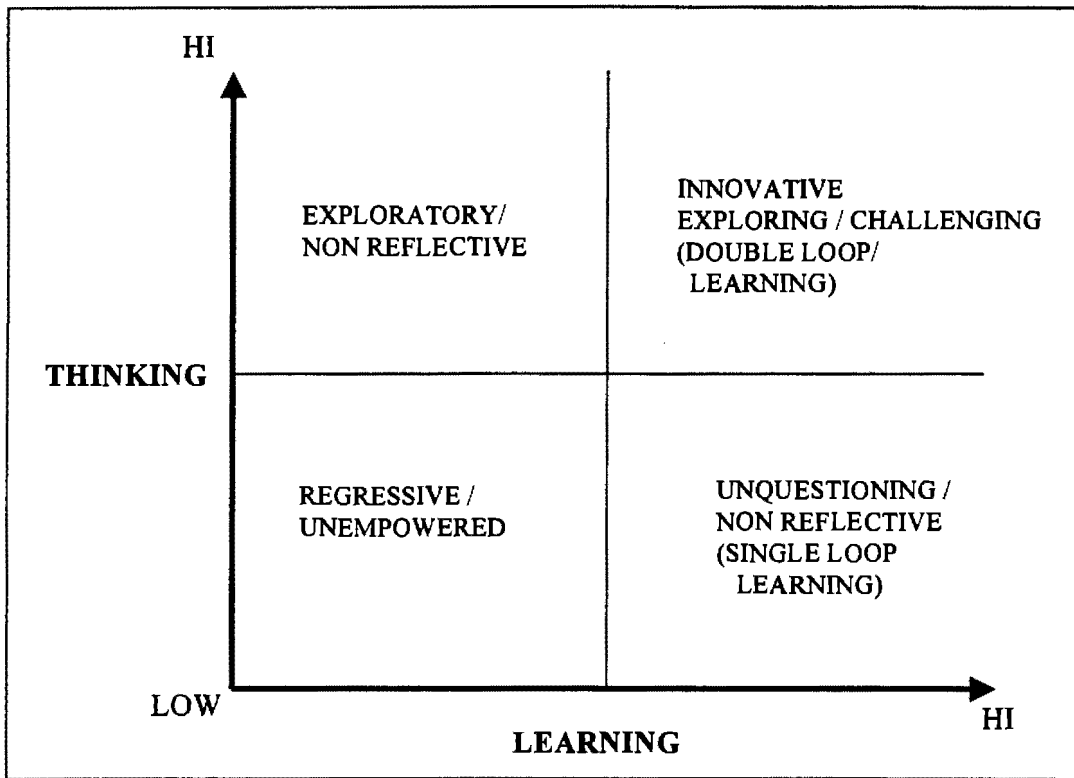
Iterative enquiry was also for me a powerful concept that stressed the never ending nature of enquiry and improvement required in organisations and for that matter, on a personal or individual level.

### 4.3 Reflection on Relevant Theories Used

#### 4.3.1 Peircian Philosophy and Methods

The thinking of Peirce, as a philosophy underpinning the model, has highlighted for me the danger of methods of enquiry and thinking that do not involve observation. Much of management thinking, especially that revolving around 'soft' issue can tend towards the *a priori* mode of fixing belief i.e. based on logic that is assumed to be true as it is based on a the logic of a group or individual, rather than from experiences or observation. This in itself can be a starting point, particularly when one is trying to innovate, but the danger lies in not observing the results thereafter and comparing them to predictions, made when the thinking or intervention is applied. Truworths is very good at evaluating and testing innovative ideas with regard to merchandise, and I believe that an opportunity exists to take this thinking to customer service and human resource management issues. A concern exists that statements such as *'we are beyond learning and are now a thinking organisation'* shows a lack of understanding of the relationship between learning, thinking and innovation. Recently the thinking in this regard has expanded and one of the Director expressed the relationship, which has until now been expressed in linear terms (learning on one end of the continuum and innovation on the other) in the manner depicted in figure 43.

Peircean philosophy also guards against the 'management evil' of arrogance and \ or apathy that often results in organisations (particularly successful ones) as he stresses the concept of fallibilism and that all knowledge (and certainty) is only provisionally held, until observation or experience proves otherwise or cast doubt on the belief held. For me this is a critical point of difference with many other management philosophies that try to 'sell' their solution as the 'way' or 'truth', a panacea for problems facing organisations.



**Figure 43: Relationship between learning and thinking**

#### 4.3.2 Reflection on Other Theories Used to Develop the Enquiry Framework

Minto and Ryan's work served as a powerful framework that was used as a basis for the stages of the developed framework (situation - concern - question - theory - mental test - practical test - compare - reflect - evaluation). What I found particularly useful was that the stages were much more detailed and explanatory than the more simple models for example Handy's (question - answer - test - reflection) or Shewhart (plan - do - check - action).

Chris Argyris theory of espoused Vs actual theories and his concept of single and double loop learning, highlighted for me the importance of observing *actions* and *results* rather than purely listening to what is being espoused. The transformations that are taking place within Truworths, require a significant change in thinking (mental models), and observation serves as a means to check whether the transformations are taking place and if the 'mental models' espoused are translating into action and that double loop learning is taking place.

Revans highlighted for me the similarities and difference between scientific methods and management enquiry. His idea to parallel a method mainly used in science and using it to enquire in management was adopted and

found to have great relevance, although he does not make explicit the philosophy he is working to in his method, which the model developed seeks to do by using Peirce's thinking. He also makes the point that management objectives are more subjective in nature as they are based on a point of view and that these should be declared up front. He maintains that scientific objectives are more objective and observable in nature, which has some merit although it could be argued that whenever man is involved some sort of interpretation takes place, which has a subjective nature to it and hence both science and management should define their aims up front so that they can be scrutinised and challenged.

### 4.3.3 Reflections on Systems Thinking and its Methods

Getting to grips with utilising *both* analysis and synthesis in thinking and enquiry has not been an easy process for me, and has highlighted how dominate analytical thinking has become, at the expense other modes of thinking. In addition the understanding that systems thinking is in itself a model and not reality serves as a reminder of the need to continually evaluate and reflect on our thinking and actions.

The models based on systems thinking were found to be particularly useful as they encouraged a holistic and broad approach to the problem situation. SSM for example served as a method for drawing in multiple perspective and moving to a more democratic approach in deciding on training and development interventions. I believe that within the democratisation of South African, culture organisations ignore a multiple perspective approach on a problem at their peril. Introducing interventions without at least understanding different perspectives, even if the organisation decides to ignore a certain perspective, will result in unexpected resistance to and possible undermining and failure of proposed intervention. The interactive nature of SSM has also highlighted for me the opportunities for team learning, thinking and synergy. Within the Organisational context examining the purpose of a defined system, its sub-systems and their purpose is part and parcel of current strategy deployment. Examining desired transformations Vs what was happening in reality served to highlight required changes and interventions.

Ackoff highlighted to me the importance of viewing systems which involve people as social systems and hence as having choice. The importance of feedback and control mechanisms within a system further highlighted the need for measures to determine performance against specified criteria.

## **4.4 Reflections on the Context Chosen**

### **4.4.1 Benefits of Choice**

The decision to utilise this research to learn about the new organisation I had joined and to focus on Stores Operations where my first projects were focussed was a good one. Utilising a rigorous approach suggested by the Method of Science, was of real value as it encouraged a level of detail, thinking, enquiry and investigation that is not normally applied in everyday management. The context was largely unknown to me, and utilising an interactive model of enquiry such as SSM, encouraged me to view the situation from many different perspectives, at all levels. The normal induction process or management interventions at Truworths (and most organisations) is generally more management perspective focussed and hence SSM encouraged a broader approach. 'Action Research' has its frustrations as being part of the process is challenging and at times frustrating. However, constantly having to evaluate thinking, results, solutions and checking them against theories, models and other involved parties, resulted for me in increased learning for myself personally, but I believe also improved interventions and constant evaluation of results for issues within my circle of influence, for the Organisation.

### **4.4.2 Broader Context of Research**

The content of this research was primarily focussed on stores operations, however the new strategy is aimed at transforming the whole organisation. Merchandise departments have undergone substantial changes in terms of fashion forward strategies and improved processes. On the leadership and people management side, a similar deployment of strategy, to that described in the research is taking place, and is hoped will further drive the improvement process going forward. The same applies to credit services where profound changes in leadership have already taken place as well as innovation in technology and strategy, with good results.

Learning that took place during the deployment of strategy in stores is now been looked at to facilitate the process at head office, for example, greater leadership involvement and ownership of the clarification of roles (purpose) within the broader context of the Business Philosophy.

#### **4.4.3 The Role of the T & D System**

On reflection of the role of the T & D System, it became apparent to me that many of the players are still trying to clarify their purpose within the context of the new strategy. A problem still appears to be a lack of synergy and co-ordination between the different players. Some cross-functional improvement projects have been successfully initiated, and results have been promising. With improved synergy I believe that the T & D service providers could dramatically improve the resources and service to stores, with resultant improvements in their ability to serve external customers.

#### **4.4.4 The Role of the T & D Department**

The T & D Department's role has changed in the last two years and has gained recognition in its ability to support change initiatives. This has brought with it additional challenges, as although another training facilitator has joined the team, demands for improved service and support throughout the business has also increased.

I believe that the challenge facing our role in the organisation is to find ways to increase our ability to improve resources at a more rapid rate, focus on the leverage points described earlier and to act as custodians of leadership principles and organisational values. T & D can also encourage greater co-operation and cross-functional synergy within the T & D system, not only serving stores operations, but all facets of the business. There is also an opportunity for innovative thinking and to research what other 'World-Class' players are doing. This would not be for the purpose of copying them but to harness best practices into our own culture and operating style.

Senior management however are ultimately responsible for ensuring that the conditions are in place to facilitate the desired transformations and to constantly monitor that potentially conflicting objectives, policies and measures don't detrimentally undermine the overall purpose of the Organisation to become a 'World-class' competitor in the fashion retailing field. This will not be an easy task taking into account the current state of the economy, both locally and globally. Innovative thinking and strategies will be required not to reduce costs at the expense of the desired transformations.

#### 4.5. Personal Development and Growth

One always expects to grow from further education and my expectations have not been disappointed. What has been for me important is that learning and enquiry took place within the context of my work. My ability to enquire, critically evaluate and think has been greatly enhanced by systems thinking, the development of a framework for enquiry and researching and reading about different approaches in management.

A challenge I am still facing on an ongoing basis is to find means to share learning and thinking with stakeholders, at all levels, without ‘scaring’ off people with academic language. Many of the models and methods are very accessible if communicated in such a manner and I am utilising and applying them in many of our training programmes and facilitation sessions with success. I have learnt however to read the receptivity of those involved and to avoid creating a barrier through unknown (and for some) threatening language and concepts.

Knowledge and methods however are always incomplete and such a course further emphasises how little we know. This however is exciting in itself as enquiry, learning and thinking critically about the past, present and future is a never ending journey.

#### 4.6 Summary of Reflections

The process of enquiry undertaken has been both a learning experience for me personally and I believe of benefit to the Organisation I work in. This part finalises this paper by reflecting on all the main aspects of the research and how the theories used, process, context, and applied research has resulted in greater understanding of the training and development needs and interventions within the overall Organisational transformation currently taking place.

It is however important to remind oneself that due to the iterative nature of enquiry and learning the very process of intervening and seeking to improve a situation, brings with it new challenges and perceptions and hence one is in a new problem situation which needs to be improved. Reflection helps one to ‘stand still’ and take stock of the learning, before moving on, which is what has been attempted in finalising this paper.

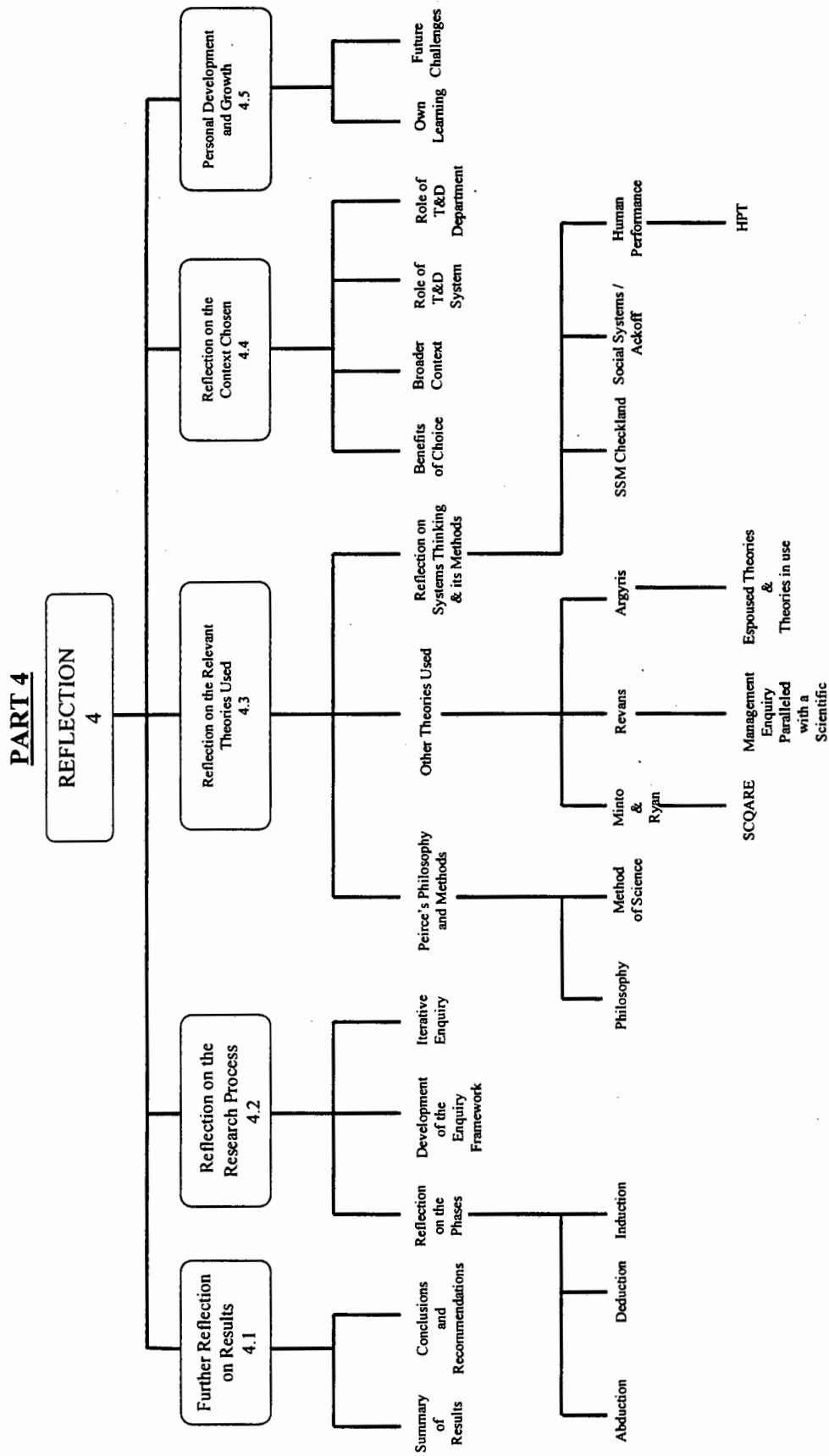


Figure 44: Logic Tree of Part 4: Reflections on Research

## 5. APPENDICES

### 5.1 Summary of Michael Mark M.D.'s Explanation of Made in the World from "The Look" magazine for customers

#### **M**ADE IN THE WORLD:

YOUR QUESTIONS ANSWERED (From THE LOOK MAGAZINE, VOL. 2 SUMMER 1996)

*Some common questions asked by customers and staff about Made in the World are answered by our Managing Director - Michael Mark:*

***Q. Why "Made in the World" ?***

**A.** This is Truworth's way of challenging the customer to judge us not by the standards of other local fashion retailers, but rather by their perception of International Standards. We are striving to bring the customer a fashion retail experience that is as good as you would find anywhere in the world, not just in South Africa.

***Q. What is meant by "International Standards"?***

**A.** Truworths is committed to providing our customers with internationally inspired fashion, which is of international standard, in both style and quality. Everything in our store should give customers the feeling that they have entered an exciting, international fashion environment, with International service standards.

***Q. Does Truworths import a lot of the fashion it sells?***

**A.** Not at all. Our local South African manufacturing industry produces 85% of the fashion merchandise found in our stores. By using our own expertise and in-house skills together with the experience and professionalism of our manufacturers, we are able to produce goods that meet the high standards of our "Made in the World" requirements. This is what we mean by "Made in the World, perfected in South Africa".

***Q. What happens to Truworths over the next five years as we move into the 21st century?***

**A.** We have a close association with a major chain store in Australia (Sportsgirl), and have displayed some of our merchandise, technology and attitude to service the Australian customer. Our Truworths stores in Dubai and Bahrain compete with major retailers from all over the world and we are exploring other international opportunities such as Tunisia and Chile. We feel that the Truworths formula is exportable worldwide, but we never want to lose sight of the fact that our base, our significance, is South African.

## 5.2 Summary of Covey 7 Habit - Basis of "Principle Centred Leadership" Workshops

### THE SEVEN HABITS OF HIGHLY EFFECTIVE PEOPLE

#### HABIT 1 : BE PROACTIVE

Action based on self-chosen values rather than circumstances or feelings

#### HABIT 2 : BEGIN WITH THE END IN MIND

Actions arising from a pre-determined and thought out mission or purpose

#### HABIT 3 : PUT FIRST THINGS FIRST

The ability to focus on the important things and to say "no" to the unimportant no matter how urgent they are

#### HABIT 4 : THINK WIN-WIN

Do I seek mutual benefit in all interdependent relationships?

#### HABIT 5 : SEEK FIRST TO UNDERSTAND, THEN TO BE UNDERSTOOD

Do I avoid autobiographical responses and instead faithfully reflect my understanding of the other person before seeking to be understood?

#### HABIT 6 : SYNERGY

Do I value different opinions, viewpoints, and perspectives of others when seeking solutions?

#### HABIT 7 : SHARPEN THE SAW

Am I engaged in continuous improvement in the physical, mental spiritual and social / emotional dimension of my life?

### 5.3 An Example of one Interview (of 21) - SSM Stage 1: Finding Out

#### Interview 9 - Store Manager

Believes Made in the World has made a big difference to the appearance of stores and merchandise. Service has also improved but a lot can still be done to improve in general.

#### **Opportunities for improvement:**

##### **Training manuals and material are out of date.**

None of the new philosophies are included (MITW etc.).

Stores measures are not understood by stores staff properly e.g. ROAM, ROS.

Tips on how to sell successfully i.e. how to encourage customers to buy once they have asked for assistance.

No time for training during stores times.

No recognition for going the extra mile in terms of customer care etc.

Shortage of manuals and the difficulty in getting manuals quickly.

No manuals for specialised functions e.g. cosmetics, jewelry.

Manuals very task oriented, do not explain WHY.

No casual training manual or system - they get no formal training.

##### **Facilities and support to train are inadequate.**

No training aids available e.g. flipcharts, room, video

New Stores Managers struggle to find-out exactly what the training procedure is due to lack of guidance (manual on procedures).

Manuals are in short supply and take a long time to arrive once ordered from head office.

##### **Time to train is inadequate.**

Stores are currently measured on turnover, shrinkage and the mind-set in stores is to concentrate on activities such as hanger counting (stock take). It is difficult to avoid doing these activities, they have to be done but this leaves little time for training.

Many activities that have to happen in stores e.g. merchandising, new procedures, routine duties, stock control, security etc. Training which is a long term activity then takes the back burner.

##### **Poor communication within stores.**

Many Stores Managers do not communicate regularly and effectively to staff on important issues such as the fashion file, new events etc. Weekly meetings and should be mandatory and be made interesting. Noticeboards should also be used more effectively.

### **Suggestions for improvement:**

#### **Communication and ownership:**

Stores Managers can use many techniques to encourage ownership. An idea she uses is that she gives each employee a file. In this file they keep a copy of the fashion file for their area. The fashion file can also be put on the notice board. In some stores the fashion file is a dead document that is not used sufficiently. Targets for the area are also put in the file and on the noticeboard. Open discussion should take place between staff and manager on reasons for meeting or not meeting targets. Good performance should also be praised. Stock loss sheets are treated in the same way. Staff want attention and information on how they and the store are doing.

The point made is that communication and creating ownership via concrete means goes hand in hand. Stores Managers are responsible for encouraging this with their Area Manager.

#### **Updated Training Manuals:**

Create a basic booklet for casuals to ensure they have the basic information they need on the first day they start.

Manuals should be clear and easy to read.

Include all the new material and initiatives (MITW).

Include material on how to sell, once the customer asks for help.

Emphasis of the manuals must be on why and how (currently mainly how).

Introduce specialist modules e.g. cosmetics, jewelry.

#### **Process of Training**

Introduce a 'buddy' system to assist the trainee.

Encourage exercises such as 'mystery shopping' competitor stores to discover for themselves what customers want.

Involve Area Managers in monitoring training process.

Do more centralised training at divisional office.

Ensure Stores Managers (particularly new ones) are competent to train and know Truworths processes.

#### **Casual Training**

Introduce a casual training programme - 1 day overview at divisional office.

Treat casuals the same as permanent staff e.g. give them the same information and training within the store.

#### **Recognition**

Look at ways to recognise both the individual and team in stores e.g. employee of the month get a long week-end off.

Regular feed-back in relation to targets and how well staff is doing.

Succession planning is important as part of regular assessment so that employees know the opportunities available to them and how they can get there.

## 5.4 An Example of one Focus Group (of 8) SSM Stage 1: Finding Out Area Managers (Johannesburg Division)

### Strengths:

- Basic training structure is in place to build on.
- Made in the World, striving for better standards.
- Good company reputation.
- Customer oriented Company.
- Covey programme is excellent.
- RDP for Area Managers was very useful.

### Weaknesses:

- Cross training is difficult with staff assigned to a particular area
- Manuals are too detailed.
- Business Philosophy - e.g. Values are not integrated in the training material.
- Lack of consultation regarding training needs at grassroots level.
- The reasons or why - is not explained in training sufficiently. "Told what to do without the why".
- Performance System is not effective e.g. :

⇒ Performance discussion (PD) is seen as clinical.

⇒ Performance is not reviewed regularly.

⇒ Performance is seen as an event.

⇒ Format of PD at the lower levels is out of date.

⇒ PD processes is not used as a developmental tool.

⇒ PD is seen as a money related issue only.

⇒ Purpose and use of PD is not understood by stores management and staff.

⇒ Reward is not linked to PD, but because they are generally done at the same time staff think they are.

- Lack of qualified trainers to support divisions.
- Supervisors and many Stores Managers lack the skills to train.
- Shortage of resources results in a slow process of training throughout the division.
- Stores managers are not all good trainers.

### Opportunities:

- Use sales assistants and stores managers to re-write stores training material.
- Educate managers on how to train, facilitation skills and general people management.
- Improve communication (Edgars broadcasts training on TV). Investigate Africa Growth Network.
- Put sales material on the internet and update via centralised point at Head Office (realise this is longer term as Truworths has not got the facilities in stores yet).
- Pilot the satellite link, currently being used for music, for transmitting training material.
- Focus on structures to encourage empowerment and ownership in the stores.

## APPENDICES

- Mentorship programmes and support training for mentors at all levels needed.  
Example: Ernst & Young have a programme where the supervisor or manager of a trainee or employee being developed meets with the trainer once a week to discuss progress and plan activities.
- Introduce a 'buddy' system to support and encourage training. "Each one teach one" idea.
- Make training fun by involving groups and using different ways to train.
- Workshops for lower level staff in stores on topics that would broaden their understanding on fashion and service.
- Develop training material on a broader range of issues to train.
- Language skills for staff.
- Video and book list to be sent out more regularly.

### **Blocks (CONSTRAINTS):**

- Lack of resources.
- Volume of things to do and improvements required in stores (overload, confusion).

### **Proposed actions in the next 3 months:**

- Introduce the new induction programme.
- Divisions to assist with the update of manuals.
- Implement casual training programme.
- Christmas booklet for casuals.

### **Proposed actions in the next year:**

- Continue with rolling out Covey.
- R.D.P. for Store Managers should be implemented.
- Introduce a measure of cross-training in the form C report.
- Update PMS to include Industrial Relations and Train the Trainer.

## 5.5 Training Needs Analysis - Report on Proposals

### *REPORT - TRAINING & DEVELOPMENT NEEDS IN OPERATIONS OCTOBER 1996*

#### **Current situation:**

In order to establish the training needs for operations at Truworths, 8 brainstorming sessions, and more than 20 interviews were conducted at all levels, in all divisions. The main points have been summarised in this report for the purpose of future planning and proposals regarding the improvement of training in the field.

The format used in the brainstorming sessions was that of a modified SWOT, namely a SWOB, which stands for Strengths, Weaknesses, Opportunities and Blocks (or constraints). Blocks (or constraints) was found to be a more useful term and more accessible to all levels than threats.

The focus is on looking for areas where we can improve, hence the emphasis on weaknesses and opportunities.

The **main themes** that consistently surfaced in the brainstorming sessions and interviews are summarised as follows:

- ◆ **IMPORTANCE OF TRAINING:** increasing the relative importance of training as an operational activity, contributing to the importance of the business and the vision of achieving 'international standards'.
- ◆ **MANAGEMENT SKILLS:** a need for people management, facilitation & training skills, including mentoring schemes (particularly for disadvantaged groups) for all levels of management.
- ◆ **RESOURCES:**
  - ◇ A need to create time & space for training
  - ◇ Updated, interesting, practical training material required
  - ◇ Equipment - e.g. video recorders are in short supply
  - ◇ More skilled training specialists required to support line management
- ◆ **COMMUNICATION & INVOLVEMENT:** harness ideas at all levels to improve operations and service to our customers. Improve communication structures and methods.
- ◆ **COMMITMENT TO INTERNATIONAL STANDARDS-** continue on this path.
- ◆ **CASUALS -** require the same input as permanent staff
- ◆ **COVEY & LAPIN PROCESS:** continue & expedite sharing processes

## APPENDICES

### Main challenges for training & development- proposals

Training and development is one of the parts of the overall strategy to improve and remain ahead of the competition. All "World Class Companies" have to look at the development of their staff AND the supporting environment, systems and structures as a whole, to achieve sustained improvement in standards of service and product.

The interviews and brainstorming sessions have highlighted a need to improve field training, as part of the overall drive to attain international standards.

The following proposals are derived and condensed from the interviews and brainstorming sessions held, and are listed below: *It must be emphasised that we are in a dynamic business and that these actions may be modified according to prevalent business needs.*

Proposals	Actions
<p><b>INTENSIVE FOCUS ON MANAGEMENT TRAINING:</b> In order to continue with line driven training, managers &amp; supervisors require a lot of input. Facilitation, training, coaching and people management skills need to be developed.</p>	<ol style="list-style-type: none"> <li>1. PMS programme to be expanded and updated, including new modules e.g. facilitation, train the trainer etc.</li> <li>2. As part of the Covey &amp; Lapin processes, a comprehensive management skills programme needs to be developed.</li> <li>3. Peer Group Training: Phil McInness, Fred du Plessis and June Griessel met with a Canadian consultant, at the end of October 1996, to explore the concept of Peer Group Training as a method of developing skills and reinforcing learning. Initial information proved positive and further investigations will be conducted.</li> </ol>
<p><b>FOCUSED, PRACTICAL TRAINING:</b> Ensure that you are training skills required for the job and culture of the organisation. Competency based training (Key Results Areas or K.R.A.s) gives a framework to encourage this type of training.</p>	<ol style="list-style-type: none"> <li>1. Feedback from the field received on 'Stores Guide to Selection &amp; Development', which is K.R.A. based, has been positive.</li> <li>2. These competencies \ K.R.A.s will be applied in all training developed for the field in future.</li> </ol>
<p><b>RESOURCES:</b></p>	
<p>◇ Time &amp; Space: should be created to ensure training takes place consistently and timorously.</p>	<ol style="list-style-type: none"> <li>1. Each division to look at creating a set time per week in stores dedicated to train staff.</li> <li>2. Divisions to plan a time-table to ensure basic training takes place e.g. induction, checkout for assistants etc.</li> <li>3. Each store to create a space for training with the necessary equipment. Canteens or offices could double as training venues. Large stores to ensure a flipchart is available.</li> </ol>
<p>◇ Training Material: Updated, interesting and practical training material required.</p>	<ol style="list-style-type: none"> <li>4. Suggest that the first priority is material for <i>all</i> the new starts (permanent &amp; casual), particularly the Sales Assistants, due to the number of people impacted.</li> </ol>
<p>◇ Equipment: video recorders &amp; TV s in all stores or at least the large stores, with a larger pool at divisional offices. Head Office to take note of number and spread of stores, when supplying training material e.g. videos, training guides and liaise with divisions.</p>	<ol style="list-style-type: none"> <li>5. Request to be made to Management Committee to make budget provision for TV \ Videos.</li> </ol>
<p>◇ Trainer(s):</p>	<ol style="list-style-type: none"> <li>6. T &amp; D (training &amp; development) now has a dedicated Training Officer for the field.</li> </ol>

## APPENDICES

	Trainer to link up with individuals or teams responsible for training in each division to optimise support.
<p><b>COMMUNICATION &amp; INVOLVEMENT:</b> harness ideas at all levels to improve operations and service to our customers. Improve communication structures and methods:</p>	<ol style="list-style-type: none"> <li>1. VIP services lead team currently looking at improving communication in general.</li> <li>2. Pilot a training task team to co-ordinate and improve training in a division together with Training Officer at head office.</li> <li>3. Divisions to raise the awareness and encourage regular daily, weekly, monthly communication in stores via Stores Management. (Relates to time &amp; space issue)</li> <li>4. T &amp; D to include communication &amp; involvement skills, which is part of facilitation skills in the updated PMS and /or new courses being explored.</li> </ol>
<p><b>LAPIN &amp; COVEY PROCESSES:</b> Management, in the divisions, all believe that the sharing of the vision, moral theory (purpose) and values is critical.</p>	<ol style="list-style-type: none"> <li>1. Covey: programmes to continue as per budget plan. Two further courses are budgeted for in 1997.</li> <li>2. Lapin: a programme to communicate the Business Philosophy is being finalised and will be communicated to the field shortly. Pilot sessions are in the processes of being conducted.</li> </ol>

### Summary:

In summary, the interviews and brainstorming sessions were productive and well supported. Training & Development are clearly important issues in the field, there is a general concern that training has become neglected and the time is right to re-address the balance in priorities.

The proposals are put forward for discussion purposes and to highlight the current situation of training as perceived by field management and employees.

An appendix is attached with a condensed summary of the SWOB done in the various divisions.

**APPENDIX TO REPORT:**

**Summary of SWOB condensed from brainstorming sessions and interviews:**

**STRENGTHS:**

*Areas Truworths are good at and should be built on, when looking to improve training.*

**Made in the World (MITW)** - managers and staff alike were found to be excited and positive about MITW. There was however confusion at the lower levels, at times, as to its meaning. To quote one group of Stores Managers "Made in the World is excellent and we should build on it and integrate it in all training."

Managers believe the **culture and values** at Truworths, as expressed by Covey training, should be built on.

The **basic** training material it was felt could be used as a foundation to build on e.g. PMS, sections of the stores manuals, although they were regarded to be out of date.

**Administrative processes and procedures** are well documented and kept up-to-date.

**Customer Service training** material, as produced by VIP services, is very good, creative, interesting and relevant. (Major concerns were raised about the current constraints with regard to effectively using the material.)

Truworth's **good name** in the market, both with customers and prospective employees, is seen as a major strength.

**Listening to customers** through mystery shopping, focus groups and other research methods.

## WEAKNESSES

*Areas that did not support or contribute to international standards from a training perspective.*

**Training material & process:** stores manuals and management courses are extremely out of date. None of the new principles and philosophies are included. Material is boring with little use of interactive and applied learning (too theoretical). A variety of mediums e.g. video was recommended.

The checkout or assessment procedure, as currently followed, encourages rote (learning off by heart) rather than practical application.

**Training resources:** this was divided into 3 main areas:

**Time:** training is currently not seen as a priority, training sessions are repetitively postponed, training is not urgent so it does not get done, stores management and staff have a lot to do with all the new implementations.

**Equipment & space:** video machines are in very short supply (or some sort of visual medium like a satellite link) which holds back creative programmes, like those presented by VIP on customer service training. An area, with a flipchart or white board, is not available in the majority of stores, although most stores have a canteen area which could be basically equipped.

**People:** all divisions were supportive of line taking responsibility for training, but felt that the trainers available to support them were not sufficient, with the training backlog and current business growth.

**Involvement & communication:** stores staff expressed an interest in greater communication in general regarding the Company and activities. Staff and management also believed that they had a greater contribution to make with regard to suggestions for improvements, but that there were not adequate channels and/or they were not always taken seriously. More consultation would facilitate and improve new implementations.

**Refresher and re-enforcement training:** currently very little was available and some staff have received very little input for years.

**Casuals:** a critical area that must be addressed, with the move to a smaller core staff complement. Currently most casuals receive little or no training, are not always involved in stores briefs, are treated inconsistently between divisions in a number of ways, e.g. wages, induction, training etc.

**OPPORTUNITIES:**

*All weakness, are opportunities for improvement, however to stretch the groups further other opportunities, outward looking were encouraged. Opportunities are also areas where some progress has been made that should be capitalised on.*

**Video or in store satellite links:** using technology to reach the whole of the organisation, was suggested as a visual means to reach all employees.

The majority of staff believed **Learner Directed Training** was useful and a practical way to train. Some staff, however, were extremely concerned that the training was not working at present and so had a negative belief about the method in general. Others stated it was more a function of other factors, listed under weaknesses and blocks, that was stopping effective training.

**Made in the World:** the excitement of striving for *international* standards should be part and parcel of all training initiatives.

**Service differentiation:** "The competition is sleeping ... " is how one group of stores managers expressed it. Service in South Africa is generally poor, although it is fast improving. Training was seen as an important way to equip staff to give a better service.

Take a **greater holistic look at providing service** e.g. relation between product, systems, operations structures, and service provider.

**Induction:** a great need was expressed for timely induction for all new staff. This is in the process of being addressed.

**Management & supervisor training:** PMS is very highly regarded, but is out of date. Facilitator, team building, training, coaching, and industrial relations skills and knowledge are required in addition. New managers and supervisors it was felt did not get input when required, as PMS could only be run infrequently (twice a year).

**Measurement:** managers have in the past not been measured for the development of their staff. "What gets measured, gets done ..."

**BLOCKS OR CONSTRAINT:**

*"Factors that are hindering, constraining or threatening the successful development of staff to provide superior service to customers."*

Perception of training as relatively unimportant, in relation to other activities, at all levels.

Lack of resources - time, people and money.

Multiple activities that have to be prioritised.

Old mind-sets (paradigms) that must change.

## 5.6 Developed Principles for Training and Development Department

*The T & D Department met over several months to develop and explore their contribution to the business, in the context of the Business Philosophy. The following is the shared understanding of the desired contribution.*

The T & D Department aims at creating a learning environment in which all Truworths employees are enabled and encouraged to meet their prime (positional) contribution and to individually make an unique contribution. To achieve this, all T & D interventions will endeavour to adhere to the following principles:

### Contribution, Reciprocation and Ownership

- ❑ Empower staff through competency based development programmes to enable them to confidently deliver their prime and unique contributions.
- ❑ Facilitate individual ownership of learning and development through structured programmes and assessment processes.
- ❑ Recognise and reward outstanding achievements in development through accreditation and certification.

### Communication and Involvement

- ❑ Recognise and involve Truworths 'experts' (employees and managers at all levels) in the development and delivery of T & D solutions.
- ❑ Provide a framework for two way communication on training and development achievements and needs.

### Presentation, Content and Delivery

- ❑ Ensure user friendly and easy to facilitate programmes for implementation by line managers.
- ❑ Utilise learning methodologies which enable unique contribution to learn and develop.
- ❑ Ensure an innovative and adventurous approach to T & D material and programmes.

### Standard and Measures

- ❑ Promote a culture of first class performance.
- ❑ Benchmark against international standards using top organisations performance and achievements.
- ❑ Monitor development progress through recognised assessment and feedback methods.

## 5.7 Questions Used to Get Feedback from Stores on T & D Progress

### SURVEY - STORES OPERATIONS

STORE: \_\_\_\_\_ SPOKE TO: \_\_\_\_\_ DATE: \_\_\_\_\_

#### STRATEGY DEPLOYMENT (BUSINESS PHILOSOPHY):

How are you implementing the Business Philosophy?

Do you use the new Roles in Stores? If yes how are you using them?

What do you think of the new PD process?

#### INDUCTION:

Are all your staff including casuals being inducted?

How are you inducting both permanent and casual staff?

#### INCREASING THE RELATIVE IMPORTANCE OF TRAINING AS AN OPERATIONAL ACTIVITY

How many times a week do you do hanger counts?

How often do you have a group training or communication session in your store?

Tell me about the last 3 workshops you held in your store

#### TRAINING & DEVELOPMENT APPROACH

What do you think of the 'New Recruits Workbook', 'Selection & Development Guide', (any of the new training programmes)?

How do you (how are) workshops and individual training done in your store?

#### CASUALS

Have all your casual staff received the 'New Recruits Workbook'?

Do you train your casual staff? If yes, explain how?

#### COMMUNICATION & INVOLVEMENT

How do you (your store) communicate and action Mystery Shopping Results?

How informed do you feel about 'What is Happening' in Truworths?

What issues do you feel you would like to be more involved in?

## 5.8 Truworth 1997\8 results from Newspaper Report

Thurs 20/8/98

## Truworthis International's first results show growth

Samantha Sharpe

RETAIL group Truworthis International lifted headline earnings 13% to 34,1c a share in the year to June, its first set of results since listing on the Johannesburg Stock Exchange in May this year.

The growth was accompanied by a capitalisation share award, which included a discount of 7% on the weighted average trading price of the four days up to and including October 1, or a cash equivalent.

Group CE Michael Mark said the latest results reflected growth in headline earnings of 11% for its SA operating company, Truworthis, while Australian operation Sportsgirl showed a "reasonable" 12-month

profit of A\$2,02m.

"Sportsgirl's merchandise has been vastly improved and some stores refurbished to create a far more positive shopping environment.

The core business is stable and I am confident we now have the basics in place for Sportsgirl to meet its minimum target of 6% earnings before interest and tax, as measured against sales, within the next two to three years.

"With an assessed tax loss of A\$96m, the contribution to Truworthis International's bottom line could then be substantial," Mark said.

On the group's SA operation, Truworthis, Mark said this had grown headline earn-

ings 11%, which reflected a continuation of its historic earnings growth of more than 10% a year for the past 13 years.

"Although real interest rates are at a record high, Truworthis has managed to maintain profits through similar scenario's in the mid-1980s and early 1990s and our intention is to continue this pattern.

"Buying patterns show that our customers are still significantly more influenced by our merchandise selection than an increase in interest rates, especially as more than 80% of credit sales are six-months interest free.

"We are not exposed to high finance costs of stock and debtors because the business is totally ungeared," Mark said.

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