

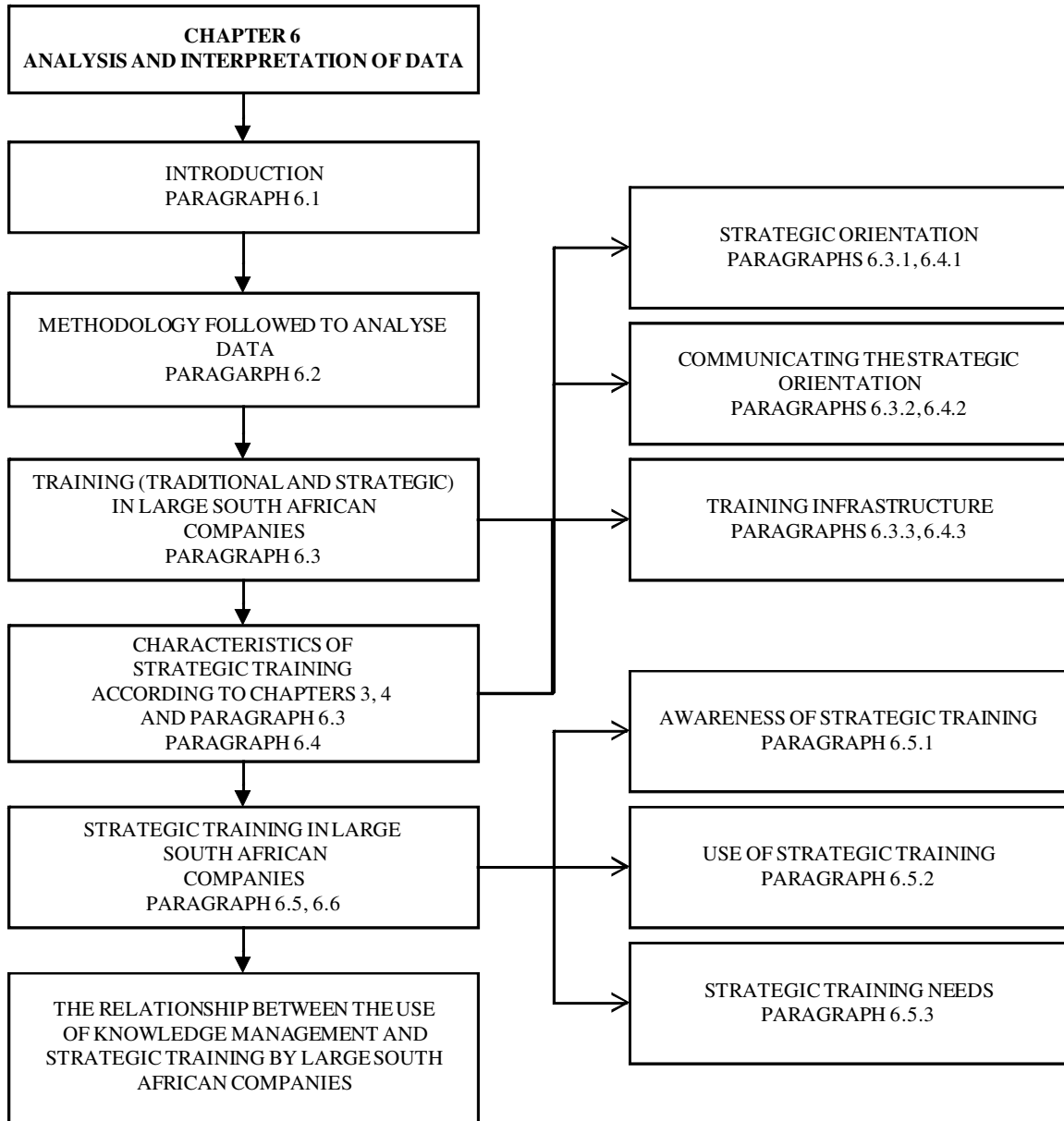


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CHAPTER 6

ANALYSIS AND INTERPRETATION OF DATA

GRAPHICAL REPRESENTATION OF CHAPTER 6



6.1 INTRODUCTION

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

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

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

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

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

- The training infrastructure [See paragraph 6.3.3]

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

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

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

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

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

6.2 PHENOMENOGRAPHY

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

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

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

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

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

6.2.1 Phenomenographic analysis

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Table 6.1 Phenomenographic analysis

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

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

6.3 THE MANIFESTATION OF TRAINING IN LARGE SOUTH AFRICAN COMPANIES

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

The manifestation of training is studied in terms of:

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

6.3.1 The strategic orientation of companies

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

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

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

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

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

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

6.3.1.1 *The nature and scope of the strategic orientation*

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

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

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

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

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

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

Table 6.2 The strategic orientation of companies

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

6.3.1.2 Cause of change in the strategic orientation

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

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

6.3.1.3 Frequency of change in the strategic orientation

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

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

- Ten years (Company A)

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

6.3.1.4 The strategic orientation of companies and training

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

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

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

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

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

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

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

6.3.2 Communicating the strategic orientation

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

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

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

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

6.3.2.1 Communicating the strategic orientation and training

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

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

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

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

6.3.3 The training infrastructure

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

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

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

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

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

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

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

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

6.3.3.1 The nature and scope of training programmes

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6.3.3.2 Corporate universities and other training units

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6.3.3.3 External providers of training

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

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

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

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

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

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

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

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

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

6.3.3.4 Involving executives and managers in training

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6.3.3.5 The instructional methods and media that enable training

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6.3.3.6 The effectiveness and relevance of training

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

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

The reasons why companies (15/24) regard their training as effective and relevant are:

- Companies A, D, R indicated that they regard the training of executives and managers as effective due to the substantial “*financial investment*” which companies make in the training of executives and managers. Companies A, D and R are of the opinion that the training offered to executives and managers are effective since these companies spent large amounts of money on the training of executives and managers.
- Company (D) that manufactures chemical products indicated that the training offered to executives and managers is effective and relevant because “*the company is successful.*”
- The training is *integrated* with existing business processes and thus “*relates to the performance of the executives and managers of the company.*” (D, V).
- Company D explained that training is effective because executives and managers indicated that they had “*a positive experience*” of training in the company.
- Company F that manufactures cement indicated that training is effective and relevant since it offers executives and managers “*a holistic or broader perspective*” on their responsibilities.
- “*Yes, because it is cost effective and we use empirical studies to link impact of technical training to shareholder value. Impact of sales training to enhanced performance on sales.*” (J).
- A company (M) in the motor vehicle industry indicated that training is aligned with particular outcomes to be achieved. “*Executives and managers must thus be able to apply the skills they acquired through training successfully in the performance of their jobs.*”



- A company (O) in the packaging industry is of the opinion that training is effective and relevant because “*it is designed and developed by curriculum committees.*” The company regards the involvement of curriculum committees in the design and development of training programmes as an indication of the effectiveness and relevancy thereof.
- A manufacturer (R) of electronic equipment is of the opinion that training is effective and relevant because the implementation of research projects conducted during “*training resulted in a 20% profit for the company.*”
- Companies K and T explained that training is effective and relevant because executives and managers “*successfully completed the training courses which are offered to them.*”
- Companies G and W indicated that they regard training as effective and relevant since it is “*based on an analysis of the training needs*” of executives and managers.
- A company (W) in the telecommunication industry indicated that training is effective and relevant because “*its content is revised regularly and thus reflects changes in the strategic orientation of the company.*”

From the above-mentioned reasons it is evident that some companies (15/14) regard their training as effective and relevant. It seems as if the effectiveness of training is interpreted in terms of both quantitative (6/24) (cost of training, increase in profitability, number of executives and managers that have successfully completed the training) and qualitative (9/24) (performance of executives and managers, positive experience, a holistic perspective, application of skills) measures, however few companies (2/24) indicated that they regard training as relevant due to the fact that it is aligned with the current but more importantly the emergent strategic orientation of the company and thus have an effect on the current and emergent competitiveness of the company. Training is regarded as

effective if it has an influence on the current job performance of executives and managers and as relevant if it is aligned with the current strategic orientation of companies. Only one company (W) in the telecommunications industry indicated that training is effective and relevant due to the fact that it reflects the strategic orientation of the company.

A respondent involved with a business school (Company Z) at a South African university is of the opinion that large South African companies offer training programmes of a high quality to executives, managers and employees: “Great corporate [training] programmes are available like those offered by Companies I, J and V.”

The methods which companies use to assess the effectiveness and relevance of training include:

- A company (A) in the mining industry uses the “*360° assessment method*” but also takes into cognisance the “*promotion rate*” of managers that underwent training.
- “*Evaluation of learners on commencement*” of the training and the “*evaluation of both the learners and the trainer or facilitator on completion*” of the training (E, H, K, T).
- The “*application of newly required skills*” by executives and managers and/or “*an improvement in the current performance of managers*” (D, F, O, T, V).
- A financial institution (G) measures the effectiveness and relevance of training by using indices such as a “*client satisfaction index*” and a “*staff satisfaction index.*”
- The use of the “*balanced scorecard*” (G, P, R).
- “*Interviews*” are conducted with learners on completion of training (J, X).

- A brewery (J) conducts empirical studies to measure “*the effect of training on the return the shareholder gets*” on his investment in the company.
- A company (X) in the telecommunications industry determines the effectiveness and relevance of training based on a formula in terms of which the following factors are taken into account: “*value and importance of the job skill, number of trainees, performance improvement, training effectiveness, duration of training, application of skills in job setting, benefits of training and amount of investment in training or the cost of training.*”
- A supplier of electronic equipment (R) has found a method of determining “*the value of projects that are undertaken as part of training.*” This company found that these projects result in a 20% return on investment for the company.
- A company (W) in the telecommunications industry measures the effectiveness and relevance of the training offered to executives and managers in their company through a method that is based on a variation of the Donald L. Kirkpatrick model (1998) for evaluating training. The method used by Company W consists of the following levels:
 - Level 1 Reaction of the learner: “If training is going to be effective, it is important that students react favorably to it.” (Global Learning Alliance and Knowledge Advisors, [2003]).
 - Level 2 Learning that has taken place: “To determine if the learning transfer occurred.” (Global Learning Alliance and Knowledge Advisors, [2003]).
 - Level 3 Application of knowledge and skills in the workplace: “In other words, what change in job behavior occurred because people attended a

training program?” (Global Learning Alliance and Knowledge Advisors, [2003]).

- Level 4 Impact of learning on the company: “Look at the business results that accrued because of the training.” (Global Learning Alliance and Knowledge Advisors, [2003]).
- Level 5 Return on investment: The measure “... of perceived value” of training for the company. (Global Learning Alliance and Knowledge Advisors, [2003]).

In addition to the afore-mentioned methods which companies use to assess the effectiveness and relevance of training the ASTD Global Network South Africa study (2003:39) indicated: “In response to the question on training evaluation methods used by organizations, 72% of respondents indicated that they use reaction evaluation, in other words the typical “smile sheets” in which learners indicate the extent to which they enjoyed the training programme and the perceived value thereof.”

It is thus clear that companies make use of a diverse range of methods to assess the effectiveness and relevance of training. However, Companies K, O, Q and T indicated that they find it difficult to assess the effectiveness and relevance of training as articulated by Company O which is in the packaging industry: “One wishes and hopes that your bottom line will improve. We do not have a way of measuring the effect of the actual training” as well as a company (U) in the information technology industry: “We do not measure the return on investment of training we only measure bums on seats.”

Companies D, F, O, T, V, X, W indicated that they assess the effectiveness and relevance of training in terms of the current job performance or application of knowledge and skills in the workplace by executives and managers. Few companies (5/21) are aware of the alignment that should be present between the emergent strategic orientation of companies and training and the influence of training and specifically the strategic training of

executives and managers on the manner in which the emergent strategic orientation of companies is formulated and eventually implemented and the continued competitiveness of companies.

Against the backdrop of the foregoing, the researcher came to the conclusion that the majority of companies are unaware of the fact that the effectiveness and relevance of training should also be interpreted in terms of the alignment of training with both the current and the emergent strategic orientation of companies. The alignment of training with the strategic orientation of the company implies that:

- Training is regarded as effective if it prepares executives and managers in terms of the skills and knowledge which they need currently and in the future and is thus traditional and strategic in nature.
- Training is regarded as relevant if the content of training programmes reflect the current and the emergent strategic orientation of the company.

Regarding the methods which companies use to assess the effectiveness and relevance of training it seems as if companies assess training in terms of its effect on the current performance of executives and managers and not in terms of the effect of training on the emergent strategic orientation of the company. Training is measured in terms of its effect on work performance and not on its effect on strategic processes and specifically the formulation and implementation of the emergent strategic orientation of the firm. However, McCracken and Wallace (2000b:286) as well as Lee (1996:71) are of the opinion that the absence of methods to assess the effectiveness of strategic training should not be regarded as a lack of strategic human resource development and consequently also strategic training since the absence of these measures can be regarded as a sign of a mature company. Therefore, the absence of methods to assess the effectiveness of training should not be regarded as an indication of the lack of strategic training in large South African companies [See paragraph 4.4.4.1].

6.3.3.7 *Training the value chain*

In question 4.10 companies were asked whether they provide training to their value chain and the nature and scope of training offered to the value chain [See Annexure B]. The value chain of a company is regarded as all role-players that add value to the company namely, clients, suppliers, distributors, representatives, dealers, agents, contractors, vendors and manufacturers of the products of the company. Question 4.10 was included in the questionnaire since the value chain of companies has valuable knowledge regarding the external strategic environment of companies. It is therefore important that the value chain of companies is included in the training of executives and managers regarding the current and the emergent strategic orientation of the company. The inclusion of the value chain of the company in the training of executives and managers is regarded as managing the knowledge of the value chain to the benefit of the company. The purpose of the question was to ascertain whether companies make use of training to share knowledge with their value chain regarding the factors present in the four (known, knowable, complex and chaos) domains of the strategic environment of companies. The responses to this question enabled the researcher to determine whether large South African companies include their value chain when knowledge processes are performed by means of training [See Chapter 2].

In response to question 4.10 large South African indicated that they provide training to three types of external groups and/or institutions, namely:

Provincial and local government authorities as well as communities and schools: Training is given to provincial and local authorities as well as communities and schools as part of companies' social responsibility. The training is mainly aimed at teaching learners basic life skills and/or management skills such as financial management. The training is thus not of a strategic nature (A, C, G, H, M).

Clients, contractors, suppliers and vendors: The clients, contractors, suppliers and vendors of Companies D, F, J, K, S, W and X are trained in terms of the products and services the company provides. However, this training focuses on the use of particular

products and services and does not entail training in terms of the strategic orientation of the company. A company (S) in the information technology industry has a training centre, which offers training in information technology to companies that are clients of this company as well as other companies that have a training need in terms of information technology. Company S explained: “The client has a specific environment in which the need to up-skill the administrator is recognized, they will look at the selection of our courses and the price list and then identify a relevant course – we have no knowledge of their business strategy what so ever. However, Company S is not a corporate university we exist as a result of our clients and not as a result of our organisation.”

Other companies: A diversified international industrial company (P) and a manufacturer of electronic equipment (Q) indicated that they offer technical training in the maintenance of a particular product to employees of other companies as well as employees of their clients. Companies P and Q explained that it is often more cost-effective if a local company or representative is responsible for presenting training to other companies in terms of the maintenance and use of a product that is manufactured abroad.

Five companies (N, O, T, U, V) indicated that they only provide training to their own executives, managers and employees.

The responses to question 4.10 indicated that value chain of large South African companies is seldom included in any training offered by companies to their executives and managers. The importance of companies including their value chain in training arises from the fact that the value chain forms an integral part of the external environment in particular and thus of the strategic environment of companies. Value chains are often knowledgeable regarding essential changes required in the services, products, processes, procedures and working methods of companies and thus provide valuable inputs to companies. These inputs should be reflected in both the emergent strategic orientation of companies and the strategic training offered to executives and managers. Similarly the value chains of companies must be made aware through training of the manner in which services, products, processes, procedures and working methods change.

Against the backdrop of the foregoing, the researcher came to the conclusion that large South African companies have not succeeded in providing training and strategic training in particular to their value chain. This is apparent from the fact that the training offered by Companies D, F, J, K, P, Q, S, W and X to their value chain is technical in nature and focuses on the products and services which are currently offered by these companies. The training does not focus on emergent products and services. Although it is clear that companies are aware of their social responsibility towards authorities, communities and schools they are less aware of the contribution their value chain could make to the training of executives and managers in terms of the emergent strategic orientation of the company.

6.4 STRATEGIC TRAINING *VERSUS* TRADITIONAL TRAINING IN LARGE SOUTH AFRICAN COMPANIES

It is evident from the above-mentioned discussion on the manifestation of training in large South African companies that the training offered to executives and managers differs between companies. Differences are found in terms of a variety of aspects such as the nature and scope of training programmes, the use of corporate universities and training units, the involvement of executives and managers in training and many other aspects as explained in paragraph 6.3. In addition to these aspects it is also evident that companies differ in terms of the use of two different types of training processes, namely a traditional and a strategic training process to enable executives and managers to perform strategic processes.

A synthesis is therefore presented in paragraph 6.4 on the use of strategic training (emergent strategic orientation) as opposed to traditional training (current strategic orientation) by large South African companies. The aim of this synthesis is to present an overview of the characteristics of strategic training as discussed in Chapters 3 and 4 and to present additional characteristics based on the responses of the large South African companies which make use of a strategic training process and which were included in this

study. The absence or presence of these characteristics in large South African companies serve as an indication of the use of strategic training by large South African companies. The knowledge of companies regarding the concept “strategic training” and the use of a strategic training process including the strategic training needs of executives and managers will be further elaborated on in paragraphs 6.5 and 6.6.

This synthesis is based on an analysis and interpretation of the literature on strategic training (Chapters 3 and 4) and data on the manifestation of training (traditional and strategic) as discussed in paragraph 6.3. The synthesis focuses on the same aspects as paragraph 6.3, namely: The strategic orientation of companies, communicating the strategic orientation and the training infrastructure of large South African companies.

6.4.1 The relationship between the emergent strategic orientation of companies and strategic training

The emergent strategic orientation of companies is highly customised according to the factors present in the external and internal strategic environment of companies. Although similarities may exist between the emergent strategic orientation of companies the manner in which the strategic orientation of companies manifests in training programmes depend on the specific manner in which companies wish to operate within a particular industry in future. This implies that strategic training should be customised to the specific needs of the company and should be aligned with the emergent strategic orientation of the company.

An equal number (10/24) of large South African companies indicated that their strategic orientation changes on an annual or *ad-hoc* basis depending on the dynamic nature of the industry in which companies are situated. However, strategic training cannot only be offered on an annual or *ad-hoc* basis since executives and managers are involved in strategic processes on a continuous basis. This implies that a strategic training process should be continuous in nature. Executives and managers should be proactively prepared

for changes in the strategic environment of companies if a strategic training process is continuous in nature.

Companies are more focused on the external factors than on the internal factors in their strategic environment which will have an effect on the strategic orientation of the company. Although it is necessary that companies should place equal emphasis on both external and internal factors a strategic training process implies that companies take cognisance of both external and internal factors but from the perspective of the effect of these two types of factors on the emergent strategic orientation of the company.

Characteristic of strategic training: Strategic training is aligned with the emergent strategic orientation of the company and is presented on a continuous basis to prepare executives and managers for changes in the external and internal strategic environment of companies.

6.4.2 Communicating the emergent strategic orientation

Companies make use of a variety of methods to communicate the strategic orientation to their employees. However, it is necessary that these communication methods are suitable in order to convey the emergent strategic orientation of the company to employees and thus also the effect of the emergent strategic orientation on the training of employees. A strategic training process should make provision for the involvement of executives and managers in the training of employees. The involvement of executives and managers implies that the manner in which the performance and training of employees are aligned with the emergent strategic orientation of the company are communicated to employees by means of the various communication methods used by companies.

Characteristic of strategic training: Executives and managers are involved in the strategic training of employees. This involvement should entail that executives and managers make use of the various communication methods in companies to communicate with

employees as regards the emergent strategic orientation of the company and the effect thereof on their performance and the training which will be offered to them.

6.4.3 The training infrastructure and strategic training

Large South African companies are characterised by a training infrastructure in the form of a centralised business unit governed by managers which are responsible for the development of the human resources of companies. The functions of these managers are enabled by training-related legislation and mechanisms.

Characteristic of strategic training: Managers responsible for human resource development identify the strategic training needs of executives and managers and make use of a suitable strategic training process to address the training needs of executives and managers.

6.4.3.1 Nature and scope of strategic training programmes

Companies provide training to executives and managers in terms of a variety of training programmes which address the development of the skills of executives and managers. This implies that companies can make provision for the training of executives and managers to address a diverse range of training needs. These training programmes should focus on addressing the strategic training needs of employees and in particular the needs of executives and managers involved in strategic processes.

Characteristic of strategic training: Training programmes address the strategic training needs of executives and managers.

6.4.3.2 Corporate universities and other training units

Large South African companies make use of internal training units (5/24) or corporate universities (9/24) to address the training needs of executives and managers while other companies (9/24) subcontract the training of executives and managers. Training units and corporate universities which provide training of a strategic nature to employees and in

particular to executives and managers should provide training which is aligned with the emergent strategic orientation of the company. Two local (South African) companies (D and W) (2/9) which make use of corporate universities were able to indicate that the training offered to their executives and managers is presented from the perspective of the emergent strategic orientation of the company. While none of the multinational companies (4/9) which make use of a corporate university or any of the companies (14/24) which make use of a training unit (5/24) or an external provider of training (9/24) were able to indicate that they present training to executives and managers in terms of the emergent strategic orientation of the company.

Characteristic of strategic training: Strategic training focuses on the emergent strategic orientation of the company irrespective of the type of training unit or corporate university which is used to offer this type of training. However, it seems as if companies prefer to make use of corporate universities to offer strategic training.

6.4.3.3 External providers of strategic training

The majority of large South African companies make use of external providers of training such as business schools and consulting firms to address the training or even parts of the training of executives and managers. The training offered to executives and managers needs to be customised according to the emergent strategic orientation of the company and thus necessitates continuous interaction between the company and external providers of training. The continuous interaction between external providers of training and companies will ensure that external providers of training develop an understanding of the factors present in the external and internal strategic environment of companies and can customise training according to these factors. [See Chapter 2]. Both the companies (D, W) which indicated that they provide strategic training to their executives and managers make use of the services of the business school of a local (South African) university.

Characteristic of strategic training: Companies ensure that external providers of training develop an understanding of the emergent strategic orientation of the company to

customise the training of executives and managers according to the factors present in the strategic environment of companies.

6.4.3.4 Involving executives and managers in strategic training

In the majority of large South African companies (15/24) executives and managers are involved in the training of employees although the nature and scope of their involvement varies. In the companies (D and W) which provide training to their employees in terms of the emergent strategic orientation of the company the executives and managers are extensively involved in presenting the perspective of the company or contextualising the content of the training offered to employees. Employees are therefore informed of the manner in which training is aligned with the emergent strategic orientation of the company and thus also the alignment between the emergent strategic orientation of the company and their work performance.

Characteristic of strategic training: Executives and managers are involved in training and present the perspective of the company on the training offered to employees.

6.4.3.5 The instructional methods and media that enable strategic training

Companies make use of a variety of instructional methods (teacher-centred versus learner-centred) and media (classroom-based versus technology-based) to present training to executives and managers. However, companies do not only make use of a teacher-centred approach but it is also evident that companies are aware of the importance of a learner-centred approach. A learner-centred approach to training is of particular importance for strategic training which requires interaction between the learner and facilitator due to the tentative and uncertain nature of the emergent strategic orientation of companies. Furthermore companies seem to prefer the use of classroom-based learning as opposed to technology-based learning and in some cases make use of technology-based learning to support classroom-based learning. This is due to the fact that strategic training requires "... a detailed understanding of the trends and how they will affect the company but also to facilitate open dialogue within the top team about what the future will bring (Becker & Freeman, 2006). It seems as if strategic training is particularly

enabled by a learner-centered approach to training supported by classroom-based learning.

Characteristic of strategic training: The nature of strategic training requires interaction and specifically dialogue between learners which can be enabled by means of a learner-centred instructional method and by making use of classroom-based learning supported by technology-based learning.

6.4.3.6 The effectiveness and relevance of strategic training

Large South African companies interpret the effectiveness and relevance of training in terms of quantitative as well as qualitative measures. Only one company (W) indicated that it is aware of the fact that the effectiveness and relevance of training should be measured in terms of the alignment of training with the emergent strategic orientation of the company. Training should be regarded as effective if it improves the knowledge and skills of executives and managers in terms of the emergent strategic orientation of the company and relevant if the content of training programmes reflects the emergent strategic orientation of the company. Furthermore companies make use of a variety of methods to assess the effectiveness and relevance of training programs. Although some authors (Lee, 1996:71; McCracken & Wallace, 2000b:286) are of the opinion that the dearth of a method to assess the effectiveness and relevance of training cannot be regarded as an indication of the absence of strategic training. However, if companies do make use of methods to assess the effectiveness and relevance of strategic training these methods should be measured in terms of the effect of strategic training on the ability of executives and managers to conduct strategic processes in terms of the emergent strategic orientation of the company.

Characteristic of strategic training: Strategic training is effective and relevant if it supports the emergent strategic orientation of the company. Furthermore, strategic training should be regarded as part of the strategic processes which take place in the company and does not necessarily have to be assessed in the same manner than traditional training.

6.4.3.7 Training the value chain and strategic training

The majority of large South African companies do not include their value chain in strategic training and thus knowledge processes are not performed as regards the factors present in the four domains of the strategic environment of the company. and which would influence the manner in which the emergent strategic orientation of the company is formulated.

Characteristic of strategic training: Companies include their value chain in strategic training in order for executives and managers to share in the knowledge of the value chain as regards the external strategic environment of the company.

Against the backdrop of the foregoing discussion on the manifestation of traditional and strategic training in large South African companies (paragraph 6.3) and the resultant synopsis on the characteristics which exemplify the absence or presence of a strategic training process (paragraph 6.4) in large South African companies it is evident that only a few companies make use of a strategic training process.

The second section of Chapter 6 therefore focuses further on the phenomenon of strategic training in large South African companies. In this section the knowledge of companies regarding the meaning of the concept “strategic training” and the use of strategic training including the strategic training needs of executives and managers in large South African companies are studied.

6.5 STRATEGIC TRAINING IN LARGE SOUTH AFRICAN COMPANIES

It is evident from the discussion on the manifestation of training in large South African companies as presented in paragraphs 6.3 and 6.4 that few (2/21) companies make use of a strategic training process to prepare executives and managers to perform strategic processes in terms of the emergent strategic orientation of the company. Three aspects

regarding strategic training were therefore studied in order to further explore strategic training in large South African companies. These aspects are:

- The knowledge or awareness of large South African companies regarding the meaning of the concept “strategic training” or training that is aligned with the emergent strategic orientation of the company [See paragraph 6.5.1].
- The use of training that is aligned with and thus supports the emergent strategic orientation of the company [See paragraph 6.5.2].
- The strategic training needs of executives and managers [See paragraph 6.5.3].

6.5.1 Awareness of strategic training

In question 3.2 respondents were asked to indicate whether they are aware of the concept “strategic training needs” [See Annexure B]. The purpose of this question was to ascertain whether respondents are aware of the fact that a strategic training process and strategic training needs and a traditional training process and training needs differ in the sense that strategic training focuses on the emergent strategic orientation of the company. The responses to this question enabled the researcher to develop an understanding of the level of awareness regarding strategic training that exist in large companies in South Africa.

Some of the responses to question 3.2 in which companies expressed their awareness of the concept “strategic training” are:

- A company (A) in the mining industry: *“Take strategy and strategic imperative of company and translate it into skills and competencies in order to compile a personal development plan.”*



- Company D which is a supplier of oil and gas: *“It must be done in an integrated manner or where do you want to go to? You need capabilities and competencies as well as a shared mindset and this must be driven by the necessary leadership.”*
- A financial institution (G): *“Company determines its strategic objectives and then determine what performance matches those strategic objectives. What are the training and learning requirements in order to improve the performance to achieve the objectives?”*
- A brewery (J): *“We would analyse our strategy and look at the competencies needed to execute strategy – one might also look at problem areas in the business or non-strategy related or systemic issues and individual needs.”*
- A company (K) in the pharmaceutical industry explained: *“Process according to which key performance areas are identified and then we have a personal development plan for each individual. The manager of the employee who knows the strategy of the company need to filter the strategy into these key performance areas and in the personal development plan for the employee. The personal development plan will indicate the manner in which the employee needs to develop over a specified period.”* Company K only provides training of a operational nature to employees and subcontract all other training to external providers of training. Although the respondent at Company K interpreted question 3.2 in terms of the operational training needs of employees it seems as if this company is aware of the fact that the strategy of the company should be translated into the training needs of employees.
- A diversified technology company (L) explained: *“Identify [strategic] objectives – do we have the skills in place? Analysis of competency levels in company. Areas are identified for improvement and we put processes in place to “up-skill” people. Competency assessments are done and a holistic view is developed of where the gaps are. We get input from the necessary bodies to put processes in*

place to close the gap. A year later another gap analysis is done to see if the gaps have been addressed. All development and training are going to give effect to your strategic objectives otherwise within your training program you do not have an audit system in place.”

- A company (O) in the packaging industry stated: *“You have to define for the [company] what are the competencies required – do we have the right people, knowledge and skill from a technical point of view as well as a non-technical point of view to drive the strategy. [Strategic] interventions are translated into development programs.”*
- A company (T) in the information technology industry explained: *“Redefining strategy and out of it develops certain training needs. After strategy formulation we must decide what the things we absolutely have to get right are or the critical success factors.”*
- A company (W) in the telecommunications industry explained: *“[It is] a process of identifying future and current capabilities and competencies required by the company to deliver business results. Identify new and emerging competencies and create career opportunities for employees in a fast developing ICT [information communication and telecommunication] environment. It draws on scientific methods of identifying new growth business areas, as well as business areas that are likely to become obsolete.”*

The responses to question 3.2 indicated that the majority of companies (21/24) are aware that the strategic orientation of the company must be translated into skills or competencies which executives and managers should have to be able to attain the strategic orientation of the company [See Table 6.4] . These skills and competencies must be acquired by means of training programmes which are offered to executives and managers.

Three companies (N, P, S) were unable to indicate the manner in which the current and the emergent strategic orientation of the company are aligned with existing training initiatives. This is illustrated by the following quote from Company N: *“It [training] is a process of evolution – often you do not need training and the experience of executives and managers will enable them to deal with the situation”*. Company N also indicated that: *“Executive management does not receive any training at all. They can go on training courses if they wish but there are no formal initiatives in this regard.”*

Although the majority of companies (21/24) indicated that they are aware of the concept “strategic training needs” it is evident from the responses that not all of these companies understand strategic training and strategic training needs as a training process and training needs which should be aligned with the emergent strategic orientation of the company. Companies seem to regard strategic training and the strategic training needs of executives and managers in terms of the current strategic orientation of the company and the training and training needs of executives and managers which are prevalent in the majority of large South African companies should therefore be regarded as traditional rather than strategic in nature.

It was therefore necessary to differentiate between companies (16/21) which interpret training as strategic because the training offered to executives and managers is aligned with the current strategic orientation of the company and companies which correctly interpret training as strategic because the training offered to executives and managers is aligned with the emergent strategic orientation of the company. Based on the responses to question 3.2 it was evident that only a few (5/21) companies are aware of the precise meaning of the concept strategic training and thus also strategic training needs. These companies are Companies C, D, Q, R, and W.

In Companies C and R research projects are conducted by executives and managers. These research projects form part of the training programmes which are offered to executives and managers. The topics of these research projects address strategic issues which are emergent in nature.

Company R: “Training is planned in close cooperation with Director: Group Strategy. He [Director: Group Strategy] identifies certain issues, which need to be analysed. A group of people (usually about five) will apply what they have learnt in theory to analyse the identified issue: “... *tell me what the issues are for this company next year*”. Groups get allocated a champion as well as a budget to enable them to conduct research. They have to produce results in report and presentation. Impact of study on company is calculated - 20% of projects proved to be of business value to company.”

Company Q: Company Q explained that it does not make use of a strategic training process however the respondent indicated that he is aware of the concept “strategic training”: “*At present there seems to be a lack with regards to strategic training. During the period when it went well with the industry there was no time for these types of things. It is only recently that enterprises have a long-term perspective and to prepare them for what is about to happen.*”

Companies B, F and X also indicated that they are aware of the meaning of the concept “strategic training”. However, Company B failed to explain the meaning of the concept sufficiently and Companies F and X interpreted strategic training in terms of the future provision of manpower. Companies B, F and X are therefore not regarded as companies which are aware of the meaning of the concept “strategic training” and thus also “strategic training needs”.

Although companies (5/21) might be knowledgeable or aware of the correct or precise meaning of the concept “strategic training” and the “strategic training needs” of executives and managers this awareness does not necessarily imply that companies make use of a strategic training process to identify and address the strategic training needs of executives and managers. It was therefore necessary to examine the nature of existing training programmes which are offered to executives and managers in order to further explore the use of strategic training or training which is aligned with the emergent strategic orientation of large South African companies.

6.5.2 The use of strategic training

In question 3.3 companies were asked to indicate if existing training programmes support the emergent strategic objectives of the company [See Annexure B]. The purpose of this question was to ascertain the manner in which existing training programmes are aligned with the emergent strategic orientation of companies. The responses to this question enabled the researcher to determine the extent to which companies align training programmes with the emergent strategic orientation of the company and thus the extent to which they make use of a strategic training process to identify and address the strategic training needs of executives and managers.

From the responses to question 3.3 it is evident that large South African companies are divided in four distinct groups regarding the alignment of their training with the emergent strategic orientation of companies and thus the use of strategic training to identify and address the training needs of executives and managers [See Table 6.4].

- Group 1: Companies D and W (2/21) which are aware of the concept “strategic training” and “strategic training needs” and make use of a strategic training process.
- Group 2: Companies C, Q and R (3/21) which are aware of the concept “strategic training” and “strategic training needs” but do not make use of a strategic training process.
- Group 3: Companies A, B, E, F, G, H, I, J, K, L, M, O, T, U, V and X (16/21) which are unaware of the concept “strategic training” and “strategic training needs” and thus do not make use of a strategic training process.

- Group 4: Companies N, P and S (3/24) which did not indicate the nature of alignment between the training and the strategic orientation of the company and thus also the nature of training offered to executives and managers.

The manner in which the above-mentioned four distinct groups of companies vary in terms of the alignment of the training programmes which are offered to executives and managers and the emergent strategic orientation of the company or the use of strategic training is subsequently discussed.

6.5.2.1 Companies which are aware of the concept “strategic training” and make use of a strategic training process

It seems as if the current training processes of two large South African companies (D and W) to a great extent provide for the training of executives and managers in terms of the emergent strategic orientation of the company.

A company that manufactures chemical products (D) explained: “...*where do you want to go to? You need capabilities/competencies as well as a shared mindset and driven by the necessary leadership.*”

A telecommunications company (W): “*The strategic human capital plan of the company entails: a process of identifying future and current capabilities and competencies required by the company to deliver business results. Identify new and emerging competencies and create career opportunities for employees in a fast developing ICT environment. It draws on scientific methods of identifying new growth business areas, as well as business areas that are likely to become obsolete.*”

6.5.2.2 Companies which are aware of the concept “strategic training” but do not make use of a strategic training process

The training programmes which are offered to executives and managers at Companies C, R and Q are not aligned with the emergent strategic orientation of the company and therefore not strategic in nature. However, these companies indicated that they are

familiar with the meaning of the concept “strategic training” or conduct research projects regarding strategic issues which are emergent in nature [See paragraph 6.5.1]. Although the researcher did not establish the precise reasons why companies C, R and Q decided not to make use of a strategic training process it can be assumed that the unique nature of strategic training as described in Chapters 3 and 4 can possibly be regarded as a contributing factor. In Chapter 7 the researcher therefore presents a framework for the implementation of a cyclical strategic training process to address the possible need for a training process of this nature by large South African companies which are familiar with strategic training but do not make use of this type of strategic training process.

6.5.2.3 Companies which are unaware of the concept “strategic training” and do not make use of a strategic training process

In paragraph 6.5.1 it was explained that a number of companies (21/24) indicated that the strategic orientation of the company must be translated into skills or competencies which executives and managers should have to be able to achieve the strategic orientation of the company. These companies are aware that the training programmes which are offered to executives and managers should be aligned with the strategic orientation of the company. From the responses to question 3.3 it is evident that a large number (16/21) of the companies which were included in the study are aware that training should be aligned with the current strategic orientation of the company. This exclude companies P, N and S which were unable to indicate the alignment between training and the strategic orientation of the company. However, a smaller number (5/21) of companies are aware that training should also be aligned with the emergent strategic orientation of companies. This lack of alignment between training and the emergent strategic orientation of the company implies that companies (19/21) do not make use of a strategic training process to prepare executives and managers for the factors present in the four domains of the strategic environment of companies [See Chapter 2]. Some examples of the responses of companies on the alignment between the emergent strategic orientation of companies and training are as follows:



- Company A: *“Take strategy and strategic imperative of company and translate it into skills and competencies in order to compile a personal development plan.”*
The company did not indicate the alignment between training and the skills needed by executives and managers based on the emergent strategic orientation.
- Company E: *“In most cases training relates to things that are currently happening.”*
- Company G: *“Company determines its strategic objectives and then determines what performance matches those strategic objectives. What are the training and learning requirements in order to improve the performance to achieve the objectives?”* The company did not indicate the alignment between training and the skills needed by executives and managers based on the emergent strategic orientation.
- Company H: *“...have to equip people with the information they need through training courses to achieve the desired strategy. Training should assist strategy.”*
The company did not indicate the alignment between training and the skills needed by executives and managers based on the emergent strategic orientation. Furthermore the company stated that training merely assists strategy while strategic training should impact on the formulation of the strategy [See paragraph 4.4].
- Company I: *“Alignment with current strategy of company but also with the direction in which the company is currently moving on a global level.”*
- Company J: *“We would analyse our strategy – look at competencies needed to execute strategy – one might also look at problem areas in business or non-strategy related or systemic issues – and individual needs. Strategy is the starting point but there are also other diagnostics that you need to undertake. Proactively looking for opportunities to see that strategy is converted into requisite learning.”*

Although the respondent indicated that they “proactively look for opportunities to see that strategy is converted into requisite learning” the respondent did not indicate that the emergent strategic orientation of the company is also converted into requisite learning.

- Company K: *“Process according to which key performance areas are identified and then we have a personal development plan for each individual. The manager of the employee who knows the strategy of the company needs to filter the strategy into these key performance areas and personal development plans for the employee. The personal development plan will indicate the manner in which the employee needs to develop over a specified period.”* Company K only provides training of an operational nature to employees and subcontract all other training to external providers of training.
- Companies L, O, T, U, V: Companies L, O, T, U and V confirmed the view of Company K which implies that training at these companies focuses on the personal development plans of executives and managers. This is regarded as reactive to the current strategic orientation of the company and address the “what should be”. Companies should rather make use of training in a proactive manner to address the training needs of executives and managers in anticipation of the emergent strategic orientation of the company and thus address the “what should be in future” as explained by Rothwell and Kazanas (1994:424).
- Company X: *“Senior management determines on a strategic level what capabilities are necessary for the company to achieve its objectives. This is then used to design development interventions and projects that will ensure the accelerated development of those capabilities in the company. Training is not necessarily aligned to strategic objectives. Changes in strategy are not reflected in training in a satisfactory manner.”* Although senior management in conjunction with an advisory committee takes responsibility for determining

which skills should be developed the company did not indicate the alignment between training and the emergent strategic orientation of the company.

It is evident from the above discussion on the alignment of training with the emergent orientation of companies that the majority of large South African companies have not succeeded in aligning the training of executives and managers with the emergent strategic orientation of the company. This lack of alignment between training and the emergent strategic orientation of companies are confirmed by Company Z. The respondent at Company Z which is a business school that forms part of a South African university confirmed the above discussion: “That [strategic training] is a general, universal timeless problem.” The respondent also explained that: “One of the major errors probably the biggest cause of failure is the failure to anticipate and execute around that anticipation.”

The researcher did not establish the reasons why the above-mentioned companies do not make use of a strategic training process, however it can be assumed that the unique nature of strategic training as described in Chapters 3 and 4 can possibly be regarded as a contributing factor. In Chapter 7 the researcher therefore presents a framework for the implementation of a cyclical strategic training process to address the possible need for a training process of this nature by large South African companies which do not provide strategic training to their executives and managers.

Against the backdrop of the foregoing it is evident that companies are to a large extent knowledgeable or aware that training offered to executives and managers should be aligned with the current strategy of the company. However, only 2/21 companies offer training to their executives and managers in terms of the emergent strategic orientation of the company and thus make use of a strategic training process to identify and address the strategic training needs of executives and managers. This dearth confirm the findings of the ASTD Global Network South Africa study (2003:13). In this study the alignment of training with the strategic orientation of the company is regarded as an important trend that characterises training in South African companies. Companies regard the proactive management of training as the second most important trend that characterises training.

However, the ASTD Global Network South Africa study (2003:13) furthermore indicated that although companies regard the proactive management of training as an important trend training still manifests in South African companies in a reactive rather than a proactive manner.

The above-mentioned responses regarding the knowledge or awareness of companies regarding the concept “strategic training” and the use of a strategic training process to identify and address the strategic training needs of executives and managers can be explained in the following manner:

- Companies that are aware of meaning of the term “strategic training” but do not make use of this type of training process are a supplier of electricity (C) which resides in the basic industries sector of the economy and two companies (Q, R) that are manufacturers of electronic and electrical components which reside in the general industries sector of the economy.
- Companies D and W that offer strategic training to executives and managers in terms of the emergent strategic orientation of the company. These companies which are an oil and gas supplier (D) and a telecommunications company (W) reside in the resources and non-cyclical services sectors of the economy.

It would thus appear that companies Q and R which are manufacturers of electronic and electric components which reside in the general industries sectors of the economy in particular have an awareness of strategic training. This can be attributed to the fact that companies which manufacture electronic and electric components for companies in the telecommunications industry were affected by the “difficult period” which the companies in the telecommunications industry experienced. Company Q explained: “There was a boom period in the late nineties in telecommunications industry but since then the industry underwent a difficult period and competition became more intense.” The effect of this “difficult period” necessitated companies which manufacture electric and electronic components for companies in the telecommunications industry to be mindful

of the factors present in their external as well as internal environments that could affect their future competitiveness. This mindfulness might have caused Companies Q and R to take cognisance of the importance of a strategic training process for executives and managers.

Furthermore, the progressively more global presence of large South African companies and the deregulation of key economic sectors such as the telecommunications sectors might have necessitated large South African companies such as Companies D and W to become more mindful of the factors present in their external as well as internal environment that could affect their future competitiveness. This mindfulness might have necessitated these companies to make use of a strategic training process to identify and address the strategic training needs of executives and managers.

The global presence of Company D is described in the following manner: “The company has developed world-leading technology for the conversion of low grade coal into value-added synfuels and chemicals. Today our operational footprint extends to more than 20 countries and we export to over 100. Company D is one of the top five publicly listed companies in South Africa and is quoted on the JSE and the NYSE.” (Company D, 2006).

Company W which was previously a state-controlled company and was privatised in 1990 is currently largely influenced by the presence of local as well as international competitors. The competitiveness of companies in the telecommunications industry is also to a large extent influenced by legislation. These factors probably cause companies in the telecommunications industry to be more aware of the importance of training in terms of the emergent strategic orientation of the company in order to contribute to their competitiveness.

The responses to questions 3.2 and 3.3 indicated that companies are aware of the fact that training should be aligned to the strategic orientation of the company [See Annexure B]. Companies have succeeded in aligning training to the current strategic orientation of the company however, it was established that only two companies (D, W) make use of a

strategic training process to prepare executives and managers for the factors present in all four domains in the strategic environment of companies. Two companies (C, R) prepare executives and managers by means of research projects. The responses to questions 3.2 and 3.3 therefor confirm that although large South African companies make use of two types of training processes (traditional and strategic) to offer training to executives and managers the majority (16/21) of large South African companies only offer training to executives and managers from the perspective of the current strategic orientation of the company and thus make use of a traditional training process rather than a strategic training process.

Company	Sector of the economy	Group 1 Awareness and use of strategic training (2/21)	Group 2 Awareness of strategic training (3/21)	Group 3 Companies that are unaware of the meaning of the concept strategic training (16/21)	Group 4 Companies which did not indicate the alignment between strategic processes and training (3/24)
A	Resources			The alignment between training and the emergent strategic orientation of the company was not indicated	
B	Resources			Training is revised in a reactive manner	
C (Listed on the NYSE but not on the JSE)	Basic industries		Research of a strategic nature is conducted		
D	Resources	The company has a shared mindset or shared understanding of strategic training supported by the necessary leadership			
E	Basic industries			Training relates to current events in the company	

Company	Sector of the economy	Group 1 Awareness and use of strategic training (2/21)	Group 2 Awareness of strategic training (3/21)	Group 3 Companies that are unaware of the meaning of the concept strategic training (16/21)	Group 4 Companies which did not indicate the alignment between strategic processes and training (3/24)
F	Basic industries			Performance of executives and managers are reviewed according to the emergent strategy but not necessarily the training of executives and managers	
G	Financial			The alignment between training and the emergent strategic orientation of the company was not indicated	
H	Financial			The alignment between training and the emergent strategic orientation was not indicated	
I	Financial			Alignment of training with the current strategy of the company	

Company	Sector of the economy	Group 1 Awareness and use of strategic training (2/21)	Group 2 Awareness of strategic training (3/21)	Group 3 Companies that are unaware of the meaning of the concept strategic training (16/21)	Group 4 Companies which did not indicate the alignment between strategic processes and training (3/24)
J	Non-cyclical consumer goods			Alignment between training and the emergent strategic orientation of the company was not indicated	
K	Non-cyclical consumer goods			No indication that the emergent strategic orientation is translated into key performance areas and a personal development plan	
L	Cyclical consumer goods			No indication that the emergent strategic orientation is translated into key performance areas and a personal development plan	
M	Cyclical consumer goods			No indication of alignment with emergent strategic orientation	
N	Cyclical				No indication was given

Company	Sector of the economy	Group 1 Awareness and use of strategic training (2/21)	Group 2 Awareness of strategic training (3/21)	Group 3 Companies that are unaware of the meaning of the concept strategic training (16/21)	Group 4 Companies which did not indicate the alignment between strategic processes and training (3/24)
	services				that the company understand the relationship which should exist between the strategic orientation of the company and training
O	Cyclical services			No indication of alignment with emergent strategic orientation	
P	General industrial				No indication was given that the company understand the relationship which should exist between the strategic orientation of the company and training
Q	General industrial		Awareness of a long term view on training to prepare	No indication of alignment with emergent strategic	

Company	Sector of the economy	Group 1 Awareness and use of strategic training (2/21)	Group 2 Awareness of strategic training (3/21)	Group 3 Companies that are unaware of the meaning of the concept strategic training (16/21)	Group 4 Companies which did not indicate the alignment between strategic processes and training (3/24)
			the company for the future	orientation	
R	General industrial		The Director: Group Strategy identifies topics which are of long term significance for the company which are then analysed		
S	Technology				No indication was given that the company understand the relationship which should exist between the strategic orientation of the company and training
T	Technology			No indication of alignment with emergent strategic orientation	
U	Technology			No indication of alignment	

Company	Sector of the economy	Group 1 Awareness and use of strategic training (2/21)	Group 2 Awareness of strategic training (3/21)	Group 3 Companies that are unaware of the meaning of the concept strategic training (16/21)	Group 4 Companies which did not indicate the alignment between strategic processes and training (3/24)
				with emergent strategic orientation	
V	Non-cyclical Services			No indication of alignment with emergent strategic orientation	
W	Non-cyclical services			deliver business results	
X	Non-cyclical services			No indication of alignment with emergent strategic orientation	

Table 6.4 Strategic training in large South African companies

6.5.3 Strategic training needs of executives and managers

In an attempt to determine the nature and scope of the strategic training needs of executives and managers in large South African companies the focus is on two aspects, namely:

- The skills which executives and managers need to achieve the emergent strategic orientation of the company.
- The strategic training needs of executives and managers or the training which executives and managers need to address the “what should be in the future” as explained by Rothwell and Kazanas (1994:424) in Chapter 4.

The purpose of questions 3.4 and 3.5 was to ascertain whether companies have succeeded in identifying the skills which executives and managers need to acquire to be able to manage in the domains in the strategic environment of companies which are more emergent in nature (complex and chaos). The identification of skills will result in traditional and strategic training needs which need to be addressed by traditional and strategic training processes. The responses to these questions enabled the researcher to develop an understanding of the nature and scope of the skills in terms of which executives and managers need to be trained and thus the strategic training needs of executives and managers in large South African companies.

Companies identified a variety of training needs that can be divided into six broad categories. This corroborates to a large extent the findings of the literature on the training needs of executives and managers in South African companies as discussed in paragraph 4.8 and the responses to question 3.1 on the nature and scope of training in large South African companies as discussed in paragraph 6.3.3.1.

The six broad categories of training needs are:

- Strategic skills
- Managerial skills
- Leadership skills
- Interpersonal skills
- Job content skills
- Generic skills

The training needs which were identified by companies are indicated according to the above-mentioned six broad categories of training needs.

- Strategic insight: *“Strategic thinking”; “Lead and manage change”; “Entrepreneurial thinking”; “How to deal with mergers and alliances”; “How to manage a company which is increasingly becoming globalised” and “The ability to have an overall understanding of the company.”*
- Managerial skills: *“The ability to recognise and reward the performance of employees”; “Managing the performance of employees in a consistent manner”; “Manage the aspirations of employees”; “Corporate governance”; “Skill to manage wasteful expenditure”; “Project management skills”; “Proper appreciation of modern business management practices”; “The ability to ensure that processes and systems are in place to allow the employee who deals with clients to be effective and efficient”; “The ability to create new products”; “Ability to understand the economics in which the client operates” and*

“Customer relationship management in terms of the changing demographics of the client base.”

- Leadership skills: *“Ability to be a leader as defined by specific company but also in terms of a personal leadership style.”*
- Interpersonal skills: *“Human skills”; “The ability to work in inter-departmental teams”; “Interpersonal skills and specifically an ability to understand cultural diversity on a local as well as international basis.”*
- Job content skills: *“Energy risk programme or the ability to understand the principles of risk and energy trading”; “The ability to understand the diverse products and services offered by the company for example an understanding of the rental business offered by a company that manufacture and rent earthmoving equipment”; “To be able to deliver a service and/or a solution to the client and not only to sell a product to the client”; “The ability to assist and facilitate change after implementation of products and services”; “The ability to “raise the bar” which can be translated as improving the level of service to customers”; “Improve manufacturing efficiencies” and “Establish an awareness and demand for a product and therefore to create a market (market competencies) and sales (sales competencies) for the product in order to add value to the customer.”*
- Generic skills: *“Ethical behaviour”; “Presentation skills”; “Dealing with the media”; “Mentoring ability”; “Negotiation skills”; “Communication skills”; “Holistic person in terms of behaviour as well as technical skills”; “Attitude or executives and managers must have a need to improve and gain knowledge”; “Executives and managers must be energetic or have a high level of energy”; “Have a competitive mindset”; “Innovative”; “Emotional intelligence”; “Personal effectiveness”; “Spirit and tenacity that goes along with being a manager” and “Integrity and psychological wellness”.*

In paragraphs 6.5.1 and 6.5.2 it was explained that only two companies (D, W) make use of a strategic training process while three companies (C, R and Q) are aware of the meaning of the concept “strategic training”. These five companies described the strategic training needs of their executives and managers as follows:

- Company C which is a supplier of electricity explained: *“Ethics, corporate governance, wasteful expenditure and the ability to understand the principles of risk and energy trading with a view on the privatisation of the company.”*
- Company D which is a supplier of oil and gas identified *strategic insight* as a strategic training need: *“The ability of companies to “come together” when aligning and merging; how to integrate two companies into a whole; how to manage a globalised company in terms of activities that should resort in South Africa and activities that should resort outside of South Africa.”*
- Company Q which is a manufacturer of electronic and electrical components identified leadership and communication skills as examples of strategic training needs. The company indicated that executives and managers need the skill to reassure employees of the present situation in which the company finds itself since it went through a period of restructuring. Furthermore, the company is of the opinion that it is necessary for executives and managers to create trust in the company. Company Q explained: *“Due to the restructuring of the company employees need to be assured of the current situation of company, employee wellness, create trust in company”*. The company furthermore explained that *“Training is not always the solution – communication is more important in this instance.”*
- Company R which is a manufacturer of electronic and electrical equipment identified a variety of skills including managerial, interpersonal, generic as well as operational skills. Company R explained: *“A proper appreciation of modern business management practices; project management skills, working in teams*

across business units, how to handle people or people skills, communication, rewards and recognition, people being aware of investing in their own development; skill to manage your service to client – not product based but service based.”

- Company W which is in the telecommunications industry identified operational, managerial as well as interpersonal skills, but emphasised the importance of leadership: *“Both operational and soft skills like leadership and managerial skills. Leadership is an important skill in any company. It is one of the determining factors of the success as well as the culture (retention, performance, productivity) of the company. Strong focus on interpersonal skills. Integrity or a personal leadership style – people must be able to trust you. Recently there is much more focus on psychological wellness than pure managerial skills.”*
- Company Y which is a training consultancy referred to the importance of communication skills as an example of a strategic training need that executives and managers experience at present. This company explained: *“All levels (managers, supervisors, shop stewards) must be included in the [communication] process. If the levels at the bottom are included then you have communication in all directions. Not all managers are good at communicating. If you have passion and enthusiasm coupled with good communication skills then you can achieve anything.”*
- Company Z which is a business school attached to a local (South African) university is of the opinion that the strategic insight of executives and managers should be developed to enable them to ensure the competitiveness of the company. This company explained: *“Entrepreneurial skills because the business market is more competitive than it was previously, the competitive intensity has increased as well as the speed of change; interpersonal skills and specifically an ability to understand cultural diversity on a local as well as international basis.”*

Only the training needs which were identified by the companies which are aware of the precise meaning of the concept “strategic training” and the two companies which make use of a strategic training process can be regarded as strictly strategic in nature. In addition to the strategic training needs identified by Companies C, D, R, Q and W the training needs identified by Companies Y and Z can also be regarded as strategic in nature due to the involvement of these companies with the training of executives and managers of large South African companies. This implies that all of the above-mentioned training needs which were divided into six broad categories (strategic insight, managerial skills, leadership skills, interpersonal skills, job content skills and generic skills) of skills in terms of which executives and managers need training can be regarded as strategic in nature but only those identified by Companies C, D, R, Q, W, Y and Z [See Table 6.5].

A further noteworthy finding which might be regarded as a further possible indication of the inability of large South African companies to identify the strategic training needs of executives and managers in particular is the large measure of overlap between the findings of the researcher (2003/2004) and two studies (Grant, 1999; ASTD Global Network South Africa, 2003) conducted [See Table 6.5]. The similarities in the findings of these three studies confirm the statement that companies find it problematic to distinguish between training needs that flow from the current and emergent strategic orientation of the company. These three studies are:

- The Grant study conducted in 1999 at the instruction of GIBS, University of Pretoria. This study focuses on the following topic: “*Main business education and development needs of senior level/potential senior level executives or high performers in South Africa today. What are these executives not able to do effectively that they should be able to do?*” This study focuses on the training needs of executives and managers in terms of the current strategic orientation of companies [See Annexure C].
- The ASTD Global Network South Africa study conducted in 2003 in South African companies. In this study respondents were asked: “*Which types of*

training are generally available to employees and the relative importance of the training types for the company.” (ASTD Global Network South Africa, 2003:33). This study focuses on ranking identified skills in terms of their importance to companies. There is no indication that the skills identified in the ASTD Global Network South Africa study focuses specifically on the strategic training needs of executives and managers in terms of the emergent strategic orientation of the company [See Annexure D].

- The findings of the researcher that focus pertinently on the strategic training needs of executives and managers in terms of the emergent strategic orientation of a selection of large South African companies during the period 2003/2004. In this study companies were asked to give examples of strategic training needs that flow from the strategic orientation of the company: *“Give a typical example of a strategic training need that is derived from one of the emergent strategic objectives of the company.”* The study makes a distinction between traditional (current strategic orientation) and strategic training needs (emergent strategic orientation) by specifically asking for an example of a *strategic training need* rather than a traditional training need. Companies were also asked to indicate *Which skills do executives and managers need for the company to achieve its emergent strategic objectives* [See Annexure B].

A comparison between the findings of the Grant study (1999), the ASTD Global Network South Africa study (2003) and the researcher (2003/2004) is presented in Table 6.5. In Table 6.5 the findings of the above-mentioned three studies are organised according to the the following six broad categories of training needs.

- Strategic skills
- Managerial skills
- Leadership skills



- Interpersonal skills
- Job content skills
- Generic skills

Broad category of training needs	Grant study (1999) [See Annexure C]	ASTD Global Network South Africa study (2003) [See Annexure D]	Findings of the researcher (2003/2004)
<ul style="list-style-type: none"> Strategic insight 	<ul style="list-style-type: none"> Vision and global competitiveness 	<ul style="list-style-type: none"> Problem solving and decision making Strategic planning 	<p>Company D</p> <ul style="list-style-type: none"> “The ability of companies to “come together” when aligning and merging; how to integrate two companies into a whole; how to manage a globalised company in terms of activities that should resort in South Africa and activities that should resort outside of South Africa.” <p>Company Z</p> <ul style="list-style-type: none"> “Strategic insight” “Entrepreneurial skills because the business market is more competitive than it was previously, the competitive intensity has increased as well as the speed of change.”
<ul style="list-style-type: none"> Managerial skills 	<ul style="list-style-type: none"> Financial management; Team management Succession planning / Measurement of performance Affirmative action / Black empowerment 	<ul style="list-style-type: none"> Financial skills Performance management / Appraisals Change management Process / Quality improvement 	<p>Company Z</p> <ul style="list-style-type: none"> “Managerial skills” <p>Company C:</p> <ul style="list-style-type: none"> “Corporate governance”

	<ul style="list-style-type: none"> • Knowledge management 		<p>Company R</p> <ul style="list-style-type: none"> • “A proper appreciation of modern business management practices” • “Project management skills” • “The ability to recognise and reward the performance of employees.”
<ul style="list-style-type: none"> • Leadership 	<ul style="list-style-type: none"> • Leadership 	<ul style="list-style-type: none"> • Leadership 	<p>Company Q</p> <ul style="list-style-type: none"> • “Due to the restructuring of the company employees need to be assured of the current situation of company, employee wellness, create trust in company.” <p>Company W</p> <ul style="list-style-type: none"> • “Leadership or the ability to be a leader as defined by specific company; integrity or a personal leadership style – people must be able to trust you.”
<ul style="list-style-type: none"> • Job content skills 	<ul style="list-style-type: none"> • Technical/Information technology skills 	<ul style="list-style-type: none"> • Computer/Information technology skills • New equipment operation • Product knowledge • Customer services 	<p>Company R</p> <ul style="list-style-type: none"> • “Skill to manage your service to client – not product based but service based.” <p>Company C</p> <ul style="list-style-type: none"> • “Managing wasteful

			expenditure; energy risk programme - ability to understand principles of risk and energy trading with a view on privatisation of company.”
<ul style="list-style-type: none"> • Interpersonal skills 	<ul style="list-style-type: none"> • People skills / Relationships • Diversity / Cultural links 	<ul style="list-style-type: none"> • Team work • Team building • Diversity 	<p>Company W</p> <ul style="list-style-type: none"> • “Interpersonal skills” <p>Company R</p> <ul style="list-style-type: none"> • “Working in teams across business units; how to handle people or people skills.” <p>Company Z</p> <ul style="list-style-type: none"> • “Interpersonal skills and specifically an ability to understand cultural diversity on a local as well as international basis.”
<ul style="list-style-type: none"> • Generic skills 	<ul style="list-style-type: none"> • Personal development (the ability to be confident in themselves articulate, be a person of high integrity, be able to network at every level) • Innovation • Emotional intelligence • Communication 	<ul style="list-style-type: none"> • Professional development • Business / technical writing • Speaking / presentation skills • Wellness • Ethics • Creativity 	<p>Company R</p> <ul style="list-style-type: none"> • “People being aware of investing in their own development.” <p>Company W</p> <ul style="list-style-type: none"> • “Recently there is much more focus on psychological wellness than pure managerial skills.”

			<p>Company C</p> <ul style="list-style-type: none"> • “Communication skills” <p>Company Y</p> <ul style="list-style-type: none"> • “Communication skills” <p>Company C</p> <ul style="list-style-type: none"> • “Ethics” [ethical behaviour].
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Table 6.5 A comparison between the findings of the Grant study (1999), the ASTD Global Network South Africa study (2003) and the findings of this researcher (2003/2004)

Against the backdrop of the foregoing, it is evident that a correlation exists between the findings of the above-mentioned three studies although the focus of the studies is entirely dissimilar. This correlation serves as a further possible confirmation of the responses which indicated that companies are often not knowledgeable or aware of the meaning of the concept “strategic training” and do not make use of a strategic training process to identify the strategic training needs of executives and managers as explained in paragraph 5.2.1. Although the three studies have in all probability not included the same companies and the current and emergent strategic orientation of these companies are largely unknown it seems as if few differences exist between the nature and extent of the traditional and emergent strategic training needs of the executives and managers of large South African companies as indicated by means of Table 6.5.

It is also important to note that few changes have taken place in terms of the nature and scope of the strategic training needs of executives and managers as they arise from the current and emergent strategic orientation in the four-year period between the Grant study (1999) and this study (2003/2004). The similarities between the traditional (Grant, 1999) and the strategic (2003/2004) training needs of executives and managers imply that the strategic orientation of companies has remained the same from 1999 until 2003/2004. However, it is unlikely that the strategic orientation of companies will not change in a four-year period since it was explained in paragraph 6.3.1.1 that the strategic orientation of companies changes on an annual or *ad-hoc* basis depending on the dynamic nature of the particular industry as represented by the various companies included in the study.

Some significant differences between the Grant study (1999) and the findings of the researcher (2003/2004) are listed below. Both these studies focused on the training needs of executives and managers, but differ in the nature of the strategic orientation (current *versus* emergent) that is used as point of departure. The Grant study (1999) focused on traditional training needs (current strategic orientation) while the researcher focused on strategic training needs.

- **Managerial skills:** the most significant difference between the Grant study (1999) and the findings of the researcher regarding the training needs of executives and managers is in terms of corporate governance. Corporate governance is defined as: ...“the method, by which an organisation is directed, administered or controlled. It includes the laws and customs affecting that direction, as well as the goals for which it is governed. The principal participants are the shareholders, management and the board of directors. Other participants include regulators, employees, suppliers, partners, customers, constituents (for elected bodies) and the general community.” (Corporate governance, 1995). This skill entails that executives and managers are trained to have the ability to manage companies effectively.
- **Leadership:** Leadership is mentioned in the Grant study (1999) as a skill which executives and managers should have. However, the findings of the researcher (2003/2004) indicated that executives and managers are increasingly expected to contextualise leadership in terms of the specific company, but also in terms of personal leadership or integrity.
- **Interpersonal skills:** Both the Grant study (1999) and the findings of the researcher (2003/2004) indicated that interpersonal skills are interpreted as a sensitivity to cultural diversity. The findings the researcher indicated that both executives and managers must develop sensitivity to cultural diversity on a local (South African) and international level.
- **Job content skills:** In terms of job content skills Company R indicated that managers should be empowered to render a service rather than merely provide a product to the value chain of the company. This requires that executives and managers should be intensely involved with the value chain and should be able to form and maintain long-term relationships with the value chain of companies.

- Generic skills: Company W referred to the ability of executives and managers to have a sound psychological disposition or “wellness”. Although the Grant study (1999) referred to emotional intelligence as a necessary skill, in 2003/2004 respondents referred to the importance of a sound psychological disposition or “wellness”. This response is significant because it indicates that companies realised that executives and managers also need skills which differ from conventional skills such as managerial skills. Company W explained: “Recently much more focus on psychological wellness than pure management skills.”
- Strategic insight: Both the Grant study (1999) and the findings of the researcher (2003/2004) indicated the importance of global competitiveness. However, the findings of the researcher (2003/2004) indicated that it is important for executives and managers to develop the skill to manage acquisitions and mergers.

From the above discussion on the strategic training needs of executives and managers in companies six skills in particular are identified in terms of which training should be offered to executives and managers. These skills will empower executives and managers to manage effectively in the domains in the strategic environment of companies which are more emergent in nature. These skills are:

- Corporate governance
- Contextualised leadership and integrity
- Forming and maintaining a relationship with the value chain of the company
- Sensitivity towards cultural diversity on a local (South African) and global level
- Psychological wellness
- Managing mergers and acquisitions

6.6 COMPARATIVE PROFILE OF COMPANIES D AND W

In paragraph 6.5.1 it was indicated that Companies D and W are knowledgeable or aware of the importance of providing strategic training to executives and managers. These two companies also indicated that they make use a strategic training process to offer training to executives and managers that is aligned with the emergent strategic orientation of the company. [See paragraph 6.5.2]. Table 6.6 therefore gives an exposition of the manner in which strategic training manifests in these two companies.

Characteristic	Company D	Company W
Nature of company, sector of economy and industry [See Annexure B question 1.4.1]	Manufacturer of chemical products, resources sector, oil and gas	Telecommunications, non-cyclical services, fixed line communications
Strategic orientation [See Annexure B question 2.1]	Growth strategy	Growth and protection of existing markets
Frequency of change in strategic orientation [See Annexure B question 2.2]	“Strategic objectives do not change often.”	“Strategy gets reviewed annually.”
Cause of change in the strategic orientation [See Annexure B question 2.3]	External and internal factors: “Competition, availability of raw materials, labour issues etc.”	External factors: “Changes in legislation, competition in the industry, economical situation in the country.”
Method according to which the strategic orientation is communicated [See Annexure B question 2.4]	Printed and electronic publications Leadership forums	Printed and electronic publications Briefing sessions
Training unit [See Annexure B question 3.1]	No	No
Corporate university	Corporate university in the form of	Corporate university in the form of Centre for

Characteristic	Company D	Company W
[See Annexure B question 4.7-4.9]	training centres	Learning and Organisational Capacity and a virtual campus
Involvement of executive management in training [See Annexure B question 3.6]	Yes	Yes
Cooperation with external providers of training [See Annexure B question 4.6]	Business school affiliated to a local university	Business schools affiliated to a variety of local universities
Instructional methods and media [See Annexure B question 4.1]	Classroom-based learning and “Very little e-learning.”	Classroom-based learning or “Lectures and a virtual campus.”
Reason why training is regarded as effective and relevant [See Annexure B question 4.2]	The company is successful. Training is integrated with existing business processes. Executives and managers had a positive experience of training.	Based on an analysis of the training needs of executives and managers. The content of training is revised regularly. Training is linked to the strategic orientation of the company.
Method by means of which the effectiveness and relevance of training is assessed	“Effectiveness not measured on a regular basis.”	Variation of the Donald E. Kirkpatrick model [See paragraph 6.3.3.6]

Characteristic	Company D	Company W
[See Annexure B question 4.3]		
Training the value chain [See Annexure B question 4.10]	Product training to clients, suppliers and contractors	Product training to clients, suppliers and contractors
Training aligned with emergent strategic orientation and presence of a strategic training process [See Annexure B questions 3.2-3.3]	Yes: "...where do you want to go to – need capabilities/competencies as well as a shared mindset and driven by the necessary leadership.”	Yes: “The strategic human capital plan of the company entails: a process of identifying future and current capabilities and competencies required by the company to deliver business results.”
Strategic training needs of executives and managers [See Annexure B questions 3.4-3.5]	Strategic insight	Managerial skills Leadership Psychological wellness
Knowledge management [See Annexure B question 4.11]	Yes	Yes

Table 6.6 Comparative profile of companies D and W

According to the comparative profile presented in Table 6.6 there exists similarities between Companies D and W, which gives some indication of the characteristics or best practices in terms of the use of strategic training in large South African companies.

6.7 KNOWLEDGE MANAGEMENT IN LARGE SOUTH AFRICAN COMPANIES

In question 4.11 respondents were asked to indicate the manner in which knowledge management is practised in companies [See Annexure B]. The purpose of this question was to ascertain whether respondents are aware of the fact that strategic training entails that knowledge processes are conducted in terms of the emergent strategic orientation of companies. Knowledge management is a managerial discipline which concerns itself with the creation of an environment in which knowledge processes (creation, codification, sharing, organising and use of knowledge) are performed. These knowledge processes should be aligned with the current and emergent strategic orientation of the company and should contribute to the competitiveness of the company. The outcome of the creation, sharing and use of knowledge is learning. Hence a relationship exists between knowledge management and the nature and scope of the training (traditional or strategic) offered to executives and managers in order for them to perform knowledge processes and thus to learn [See paragraphs 2.5 and 3.2]. The responses to question 4.11 enabled the researcher to develop an understanding of the awareness which is present in large South African companies regarding strategic training as a knowledge management technique which enables the creation, sharing and use of knowledge regarding the emergent strategic orientation of the company.

Companies A, B, D, G, H, I, J, R, T and W (10/24) have business units led by knowledge managers that are responsible for the management of the company's knowledge assets or intellectual capital. These companies make use of knowledge management in a formal and structured manner. Companies C, E, F, K, L, M, N, O, P, Q, S, U, V and X (14/24) indicated that they do not make use of knowledge management in a formal and structured manner and either use knowledge management on an *ad-hoc* basis or not at all. Company

R which indicated that it is knowledgeable or aware of the meaning of the concept “strategic training” makes use of knowledge management while both Companies D and W which indicated that they make use of strategic training also practise knowledge management in a formal and structured manner [See paragraphs 6.5.1 and 6.5.2]. Some companies (A, C, H, L, T, X) indicated that their knowledge management tools and techniques are mostly technological in nature and entail the use of databases and systems such as the Internet, corporate intranet, Livelink (document management system) as well as the establishment and use of a database of best practices. Other knowledge management tools and techniques used by companies are:

- Communities of practice (Company B)
- Protection of intellectual property (Company L)
- Benchmarking (Company M)
- Market research and analysis (Company O)

From the above responses regarding the use of knowledge management it is concluded that the absence of a business unit led by a knowledge manager does not necessarily imply that a company is not aware of knowledge management or does not use it. It merely implies that the company does not attempt in a formal and structured manner to create an environment in which knowledge processes are performed and the knowledge of the individual executive, manager and employee into the collective knowledge of the company [See paragraph 3.2]. An organic rather than a mechanistic approach to knowledge management is thus followed. An organic approach to knowledge management implies that the assumption is not made that tacit knowledge can and should be made explicit. Knowledge management should preferably manifest in a formal and structured manner if a comprehensive knowledge management techniques such as strategic training is used to enable knowledge processes on a strategic level to contribute to the competitiveness of companies in the knowledge economy.

Companies A, C, H, L, T and X (6/24) translate their knowledge management initiatives in terms of technology. This confirms the prevailing misconception that knowledge management simply entails the use of technology. However, technology is only an enabler of explicit knowledge or information and does not fully support tacit knowledge and thus knowledge management in totality (Tiwana, 2002:45). If companies translate their knowledge management initiatives in terms of technology they would be unable to use both the explicit and tacit knowledge of employees to perform knowledge processes. Training is then viewed in isolation to knowledge management and is not regarded as a knowledge management technique [See paragraph 3.2].

The lack of an awareness regarding the true meaning of the term “knowledge management” is also indicated in the ASTD Global Network South Africa study (1993:22-23) in which a further misconception regarding the relationship between information and knowledge management is revealed. In this study the awareness of companies regarding knowledge management is merely defined in terms of explicit knowledge or information. No mention is made of attempts to create an environment in which knowledge processes in terms of both the explicit and tacit knowledge of employees are conducted. The findings of the ASTD Global Network South Africa study (2003) indicated that 75% of companies acknowledge the importance of the learning organisation and knowledge management, but only 21% of companies indicated that their company has formal initiatives regarding knowledge management. The findings of the ASTD Global Network South Africa study (2003) are therefore confirmed by the researcher (2003/2004). A further finding to confirm the importance of knowledge management is the fact that in 1999 already the Grant study revealed that managers should be trained in terms of knowledge management to be able to manage effectively.

Against the backdrop of the foregoing, the researcher came to the conclusion that companies D and W which provide strategic training to their executives and managers or which (R) conduct research of a strategic nature make use of knowledge management in a formal and structured manner. Company C which supports strategic training by means of

research projects and Company Q which is knowledgeable or aware of the meaning of the concept “strategic training” does not make use of knowledge management in a formal and structured manner. The use of knowledge management by both Companies D and W which provide training of a strategic nature to executives and managers indicates the importance of using knowledge management in a formal and structured manner. If companies make use of knowledge management in a formal and structured manner it implies that both the tacit and explicit knowledge of individual executives and managers regarding the emergent strategic orientation of companies can become the collective knowledge of the company through knowledge management initiatives such as strategic training.

6.8 CONCLUSION

Three aspects as regards training in large South African companies were analysed and interpreted. These three aspects are the manifestation of training; strategic training including strategic training needs and knowledge management.

From the responses on the manifestation of training in large South African companies it was evident that training manifests primarily in a traditional manner in large South African companies and little evidence (Companies D and W) could be found of training which is offered to executives and managers which are aligned with the emergent strategic orientation of companies [See paragraphs 6.3.3 and 6.4.3].

Furthermore it was evident that large South African companies (21/24) understand the relationship between the strategic orientation of the company and training. Only a few (3/24) companies could not indicate the relationship between the training and the strategic orientation of the company. Companies are to a large extent (16/21) unaware of the meaning of the concept strategic training. Only 5/21 companies were able to indicate that they are aware of the meaning of the concept strategic training while two companies 2/21 indicated that they make use of a strategic training process [See paragraph 6.5.1].

Companies most probably are not able to identify and address the strategic training needs of executives and managers because they do not make use of a strategic training process [See paragraph 6.5.2]. Six skills have been identified by companies which are aware of the meaning of the concept “strategic training” in terms of which executives and managers need to be trained in order to manage effectively in the domains in the strategic environment of companies which are more emergent in nature [See paragraph 6.5.3]. These skills are:

- Corporate governance
- Contextualised leadership and integrity
- Forming and maintaining a relationship with the value chain of the company
- Sensitivity towards cultural diversity on a local (South African) and global level
- Psychological wellness
- Managing mergers and acquisitions

Various differences and similarities exist between the large South African companies which make use of strategic training. Some of the similarities between companies D and W which make use of strategic training have been identified and can possibly serve as an indication of best practices in terms of the use of a strategic training process [See paragraph 6.6].

Some companies (10/24) make use of knowledge management in a formal and structured manner. Both companies (D and W) which indicated that they make use of a strategic training process also make use of knowledge management in a formal and structured manner. However, these companies view knowledge management in isolation to

knowledge management and is not regarded as a knowledge management technique [See paragraph 6.7].

From the findings discussed in Chapter 6 it appeared that not all companies are knowledgeable or aware of the importance of strategic training and the manner in which a strategic training process is to be used. A method thus needs to be found to make companies aware of the importance of this type of training in order to enable executives and managers to manage in all four the domains of the strategic environment of companies. Furthermore, guidelines should be developed that companies could follow if they wish to make use of a strategic training process to empower their executives and managers to manage in the known and knowable, but especially in the complex and chaotic domains of the strategic environment of companies. It is also evident that companies need to be informed regarding the relationship between knowledge management and strategic training. In Chapter 7 a framework is proposed for the implementation and use of a strategic training process to address the training needs of executives and managers as regards the emergent strategic orientation of large South African companies. Chapter 8 concludes the research process with a synthesis of the findings and recommendations of the study.