Towards an improved understanding of the mechanisms that sustains Silo Thinking mentality, and its impact on Organisational Culture: A case study on Media24 Newspapers’ Organisational Culture.

Dissertation by

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SMT002

Submitted in partial fulfilment of the requirements for the degree

Executive Masters in Business Administration (EMBA)

Graduate School of Business

University of Cape Town
UNIVERSITY OF CAPE TOWN
GRADUATE SCHOOL OF BUSINESS
DECLARATION

▶ I know that plagiarism is wrong. Plagiarism is to use another’s work and pretend that it is your own.

▶ I have used the APA referencing convention for citation and referencing. Each significant contribution and quotation from the works of other people has been attributed, cited and referenced.

▶ I certify that this submission is all my own work.

▶ I have not allowed and will not allow anyone to copy this essay with the intention of passing it off as his or her own work.

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ABSTRACT

Media24 is the biggest media company in Africa. This paper specifically deals with the effect that silo thinking has on the sustainability of the organisation. Over the past few years great effort, huge amounts of resources and endless time had been invested by the company in order to reverse the effect and influence that reductionist thinking have on the overall performance of the company.

This research had been done to investigate an aspect (Silo Thinking) of Media24 Leadership teams’ Management Practice in order to improve the prevailing culture. Culture has an important influence within a company as it directly contributes to the long term sustainability of any organisation (Media24, in this case).

The outcomes of this research can be applied to any organisation, dependent on the severity of the fragmentation experienced, and can thus form the foundation for the transformation of company culture into a highly functional, aligned and successful and long term sustainable company. The objective of the research is to investigate how fragmentational behaviour between internal divisions influence culture, so as to identify which mechanisms drives this behaviour, with specific focus on the silo-mentality aspects thereof.

The researcher will, using a conceptual framework grounded in Ackoff’s Idealised Design, Activity Theory, Grounded Theory and Integrated Thinking show which elements effect the relationships and thus gain a better understanding thereof, which leaders in the future can use. The study utilised a representative sample of respondents from all divisions within Media24 (Internal stakeholders) to gain data. In-depth conversations, interviews, meetings, feedback sessions and surveys were done throughout which all participants were given the opportunity to rectify statements memo’d in case of bias from researcher (Test for validity and honesty of researcher’s notes). Constant checking was done and re-phrasing to ensure understanding of what was said by researcher during interviews and conversations. Where asked for, anonymity was ensured to ensure the rights of individuals were protected.

The study was carried out as ethically as possible by using the Rights Test and Justice Test to ensure that the findings were honest, represented all stakeholders’ needs and to
ensure that the results would answer the initial issues raised of finding a better working methodology. In conclusion, all the findings of this research can be applied to ensure an idealised Organisational Culture.

Currently the Media24 structure, policies and procedures dictates that if a service can be provided by a division within the company, then no other service provider (outside) may be utilised or contracted. This, over the years have led to slacking of quality, a culture of “So What?” and more commonly the establishment of competing divisions in order to render the service yourself as opposed to being “held-to-ransom” by centralised divisions. The establishment of these duplicating specialised divisions are being discouraged on an organisational level, but encouraged on a divisional level - leading to a silo mentality, strong internal competition and distrust which had led to the current prevailing fragmented culture.

Internal misalignment has affected business deliverables and with the slowing down of the world economy since 2009 resulted in ever-increasing reductionist behaviour. The ignoring of systemic solutions has as its outcome the impeding of service to external customers, and endangerment for the long term viability of Media24 Newspapers. The ultimate objective of this research is to transform this relationship into a viable one that encourages teambuilding, optimizes utilisation of resources and breaks down silos through the understanding of the causal mechanisms at play within, and improvement of the overall organisational culture.

The concern raised is that at current trajectory, Media24 Newspapers’ long term sustainability is under threat. Of utmost concern is the lack of systemicity prevailing within a culture of reductionism which leads to a lack of strategicness. It inhibits the flow of information, stifles innovation, value creation and future sustainable growth.

In order to better understand the concern, this paper will strive to answer the following questions

- How does silo mentality influence the organisational culture of an organisation?
- What are the causal mechanisms responsible for this silo mentality?
- What can be done to correct this misalignment?
In order to answer the questions posed above, Critical Realism as a philosophy will be drawn on. Critical Realism supports the idea that an underlying dynamic that is not visible causes the behaviour seen in reality.

The Grounded Theory process which was used for data collection, relies on data to emerge during the process, and this approach supports the notion that emergence is needed to unearth the reality of the situation. Data collection included documentary research, interviews (formal and informal) and observations, whilst all the time constantly comparing, open coding and the use of memoing.

A conceptual framework, used in conjunction with Grounded Theory, illustrated by various diagrams delivered on answers and insights gained, which can be used in future to improve the Organisational Culture. Media24 needs to improve on a number of aspects of its organisational culture, specifically as it relates to the causes for divisive reductionist behaviour stemming from the prevailing silo mentality, especially as it relates to Systems Thinking, Short term Topical Improvement, Systemicity, Sustainability culture. It is the conclusion of this research that the new Integrated Business Model being proposed in this study would address this issue.

The applications of the solutions will not just be confined to Media24, but to other organisations as well. The paper clearly demonstrates the ethicalness of the research by using the Utilitarian, Rights and the Fairness and Justice Tests.
ACKNOWLEDGEMENTS

There are so many people I would like to thank for supporting me through the last very challenging, yet rewarding two years;

To my life-long partner, friend and confidant, Amanda, who made so many sacrifices these past two years so I could complete this course, a very-very special thank you! Without your love and support this would not have been possible.

To our five children, Nadine, Kyle, Darryn, Dylan and Michaela, thank you for understanding that I had to do this.

To GSB lecturers and staff, thank you for the opportunity and challenges put in our way. A special thanks to Sherry, Kosheek, Tom, Chris, Walter, Johan, Linda, Sarah, John, Mark and Geoff.

To all my classmates of EMBA15, it has been a great privilege to share this journey with you – it’s been wicked!

Very special thanks to Anne! Mom without you I would never have become the man I am today!

Finally, thank you to Media24 for allowing me this opportunity. A special thanks to all my work colleagues, especially Ishmet for your support and words of wisdom.
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# GLOSSARY OF TERMS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>CATWOE</td>
<td>Customer, Actor, Transformation, World View, Owner and Environment</td>
</tr>
<tr>
<td>CCLD</td>
<td>Concern Causal Loop Diagram</td>
</tr>
<tr>
<td>CIMO</td>
<td>Concern, Interventions, Mechanism, Output</td>
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<tr>
<td>CLD</td>
<td>Causal Loop Diagram</td>
</tr>
<tr>
<td>CM</td>
<td>Causal Mechanism</td>
</tr>
<tr>
<td>CMO</td>
<td>Concern, Mechanisms, Output</td>
</tr>
<tr>
<td>CR</td>
<td>Critical Realism</td>
</tr>
<tr>
<td>CSH</td>
<td>Critical System Heuristics</td>
</tr>
<tr>
<td>DC</td>
<td>Distinctive Competencies</td>
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<tr>
<td>EXCO</td>
<td>Executive Committee</td>
</tr>
<tr>
<td>GSB</td>
<td>UCT Graduate School of Business</td>
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<tr>
<td>GT</td>
<td>Grounded Theory</td>
</tr>
<tr>
<td>PBL</td>
<td>Problem Based Learning</td>
</tr>
<tr>
<td>SIPOC</td>
<td>Suppliers, Input, Process, Output and Customer</td>
</tr>
<tr>
<td>SSM</td>
<td>Soft Systems Methodology</td>
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CHAPTER 1. INTRODUCTION AND OVERVIEW

1.1 INTRODUCTION

To understand and gain insights into the effects that the prevailing silo thinking mentality within Media24 has on the Organisational Culture of the company (and how this effects the long term survival of the company), this paper is arranged into six chapters.

Chapter 1 explores the key concepts of organisational culture (parent discipline) and the effect that silo thinking (concern area of this study) has on this. The chapter then explores the situation the company is currently finding itself in, before adopting Maxwell’s Interactive model for its research design (Maxwell, 2005). Using Maxwell’s framework the chapter highlights the goals of this study, the question this study seeks to answer and the key concepts being affected. The argument for relevance of this study is developed by exploring the relationship between the goals, the questions and the key concepts.

Chapter 2 covers the methodological processes followed in detail which was followed to establish the core variables that shaped Media24’s organisational culture. The chapterunpacks the critical realist philosophy that is adopted for the study and explains the reasons for adopting this particular approach. It also explains why and how systems’ thinking has been adopted as a background to the selection of a grounded theory approach. It ends by explaining how this philosophy, thinking and approach, is woven together to provide us with eight core variables that forms the basis for design thinking and integrated thinking applications to provide us with a model (theory) for redesigning of organisational culture.

Chapter 3 details the key results and outcomes from adopting the methodology detailed above. It highlights the interesting discoveries and pertinent facts from which the theory can be developed. The core variables that shape Media24’s Silo mentality behaviour are: the level of empowerment, the levels of communication, the degree of organisational coherence, leadership effectiveness, and levels of trust, learning organisation, goal setting, systems thinking and innovation.

Chapter 4 summarises the three level literature review process carried out into the areas of the parent discipline, the concern and its core variables.

Chapter 5 details how using Integrated Thinking Modelling (knowledge funnel) is used to identify the Fixes-that-fail archetype as a suitable framework on which to map and build an alternative business model. This hypothetical model explains the behaviour of Media24’s organisational culture. For a specific set of contextually dependant
outcomes the model highlights some intervention areas facilitated by the use of design propositions. This chapter completes the development of the answers to the questions posed.

Chapter 6 concludes and evaluates this paper, bringing together and highlighting the utility and the validity of the results presented. It finally ends by considering the ethical implications of the proposed results.

1.2 BACKGROUND
The economic outlook for South Africa seems challenging at best. Our GDP growth prospects for this year have more than halved since the initial budgets were set earlier this year and now sits at 1.2%. Declines in the value of our currency, issues in the mining, postal and manufacturing sector, growing levels of crime, increasing political intolerance, declining manufacturer confidence and a growing realization that Eskom cannot meet the most modest power expectations going forward, have all contributed to the challenging economic landscape ahead. As a well-known economist (Fin Week, September 2014) stated, “we have a slow puncture that started in 2008”.

Trustworthy journalism and a consistent product in times of disruption often result in growth in the media sector. While operational consolidation will save money and improve efficiency over the short term, in isolation it will not improve the financial standing of print in the years to come. The newspapers showing growth are doing so by improving the product, increasing the value that readers obtain, and by better understanding reader and business needs.

- **Daily & Weekend Newspapers:** While circulations are down, careful examination of the detail and/or a review of the AMF Core circulation definition will show that there are several titles performing fairly well. This investigation will reveal that the most severe declines are clustered into one publishing group and most likely linked to an effort to cut non profitable distribution. That said, the growing use of distribution below 50% of the cover price to boost circulation figures has become concerning.
- In the **Weekend** category, two titles make up almost 70% of the total distribution below 50% of the cover price.
- **Local Newspapers:** While the statistics appear stable the reality is that it’s a mixed bag. Titles in this category looking for inspiration should look at the Capricorn Voice (+32%) or the Review Midweek that increased 40% year on year.
- **Free Newspapers:** The statistics say that this category is stable. This is true, except for a handful of titles that have reflected amazing growth.
- **Consumer Magazines**: While the results reflect a disappointing result, more careful inspection will reveal that this decline is influenced by a review of a recent digital packaging of titles and their counting methodology.

![Figure 1.5: Global Newspaper Trends (Fin Week/PwC)](https://example.com/figure1.5.png)

Global Newspaper trends (Figure 1.1), suggests that the newspaper industry is still on a downward trend as an industry whilst projections by PwC shows a very slight increase in the Global Newspaper Revenue from 2016 onwards. Media companies wanting to weather this storm are forced to reduce cost in order to stay afloat and/or increase the effectiveness of its Human Capital.

<table>
<thead>
<tr>
<th></th>
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<td>Business to Business</td>
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<td>Daily</td>
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<td>-</td>
<td>-</td>
<td>28</td>
</tr>
<tr>
<td>Weekly</td>
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<td>-</td>
<td>-</td>
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</tr>
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<td>Weekend</td>
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<td>-</td>
<td>-</td>
<td>28</td>
</tr>
<tr>
<td>Local</td>
<td>53</td>
<td>-</td>
<td>-</td>
<td>53</td>
</tr>
<tr>
<td>Hybrid</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Free Newspapers</td>
<td>233</td>
<td>2</td>
<td>-2</td>
<td>233</td>
</tr>
<tr>
<td><strong>Total ABC Members</strong></td>
<td>903</td>
<td>6</td>
<td>-4</td>
<td>905</td>
</tr>
</tbody>
</table>

*Table 1.1: Total number of Newspapers registered with ABC in RSA (ABC: June-September’14)*
Between June 2014 and September 2014 (Table 1.1), six new entrants to the market were launched whilst four titles closed doors. In the last three years an average of three out of every five new titles launched, closed down within eighteen months of launch. Media24 is no exception, and in the last six months a total of eight titles were discontinued, three of which had been launched within the last eighteen months!

![Chart showing newspaper circulation over time.](chart)

Table 1.2: Total Newspaper Circulation in RSA (by Quarter)

Total Newspaper circulation (Table 1.2) in SA declined by 66 000 within the last quarter! On average the year-on-year decline is steady at around -3% to -17% on individual publications. Media24 managed to stem this decline with a performance of 1.63% better than the overall newspaper industry in SA.

1.3 MEDIA24 IN CONTEXT

Media24 Newspapers is the newspaper division for Media24, a sub-division of Naspers Pty (Ltd), which is a multi-national public company operating in 22 countries with its primary activities in media. Due to the economic meltdown which started in 2009, the company has gone through numerous challenges and changes, from closing down of non-profitable divisions, centralising some of its core divisions, re-structuring some newspaper divisions to retrenching staff.

During this period, advertising revenue and circulation revenue declined significantly, with resulting declining margins. The resulting retrenchments and restructuring resulted in loss of corporate memory and an ensued drop in morale, perceived productivity and quality of service. As the bulk of the Newspaper division’s turnover is generated through sales, most of which is reliant on humans to perform the sales function, the optimisation of its organisational culture has become a primary focus and will remain a
focus for the years ahead. Transforming its Organisational Culture to that of a Learning Organisation has become a primary goal for Media24’s survival as overhead costs are no longer proportionate due to shrinking revenue and of lower margins. Year-on-year decline of +/- 6% (Table 1.3) on revenue continues to be the case, and improving its Human Capital effectiveness and productivity could be one of the most effective means of shifting the current downwards spiral in margins.

Table 1.3: Total Media sales performance from 2009 to 2014 (Adex, 2014)

The overall advertising revenue (Table 1.3), has only increased by 1% in last 5 years, whilst showing a declined by 5% % in last 12 months.

Table 1.4: Media24 Income decline 2011 to 2014

Table 1.4 shows the steady year-on-year decline of advertising revenue turnover for Media24 Newspapers for period 2011 to 2014. In comparison to the overall newspaper industry in SA (-5% decline – Table 1.3), Media24’s advertising income has declined less - only -3.52% in last 12 months.
Media24 Newspapers lost +/- 0.4% market share in last 12 months (Table 1.5). A recent independent media industry research study (MOST Awards 2014 – Appendix A) shows that the organisation lost focus on categories like service delivery, empowerment, innovation, involvement and knowledge of brands; As rated by 590 clients and media agencies in industry (Table 1.6).

Taking a step back, it is important to note that tensions exist between Economic, Social and Environmental factors within and on the current system. Too much focus on economic factors has seemingly exerted too much pressure on the system resulting in the threat to sustainability of the system as a whole. This report will focus on the social forces at play, and the organizational culture, specifically how it pertains to the silo mentality behaviour as an integral part of the three elements (basic needs, social capacity and human capacity) that underpins it. In specific, it looks at the effect that fragmented thinking has on the system as a whole.
Fundamentally, and at the base of the silo mentality is the hierarchal structure and way divisions operate (Figure 1.2) as one of the primary influences that dictates the organisational culture in place at Media24, which leads to underperformance and client dissatisfaction.

Organisational Culture in context of Media24 – Development of the Rich Picture

A huge number of stakeholders are dependent on their livelihood and survival on the long term sustainability of Media24 Newspapers. These includes all staff, the Newspaper Industry at large, SA public, Paarl Coldset, Naspers shareholders, readers, suppliers and clients. When looking at the various factors and indicators negatively influencing sustainability in specifically the media sector, it includes a combination of:-

- a shift from print to digital and TV, declining circulation, declining advertising revenue into print and concerns around the effectiveness of Human Capital.

Industry (Clients and agencies) feedback and perceptions (Appendix A)

Media24 Newspapers’ biggest contributor to advertising turnover (+/- 52%) comes from media agencies, trading on behalf of multi-nationals, and Tables 1.7/1.8 reflects a recent survey done on their perceptions of Media24 and their experiences with it in the Most Awards2014 Research. The Most Awards is an independent industry qualitative research study undertaken annually to measure performance within the media industry in SA. A total 590 clients and media agencies responded during 2014, and the overarching feedback is that Media24 is lagging behind in areas such as Innovation, Empowerment and Service Delivery, which impedes doing business with the company.

The feedback received during Most Awards research focussed on the following six criteria (Table 1.8):

- Knowledge of own brands and the media landscape
- Knowledge of client brands and the market landscape
- Service delivery
- Innovation
- Empowerment
- Involvement
The research results (Table 1.7) shows a drop from 150 to 108 votes for Media 24 (Ads24) as industry leader within the overall newspaper category. It highlights Empowerment, Innovation and Involvement as areas within the company that needs urgent attention. This perception is consistent from the feedback received from smaller to larger agencies (Table 1.8) and resulted in this as a focus area for the research undertaken in this dissertation. Interviews with staff at various levels points to organisational culture in place as reason for the misalignment highlighted during Most Awards Research (TGI, 2014).

<table>
<thead>
<tr>
<th>Ads24</th>
<th>Category</th>
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<td>3</td>
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<td>2014</td>
<td>5</td>
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Table 1.7: Most Awards 2014 – Research Results for Media24 (TGI, 2014)

It is thus the aim of this dissertation to understand the causal mechanisms that lead to and supports the current Media24 organisational culture, and then use this understanding to propose a new model in order to ensure the long term sustainability of Media24 as an organisation.

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Table 1.8: Most Awards Media24 Research Results 2014- Large, Medium and Small Agencies (TGI, 2014)
The Most Awards 2014 research (Tables 1.7/1.8) shows a decline in all categories and raises concern within Media24 on the reasons for the lower scores within the categories, and questions on the underlying causes for misalignment and how this might be related to the steady overall decline in turnover Media24 had been experiencing since 2009 (Table 1.4).

**Media24 Staff feedback and perceptions (Appendix B)**
(Explored extensively in Chapter 5 – Knowledge Funnel)
Staff have observed now for some time that most stakeholder interactions end up not delivering on business decisions, but have not spent any quality time as a company, to understand the reasons for it. All indications point to the fact that at current trajectory this will get worse and in time become irreversible.

The researcher had been observing a number of interactions during meetings, informal interactions and from initial observations, discussions and interviews can conclude the following (staff perceptions and feedback):

- Not all the strategic episodes are delivering on business decisions/goals.
- Most divisions are obsessed with their own survival, at the expense sometimes of other divisions and the company as a whole.
- Divisional strategies are not always aligned to the overall company goal.
- Focus on the individual as opposed to the division and the overall company.
- Secrecy is at the order of the day – divisions do not share information and plans readily.
- Huge distrust - sharing your divisional plans too much with other divisions/staff, will be used against you or plans will be “hi-jacked”.
- Fierce internal competition is encouraged and celebrated, sometimes to detriment of overall divisional and organizational goals.
- Plans are made about surviving today – not about surviving tomorrow and/or the day after tomorrow.
- Internally focused as opposed to externally focused.
- The trust relationship is definitely not what it could and should be between the various divisions within the company.
- No open and honest conversations are taking place – it appears somebody is always holding back.
- Media24 encourages internal competition, which developed into a culture of not sharing, which sometimes negatively affects overall performance within the overall system.
- A company culture of “divisional thinking” is encouraged – silo thinking, under auspices of “autonomy and empowerment”.
- Competing individual elements and divisions within the ecosystem is disturbing the homeostatic abilities of the overall Media24 system.
- Because of the conflicting nature of relationships within, the company is slow and in cases not able to adapt to the ever-changing business environment outside.
No clear leadership and/or willingness seem to exist in to change the current status quo (organizational culture).

Stumbling blocks to implementation of systemic behavior (as culture) by all needs to be unearthed before we will experience positive growth again.

Staff are averse to risk-taking and at voicing own opinions in presence of leadership. This limits the flow of new ideas and thinking and inhibits innovation.

Leadership views questioning input as negative criticism instead of using it to improve on strategies

Voicing concerns about current state of the business is viewed as being pessimistic and gets frowned on – discouraging staff to actively seek solutions through dialectic practices

Leadership is viewed as autocratic

No cross-divisional communication – people have little knowledge on what other departments are doing

Low staff morale and motivation

No room for growth other than to become a manager

Goals seem to be unrealistic and not achievable

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*Media24 management feedback and perceptions (Appendix B)*
*Explored extensively in Chapter 5 – Knowledge Funnel*

Informal interviews and discussions on organisational culture with leadership unearthed the following perceptions:

- High staff turnover due to struggling economy and retrenchments
- Leaders are allowed a certain amount of freedom on decision-making, but everything dictated by budgets, which are imposed from “top”.
- Budgeting processes are very linear.
- Staff morale is low, due to uncertainty and trust in leadership
- Platforms had been created for staff to voice opinions and share ideas, but very few staff members are using them
- Underperformance due to lack of training
- Underperformance due to people in wrong “seats”.
- Not all staff is performing optimally.
- Clients are not being serviced properly
- Goals set are achievable.
- “Top” leadership do not listen to our feedback. Realistic reflections on state of the economy are viewed as pessimistic and could lead to demotion.
- Failure is not an option and is discouraged.
- Too few new ideas/strategies forthcoming from “Top”
- Writing management reports occupies most of the working day
"No elephant can exist alone for long. It is part of the larger whole, a network so diffuse that an extended herd can cover hundreds of square miles. A web of sound connects each part, turning their apparent thin scatter into one great thick –skinned organism” Watson (2003)

Media24 have always encouraged autonomous behaviour amongst and within its divisions (Figure 1.3). At the time it was thought that with each division performing well on its own, the organization as a whole would do well. This reductionist thinking, instead of unifying the organisation as a whole towards the striving of a common goal, have evolved into a silo-mentality culture, which does not always facilitate co-operation between and alignment towards the greater company goals and thus negatively impacting Media24’s long term survival.

Figure 6: Media24 Divisional Company Structure

- Resources are poured into each silo to achieve divisional-specific objectives.
- Some collaboration only where individual benefits are seen to be realised.
- Competition for limited organisational resources; “turf-wars” and back-stabbing between and within divisions over service offerings/resources.
- Focus on individual divisional (Figure 1.4) achievement comes at expense of others; results in duplication, gaps(Figure 1.5), overlaps and inefficient use of resources on both services and competition for resources.

Figure 1.4: Media24 Structure-within Divisions
Concern Variable: (Figure 1.5)
What are the impact(s) of Media24’s fragmentational silo thinking mentality on Media24’s culture, and what are the mechanisms that sustain it?

Figure 1.5: The performance gap identified in: Innovation, Empowerment & Involvement (Development of Concern Variable)

Rich Picture View of Concern Area developed and explained:

Figure 1.6: Rich Pictured of concern area
Rich picture explained:

- **Organisational Culture (1):** Is centred around the developed cultural paradigm, which is reliant on the processes, stories and symbols, rituals and routines, power structures, control systems and the organisational structures. It effects and informs the (2) Shared beliefs, values, norms and morals; (10) The facilitation of company into a learning organisation; (12) financial performance; (19) Social construct; (17) Leadership’s decision making and strategincness

- **Shared beliefs, values, norms and morals (2):** Informs and directly leads to (3) Sustainable work practices; (13) employee behaviour; (14) Sense of identity; (15) Subjective well-being of staff, management and leadership

- **Non-Sustainable work practices (3):** Is influenced by (4) tensions in system; inhibited(5) Knowledge sharing; confrontational and destructive (13) employee behaviour

- **Tensions within System (4):** Inhibits (5) degree of knowledge sharing; and increases with (9) non-systemic behaviour

- **Knowledge Sharing (5):** Effects (3) work systems; (6) disempowerment, if not in place

- **Disempowerment (6):** is effected by the degree of (5) Knowledge sharing; and increases (7) Uncertainty amongst staff, leaders and management

- **Uncertainty (7):** is increased through increased (6) Disempowerment; and informs (8) organisational politics

- **Organisational politics (8):** drives or derails (9) Systemicity within the organisation

- **Systems Thinking (9):** is directly influenced by (8) Organisational politics;

- **Learning Organisation (10):** Strongly influenced by (1) Organisational Culture

- **Lack of Innovation (11):** influenced by (10) Learning organisation and directly effects (12) Profits

- **Decrease in profits (12):** influenced by (11) Innovation, prevailing (1) Organisational culture and (18) cyclic pygmalian effect of repetitive behaviour

- **Employee behaviour (13):** strongly influenced by (2) shared beliefs, values, norms and morals; (17) Leadership orientation; and in itself influences (20) Organisational Citizenship behaviour; and (18) cyclic reinforcing Pygmalion affect

- **Sense of identity (14):** Influenced by (2) Shared values, beliefs, values and norms and in itself strongly dictates (15) subjective well-being

- **Subjective well-being of staff (15):** Is informed by (14) sense of identity; (2) shared values, beliefs, values and norms; and in itself informs the (20) Organisational citizenship behaviour

- **Historically determined culture (16):** Is formed over time by (1) Organisational paradigm
Leadership (17): Is primarily responsible and informs (3) employee behaviour; and is in itself dependent on the (1) Organisational paradigm and the; (16) the historical culture within the organisation

Pygmalion effect (18): is directed and enforced through (13) employee behaviour; and (19) Social constructs; whilst it drives and effects (20) Organisational Citizenship behaviour

Socially constructs (19): Is derived at by the organisational paradigm ; and in time becomes responsible for (16) historical cultures; and feeds the (18) Pygmalion effect

Organisational citizenship behaviour (20): Is driven and formed by (13) Employee behaviour;(15) Subjective well-being of employees; (18) Pygmalion effect

1.4 DEVELOPMENT OF THE CONCEPTUAL FRAMEWORK

We look at the system in focus (Media24 Newspapers) through the use of Activity Theory, Critical Realism, Integrated Thinking and the Normative Management Practices being employed in order to understand what is happening within the system and to formulate a new business model (culture) – Figure 1.6.
“Conceptual Framework is defined as a model that consists of units with attributes (concepts and theoretical constructs) and relations between those attributes and concepts based on theoretical constructs. The main functions of a conceptual model relate the research to the existing theories, focusing the research, making clear in which way the researcher is thinking about the things going on and providing the possibility to systematically pay attention to the embeddedness of the subject that will be investigated” (EMBA15 Class Notes).

The conceptual framework designed, is one that attempts to ensure no bias creeps in. It maps the theoretical lens through which the researcher identified and views the area of concern. Using Activity theory at its base, it maps the transformation of inputs (Theories, business environment scanning, staff input, propositions collected through an intensive interviewing process) to desired outputs (and provides a clear indication of processes and resources employed in process). Chapter 2.2 covers the theoretical and conceptual foundations used during this research in great detail.

The challenge of silo mentality thinking transformation brings many varied problems and concerns. The researcher hopes to draw insights and extrapolate understanding relevant to the focus of this research by locating this specific concern within the wider discipline of Organisational Culture transformation management. We will draw on academic literature to inform this paper from a variety of sources, including but not restricted to Hoebeke (2000), Newman (2012), Senge (1990’s), Scharmer (2007), and etcetera.

![Figure 1.8: Graphic representation of Conceptual Model being developed for this research](image_url)
1.5. DEVELOPMENT OF THE RESEARCH QUESTION

1.5.1. Macro Research Question in terms of the CLD (Figure 1.11)

In the context of various silo’d divisions within Media24 competing for finite resources (internally and externally): – How can the detrimental impact that this fragmentation causes, by its use of symptomic solutions to social and societal problems, be changed through the process of framing organisational and business problems?

Having engaged with the Context-Core Variables interfaces, the following list of potential areas of interventions exist:

- Individual divisions within Media24 are essentially being managed reactively and still function within siloes within non-systemic paradigms. There is an opportunity for intervention to better equip the strategic functions within each division (silo) as well as the leadership, so that they could perhaps frame the real question in a more functional manner and move towards functional, future-focused and systemic interventions.

- It is no secret that the fragmentation within the each division is of major concern to Media24 EXCO. An intervention to create a more unified and strategically focused Media24 is a vital component in terms of creating a better future for all stakeholders and shareholders.

- The issue of a complete absence of root cause analysis, which shows up the pattern of reductionist thinking, is another interface that could be dealt with. This is causing reactive leadership and the waste of organizational resources on a range of issues that are all entirely preventable. The company remains in firefighting mode with problem(s) wickedness escalating, yet it continues to deal with the effects of a system that has decayed, rather than attempting to rebuild it from a systemic perspective, in tandem with still fulfilling its services delivery mandate.

Formulating the Context-Core Variable interface Micro-Research questions

**Micro-Research Question 1:**

Within the current context of a lack of cohesiveness, what can be done to change the fragmented nature of the separate divisions within Media24 to move towards being more unified and collaborative?

**Micro-Research Question 2:**

Given that Media24’s strategies are constructed within siloes and are non-systemic in nature, how can social and business problems be framed or reframed so that systemic strategies could emerge?
Micro-Research Question 3:
In a reductionist paradigm, where no root cause analysis is performed, how does one change this paradigm so as to move away from fragmented, symptomatic problem-solving methods/solutions?

- What are the underlying factors influencing the fragmentational behaviour of Media24’s divisions – (Organisational Culture)?
- How can we change the behaviour of these factors in order to positively influence Organisational Culture of Media24?

Figure 1.9: Development of the Research Questions (Ryan T, 2014)

Using Figure 1.9 above as a guide, the aim is to get the system to get the three elements (circles) to move closer together, thus increasing the area of overlap – I.e. Sustainable organisational Culture for consideration to implement.

1.6. ARGUMENT FOR RELEVANCE
1.6.1. Introduction
One of the focal areas of this research document is the unearthing of the conditions that have led to the existing reductionist, fragmented and disconnected system. Thereafter, it seeks to understand how this finds expression within a variety of settings and what the consequences of the continuation of the use of these models could be. Particular emphasis is placed upon the impact of the current paradigm of leadership and the structure of the current system on sustainability, viability, resilience as well as long-term survival. The possible alternatives to this way of thinking are explored.
There is also a distinct interest in understanding what the impact of these old styles of leadership practices and divided ways of viewing and organising company structures could have – both in the immediate and longer-term future. The ultimate outcome would be to find the beginnings of an answer or solution to overcoming the diseases of hierarchy in a gradual and phased manner, so as to slowly start limiting the negatively repetitive, circular behaviours that are produced as outcomes of this system.

In stark contrast to the predominant reductionist paradigm that we exist within, “Systemic awareness begins with a spiritual appreciation of Wholeness” and this wholeness can be ascribed to the inter-relatedness of all things or to something that Robert Flood calls spontaneous self-organisation, which leads to emergence and a new order, or new ways of seeing, organising and doing things (Flood, 1999). Emergence is something that the human mind can conceive of – the whole being larger than the sum of the parts. Spontaneous self-organisation, which implies that the whole comprises many inter-relationships in endless occurrences of spontaneous self-organisation, is very difficult for the average human mind and specifically, the management mind, to comprehend, because of our cultural conditioning that is based upon a hierarchical, reductionist and analytical foundation (Flood, 1999).

**SOCIAL COMPLEXITY and WICKED PROBLEMS = FRAGMENTATION = LARGEST BARRIERS TO COLLABORATION**

A major barrier to collaboration is inherent in understanding the forces that would seek to counter it; fragmentation which is caused by social complexity and wicked problems combine to become some of the largest barriers to collaboration.

**FRAGMENTATION: THE CONSEQUENCES AND IMPACT OF INTERVENTIONS**

Using the fragmented divisions within Media24 as a base case:

**POTENTIAL POINT SOLUTION FOR IMPLEMENTATION OF A TRANSFORMATIONAL MODEL – MOVING FROM FRAGMENTATION TO INTEGRATION & COLLABORATION**

**1.5.2. Establishing Relevance**

Reductionist, analytical thinking has informed the divisive structures that permeate society and systems as a whole and that creates the negatively repetitive cyclical outcomes, which are generated by this unconnected structure.

As both Beer and Ackoff state, this is the way in which most all people think and act – and so one of the greatest challenges, requiring immense patience, fortitude and a clear focus on the ultimate outcome, are required in order to overcome the first hurdle –
which is that of the disease of hierarchy (Senge, 2006). The focus of this section of the research process is on unearthing the conditions that have led to the existing reductionist, fragmented and disconnected global system. Thereafter, it seeks to understand how this finds expression within a variety of settings and what the consequences of the continuation of the use of these models could be. Particular emphasis is placed upon the impact of the current paradigm of leadership and the structure of the overall system on sustainability, viability, resilience as well as long-term survival. The possible alternatives to this socialised way of thinking are explored. There is also a distinct interest in understanding what the impact of these old styles of leadership practices and divided ways of viewing and organising our world could have – both in the immediate and longer-term future.

The ultimate outcome would be to find the beginnings of an answer or solution to overcoming the diseases of hierarchy in a gradual and phased manner, so as to slowly start limiting the negatively repetitive, circular behaviours that are produced as outcomes of this system.

1.5.3. The Situation

The term “Wicked Problems” was first coined by Horst Rittel (1973) - whilst being responsible for first coining the term and describing the typical characteristics of these problems, Rittel invented Issue Based Information Systems upon which the resultant dialogue mapping technique is based. This system is premised upon an inter-related structure of rational dialogue between diverse stakeholders, putting social interactions and human relationships at the center of the methodological approach.

The criterion to describe and discern Wicked Problems from Tame Problems are:

- One cannot understand the problem until you have developed a solution; this is so because there is generally no definitive statement of “The Problem”. It is effectively ill-structured and an evolving set of inter-locking issues and constraints. What the problem is perceived to be depends entirely on who you ask.

- Wicked Problems have no stopping rule – there is no definitive, “The Problem” and no definitive, “The Solution”; the problem-solving process ends when one runs out of resources and reaches what Herb Simon coined as “satisficing” or a “good enough” solution.

- Solutions cannot be classified as either right or wrong – only as simply better, worse, good enough or not good enough; there is no objective appraisal of the nature of the solution within a social context.
• Every Wicked Problem is Novel and Unique – it therefore follows that the solutions or resolutions need to be custom-designed and fitted to the specific problem. We acquire wisdom through dealing with the resolution of one wicked problem, but essentially start as a novice when moving onto the next wicked problem.

• Every solution = One Shot Solution – every attempt at a solution has consequences and therefore each one of these is expensive, lasting and have intended as well as unintended consequences that are unavoidable. They are also likely to spawn further wicked problems.

• Wicked Problems have no given Alternative Solutions – creativity and judgments are required in dealing with them. [Rittel, H., and Webber, M. 1973]

Organisations generally have two push button responses to attempt to dealing with Wicked Problems: They attempt to study and analyse the problem and secondly, to tame it. In reality, Wicked Problems require a very different approach: decision-making, experimentation, piloting, prototyping, impact measurement et al. Most organisations end up within the cycle of ‘analysis paralyses’ related to trying to find a solution to or even just defining Wicked Problems.

We are living in times where problem wickedness is being amplified by the reductionist nature of how our society and systems are set up. Figure 26 represents the current SITUATION of Interest: Non-systemic leadership, design & resultant fragmented, disconnected implementations/interventions - leading to the escalation of wicked problems and the possible complete collapse of the system.

The situation that Media24 is faced with:
• A lack of systemic leadership, design and therefore, a fragmented approach to implementation and interventional designs
• A fragmented and reductionist hierarchical, historical and disconnected system
• Continues to seek quick, topical fixes for deeply systemic problems.

The potential consequences of continuing onwards with this current reality are alarming, in that the problem wickedness is becoming of such a nature that it threatens the survival and viability of the system as a whole.

1.5.4. The Concern

Ackoff states that when we understand systems, we understand why analysis cannot answer Questions relate to “WHY” the behaviour of the system is as it is. The answers to “WHY” questions are called explanations and the products of an explanation are the
gaining of understanding (Ackoff, 2008). Science provides knowledge, but very little understanding. The product of analysis is “HOW” something works, never why it works in the way that it does. The answer or explanations as to why a system behaves as it does, is more than often found outside of the particular system. Analysis takes you INTO the system and provides you with the knowledge of how it works, but with little or no understanding beyond that point.

These are no short-cuts or quick ways to make leadership at all levels aware of the negative consequences of what they perceive as being good performance within their reductionist environment. This again takes immense patience, fortitude and a process of dialogic practice, under-pinned by robust data, facts and supportive arguments, so as to stimulate debate and the surfacing of the restrictive and limiting mental models that prevail as an artefact of the very construct of the system. When one keeps the end goal in sight, it becomes less and less frustrating and one develops improved skills, so as to expedite this up-front process of metanoia.

This issue has, as Ackoff says, tremendous significance. He cites the example of someone with a headache; he asks the audience what their course of action would be; would they take a headache tablet or have brain surgery? The collective answer is clearly that they would take a headache tablet. Ackoff then drives the point home by stating that over 90% of problems within organisations or systems are solved, somewhere other than where they appear. BUT – that in most systems and organisations, the default action is to always to ‘perform brain surgery’ (Ackoff, 2008).

Our CONCERN is best narrated as follows:
Measurement on the axis of both Probability and Impact of the level of threat that the Impact of the SITUATION that we described could have on:

- The Economic System and its ability to recover and re-create itself; this will require different ways of thinking and doing, which would be diametrically opposite to the ways of thinking and doing which conspired to create the system and situation as we experience it at present. We highlight the mutual philosophies, imperatives and principles upon which we are called to rebuild Media24, from divisional to organisation wide levels – with emphasis on the shift from a reductionist, to a fully integrated, systemic and developmentally driven approach to Human Capital Development.

- This would in turn have direct impact on the achievement of Media24 goals as well as every specific divisional milestones, against which we are already lagging considerably behind the various company goals that were agreed; the achievement of these goals have most definitely taken a severe knock as a result
of the economic crisis as well as because of the fragmented and reactive interventions which have historically taken precedence.

- This has in turn continued to feed the negatively repetitive and ubiquitous cycle of poverty, hopelessness, despair, collective depression and all the other resultant consequences of these deeply rooted, systemic societal problems.
- Individual divisional and communal organisational growth and developmental outcomes are naturally intimately tied to this system. If it does not have the homeostatic capacity to start self-regulating so as to return itself to state of panarchy or equilibrium, we face consequences that are direr than what we could adequately describe or comprehend.
- Ultimately, our concern relates to the impact of the SITUATION on the survival, viability and long-term sustainability of the all inter-related and inter-connected systems; global, regional, national, economic, political, societal, at the divisional unit as well as individual systems level.

We are experiencing a marked increase in problem wickedness, despite the vast amounts of resources that are committed and spent on the various spheres of human and social capital development within Media24.

As will be demonstrated and discussed later within this paper, despite all of the financial and other resources that have been plowed into developmental activities, we are seeing at best, maintenance of the status quo, for the past 4-5 years or more – and at worst, a backsliding in terms of performance.

1.5.5. The Argument for Relevance

Based on the CONCERN within the SITUATION we moved forward to the next logical step in the research, diagnostic and design process, which is to interrogate possible alternative ways of dealing with the wicked problems of society, organisations and systems, using a variety of approaches so as to advocate for and seed the shift from reductionism to systemic practices. Every aspect of the Work Products is weighed up against the central philosophies and principles.
Bearing the Objectives and Outcomes to be achieved in mind, two alternative Scenarios were created:

- **Scenario 1: Current Reality** – the consequences of continuing with business-as-usual approach
- **Scenario 2: Ideal Reality** – moving from reductionism to a systemic paradigm

Scenario Variables were created, through a process of categorising, category saturation and Grounded Theory. These scenario variables were tested using Inter-relationship Diagraphs. For the purposes of supporting the argument for relevance, the Scenario one, Current Reality Inter-relationship Digraph is analysed and synthesised.
In analysing (Appendix A) the current reality through the initial gaining of stakeholder perspectives Figure 1.11 (Initial inter-relationship Diagram – Current Reality) above was constructed, we come to the following conclusions:

- The Old Leadership Style, also called (amongst other things), Management by Objectives (MBO), which is typified by an autocratic, micro-management and complete command and control style of practice, becomes the main driver of the negatively repetitive outcomes;
- Other drivers are: Organisation driven by Profit Motive and Shareholder value only as main focus, which infers that there is no concern for the environmental or societal impacts of the business – either now or into the future;
- Leading to Silos, Fragmentation within the Organisation via the hierarchical structure, jostling for position and no systemic or systems view of the organisation as a whole;
- Which is further driven by a lack of or no systems/customer feedback loops or control systems – these four main drivers are characteristic of the Old “Train wreck” Style of Management (Scholtes, 1998) and leads to the following outcomes:
Customer/Societal Value Creation: Scenario 1: Current Reality: Old Management Style – Business as Usual – Fragmented, Non-Systemic Approach to Planning, Design, Implementation and Development (Figure 40) with six reinforcing loops

**GENERAL OUTCOMES:**

- Negative impact on the long-term sustainability of the business (eventually leading to its demise)
- Customer-out thinking based on the organisational arrogance and isolationist style
- Societal & Environmental impacts are ignored and non-core to the business
- Employees are treated as disposable commodities, who are disempowered, disinterested, demotivated and merely compliant to the minimum requirements
- This describes a toxic, non-sustainable and unwell organisation, society or community

This description can be super-imposed on just about any system globally – from a family unit, to a church, to governments and businesses – and there are bound to be close correlations with the outcomes and drivers. This would be so because the Old Style of leadership has been proven, by a great many thought leaders within the organisational design, systems and design thinking as well as cybernetics spheres, as being the predominant system globally. There is no other frame of reference. This style is based on centuries’ old foundations upon which human logic and reasoning has been built.

Similarly, the symptoms of organisational, institutional, governmental and systems “un-wellness” is palpable and has most definitely been amplified by the economic crisis. All of these outcomes can be ascribed, to a large degree, if not completely, to the concern as iterated within the situation with the accompanying narratives drawn from extensive literature reviews and additional research sources. Mostly, these outcomes are our lived, daily reality.
The Toulmin Argument model (Figure 1.12) is used to argue the relevance and applicability of the initial identification of our concern area as well as the emerging Rich picture (Figure 1.6). It confirms the fragmentational silo mentality that is currently prevailing within Media24.

1.6. LIMITATIONS OF THE RESEARCH PAPER

This research paper is limited by time constraints of the Executive MBA program and to the context of Media24 Newspapers. The systems thinking research approach applied are based on Critical Realism, Integrated/Design Thinking and Grounded Theory, using tools such as VSM, CSH, SSM and SAST. These will be covered in more detail in following chapters.

1.7. CONCLUDING PARAGRAPH

There is, in our opinion, a robust case to be made to take the potential impacts and consequences of the concern that is situated within the context of the situation very seriously indeed. All indications point towards the complete collapse of the global system over time, if we do not find alternative ways of dealing with the systemic problems that continue to plague society as a whole.
Without a sea change in how we think and approach problem-solving, systems structures and re-focus our purpose to acknowledge that we are all inter-connected and part of a series of recursive nested and embedded systems, we run the risk of expediting the demise of human-kind as well as our eco-system at an accelerated rate.

We’ve covered the rationale for this research project, explaining the importance thereof to the sustainability of Media24 Newspapers, whilst focussing on Human Capital (company culture).

The theoretical and conceptual foundations for the research and the methodology used will be fully explored in chapter 2.
CHAPTER 2. RESEARCH METHODOLOGY

2.1. INTRODUCTION

Scholtes (1998) stated that, “If we want to do understand what is truly going on and learn what is necessary to improve the situation at its source, we need to test our belief against data.”

This chapter attempts to provide descriptions and details of the research methodologies employed to obtain insights into the situation in focus and answers to questions raised from our area of concern. This is done through detailed descriptions of:

- research methodology framework constructed and used
- research methodology procedure employed
- explaining the limitations of the research methodology
- constructing the research design

2.2. THEORETICAL AND CONCEPTUAL FOUNDATION OF THE RESEARCH METHODOLOGY

This study seeks to find answers in a scientific and systemic way to the questions asked in previous chapters and aims to find solutions to the concerns posed. In doing so, a range of philosophies and tools are being employed. These include Critical Realism (CR), Strategic Assumptions Testing and Surfacing (SAST), Critical Systems Heuristics (CSH),

**Critical Realism (CR):**

Critical Realism (CR) is a philosophical position taken when doing research in social science. During any research we make certain choices – whether it is about our own assumptions of reality or what the actual reality is really like. These assumptions made, have far-reaching implications on how we interpret knowledge and informs how we study events and objects. Marianne Wikgren (2005), pointed to the importance of a philosophical foundation for making both the theory of knowledge (epistemological) and theory of being (ontological) choices when dealing with research.

In this research, CR had been used as a basis for making philosophical choices because of its distinction that there is a reality that exists outside of human conception (subjectivity). Important to note here is that critical realists believe there are unobservable events that influence and leads to observable ones. CR raises questions about the pre-conditions for social phenomenon through bridging reality and our
knowledge of the reality in the strata known as domains of real (systematic structures), actual (trends combined with patterns) and empirical (events). The real world is where the interactions and mechanisms exist that produces the events in the real and empirical domains. These mechanisms exist independent of whether they produce an event in the actual and empirical domains. The empirical domain consists of our lived experiences and observations, whilst the actual domain consists of events, some of which we may or may not experience. Thus Critical Realists asserts the basic assumption that there are causal mechanisms responsible for events in the real and empirical domains. To uncover and discover these causalities, we turn towards “Retroduction, a mode of inference that explains events by hypothesis and identifies mechanisms capable of producing events” (Ackroyed & Fleetwood, 2007). It might be applicable at this point to note that critical realists looks for the “tendencies for things to occur”, whilst positivists looks for “regular patterns of behaviour”.

Steps in Retroduction:

- Phenomena and their interactions are observed in the actual domain in order to establish how these interactions and connections occur. This is followed by abstraction of data that is contextually dependent so that we can use it to infer the causal mechanisms that is responsible for the observable phenomena.
- Construction of a hypothetical causal model to help provide causal explanations of the phenomenon
- Test the causal model in the empirical domain.

In addition we note the following key concepts incorporated within Critical Realism (CR):

- All knowledge is fallible
- Reality is independent of our knowledge thereof
- Ontology is stratified into three domains
- There is causality behind events in the real domain
- Knowledge is dependent on its context
- A need exist to critically evaluate causal theory

In this research the following is assumed in its purpose to understand the causes for the behavioural problems experienced in the empirical domain that effects the Organisational culture within Media24 (Ads24).

- Knowledge of the effects of silo mentality on organisational culture in Media24 is incomplete
• A reality exists that is independent of our knowledge thereof
• There is an explanatory mechanism shaping this behaviour

**SAST:**

**SAST** is a *process* which reveals the underlying assumptions of a policy or plan and helps create a map for exploring them (Ryan, 2014). These underlying assumptions are used and taken into account in the framework provided during application of the CSH framework, and then when we use SSM as an approach to deciding on best possible change being proposed during this research.

Important to note that SAST, CSH and SSM are not applied separately, but intermittently (Ryan, 2014); CHS provides the structure for the conversations and debate (through questioning) on the issue under the lens, whilst SSM facilitate the expected change being worked towards (exposes perspectives and expectations of role players) and at the same time looks at improvements in work practices to accommodate these perspectives – at the same time SAST surfaces underlying assumptions to be taken into account on the first two.

SAST incorporates the following principles:

- **Adversarial**: based on the premise that the best way to test an assumption is to oppose it.
- **Participative**: based on the premise that the knowledge and resources necessary to solve and implement the solution to a complex problem is distributed amongst a group of individuals.
- **Integrative**: based on the premise that a unified set of assumptions and action plan are needed to guide decision making, and that what comes out of the adversarial and participative elements can be unified.
- **Managerial mind supporting**: based on the premise that exposure to assumption deepens the manager’s insight into an organization and its policy, planning, and strategic problems.

These principles mentioned above are employed throughout the following five phases of the SAST process, which are:

1. **Group formation**: Groups of stakeholders are formed with stakeholders with similar perspectives on an issue to minimize conflict. Various groups with different viewpoints are established to provide strong multiple perspectives and orientation from which to tackle the issue.

2. **Assumption surfacing and rating**: Each group meets separately and begins to identify the assumptions inherent in the issue (from their viewpoint). Best way is to identify as many stakeholder groupings as possible. All the assumptions generated are carefully diarized and listed.
3. **Within group dialectic debate(s):** Firstly, each group now eliminates irrelevant assumptions by asking themselves "If the opposite of this assumption is true, does it have any significant bearing on the issue?" If the answer is "No", then the assumption is not very relevant to the problem. Any assumption accepted as a strategic premise must meet two criteria: (a). It should have a significant bearing on the outcome of the strategy chosen and implemented. (Importance). (b). It should be as "self-evident" and "certain to be true" as possible. (Certainty). The assumptions are now ranked for importance by the group and entered in an Importance / Certainty matrix. the ID is used to identify the “driver” assumption. The individual data should also be open for discussion at this stage. The resulting data is now plotted on a graph or 2 x 2 matrix whose scales are (relatively important / unimportant) & (relatively certain / uncertain). Assumptions that are both important and certain become the pivotal or "bedrock" assumptions for the policy. Assumptions that are important but uncertain may require research. Assumptions in the other two quadrants may well be dropped. Using the graph as an aid, each group should debate "which are the pivotal assumptions?" and come up with a prioritized list of pivotal assumptions.

4. **Between group’s dialectic debate:** The groups are brought together and each group presents their importance / certainty graph and pivotal assumptions. Only clarifying questions are permitted at this stage. When all the groups have presented, all the assumptions are combined on one slide and thrown open for evaluation, debate and discussion. Agreed assumptions are extracted as premises from which to proceed, while contentious assumptions are debated further and may be modified to achieve agreement.

5. **Final synthesis:** All participants are asked to propose assumptions to resolve outstanding controversies. If no agreement is reached on an assumption it becomes an issue requiring further investigation. Each issue and key assumption is subjected to further analysis to adduce the data and warrants (what beliefs the assumption is based on) that underlie its claim. Where data is inadequate, business intelligence and management information systems activities are undertaken to acquire the specific data necessary to resolve the strategic issue. A planning book is produced that contains –(a) A prioritized list of the most critical issues management faces as revealed by SAST. (b) An assessment of the current state of knowledge with respect to the solution of these issues. (c) A list of current and planned information-producing activities designed to improve the state of knowledge relevant to the critical issues.

When the solution decision must be made, the results of the information producing activities are collected and related to the issues for which they were undertaken. A final debate is held and a judgment is made on the best set of assumptions from which to proceed. Finally, an appropriate solution is chosen, based on the new information and the synthesis that emerged.
Critical Systems Heuristics:

**CSH** is a framework for professional reflective practice that helps us ask questions (Appendix B) around sources of influence (motivation, control, knowledge and legitimacy). It provides the structure for the conversations and debate (through questioning) on the issue under the lens, whilst SSM facilitate the expected change being worked towards (exposes perspectives and expectations of role players) and at the same time looks at improvements in work practices to accommodate these perspectives.

Soft System Methodology (SSM):

The process is started with the assessment of all empirical events observed followed by formulation of the broad area of concern. SSM (Checkland, 1981) is used in this study to understand the problem situation and engage the stakeholders included in the study (Action Research). SMM allows for the flexibility to move between the domain of real and systems thinking. Important to the researcher was to gain an in-depth understanding of the current state of the system (Ackoff, 2001 – system analysis), and using this to gain an understanding of the impact of the system on itself. Durant-Law (1995) asserts that SSM is characterised by involvement in a problem situation learning by “doing” and by trying to “see” a system from different perspectives. Thus allowing for modelling the “whats” in the real world and the alternative “hows” that allows for improvements. The biggest difference between Soft Systems Methodology (SSM) and Grounded Theory is that the latter allows for development of theory from the researchers perspective whilst SSM values data from perspective of participants. Combined, the two allows for a much more comprehensive solution.

SSM follows an interpretive perspective and in particular, SSM is able to stimulate debate and capture the vision for the future of participants.

### 7-Stages of Soft Systems Methodology:

- **The problem situation unstructured** - Researcher makes as few as possible presumptions about the nature of the situation.
- **The problem situation expressed** – using enquiry, logic and culture, a “rich picture” of the situation is constructed. This rich picture attempts to reflect and capture the relationships, judgements and a “sense” of the situation in focus.
- **Root definitions of relevant systems** – The essence of the relevant systems are defined using Checklands’ mnemonic CATWOE in order to do:
  - A role analysis acts as the diagnostic part of entry and contracting in order to identify all role players (client, problem solver and stakeholders)
  - A social systems analysis to identify the roles, norms and values for the problem situation.
  - A political systems analysis to identify the power in the problem situation.
### CATWOE:

<table>
<thead>
<tr>
<th>Category</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>the system beneficiaries</td>
</tr>
<tr>
<td>Actors</td>
<td>those who transforms inputs to outputs</td>
</tr>
<tr>
<td>Transformation</td>
<td>process from input to output</td>
</tr>
<tr>
<td>Weltanschauung</td>
<td>All relevant world views</td>
</tr>
<tr>
<td>Owner</td>
<td>Those with the veto power</td>
</tr>
<tr>
<td>Environmental constraints</td>
<td>that needs to be considered</td>
</tr>
</tbody>
</table>

- **Making and testing conceptual models** – The researcher draws upon own knowledge of systems, concepts and models in order to develop, in systems terms, how the relevant parts of the situation “might” ideally function.

- **Comparing conceptual models with reality** – models and reality are compared and contrasted in order to use the differences between them as discussion points on how the system-in-focus works, or might work, and what the implications thereof might be.

- **Design feasible and desirable changes** - The discussions in previous step is sued to identify possible changes, which will vary in desirability and feasibility. Questions asked, might be as follows:
  - Is it technically an improvement? (Desirable?)
  - Does it fit the culture? (Feasible?)

- **Action to improve the problem situation** – the most desirable and feasible of identified changes gets to be implemented.

### Systems Thinking:

In stark contrast to the predominant reductionist paradigm that we exist within, “Systemic awareness begins with a spiritual appreciation of Wholeness” and this wholeness can be ascribed to the inter-relatedness of everything or to something that Robert Flood calls spontaneous self-organisation, which leads to emergence and a new order, or new ways of seeing, organising and doing things (Flood, 1999).

Senge (2006) describes the “**Seven Learning Disabilities in Organisations**” as a mantra – to remind us what leaders should be on the look-out for and guard against constantly in all that we do:

- **“I am my position”** – limiting oneself to self-imposed boundaries of a position or title.
- **“The Enemy is out there”** – the blame game in organisational culture.
- **The Illusion of taking Charge** – pro-activeness as a buzzword, but in actual fact, it remains reactiveness in disguise. We remind ourselves that being truly pro-active implies that we see very clearly how we contribute to and create our own problems and challenges.
• **The Fixation on Events** – most humans and organisations are conditioned to experience and view life as a series of events and that for every event, there must be one specific and obvious cause. IC steers away from conversations that focus most of our resources (and those of our clients) on events that happened in the past and about which they can do very little; last month’s sales figures, budget cuts etc. There is a constant focus on short-termism. We focus on unearthing and surfacing the longer term patterns of change that lie behind these events and understanding the systemic causes of the outcomes and behaviours, so as to avert short-termism at all costs.

• **The Parable of the Boiled Frog** – the natural, human, internal and organisational apparatus is geared to respond to sudden, large problems or threats, rather than those that develop gradually and over time. IC ensures that we slow down, at least once per week and really look for and see the gradual processes that often pose the greatest threats – for our collaborative as well as our client base.

• **The Delusion of Learning through Experience** – because of the siloed nature within organisations, learning via direct experience is limited by personal and organisational learning horizons. In most organisations the consequences of the actions of divisional decisions cannot be seen or experienced by those responsible for these consequences. This again reinforces IC’s aversion to boundaries, siloes and stovepipes – within our own organisation as well as within our clients’.

• **The Myth of the Management Team** – we have experienced this a great many times, like the proverbial Groundhog Day, within management teams; the maintenance of the appearance of being a cohesive team, but in actual fact, underneath this thin veneer, there is a struggle and jostling for survival, position and turf and avoidance of dealing with actual problems so as to make the management teams look good. Disagreements are therefore squelched and the consequence is what is known as ‘skilled incompetence’ = people who have become incredibly proficient in keeping themselves from learning (Senge, 2006)

In his seminal work, The Fifth Discipline, Peter Senge sensitises us to the **Laws of the Fifth Discipline**, Systems Thinking, with emphasis on how these laws impact on problem-solving:

**Law 1:** Today’s problem comes from yesterday’s solutions….

- Solutions that simply serve to shift problems from one part of the system to another have a habit of going undetected, because of the fact that someone else now owns the problem, often in a more complex form.

**Law 2:** The harder you push, the harder the system pushes back…

- The system has its own compensating feedback systems and loops and so, however well-intentioned short term, non-systemic solutions are, they will call
forth responses from the system that will more than off-set their short-term benefits.

**Law 3: Behaviour grows better, before it grows worse – “The Halo Effect”**
- Quick fix solutions very often work in the short term, thereby creating the impression that the problems have been dealt with and solved.
- Compensating feedback, which is automatically built into the system, will eventually surface the time delay between the short-term benefit and the longer-term benefit of such quick fixes.

**Law 4: The easy way out usually leads right back in – “What we need is a bigger hammer” syndrome**
- This emanates from pushing harder, using the same old methods and expecting different outcomes.

**Law 5: The cure can be worse than the disease**
- The ineffectiveness of quick, easy and familiar solutions can sometimes become addictive, dangerous and create toxicity.
- The long-term consequences are generally expressed as requiring more and more of the bad solution.
- A typical example would be the case of a manager making all decisions within an organisation do little more than to create dependency and the loss of ability of people to solve their own problems.
- A functioning system and solution should strengthen and empower a system to carry its own burdens and resolve its own problems and challenges.
- Viable systems require autonomy within an envelope of acceptance.

**Law 6: Faster is slower**
- The parable of the tortoise and the hare springs to mind when contemplating the fact that all systems have their own optimal rate of growth, which is generally far slower than what we believe to be the fastest possible growth.
- When growth becomes excessive, the system itself will seek to compensate and will slow itself down, perhaps putting the survival of the organisation and system as a whole at risk.

**Law 7: Cause and effect are not closely related to space and time.**
- Effects are symptoms and causes are the interactions of the underlying system that are most responsible for generating the symptoms.
- If these systemic causes can be identified and recognised, interventions could lead to lasting improvements.
- Senge also jolts us into recognising that we ourselves are the root of most problems and that this is mainly due to there being a mismatch between the actual reality within a complex system and our predominant way of thinking about that reality.
Law 8: *Small changes can produce big results*
- The areas of highest leverage are often hidden from plain sights and located in the least obvious places.
- Systems thinking is often called “the most dismal science” because it teaches that the most obvious solutions don’t necessarily work. In fact, based on our first-hand experiences over 26 years in business, the latter statement can be accepted as a 95% accurate axiom.
- This is what Senge calls the flipside of improvement and enduring change.
- Small, well-focused actions are able to produce significant and enduring improvements by finding the correct points of leverage.
- These high leverage pressure points are often distant in space and time and therefore non-obvious to the untrained eye.

Law 9: *You can have your cake and eat it too – But not at the same time*
- What Senge is sensitising us to, is that the knottiest dilemmas from a systems view, are in fact not dilemmas at all.
- These dilemmas are what he calls ‘artefacts’ of a snapshot in time, rather than related to authentic process thinking.
- This is a by-product of ‘either/or’ static thinking.

Law 10: *Dividing an elephant in half does not produce two (2) elephants.*
- What this translates to is that systems are living organisms and therefore have integrity as a whole.
- The most important issue at hand, regardless of the paranoid, archaic organisational, divisional siloes and boundaries, is in fact the principle of systems boundaries and the interactions that must be examined beyond the traditional and limiting hierarchical structures.
- Organisations are in fact, in the main, designed to actively keep people from seeing the most important interactions that create a range of outcomes, causes and effects.
- The continued enforcement of internal divisions, the pitting of departments against one another inhibit inquiry across divisional boundaries and therefore, the ability to see the system as a whole and to diagnose the real mess of problems.

Law 11: *There is no blame – there is no “separate other”*
- Whole and health come from the same root, ergo, unhealthiness of an organisation, the world or systems are in direct proportion to our inability to see everything as an inter-connected and inter-related whole.

*Core, distinctive competencies and competitive advantages*
Within an environment that is characterised by constant change, dynamic complexity and unplanned for shocks, it is vital that organisations and institutions build and expand upon their core competencies or core capabilities – these are the unique abilities that a company builds, develops or acquires over time – these competencies cannot generally
be imitated. Because they cannot be imitated, they are specifically called distinctive competencies. They are what give a company one or more competitive advantages in creating and delivering value to its customers and stakeholders.

Core competencies are also called core capabilities – these are the unique abilities that a company builds, develops or acquires over time – these competencies cannot generally be imitated. They are what gives a company one or more competitive advantages in creating and delivering value to its customers, stakeholders and shareholders. Under the new systemic, non-reductionist leadership paradigm, there are new leadership core competencies and themes that companies in the 21st century have to acquire and develop, in order to be relevant and to ensure their existence beyond a ten year time horizon.

According to Scholtes, quoting Deming’s *System of Profound Knowledge* (Scholtes, 1998)

**Core competency 1:** The ability to think systems and knowing how to lead systems –
- Clear Intention (knowing your purpose and persisting in its pursuit)
- Affirmation (The Task must be integrous, resonate with one’s values and have support from the heart and the ‘tribe’)
- Skilful means (Good methods and be skilled in their use).

**Core competency 2:** Understanding variability of work in planning and problem-solving
- Knowing that 95% of problems are caused by common-cause variations – they are built into the system and have no specific cause
- only 5% of problems are caused by special cause variations which are generally attributable to a unique event;
- One uses data to determine the cause and eliminate the problem at the point of origin (Scholtes, 1999)
- Within Beer’s VSM, the System 2, the co-ordination and resourcing of System 1 function and the System 3, systems audit and control functions ensure that there is a constant flow of meaningful and useful information throughout the system and that even the slightest variation, which falls outside the pre-determined envelope of acceptance, is picked up in real-time.
- Within such a high-functioning system, automatic contingency plans are built in to respond to these variances.
- The system is nimble, flexible and adaptable to change (Beer, 1990)

**Core competency 3:** Understanding how we as human beings work, learn, develop and improve
- Leading for true learning and improvement (Steele, 2010)
- Within systems thinking and leadership, human and social capital developments are situated as a central focal area of emphasis of the system.

**Core competency 4:** Understanding people and why they behave as they do (Scholtes, 1998)

**Core competency 5:** Understanding the inter-dependency and interaction between systems, variation learning and human behaviour and how each affects the other (Scholtes, 1998)
• This speaks to another of the underpinning principles of systems thinking – and that is the notion that everything in inter-connected and inter-related.

Core competency 6: Once these are all understood, giving vision, meaning, direction and focus to the organisation becomes the responsibility of leadership, in collaboration and via full participation of all relevant stakeholders and role players (Scholtes, 1998)

• Ackoff, widely credited as the father of Systems thinking, describes a system as being a whole, composed of many parts (Ackoff, 1987)

• One can understand the part by seeing how it fits into the system, but you cannot understand the system by identifying each part or collection of parts. Reductionism is the antithesis to systems thinking and of systemic leadership practice.

• The new leadership and companies require the competence to view the interactions of the parts as how the system works, but to understand WHY the system exists; they must look outside the system – to human events and larger systems (Ackoff, 2008)

Senge’s core competencies (or disciplines) of the Learning Organisation: Towards Value Creation (Senge, 2006)

Peter Senge in his seminal work: The Fifth Discipline (Senge, 2006) speaks of the following new disciplines or competencies required for value creation – he speaks of disciplines because this refers to the ability to learn, to create a developmental path, to acquire skills and competencies and practice them as a life-long learner.

The core competencies of the Learning Organisation are (Senge, 2006):

**Discipline 1: Systems Thinking** – everything is connected and we can see the patterns very clearly.

**Discipline 2: Personal Mastery** – committed to life-long learning, continually clarifying and deepening one’s own personal vision

• This is the spiritual foundation of learning organisations –
• It is the process of clarifying what REALLY matters and to live our lives in the service of our highest aspirations.

**Discipline 3: Mental Models** – turning the mirror inwards, surfacing our mental models, holding them up to rigorous scrutiny and have meaningful conversations

• Balancing inquiry and advocacy so as to free ourselves of those mental models that are limiting as well as to expose ourselves to generative dialogue with a diverse group of peers and role players.
• The more diversity, the deeper the interrogation of limiting mental models and the higher the probability that innovation and creativity may surface.
Discipline 4: Building a Shared Vision – bind people together around a shared vision and sense of destiny

- Unearth their shared picture of the future –
- Such a vision cannot be dictated;
- It is rather a force within the hearts of people and is emergent and organic by nature.

Discipline 5: Team learning – starts with dialogue

- Suspend all assumptions,
- Enter into real ‘thinking together and also –
- Identify patterns that undermine learning.
- The power of collective intelligence still remains largely untapped within organisations.

Organisational social capital:

Relevance, Value and Benefits = Vital organisational & Systems core competency

Social Capital within organisations is now a vital core competency – in The Learning Organisation (Senge, 2006) it is possible for most stakeholders to have shared their stories and to have found a sense of connectedness.

Within the Learning Organisation, there is an understanding of systemic causes, openness, reflection, deeper conversations, personal mastery and a shared vision. This represents a life-long journey and continuous process of personal mastery, learning, growth and development. In such an ecosystem, people constantly expand their capacity to create the results they desire, new and expansive patterns of thinking are nurtured and collective aspirations set free – people are continually learning to learn together.

In the end, Senge points out that without a robust, responsive, highly functional, nimble system, the seeds of vision fall on harsh and inhospitable soil (Senge, 2006). It goes without saying that every individual organisation will have its own set of distinctive competencies, but in our considered opinion, for a company to remain relevant and sustainable; these competencies must be built upon the foundations and pillars of The Learning Organisations (Senge, 2006) as well as Deming’s System of Profound Knowledge (Scholtes, 1998).

Within these Frameworks, one would take a closer look at Distinctive competencies such as:

- Partnerships with suppliers, employees, customers
- The strength, density and size of the company’s social capital networks.
- Specific competitive advantages – which would surface via using multi-basing methodologies such as:-
  ✓ the humble SWOT Analysis
  ✓ Porters 5 Forces
✓ the Space Matrix
✓ Internal Factor Evaluation - IFE
✓ External Factor Evaluation – EFE
✓ the combination of IFE & EFE to find balance & perspective
✓ The QSFM to confirm one’s true competitive edge and end with-
✓ the Balanced Scorecard as a performance framework

• Jacques’ Stratified Systems Theory (Grobler, S), which focuses on creating the correct ‘hierarchy’ that is appropriate to the distinctive competencies required at each level of complexity, so that the organisation can maximise value creation –

✓ here we would look at his seven work strata and ensure that the structure remains as flat as possible
✓ Whilst at the same time ensuring that the organisation is structured in line with the capabilities of the individual-in-role
✓ This is done on the basis of the required level of cognition required, dependent upon the complexity at different levels within the system.

• Through having the correct levels of skills with appropriate cognitive abilities within the right places within systems, variety, which is the measure of management of complexity within a viable system, can be kept at the requisite level (Ashby, 1964), so that –

✓ the outflow of variety from management to the process or system and from the system to its environment are amplified;
✓ In return, the variety that is returned from the environment via the process or system to leadership will have been attenuated, based on having the correctly functioning systems as well as the correct degrees of cognitive complexity and autonomy in place throughout the system (Beer, 1990)

The ability to utilize cognitive complexity to its fullest extent could represent a substantial distinctive competence for a suitably forward-thinking organisation.

Within a true Learning Organisation, areas such as:

• Customer service,
• Innovation,
• product design,
• R&D,
• access to new and emerging technologies,
• training,
• development,
• responsiveness,
• flexibility,
• ethics,
• governance,
• global corporate citizenship and –
• A two way relationship and conversation with customers, shareholders, employees, communities and shareholders would and should most definitely form part of the Distinctive Competencies. At the very core, would be:

✓ The shared vision and strategy of the organisation as a whole,
✓ the connectedness and cohesion and –
✓ The strength and vision of the leadership to let go of control, but to –
Still manage change and improvement.

Kees van der Heijden (2005) describes Distinctive Competencies as something distinct, unique about the combination of competencies – which makes it very difficult to be emulated or copied. Distinctive competencies (DC’s) lead to the competitive advantage of a company and ensure the delivery of value in line with the Business Idea – competitors can usually not compete with this company’s DC’s – they are both individually as well as collectively difficult to imitate. A strong Business Idea contains elements created in an organisation over time and which uniquely belongs to the organisation.

The company asks the question: “What is unique about this particular formula and why are others unable to emulate it?” (Van der Heijden, 2005)

**Categories of organisational distinctiveness**

There are generally five fundamental sources of distinctiveness, organized into two main categories:

- Unencoded institutional knowledge: in networked people & in embedded processes. Competencies based on unencoded, institutional knowledge cannot be copied – unique knowledge itself is however not enough – competencies must belong to the firm – institutional knowledge = sustainable profit.

- Sunk costs/irreversible investments: investment in reputation & in legal protection – in specialised assets. If competitors have to incur costs to attempt to acquire another company’s DC’s, that represents an opportunity cost on the part of the competitor – and may not be worthwhile to pursue such investment.

The strongest Business Ideas derive from DC’s which feed on one another and are unique because of how they are systemically combined. By creating causal loop diagrams of a company’s DC’s, it can provide powerful insights into the driving forces of the success of the company. (Van der Heijden, 2005).

**Core Organisational and Systems rigidities: The flip-side of Core Competencies**

Senge describes the flip-side of core competencies, as core rigidities, where a company becomes Solipsistic to the extent that there is an over-reliance on and arrogance related to these historic advantages and core competencies for too long (Senge, 1998). Generally, no or little investments are made in expansion, maintenance or development of these core competencies. When no improvements or innovations are made, the company, product or brand increases its risk of becoming obsolete or increasingly irrelevant to its core customers (Scholtes, 1998).

This is a situation that has become particularly prevalent within the existing global paradigm and is exacerbated by the lack of viable, functioning systems within
organisations and society at large. This therefore leads to leadership being in a constant state of fight or flight, crisis and chaos management. There is very little, if any time available, to reflect, engage in strategic conversations, sense what is happening within both the internal and external environments and this has resulted in a dearth of strategic and transformational leadership and long-term, sustainable, integrated strategies. Short-termism, reactive management and retrospective performance and systems reviews are still the order of the day. There is little or no value inherent in these systems of practice, as they at best, provide a limited view of the past performance of individuals, divisions or units.

The past can tell us nothing concrete about the future. To plan for and be prepared for the turbulent and complex environment that we are forced to function within, requires the ability to set up a systemic structure that allows for the daily work, the client’s work, to be supported and to run seamlessly, whilst the rest of the layers of the systems functions provide services to the GEMBA – derived from Japanese and meaning; GEM – the specific place – BA – of (the) work (Scholtes, 1998). Stafford Beer names the place of the client’s work, within his Viable Systems Model, simply as System(s) one (Beer, 1995)

A company’s core capabilities are those that are most relevant to the core performance results within the GEMBA. This is what the company; organisation or system does, is and produces.

Viable Systems Model:
In this instance, for the sake of demonstrating that there are other feasible ways of measuring and defining value, we focus on Stafford Beer’s Viable Systems Model (VSM) (Beer, 1995) and pause for a moment, to interrogate what it is that should ideally be measured within this new sustainably-focused business and systems paradigm and how this measurement could take place. We are by no means suggesting that Beer’s system is the end-all and be-all of performance and systems measurement. What he offers, within the context of the VSM, is however practical and contextually relevant within a new systems age.

There are a vast range of measurement methodologies, metrics, technologies and methods available. Dependent upon what the purpose of monitoring, measurement and evaluation is, Organisations and Systems would have to synthesise from this smorgasbord of methodologies, so as to find an auditing system that is most appropriate to their needs. The central principle that Beer brings across speaks to the fact that any Viable System requires a robust, highly-functioning and real-time co-ordination and control system. The systems of measuring performance retrospectively, dealing with historic information or data and of constantly leading in a reactive style, have
completely lost their relevance. Common sense dictates that such a system has little or no value within our context of constant dynamic complexity, uncertainty and change.

Within our current systems, the four M’s – Men, Materials, Machinery, Money – have always been measured and because of the default training to think and do things in a reductionist manner, these measurements have always been thought of as having to be precise (Beer, 1990). This is why we have managed to train a great many Specialists such as Accountants, Chartered Accountants, Lawyers and other subject/discipline-aligned experts, to measure each part of the system absolutely precisely. In Beer’s view, this way of thinking and of being no longer has any relevance within the turbulent times we are living in, specifically, given the intensely swift pace of change and extreme complexity that we have to deal with. These times require systems that are nimble, responsive and able to adjust and adapt rapidly and in real-time to even the smallest shift in trends, their environment or from within the system. Such systems’ readiness would be contingent upon having highly functional, custom-designed and output focused co-ordination and control systems in place.

He firstly introduces (Figure 2.1) us to the Viable Systems Model (VSM), which we touch on very briefly at this point, just so that we have a point of reference for the measurement systems and metrics that Beer suggests. The graphics in figures 2.1 & 2.2 below serves as the basis for the provision of a rudimental explanation of the Principles of the Viable Systems Model (Beer, 1990). The VSM is not an Organisational diagram or hierarchy and it does not prescribe structures. It is rather concerned with the essentials of the Organisation and the maintenance of its identity.

![Figure 2.1: The Principle of embeddedness of Management within Process (Beer, 1990)](source: StaffordBeer, ViableSystemsModel - 1990)
Recursion is fundamental to the principles of the VSM. This ensures that vertical inter-dependencies are dealt with and that the whole system is replicated within its parts. These vertical inter-dependencies (Figure 2.2) refer to the Systems 1 to 5 which all work together to render services to the Systems 1, which is where the purpose of the system and what it does, is given expression to. Deming and Scholtes would call the Systems 1, the GEMBA – the specific place of the client/customer/end-user’s work. Each of these vertical systems has their own specific functions, as is explained and demonstrated within the VSM. The level of functioning of a system as a whole, would be very much contingent upon investment in each of the Systems 2 – 5’s, as well as high-functioning control, co-ordination, feedback and communications loops between all of the systems levels.

Cohesion and a clear sense of systems identity, whilst allowing for autonomy and self-regulation at all levels, create the environment for the absorption of variety at all systems levels. This means that the same VSM principles are used to model sub-systems. In any viable unit, the horizontally inter-dependent sub-systems are integrated and guided by the ‘meta-system’ or higher management levels. Within the System 1’s, the design or organisation of the system as a whole, recurs; in other words, each System 1 includes a recursion or replication of the central conception of the identity of the whole system and contains within it its own Systems 2 – 5’s. Each system 1 is in other words its own viable system – but within the context of being a cohesive unit that is inter-connected and inter-related to all other systems within the VSM. There is a central sense of purpose and meaning-making and value creation.
Within the VSM, the sources of command and control require emphasis. These sources are spread throughout the Systems Architecture of the viable system and this enhances self-organisation and localised management of problems; autonomy is implied. In other words, this is the opposite of an autocratic command and control type of system - The Old, Reductionist Style of Leadership & Management (Scholtes, 1998). These are the Laws of Cybernetics in action – thereby attenuating variety and ensuring the smooth running of an autonomous, self-organising system. There is furthermore a focus on the relationship of every viable unit with its specific environment – either influencing or being influenced by it, but mostly, using this environment to promote active and ongoing learning. This model (Figure 2.2) can be super-imposed on any organisation or system – from a specific work group unit within a division to the whole organisation (Media24); the principles that govern the system and create positive outcomes are at the heart of the systems design and functioning.

The Viable Systems Model itself comprises an arrangement of FIVE functional elements or systems – simply named: System 1 to 5. These systems are inter-connected via complex information and control loops via the Principles of Recursion.

- **System 1:**
  This system is directly concerned with implementation. Each part is autonomous and has, inherent in each of its constituent parts, the features of the total viable system, with specific emphasis on all five levels or Systems 1-5 in recursion. Each part of system 1 connects to it local environment and absorbs as much variety as possible from this environment. The System One is what the Organisation does – in other words, the Systems 1 produce the end-products/services for the clients/customers/end-users – The GEMBA.

- **System 2:**
  This is the co-ordination function that has as its central goal, the objective of ensuring that the System 1 parts remain in harmony. It also dampens uncontrolled oscillations between the different parts of System 1.

- **System 3:**
  This is the control function, which has the primary function of maintaining internal systems’ stability. It interprets Policy decisions made by higher management levels and allocates resources to the various parts of System 1. It furthermore ensures effective implementation of policy. It is responsible for complete systems audits using the System 3 auditing channels.

- **System 4:**
  This is the intelligence gathering and reporting function and captures all relevant information about the system and its total environment. This system provides the model for the organisational environment and distributes environmental information both upwards and downwards within the organisation according to the degree of importance. System 4 brings both internal and
external information together within an environment which enables decision-making. Most importantly, if System 4 is functioning optimally, it is able to rapidly transmit urgent information emanating from Systems 1 to 3 to System 5. This is done via Algedonic Alerts (Algedonic, from the Greek, meaning pain and pleasure). It stands to reason that if there is a pain signal, the system needs to respond to contain and manage this aspect of the signal and if there is a pleasure signal, this needs to be circulated throughout the system. In all instances, learning must take place.

**System 5:**
This is the system that is responsible for Policy, Strategy and Leadership and responds to significant signals filtered from systems 1 to 4. This system arbitrates between sometimes conflicting and antagonistic internal and external demands on the organisation. The information to perform these activities is provided by Systems 3 and 4. System 5 represents the essential qualities of “The Whole System” to any wider system that it forms part of.

Within this paradigm, with the VSM as framework, Beer searches for the one, uniform, basic commodity or measure that we have to deal with in managing and in organising; Beer interrogates whether there is in fact ONE thing that underlies the problem or challenge of Men, Materials, Machines & Money – and through years of research, collaboration and modelling, introduces the irrefutable answer:

- The one basic commodity or measure that we HAVE to deal with is to **Manage Complexity** (Figure 23). We see the notion of increased complexity and the resultant chaos and negative outcomes that it tends to create, expressed throughout Global Systems. The more complex, difficult or harder something becomes or appears to be, the more ‘organisation’ is put into it and this system of creating more and more layers of division, generating more and more information and data becomes the very cause of the escalation of the problems and challenges we are forced to face and attempt to deal with – I.e. silo thinking within Media24 context.

- Beer therefore states that if we are trying to deal with complexity, then we must surely have a measure for it.

We are introduced to the idea that within Cybernetics, the **measure of complexity** can be found within the **concept of Variety** (Beer, 1990). Before we discuss Variety as the new measure of Value creation and Systems Performance, it is necessary to briefly to describe what Cybernetics is, what it implies and how the measurement of variety therefore becomes relevant and useful within the VSM or within any other autonomously functioning System, Organisation or Institution.
Cybernetics – A brief overview

According to the Encyclopaedia Britannica (Conklin, 2006), the term “cybernetics” comes from the ancient Greek word, “kybernetikos”, which means “good for steering”, which in turn refers to the art of being a helmsman. From these epistemological roots, Cybernetics can be described as Control Theory, specifically as it applies to Complex Systems.

There is generally a monitor or monitoring system which constantly measures, monitors and compares what is happening within any given system, using various sampling points and times, to pre-determined standards and systems parameters. These systems standards and parameters are put in place based on what should be happening within the system. The system of control, measurement and monitoring is therefore, in an ideally designed and well-functioning system, able to adjust the system’s behaviour in real-time, as variances above or below the norms occur. Muller (Muller, 2000), goes one step further in describing cybernetics as a trans-disciplinary approach for exploring regulatory systems, their structures, constraints and possibilities. Cybernetics is rooted in the tenets of systems and design thinking and is therefore relevant to the study of systems, including physical, biological, cognitive, mechanical and social systems. Feedback, originally referred as a circular, causal relationship, is the way in which a system that is being analysed, monitored, measured or controlled, generates a change within its environment; this change is made apparent by the systems’ feedback which should trigger the appropriate systems’ change and/or adaptations, in real-time.

Javier Livas (Livas, 2009), who worked closely with Stafford Beer, explains that there are several stages related to the eventual genesis of the science of Cybernetics. Plato and

![Figure 2.3: Ashby's Law of Requisite Variety – (Ashby, 1964)](image.png)
Aristotle mentioned the concept many centuries ago and then it simply disappeared. It finally re-appeared in the 19th century, when the French philosopher and physicist Andre-Marie Ampere, in his classification of the sciences, suggested that cybernetics, which was at that point a non-existent science, should become the Science of Control of Governments (Livas, 2009).

Jumping ahead, Rosh Ashby begun to explain that machines are not physical entities by themselves, but rather, that machines are what they do; in other words, machines are ways of behaving. This new concept was iterated within his game-changing book, titled simply: “Introduction to Cybernetics.” (Ashby, 1964). He also introduced the idea that the most fundamental concept within cybernetics is that of difference; difference can exist between two things or because the same thing shows a difference, changes or variances over time. Ashby furthermore said that the subject matter of cybernetics is the domain of all possible machines – whether they have been created by either man or nature yet is immaterial (Livas, 2009). Cybernetics therefore provides a framework on which all machines [machines are used in a very broad sense – to mean more than metal, physical machines] may be understood, related and ordered. He stated that: “Cybernetics deals with all forms of behaviour in so far as they are regular, or determinate or reproducible” (Livas, 2009). In his estimation, materiality is completely irrelevant; meaning that the outer casing of a laptop has no relevance to its processing power. Ashby is described as having been rigorous in his research and methodological approaches and defined transitions as being able to be used in sets or series, in order to cause transformations.

He used the example of the sun gradually turning a white skin to tan. He concluded that a transformation describes any machine and uses, as alluded to before, a theoretical description of machines, using a symbolic approach to machine descriptions. Ashby’s theoretical machines can be ideas, theorems, words, formulae or machine in metal – physical manifestations of machines (Livas, 2009). From this theoretical “pencil and paper” machine, iterated within a matrix format, that Ashby discovered the Law of Requisite Variety, now known as Ashby’s Law (Ashby, 1964). Beer took Ashby’s work further and asserted that the outcome of cybernetics can be described as a set of possibilities. He compared the cybernetic approach to that of what you would do if you were playing poker or making a bet. What Beer was trying to say is that in doing so, one has to continue to compute what all the possible outcomes could be and thereafter, make a determination as to which of these possible outcomes are most likely to happen. In a sense, the Science of Cybernetics is akin to and complementary to that of Scenario Planning.

On the subject of systems feedback, Beer states that the thing to realise about systems and how they are controlled is that we must rid ourselves of the idea that control is something that is or can be imposed on the system from outside. As is evidenced by Beer’s VSM, his insight at the time was that control has to be built or designed into the
system and that it is and should be ubiquitous in control systems. Beer’s assertions, the theoretical as well as practical applications, are echoed within the systemic design thinking of other cyberneticists as well as systems thinkers; the system will regulate itself and has its own homeostatic capacity built into it. This basic understanding of cybernetics or control systems, characterized by differences or variances and ubiquitous feedback loops, lays the foundation to proceed to discussing how complexity and value creation can be measured within systems. It is also important to note that cyberneticists have used the science to study concepts such as: adaptation, social control, emergence, communication, learning, cognition, efficiency, efficacy and connectivity. It is a truly systemic, inter-disciplinary science.

**Measuring Value Creation, Complexity and Performance:** A new way of thinking

Before briefly pausing to gain a basic understanding of cybernetics, we were introduced to Beer’s measure for complexity, which is what he describes as the one, unifying commodity that we as leadership and management have to deal with on an on-going basis.

According to Beer, the only measure of complexity is found within the concept of variety (Beer, 1990). Cybernetics is an emergent science and therefore, variety has a very specific description: it is described as the number of possible states of a system at any given moment in time. Within the section in which we were briefly exposed to the Principles of Cybernetics, we have been introduced to the Law of Requisite Variety, also known as Ashby’s Law (Ashby, 1964).

*The principle of Ashby’s Law states that: “Only variety absorbs variety.”*

It is a Law, because it will exert itself just as the Laws of Nature do, because they are always operative and running as the backdrop to life on earth. These Laws cannot be stopped or tampered with and in the case of Ashby’s Law; it has a particular tendency to show itself during periods of turbulence and chaos (Beer, 1990). The practical application of Ashby’s Law is demonstrated via a simple example that, if there is an efficient signalling system in place within any system, variety can be absorbed by the switches within that system. If one does however not have efficient switching systems in place, then variety will be absorbed by way of creating static or stationary behaviour – in other words, it will bring the system or at least part of the system, to a grinding halt. It is therefore an axiom that any viable system must contain the correct balance of requisite variety in order to function optimally (Beer, 1990).

In essence, the reductionist instinct and way of structuring systems, which is still the predominant way of doing things, continues to attempt to place provisions, such as Laws, Regulations and Policies in place with the intent of dealing with variety; the system and the Law of Requisite variety do however assert themselves and will find
ways to put requisite variety back into the system and to push the system itself back. Beer demonstrates how most Regulatory Systems do not embody Ashby’s Law, in that once all is said and done and Regulations, Laws or Policies are promulgated, the very systems, organisations or structures that put these Regulatory Systems in place generally eventually throw their hands into the air and admit that; “We don’t know how to regulate the system.”

The system in which we operate, finds its roots in Aristotle’s Principle of Non-Contradiction, which has formed the basis for human logic and reasoning. It is completely reductionist in nature and has provided the foundation upon which we have structured all systems – by dividing everything up into discrete units or parts, each dealt with, handled, managed or learnt in isolation of one another – and by inference, without ever being able to see the sum of the parts (Beer, 1990)

The World and all of its systems is reductionist in nature and we therefore are unable to think of anything any longer, except within these reductionist terms. Beer focuses on the hierarchical structures and systems, divisions, siloes and functional ramparts within which he describes us as being trapped. He speaks to when anyone is asked to produce a plan for a system, business, government or organisation, the plan is forced to be expressed in terms of that organisation and its structure – which is the reductionist design that has gone into it.

The future that must be planned for will most definitely have to be very different from the way that things are in the present, but there is no way of expressing this. Beer invokes Goedel’s Theorem, which in essence speaks to there being no “language” to adequately express a systemic, coherent and sustainable plan for any organisation or system within the existing reductionist, fragmented and disconnected system.

The impact of this status quo is that change and improvement are inhibited by our predominant systems. When change comes along, as it does on a constant basis, in what Beer describes as in big, cascading fashion across the World, in and across every field and sphere of life, if we are armed only with out of date models that are incapable of adaptation, we are and will remain in very big trouble (Beer, 1990). We are experiencing these predictions at present, as the Global System as a whole remains in a state of melt-down with no way or understanding of how to halt, deal with, solve or dissolve the negative repetitive behaviours emanating from the system as a whole.

**APPLYING ASHBY’S LAW IN MEASURING & MANAGING COMPLEXITY AND PERFORMANCE**

In his book, “Brain of the Firm” (Beer, 1995), Beer states that every management technique in terms of variety is one of four things: a law in Cybernetics, Ashby’s Law, processes A, B, C et al each within the embedded environment, process and
management system being capable of independent existence, ergo, viability and that at the heart; variety has to be attenuated and/or amplified within an envelope of acceptance for a system to be viable.

Beer uses the principles contained within Figure 2.4 above, to argue that the variety which a leader or manager possesses, is by inference less than the variety of the process or system that he/she is trying to control and manage. Leadership cannot know everything there is to know about what is going on within the processes that they are trying to manage. In the same way, the environmental variety is bound be far more and larger than that of the process variety with which there is a two-way, on-going interaction. It is clearly a near impossible and an uphill task for any leadership to attempt to manage something that is that much larger in terms of its variety. This is however how the existing global system is set up. Companies, management groups and leadership are in a constant battle and fire-fighting mode to try and manage, regulate and control a system or process that is so much more complex and contains so much more variety than they, as leadership, possess.

Within our current reality, the sheer volume of information coming at management and leadership from within the hierarchically, command and controlled, micro-managed and management by objective type structures, attenuates the ability of leadership to really use the information and data, rather than amplifying or improving these abilities (Beer, 1990). It is safe to say, that we can agree with both Senge (Senge, 2006) and Scholtes (Scholtes, 1998) about the negatively repetitive impacts and behaviours that are continually brought forth by these systems within organisations, governments, communities and the global system as a whole, because of the predominance of the old style of leadership and all of its outcomes and consequences. Beer offers robust and evidence-based explanations for the root causes of the behaviours within the systems and the outcomes that we continue experiencing.

In Figure 2.3 above, we are exposed to the simplistic elegance of Ashby’s Law. What is suggests, is that when you are managing or operating in or within any system, there has to be a regulatory process between the systems’ components. On the one hand, variety
from management must be amplified in the direction of the system or process, the process in turn has to amplify its variety outwards toward the environment that it is functioning within and on the other hand, variety flowing in the opposite direction, from environment to system or process and from system to management, must be attenuated. There are a range of mechanisms through which such attenuation or reduction of incoming variety can be achieved.

From a management perspective, the system could be structured or designed so as to ensure that the management and employees within each of the sub-systems are equipped with the appropriate levels of skills and cognitive abilities, so as to function autonomously, thereby being enabled and empowered to make decisions, filter data and deal with variations at the various levels of recursion within the system. Letting go of the old-style ‘command and control’ style of management and submitting to a process of transformation into the Learning Organisation (Senge, 2006) would be one of the ideal mechanisms in which to create a system that is exemplified by having requisite variety at all levels within the structures.

![Law of Requisite Variety](Figure 2.5: Laws of Requisite Variety (Beer, 1990))

Beer sensitizes us to the fact that there is no such thing as absolute independence for an individual, an organisation or a system. This is because we are members of one another and therefore, no living entity is ever absolutely independent (Beer, 1990). Beer takes us back to one of the very tenets and foundations of this research project and that is, the notion of systems thinking and design thinking, which relates to the whole being larger than the sum of its parts and that everything is inter-related and inter-connected, even when it would seem unlikely based on distances in space and time (Ackoff, 1974). This sets the tone for the very reason why there are control, co-ordination, intelligence gathering, strategic planning and management structures in place within systems. As demonstrated within the VSM, each of the systems two to five are in place to render a range of necessary and appropriate services to support the system one, which is where the value is created. What Beer also makes clear is that if those sitting in ‘higher’ systems levels or more traditionally, within the management realms, simply issue absolute instructions in regards to what must be done and how it must be done, then the variety that is required by the whole system, is taken away.
The graphic (Figure 2.6) below depicts the levels of management recursion within the VSM. The isomorphic recursion that is inherent within this design acts as a reducer of variety – in other words, recursion via a viable, autonomous and self-organising system reducing the variety of managing. In such a system, only the most necessary, urgent, meaningful and useful data are provided to management and leadership in real-time, so that they are able to focus their energies on their core responsibilities – that of keeping a balance between the “Here & Now” of the organisation and the “There & Then”. With the relevant attenuation of variety, the correct data available at the right time, intelligent decision-making is enabled via a process of introspection and measurement of the next course of action against the stated Strategic Objectives and Goals of the Organisation or System. In the World we live in, the time for leadership to lead and manage in this way, is sadly of the ‘few and far between’ variety.

**Figure 2.6: System of Management services recursion within VSM**

At the same time, whilst all human beings tend to seek autonomy – states, nations, communities, organisations, systems and individuals – if we attempt to maintain cohesion by reducing variety, by for instance making an inordinate amount of restrictive Laws and Regulations and forcing people to do what they do not want to do, we become inefficient and the system falls apart. The collapse of Russia, with its attempt at central planning and control offers a real-life example of how this style of reducing variety is doomed to failure (Beer, 1990). The systems two to five within the VSM are therefore in place so as to ensure cohesion of the system one in the first instance and of the system as a whole. In cybernetics, as much variety as possible is required on the vertical axis of the VSM, but without a system that is cohesive, each system will produce contradictory
plans that maximise their individual performance, but that bears no resemblance to or is interest in the performance of the system as a whole, nor of the identity of the system. Beer states that if such a system of complete autonomy were allowed to exist, the viable system would either explode or implode into itself. There must be variety attenuation on the vertical line. Through Beer’s eyes and by engaging with his models and methodologies, as well as by internalising the laws of systems thinking and the new leadership competencies, we systematically find clarity as to how the current system has managed to get to where it is and why and how it is behaving in the way that we experience on all levels, globally.

There is a stark contrast between a reductionist, analytical system and a systemic, synthesised system in respect of the polar opposite outcomes that they individually generate. Beer goes on to consider whether we can therefore propose a rule that suggests how much variety must be attenuated throughout any given system. In answer to his question, he argues for what he calls, the Law of Cohesion (Beer, 1990). Its application is simple and straight-forward: In a viable system, just as much variety reduction occurs than what is required so as to maintain the identity of the whole; this requires a delicate balancing act, so as to keep cohesion and stop the system from imploding. Beer goes on to state that people accept that there has to be some central conception of what holds the system together. If we had no such central conception of our identity, then we would by definition be ill – mentally ill (Beer, 1990). So as to lead us towards a system of measurement, he further asserts that autonomy is not a function of cohesion itself, but is rather a computable function of purpose. He explains this assertion by saying that the purpose of any system is to commit “x” act – to produce a product, a service, to create value – therefore, the autonomy of any of its systems and sub-systems is a computable function of that particular part of the purpose of the system. The measure or amount of autonomy depends entirely on the purpose of the system as a whole and will in some instances be limited and in others, limitless.

The notion of Purpose is therefore central to the cohesion and optimal functioning of any system. This finds resonance with what Senge, Scholtes, Deming and Ishikhawa, amongst others, have concluded and put into practice in terms of systems design and leading for systems. Beer leaves us with another sobering notion – and that is that any system can and will only “ measure what it can measure”, which means that it is imperative to design the system so that real-time information and data are constantly flowing throughout the system, so that we know what is happening in the now. This means that the required systems adaptations are done within real-time and in the now.

Measuring, analysing and synthesising meaningful and useful data and information in real-time require a cultural paradigm shift, which is still proving difficult for systems, organisations, governments and companies to make. One is measuring insipient instability, in other words, complexity and variety so that you can deal with the issues in the now, rather than constantly managing via looking from the rear-view mirror. 
sense, this is nearly about breaking the old style time barrier and being able to alter the future within the now. Beer furthermore states that any good regulator of a system must be a model of the system itself. In deciding what it is that requires measurement, he speaks to looking for visual indicators of relative variety, constantly assessing the inputs where they are and focusing upon the bottlenecks within the system, which is generally where systemic problems emanate from. In his estimation, 20 measures of insipient variety are quite sufficient and that the rest of the ‘standard indicators of performance’, such as profit, will continue as a natural outflow of a functioning and viable system.

As is demonstrated in Figure 2.7 above, Beer’s measurement structure related to the overall performance of the system contains three measures of Capacity (Actuality, Capability, Potentiality) and three measures of Achievement (Latency, Productivity, Performance); in regards to the measurement of variety and complexity, he speaks to the following potential measures to be focused upon:

- The ratio of potentiality to actuality
- Are the inputs credible and are standard deviations from the mean accounted for and programmed into the system – there are computer packages that are able to make these statistical analyses
- Ensuring the filtering of data to reduce variety throughout the system and specifically, as it cascades upwards towards the management recursion level of the system
- Use of the Harrison-Stevens statistical programme, which uses time-series as tool to find evidence and to penetrate the relative mysteries of the process cycles and step functions within the system
- Use of quantified flow

Figure 2.7: Stafford Beer’s Measurement structure of the Performance of the system
He lastly mentions the use of an Algedonic Meter and recommends the Dynamo-Forrester’s Simulation

In conclusion, Beer invokes relativity theory, Hegel’s Axiom of Internal Relations as well as probabilities and states that in contrast to the existing, traditional way in which systems performance, outcomes and variances are currently managed, the new ways of measurement does not have to be 100% precise. Relativity and probabilities are quite acceptable. The change in paradigm relates to the fact that all of these systems of feedback, monitoring, controls, communication and co-ordination are a function of the intrinsics of the system and are producing meaningful outputs in real-time and are therefore responded to in real-time. This is again in stark contrast to the current system which measures performance retrospectively, which is concerned with the last quarter’s performance or measures the performance of individuals and their systems on a once-per-annum retrospective manner. These systems of performance management have no relevance within the dynamically complex global system that we function within. They mostly, have little or no value, as they are unable to have any measurable impact on creating a different, sustainable and improved future.

Beer, Ackoff, Senge, Deming and Scholtes all make the case for moving from our outdated models of leadership, management and planning, to a completely new way of thinking, designing and doing. Without such a complete shift, we fear that the global system is doomed to eventual complete collapse or implosion into itself. Returning to the starting point of this section, “A New Era of Sustainability” (lacy, 2010), the report concludes that CEO’s are demonstrating a strong determination to take all actions that are necessary so as to move into this new era of sustainable business practices. There is recognition of the sheer scale of the challenges that we are all faced with, but at the same time, there is a sense that together, there is the ability to set out a compelling collective vision for the future of the global economy and system as a whole.

2.2.7. Grounded Theory (GT):

GT is a qualitative research methodology that generates a theory that attempts to explain the behaviour being studied. It involves the formulation of understandings that without inquiry by the researcher would remain implicit and unexplained (Lincoln & Guba, 1985). GT is used to explain the behaviour over observed time. The process uses systemic methodology in the emergence of theory (induction) through the analysis of data.
Figure 2.8 above illustrates parts of the 8-step process of GT. Unlike traditional social science research methods, GT starts with data collection instead of a hypothesis, through a variety of methods. The data collected are used synthesised into key points (propositions), which are marked with a series of codes, extracted from the text. These codes are grouped into similar concepts in order to make them easier to work with. The concepts are used for category formation, which forms the basis on which we formulate a theory – opposite to traditional hypothesis development (Glacier & Strauss, 1967).

The end goal in this research is to use GT to discover the participants’ main concern, and how to resolve it. The questions asked throughout the process are, “What’s going on?”, and “What is the main problem and how do we solve it?” These questions are answered by the core variables. GT does not aim for the “truth” as we know it, but attempts to conceptualise what’s happening by using empirical research – reverse hypothesising in order to ensure the answers to question and theory is emergent and not preconceived. The researcher needs to pay special attention to their own “theoretical sensitivity” (Glaser & Strauss, 1967) and especially the relevance the categories chosen as they emerges from data comparisons (Egan, 2002). During the process the researcher establishes emerging perceptions from the evidence, conceptualises the data, and finally examines the emerging inter-relationships between concepts, whilst being guided to a certain extent in theoretical sensitivity by prevailing theories.
GT allows the researcher develop theoretical explanations of the general features of a topic while simultaneously grounding the explanation in empirical observations of data (Fernandez, 2005). The process consists of three phases:

- **Abstraction: (Figure 2.10)**
  This phase consists of three phases namely, constant comparison, theoretical sampling and saturation. Constant comparison is where data are collected and analysed concurrently, while theoretical sampling is a process that determines which data should be collected next through the theory that is being constructed (Suddaby, 2006). Saturation is achieved when no new categories emerge from the abstraction process. The constant comparative method facilitates the generation of complex “theories of process, sequence, and change pertaining to organisations, positions, and social interaction that corresponds closely to the data since the constant comparison forces the analyst to consider a lot of diversity in the data” (Glaser & Strauss, 1967). Fernandez (2005) reinforces the importance for the researcher to set aside theoretical ideas during constant comparison as this will inhibit emergence of possible new theory out of the conceptual categories and concepts.

- **Conceptualisation: (Figure 2.10)**
  During the abstraction phase, a large number of categories emerge that the researcher needed to reduce in number. This is done when reduction sampling occurs. The researcher compared each category with every other category and through reduction identified the core variables. During reduction categories are merged where possible into broader concepts – core variables. Once a core variable had been identified, a literature review of each concept were done to fill in the missing pieces in the emerging theory and to assist the researcher
understand the relationship between these identified concepts. Selective sampling followed this process so the researcher could collect more data in a selective manner to identify the properties of the main categories (Strauss & Carpenter, 1999). This step leads to the emergence of a final set of core variables which formed the foundation for the new contextual theory.

- **Theory building: (Figure 2.10)**
  This is where theory coding occurs. Theoretical codes assimilate the theory by joining the fractured concepts into hypothesis that fit together in a theory explaining the main concern of the participants. Theoretical coding means that the researcher relates a theoretical model to the data. It is important that this model be emergent and not forced during GT process. This process can be enhanced by theoretical sensitivity, memorising during the abstraction and conceptualisation phases and by using models such as causal loop diagrams that link the variables and explain the relationship between them.

![Figure 2.10: Research Methodology](https://example.com/figure210.png)
2.2.8. Data Collection:
Central to data collection within GT is the need for triangulation – also called “slices of data” (Glaser & Strauss, 1967). This ensures different vantage points are attained from which a potential conceptual category can be understood. In practice it means that researchers using the GT process are required to collect data from multiple sources in order to validate and clarify how meaning is constructed by different social contexts (Benoliel, 1996) and then synthesise it. This data can be collected in a multitude of ways:

- **Participant Observation:**
  Participant observation is a qualitative data collection methodology used as part of other research methods. In it, the researcher is immersed in the daily activities of the sample group of interest and collects data while being a participant in the system being studied. This methodology requires the researcher, also the observer, to be objective and aware of own biases. In this case the researcher must have the capacity for originality and the ability to spot significant events. Important to note that no “formal” process or design is applied, data and events emerge through normal day-to-day activities. During this study an overt approach (everybody knew the researcher is busy collecting data) and researcher as immersed full-time. Whilst the researcher attempted to ensure no bias, it must be noted at this point that possible bias might have crept in which could be considered a threat to the validity of the research. This was hopefully counter-balanced by triangulation. Ethical issues such as privacy, confidentiality of information, potential harm to individuals or reputations were all considered throughout the study. Consent had been gained by all respondents.

- **Convergent Interviewing:**
  This is a structured process for the collection, analysis and interpretation of qualitative information about a respondent’s knowledge, attitudes, beliefs and opinions through a series of interviews. This technique is used in areas where there is a paucity of information and experts and a lack of a theoretical base (Rao & Perry, 2003). During the series of interviews the researcher was able to clarify certain concepts from the respondents. The convergent nature of this methodology helps overcoming subjectivity. Researcher took care to ensure respondents were aware of purpose of the research (Rao & Perry, 2003), as well as setting up interviews for uninhibited interaction in an informal space. On odd occasions during the interviewing process, the researcher detected themes related to the overarching topic and had to probe for deeper meaning and understanding.

- **Documentary Research:**
  It is a qualitative method for collecting data from documentation. It draws conclusions about social circumstances, in which these documents were produced and read (Bloor & Wood, 2006). The documentary research was used to gather propositions for this study in order to gain more insights and
understanding on the area of concern. Bloor and Wood (2006) identified four main criteria a document needs to qualify on in order to be considered valid for research:

- Authenticity
- Credibility
- Representativeness
- Meaning

The above research methodologies and philosophies were integrated into a comprehensive research methodology procedure to be used in undertaking the required research (Figure 2.10).

The process in Figure 2.10 starts with the identification of the concern in the empirical domain. CR was then adopted as the philosophical position for the research and the way reality would be viewed throughout the study. This is followed by using Maxwell’s research design framework to design the qualitative research to be undertaken where the goal(s), conceptual framework, research question, methodologies considered and validity were clearly outlined.

A system thinking approach was adopted to define and understand the situation. SSM was used to define and understand the role of each stakeholder, the interactions between themselves and also their interactions with the environment. The system in focus was defined and examined using CSH to ensure fairness.

The data collection (observations, interviews and document research) is integrated into the GT process was followed to identify the core variables used in the theory building steps of the research. The GT methodology followed consisted of three overarching steps, namely abstraction, conceptualisation and theory building. The theory building process was further supported by Beer’s Yo-Yo model where metaphors were identified, analogy made between conceptual models and isomorphic mapping done to arrive at a scientific model which was expressed as a causal loop diagram.

2.3. THE PHASES OF THE INTEGRATED RESEARCH FRAMEWORK

The design of Qualitative Research is a general way of thinking about conducting Qualitative research. It describes, either explicitly or implicitly, the purpose of the qualitative research stages, the role of the researcher(s), the stages of research, and the method of data analysis. A Qualitative research design is one of the most flexible of the various experimental techniques, encompassing a variety of accepted methods and structures. The four of the major qualitative research designs are:

- Phenomenology
- Ethnography
Purpose of study
The research study undertaken aims to unearth and understand the causal mechanisms that underpins and supports the prevailing silo mentality at Media24 in order to gain an improved understanding of their effect on the organisational culture by using Maxwell’s interactive research model of research design (Maxwell, 2005). We will then use this knowledge to build an alternative model (theory) on how to improve on this organisational culture.

As Grounded Theory was used in the collection of data, Maxwell’s (Maxwell, 2005) Interactive research design seemed most appropriate. In his model, Maxwell acknowledges that research is always ongoing, non-linear and fluid. The interactive nature of the design takes into account contributions, viewpoints and influences by all stakeholders (researcher, research participants, stakeholders, environment and theories on subject) within the scope of the research, and allows for interaction and influences of these parts on each other.

Maxwell highlights the importance of an ongoing process of interaction between the components of the design assessing the goals, research methods, questions, conceptual framework and the validity throughout the research process of each step.
Maxwell’s model (2005) has five components, each characterised as follows:

**Goals:**
Here we determine why the study is worth doing? What issues we would like to clarify, and what practices and policies we would like to influence? Why we would like to conduct the research and what the importance of the research is?

My goals for this particular Qualitative research study are as follows:
- The business goal for determining the impact of current silo mentality on the organizational culture of Media24
- Understanding the underlying causal mechanisms for the situation
- Find practical solutions for the improvement of the current situation
- Understanding and realising ways through which we can better implement business decisions
- Better understand the inter-related causal mechanisms at play, in order to design a new model

**Conceptual Framework:**
What is researchers impression of what is going on with the issues, settings, or people we plan to study? What theories, beliefs, and prior research findings will guide or inform the research and what literature, preliminary studies, and personal experiences will be drawn on for understanding or issues being studied?

![Conceptual Framework (Activity Theory- Egonstrom, 2009)](image)

Figure 2.12: Conceptual Framework (Activity Theory- Egonstrom, 2009)

Total Company Culture Management is generally accepted today as being the foundation of corporate value creation and an important method for delivering enterprise appreciation. Part of this management is ensuring that interactions between stakeholders
always have strategic intent, and delivers on strategic goals and objectives of the organisation as a whole, and not just that of one division.

Feedback and current research undertaken points to fact that gaps exists in communication between the parties, thus negatively influencing effectiveness of Human Capital, delivery on goals and threatens the sustainability of the organisation. Lack of cohesiveness greatly inhibits delivery on these strategic outcomes. The recent 2014 Most Awards Independent Research (TGI) highlighted the following issues:

- Innovation
- Initiative
- Empowerment
- Knowledge

The above issues points to cultural mis-alignment within the company and will be looked at through the theoretical lens, as per Figure (2.12).

Activity Theory (Egonstrom, 2009) will be used as a basis for the transformation of Media24 from a fragmentational culture organisation towards creation of Learning Organisation culture to ensure sustainability of Media24. The conceptual framework was developed for the transformation of the object (Figure 2.12) to provide the tools for the transformation process into an outcome. The outcome referred to provide the answer to the question, and if the suggested initiatives (Improve Knowledge of Industry, Training, Transforming culture to one of organisation to that of a Learning organisation, Innovation, turn-around-time improvement, etcetera) were implemented, should change the undesirable behaviour into a more positive outcome – Thus improving company culture and the resulting sustainability of the company.

**Research Question(s):**

What specifically do we want to understand by doing this research? What do we know about the phenomenon being studied that we would like to know more about? What questions will the researcher attempt to answer, and how are these questions related to each other?

*Ladder of Questioning – The Emergence of the primary research question*

- What are the causal mechanisms for the silo mentality behaviour within Media24?
- What are the inter-relationships of these mechanisms?
- How can we change the behaviour of these mechanisms in order to affect the organisational culture positively?

*PRIMARY RESEARCH QUESTION*

- How does silo behaviour impact on the organisational culture of Media24?
Methodology:
We address this section by asking the following questions: - What actions will be taken to complete the study? What approaches and techniques will be used to collect and analyse the data?

There are four parts to this component within the design that are important:

- The relationships being established with participants during the study
- The selection of settings, participants, times and places of data collection, and other data sources such as documents (sampling)
- Data collection methods being employed
- Data analysis strategies and techniques

To move away from the traditional methods of research, Glaser and Strauss (1967) suggested gathering data through systemic methodological procedures and developing theories from research that is based on this data (Grounded Theory). Grounded theory is a type of qualitative research methodology that allows theory to emerge from the data that is collected. Grounded research follows a systematic yet flexible process to collect the data, make connections and see what theories are generated from the data. The researcher does not start the process with a specific theory in mind; the theory evolves from the data, which attempts to explain why people react in specific ways given specific circumstances. It aims to develop new knowledge (theory) about a phenomenon. Not only does it do that, it goes beyond as the explanation that emerges is new knowledge and thus used to develop new theories.

The methodology employed in the design and research of this qualitative study, relies heavily on the researchers’ own observations of interactions with during episodes, and whilst every attempt has been made to counteract researcher bias, it cannot be 100% ignored.

In short the, the actual methodology employed with great rigor (using Grounded Theory) was as follows:

- Identifying of an aspect of mis-alignment that needs improvement in order to reach goal of improved sustainability—this is framed as a Concern variable
- Design a Concept Framework for research around this Concern Variable
- The design of the research are based on Maxwell’s Interactive Research Design Model (Figure 2.14)
- Formulating the research question
- Collecting propositions within context of the aspect in need of improvement
- Formulating labels and categories for all data collected
- Change labels into variables, and reduce categories for the variables
- Change variables into core variables and saturate categories
- Saturate further if necessary, using design propositions
- Explore the causal relationships amongst core variables – ID
- Draw a Causal Loop diagram depicting causal relationships
- Use CLD to match causal relationship diagram with closest archetype, and draw a CMO
- Use CMO to remodel the current model in use, using Integrated Design Thinking
- Explore the transferability of the newly created model

**Validity:**

The validation of the study and outcomes will be framed within context of (Chapter 3):
- Credible literature reviews and case studies based on Grounded Theory
- Comprehensive data audit trail
- Tests for feasibility, Desirability, Transferability & Systemicity
- Making raw data available for scrutiny if required
- Triangulation of data and results
- No indication of bias by researcher
- Answer to research questions asked
- Concern amply addressed
- Buy-in from all stakeholders and those interviewed

*Figure 2.13: Graphic representation of Methodology being employed in the research*
2.4 CONCLUDING PARAGRAPH

From the rigorous steps followed in previous sections the following emerged as ideal for the Design of the Research based on Maxwell’s model for Research Design (Maxwell, 2005)

Figure 2.14: Research Design (Maxwell, 2005)
CHAPTER 3. RESEARCH RESULTS

3.1. INTRODUCTION

Chapter 2 outlined the research methodology followed for this research paper. Chapter 3 sets out to reflect in specific detail the phases (abstraction and conceptualisation) of the Grounded Theory (GT) as it was applied using the before-mentioned research methodology. These phases in particular produced the initial labels that led to the final core variables to be used in theory building and proposed new model.

The research was conducted to understand the causal mechanisms responsible for the fragmented (siloed) behaviour of divisions within the company in an endeavour to guarantee the sustainability of Media24 Newspapers. Identifying the underlying causal mechanisms responsible will guide the researcher in formulating a new organisational culture model to be explored for Media24.

3.2. APPLICATION OF THE RESEARCH FRAMEWORK - OUTCOMES OF EACH PHASE OF DATA GATHERING

3.2.1. Initial focus area determination for the research using a Mindfulness Audit

The focus for the research, silo mentality behaviour of Media24 staff, was gained from extensive observations by the researcher over a prolonged period, and an initial Mindfulness Audit (Appendix D - Smith, 2014) conducted by the researcher. The Mindfulness Audit Questions (Appendix D) were sent to 20 employees within Media24, of which only 15 completed the survey.

The survey concentrated on the following:

- View of the Organisation
- Vulnerability to Mindfulness
- Tendency towards Inquiry, Doubt and Updating
- Assessing where Mindfulness is most required
- Preoccupation with failure
- Tendency for reluctance to simplify
- Sensitivity to Operations
- Commitment to Resilience
- Assessing the Deference to Expertise within Media24
The respondents rated their answers based on the following scoring criteria:

- 1 = Strongly disagree
- 2 = Disagree
- 3 = Agree
- 4 = Mostly Agree
- 5 = Strongly Agree

Whilst not convention (or even allowed) within a qualitative study, the scores were averaged to give a better perspective on possible areas for focus. Results were attained and illustrated in Figure 3.1.

![Mindfulness Audit Results Summary](https://example.com/figure3.8.png)

*Figure 3.8: Mindfulness Audit Results Summary*

The chart (Mindfulness Audit Results summary, Smith, 2014) is divided into four concentric circles or levels. Level 1, close to the centre, indicates almost total ignorance of the competency. Level 4 indicates a high degree of mastery and application. Level 5, not included in graph as no score above 4 were attained.

The “challenges” identified in this initial phase of the research pointed to the following as competencies in dire need of attention within Media24:

- Understanding the difference between systems and such things as structure and policy
- Reflections to see contexts and flows
- Instincts to seek systemic causes, not culprits
• Understanding when a statement is theory or opinion versus fact, and acting accordingly
• Understanding when a statement is theory or opinion versus fact, and acting accordingly
• The difference between change and improvement
• Understanding and applying the concepts of internal versus external motivation and demotivation
• Developing relationships and community within the organization and with those outside
• Developing and nurturing trust
• Seeing the interdependence between systems thinking, variation, learning, and human behaviour

The results attained from Mindfulness Audit (Smith, 2014) points to a misaligned organisational culture - A culture of fragmentation, distrust and silo mentality that is inhibiting growth, trust and innovation and threatening the long term survival of the company as a whole. The detailed results of the survey can be seen in Appendix D (attached).

3.2.2. Abstraction Phase of data gathering
Propositions were collected from the research participants’ observations, structured interviews, informal unstructured interviews and internal Media24 company management reports. In addition results from data sources such as the Most Awards Annual Research (TGI, 2014) and the Mindfulness Audit (Smith, 2014) were used to add additional richness to the data collection process.

Figure3.9: Abstraction phase of Grounded Theory Process graphically illustrated (Ryan, 2014)
An initial 12 informal interviews and 7 formal interviews were conducted during phase one of the data collection period. Through constant comparison and saturation, following methodology outlined for the abstraction phase (Figure 3.2), an initial 13 categories (labels) (table 3.1) emerged (Appendix B) from the propositions collected during the interview process. A more focussed second phase of interviews were conducted with six (6) of the initially interviewed respondents to clarify certain statements and to collect more propositions (again repeating the saturation process), which were added to the phase one (1) propositions, even though no new categories emerged. A third round of proposition collection was conducted, this time only conducting two(2) interviews, using Media24 Management reports, propositions collected from the Most Awards 2014 Survey (Appendix A - TGI) and the Mindfulness Audit (Appendix D- Smith, 2014) discussed earlier. Two (2) new categories emerged from third round of data collection, resulting in a total of 15 categories.

<table>
<thead>
<tr>
<th>Initial Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Thinking</td>
</tr>
<tr>
<td>Level of Uncertainty</td>
</tr>
<tr>
<td>Level of Risk Taking</td>
</tr>
<tr>
<td>Mistrust between divisions</td>
</tr>
<tr>
<td>Silo Mentality</td>
</tr>
<tr>
<td>Entitlement</td>
</tr>
<tr>
<td>Knowledge Sharing</td>
</tr>
<tr>
<td>Trust</td>
</tr>
<tr>
<td>Challenge and high performance</td>
</tr>
<tr>
<td>Inclusiveness</td>
</tr>
<tr>
<td>Communication</td>
</tr>
<tr>
<td>Innovation</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Additional Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data driven decisions</td>
</tr>
<tr>
<td>Review and Feedback</td>
</tr>
</tbody>
</table>

Table 3.1: Initial categories of Labels

At this stage the researcher deemed all categories sufficiently saturated and ready for next phase of the GT process. Important to note is that labelling of the categories changed constantly as propositions were added or removed until all the propositions within a category were more-or-less “stable”. Correctness of labelling is very important throughout the process as it aims to synthesize and capture all the essentials within a specific category.
3.2.3. Conceptualisation Phase

Figure 3.3. Is a representation of the conceptualisation phase processes followed to deliver the final core variables. This phase starts with the reduction (comparison and merging) of the 15 initial saturated categories, using reduction sampling into broader concepts.

Eight (8) core variables were identified from the broader concepts (Figure 5). This was followed up with a Literature Review on the key concepts of each variable (more detail in Chapter 4). The concept analysis on each variable was done in order to gain an in-depth understanding of the relationships between these variables (Appendix B). Selective sampling was done on the eight (8) core variables with three (3) staff members from 3 different divisions, concentrating on the relevance and attributes of each of the core variables. Selective sampling was also done from the literature reviews in order to gain an improved understanding for the concepts that emerged from this process. As within previous processes within this phase, propositions were collected, and it confirmed that the final eight categories were in no need to be expanded or changed.
The final eight (8) Core Variables that emerged from the Grounded Theory process can be described as:

<table>
<thead>
<tr>
<th>Core Variables</th>
<th>Subject</th>
<th>Propositions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of Dialogue &amp; Communication amongst stakeholders</td>
<td>Requires listening</td>
<td>Requires a willingness to change</td>
</tr>
<tr>
<td></td>
<td>Requires clarity</td>
<td>Needs clarity</td>
</tr>
<tr>
<td></td>
<td>Learning Organisation formation</td>
<td>Proper feedback systems in place</td>
</tr>
<tr>
<td></td>
<td>Transparency</td>
<td>Open and honest communication</td>
</tr>
<tr>
<td></td>
<td>No barriers</td>
<td></td>
</tr>
<tr>
<td>Level of Empowerment</td>
<td>Empowerment</td>
<td>Innovation</td>
</tr>
<tr>
<td></td>
<td>Increased productivity</td>
<td>Increased customer satisfaction</td>
</tr>
<tr>
<td></td>
<td>Builds confidence</td>
<td>Benefits employees</td>
</tr>
<tr>
<td></td>
<td>Organisational coherence</td>
<td></td>
</tr>
<tr>
<td>Degree of Organisational Coherence</td>
<td>Alignment</td>
<td>Intervisional coherence</td>
</tr>
<tr>
<td></td>
<td>reduce silo mentality</td>
<td>Bigger picture thinking</td>
</tr>
<tr>
<td></td>
<td>Long term solutions thinking</td>
<td></td>
</tr>
<tr>
<td>Level of trust between staff and divisions</td>
<td>Customer Centricity/Outward</td>
<td>Focussed</td>
</tr>
<tr>
<td></td>
<td>Focussed</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Clear communication of goals</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Clear communication of expectations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Focussed</td>
<td></td>
</tr>
<tr>
<td>Level of Goal setting</td>
<td>Expectations</td>
<td>Empowered staff</td>
</tr>
<tr>
<td></td>
<td>Innovation is key</td>
<td>Mentorship</td>
</tr>
<tr>
<td></td>
<td>Coaching</td>
<td>Transparent</td>
</tr>
<tr>
<td></td>
<td>Open communication</td>
<td>Flexible, entrepreneurial</td>
</tr>
<tr>
<td></td>
<td>Solutions driven</td>
<td>Systemic</td>
</tr>
<tr>
<td>Degree of orientation towards becoming a learning organisation</td>
<td>Culture change</td>
<td>Systems Thinking</td>
</tr>
<tr>
<td></td>
<td>Everything is connected</td>
<td>System focussed versus parts focussed</td>
</tr>
<tr>
<td></td>
<td>Benefits to all versus benefits to a few</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bigger picture thinking</td>
<td></td>
</tr>
<tr>
<td>Degree of Systemicity Thinking within Media24</td>
<td>Holistic thinking</td>
<td>Design thinking</td>
</tr>
<tr>
<td></td>
<td>Benefits to all versus benefits to a few</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bigger picture thinking</td>
<td></td>
</tr>
<tr>
<td>Level of Innovation Orientation</td>
<td>Future Focussed</td>
<td>Solution driven</td>
</tr>
<tr>
<td></td>
<td>Improvement driven</td>
<td>Change driven</td>
</tr>
</tbody>
</table>

*Table 3.2 Initial Core Variables*
3.2.3. Theory Building Phase

This is where theory coding occurred. Theoretical codes assimilate the theory by joining the fractured concepts into hypothesis that fit together in a theory explaining the main concern of the participants. Theoretical coding means that the researcher relates a theoretical model to the data. It is important that this model be emergent and not forced during GT process. This process can be enhanced by theoretical sensitivity, memorising during the abstraction and conceptualisation phases and by using models such as causal loop diagrams that link the variables and explain the relationship between them. This process is covered in more detail in Chapter 5, using Integrated Thinking and Design Thinking to arrive at a theory (model) as a solution to the concern being addressed – in answer to research question.

3.3. Validity of the Results

<table>
<thead>
<tr>
<th>Introduce Validity</th>
<th>Argument for Validity</th>
<th>Argument for Validity</th>
<th>Argument for Validity</th>
<th>Argument for Validity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Warrant/Reasoning</strong></td>
<td>Grounds/Evidence</td>
<td>Claims/Conclusion</td>
<td>Validity</td>
<td></td>
</tr>
<tr>
<td>Dimensions of Validity</td>
<td>Dimensions of Validity Criteria</td>
<td>Aspects of report relevant to these criteria</td>
<td>Evaluation of report wrt each dimension</td>
<td>Strategy to improve validity of its dimension</td>
</tr>
<tr>
<td>Credibility</td>
<td>Is there compatibility between the constructed realities that exist</td>
<td>Propositions, Meetings, Informal discussions, Literature Review, EMBA lecture notes</td>
<td>Yes. No More data should be collected and more work done</td>
<td>Enough data collection strategies had been employed. I would however suggest more interviews from a wider audience</td>
</tr>
<tr>
<td>Transferability</td>
<td>Extend to which findings can be applied in other context or with other respondents</td>
<td>Yes, Conceptual Framework designed so as to be applied to any organisation, to cater for looking at both internal and external relationships</td>
<td>Yes. However more work should be done</td>
<td>Increase period for data collection and increase sample size</td>
</tr>
<tr>
<td>Dependability</td>
<td>An inquiry must provide it’s audience with evidence that if it were replicated with the same or similar respondents in the same context, its findings will be similar or repeated</td>
<td>Data used credible and audited - thus dependable</td>
<td>Yes</td>
<td>Triangulation applied. Rigorous methodology followed. However if sample size had been increased the data would have been even more stable</td>
</tr>
<tr>
<td>Confirmability</td>
<td>The degree to which findings are the product of the focus of the inquiry and not the biases of the researcher</td>
<td>Propositions were collected from Staff members, and Design Propositions. Possible bias was acknowledged and catered for</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 3.3 Validity Results
A qualitative study cannot be transferable unless it is credible, and cannot be credible unless it is dependable!

The research study was assessed against three types of validity for qualitative research (Johnson, 1997):

- **Descriptive validity**: factual accuracy of the account as reported by the qualitative researcher
- **Interpretive validity**: attained to the degree that the participant viewpoints, thoughts and experiences are accurately understood and reported by the researcher.
- **Theoretical validity**: attained to the degree that a theory developed from the research study fits the data and is therefore credible and defensible

**Data Credibility**

*Does it ring true?*

- Three weeks were dedicated to collecting of data (propositions) on respondent observations, interviews and desk research of literature provided during October and November 2014 (See Proposition log Appendix 1). Propositions were related to concern variable. Once collected the propositions were categorized into initial labels. Some propositions were repeated (not same respondent). Categories labelled were chosen based on closest “fit” and strongest impact on concern variable. Initial 14 categories were increased from 14 to 16 to ensure absolute credibility as more information data became available. Labels were transformed into variables, and categories saturated accordingly. Variables were then reduced during week four and five using a reduction process from initial 14 down to nine. Further saturation followed after which another reduction process were instituted to reduce variable to the now Core Variables of eight. Further saturation followed to ensure no researcher bias skews the results. In some instances researcher went back to respondents in order to ensure correct interpretation of what was said was recorded and used.
- Various senior colleagues were asked to double-check data every inch of the way. Marketing Intelligence department expertise was called in to validate the process and use of data.
- In order to ensure triangulation, different sources and different viewpoints were recorded. Opinions, facts and interpretations were carefully noted. Various questioning techniques were used.
- A senior HR person was asked to double-check results and conclusions
• The researcher continued with observations and careful analysis to ensure authenticity of process and results. All “outside” influences were taken into account and illuminated where possible.

• The raw data that author used were notes taken during episodes with respondents

• Notes, observations and opinions were carefully noted, dated and sources noted.

**Dependability**

• The writer ensured methodological rigor through staying with processes as prescribed by EMBA lecturer in order to ensure the answer is factual and complete through the following:

  *Truth, Applicability, Consistency and Neutrality.*

**Confirmability**

• The raw data that the author has is written notes, documents, and reports generated form the research process

• The summaries, hypothesis and concepts are all written notes by the author.

• Themes that were developed, findings and conclusions as well as the final position paper would be all done by the author.

• Memoing while doing propositions notes while doing participant observations and methodological notes were all done by the author.

• The observation formats, schedules, shift rosters, training policies were done by the author with assistance from the Team Leaders.

**Transferability**

• Data was collected with detailed descriptions, which form reports and allows for judgments on transferability.

• Sources for data – most from internal Stakeholders - managers, divisional heads, representatives from various divisions: - reps, administration and distribution.
3.4. **Ethicalness of the Project and the Recommendations**

Three ethical frameworks that will be used are:

- The Utilitarian Approach
- The Rights Approach
- The Fairness and/or Justice Approach

**The Utilitarian approach**

The Utilitarian Approach states that the right thing to do is whatever “produces the greatest good for the number of people”. In our research project the possible outcome, which is improved organisational culture, will benefit all concerned and is thus applicable.

**The Rights Approach**

This takes an opposite approach and allows that the right decision can be made regarding any ethical dilemma – it is that decision which best protects the fundamental rights of those affected. This however can conflict between the fundamental rights of the individuals and the common good – in this case the fundamental rights of all respondents were protected, and thus the approach applies. This is illustrated by anonymity of respondents where requested.

**Fairness or Justice Approach**

This approach addresses the conflicts between individual rights and the common good. This approach seems the most ethical approach to use as it “dispenses” benefits and harms amongst Internal Stakeholders in a fair and equitable way. So the approval of certain categories and the rejection process will be based on this ethical decision making approach.
All stakeholders were treated fairly, their opinions noted and honoured and all treated as equals during interviews and questioning. As far as the writer of this paper can ascertain, no bias on this point affected the research and compilation of this paper in this regard. The Fairness and Justice principles points to a Fair distribution of responsibility.

3.5. Conclusions
The results from the first two phases (Abstraction and Conceptualisation) of the Grounder Theory processes were extensively explored and presented. The outcome of this was the identification of eight (8) core variables responsible for the behaviour of the system in focus, that’s a concern. The theory building phase will be covered in depth in Chapter 5.

By using more than one ethical principle the researcher ensured confidence in the correctness of the decisions made. This also ensured that any possible strengths and weaknesses of each are balanced out eventually.

The writer can thus with confidence say that the processes were fair, ethical and just from an ethical point.

The following chapter, will concentrate, explore and present the literature review which was done on the variables to further assist and develop the variables and theory around them, by locating them in a wider body of knowledge and increase our theoretical sensitivity. This is done to enhance and enrich the theory building phase.
CHAPTER 4. LITERATURE REVIEW

4.1. INTRODUCTION

Epistemology is our knowledge of what exists. This wider body of knowledge provides a foundation on which a theory is build.

‘If we value knowledge,
We should continue to inquire
Because we shall never know enough’ (Bunge, 1983)

This chapter summarises reviews done on the relevant literature on each of our core variables established in Chapter 3. A literature review is carried out in order for the researcher to gain theoretical sensitivity, and establishes the key attributes, relationships and possible indicators on each of the identified variables. The inter-relationship of the core variables is used to describe the undercurrents of the phenomenon. It thus provides context, validation and justification for a specific research approach as well as the outcomes for the research being conducted. This is a critical precondition to theory development phase (Chapter 5) and is carried out on three levels as shown in Figure 4.1

4.2. OVERVIEW OF THE LITERATURE REVIEW PROCESS

Figure 4.1 shows the higher level as the parent discipline, namely Organisational Culture as ultimate problem facing the sustainability of Media24. The mid-level review looks at Silo mentality’s effect on organisational culture, whilst the lower level review explores literature on the identified key drivers of this fragmentational behaviour.

Figure 4.1: The three level Literature Review Process
The main focus of this research paper is to unearth the mechanisms responsible for the silo mentality within Media24, then to use this understanding to design a new model (theory) for Media24’s Organisational Culture. Managing organisational culture (parent discipline) relates to a silo thinking mentality and accordingly a literature review on organisational culture will follow.

The research question, “How does a silo thinking mentality influence organisational change”, relates to the causal mechanisms for silo thinking linked to organisational culture.

4.3. ORGANISATIONAL CULTURE (Parent Discipline)

Sustainability can be considered from four perspectives/aspects:

- **Environmental Sustainability** that maintains the integrity of life support systems
- **Social Sustainability** is all about equity within and between groups
- **Cultural Sustainability** refers to the nourishment and sharing of attitudes and values
- **Economic Sustainability** is about the use of resources to provide necessary and desireable products and services, for present generation, without compromising the ability of future generations to do the same.

![Figure 4.10: Integrated sustainable model for Media24 (Ryan, 2014)](image-url)

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Important to note that the four aspects mentioned, needs to be integrated and aligned (Figure 4.2) in order for Media24 to attain long term sustainability. It is thus about individuals, groups, and the company adopting ways of thinking and behaving (everydayness) that will allow them to meet their needs and aspirations (prosper) without compromising and preventing future generations from meeting theirs.

The integration of the four aspects (Cultural, Economic, Social and Environmental) needs to take place in an ecosystem that recognises the following concepts:

- **Equity** is about fairness and justice. It incorporates respect amongst all life, social justice, intergenerational fairness, and the fair distribution of finite resources. Within Media24 it points to the eradication of silo thinking where one division’s need is considered of more importance than the needs of the whole. It emphasises the need for respect in dealing with each other and encourages empowerment of thought and actions. Equity recognises that all are equal within the system and each ones contributions should thus be considered vital in the assigned roles played. It encourages open and honest communication within groups through which diverse solutions can be tabled and innovation festers. Once equity is established, trust and respect develops which forms the foundation for healthy social capital development and “new” culture building. Trust and respect we now know to be vital in change management and establishing Learning Organisations.

- **Interdependence** is about the interconnectedness of people and environment and it recognises the seen and unseen events (CR) taking place within the organisation (Media24) and those responsible for those events. It emphasises the fact that as a valued employee, we don’t only exert influence on, and function within our own areas of expertise, but within a group embedded within a division, that contributes and is reliant on other divisions within Media24, which in turn is a part of Naspers – that plays a pivotal role within the media landscape in South Africa as well as in the world. This interconnectedness manifests itself as biodiversity, cultural diversity, community, democracy and globalisation. Once interdependence is recognised and honoured, a new “everydayness” is possible and can be used to create a new culture of respect, innovation and
diversity which I have no doubt will lead to preparedness for an improved company future.

- **Responsibility for actions** is about getting involved in shaping the future. This concept has an action orientation, informed decision-making, citizenship, guardianship, thoughtful consumption, enterprise and entrepreneurship, resilience, and regeneration.

- **Sustainability** is about individuals, groups, and societies adopting ways of thinking and behaving that allow them to meet their needs and aspirations without preventing future generations from meeting theirs.

According to Businessdictionary.com, Organisational Culture (also called Corporate Culture), is defined as the values and behaviours that contribute to the unique social and psychological environment of an organisation. Organisational culture includes the organisation’s philosophy, values, experiences, expectations and values that hold it together- “It shapes and guides the attitudes and behaviours of the employees of the organisation” (Rashid et al.2004). This is expressed in the organisation’s inner workings, self-image, interactions with the outside world and its future expectations (goals) – all developed over time and are considered valid.

Johnson, Scholes and Whittington (2005) designed what they called a ‘Cultural Web’ to describe and understand culture in context of an organisation (Figure 4.3). The cultural web represents the behavioural manifestations of organisational culture and offers a way of understanding how culture is generated and reinforced.

![Figure 4.3. Culture Web – Johnson et al., 2005](image)
They defined the aspects shown in Figure 4.3 as follows (Johnson et al., 2005):

- **Rituals and Routines. Rituals** are the activities or events through which an organisation expresses what is particularly important to it. Whilst it may not be essential to achieving organisational objectives, they consolidate cultural values and social acceptance within a group. **Routines** on the other hand are the daily tasks and practices that generate and reinforce organisational culture.

- **Symbols** are symbolic shorthand representations of the nature of the organisation and include things such as logos, vehicles, terminology commonly used within the organisation. Symbols are easily eroded and replaced.

- **Power Structures** (seen or unseen) may be based on the power of the most powerful individuals or groups within the organisation, but in some organisations power can be lodged with other levels or functions. The people or groups that hold the power establish the core values and beliefs that influence culture. They can also reinforce the culture by putting in place systems to encourage the desired behaviour, e.g. performance management systems.

- **Routine behaviours**, describes how things are done or should be done. It reflects the ways in which members of an organisation behave towards each other and towards others outside the organisation. This might not necessarily be the same as how the very same individuals act in their own personal lives outside of the organisation.

- **Stories** are the narratives shared by members of the organisation that embed the present and flag up important events and personalities, and typically have to do with successes, failures, heroes, villains and mavericks. This reinforces the organisational culture.

- **Organisational structure** reflects the power structures and reflects important relationships and activities within the organisation, and involves both formal structure and control. For example, a flat structure is more likely to promote a culture of collaboration and teamwork than a hierarchical structure.

- **Control systems**, the measurement and reward systems that emphasise what is important to monitor and focus attention and activities on. Additionally, measurement and reward systems influence the behaviour of individuals and can, therefore, be used to encourage a certain culture. For example, rewards given for volume of sales are likely to reinforce a competitive culture.
The paradigm of the organisation encapsulates and reinforces the behaviours of all the other aspects of the ‘Cultural Web’. The ‘paradigm’ at the centre of the web is the assumptions that exist within an organisation – ‘the way things are done around here’. These assumptions represent collective experience of organisational life, and are usually the parts that people find most difficult to identify and explain.

4.4. SILO THINKING (Concern Area)
Silo behaviour within organisations is not a spontaneously occurring phenomenon, but is created out of a mix of leadership mind-sets, organisational culture developing from this and process factors that many share. It is a traditional way of thinking in terms of reductionist terms, where the parts are treated as if separate from the whole.

Systems thinking (opposite of silo thinking) looks at the interconnectedness of all the individual parts and recognises each one’s importance, as well as its influence on the system as a whole and on each other. In stark contrast to the predominant reductionist paradigm that we exist within, “Systemic awareness begins with a spiritual appreciation of Wholeness” and this wholeness can be ascribed to the inter-relatedness of all things or to something that Robert Flood calls spontaneous self-organisation, which leads to emergence and a new order, or new ways of seeing, organising and doing things (Flood, 1999). Flood concludes that spontaneous self-organisation implies that the whole comprises many, many inter-relationships in endless occurrences of spontaneous self-organisation that is very difficult for the average human mind and specifically, the management mind, to comprehend, because of our cultural conditioning that is based upon a hierarchical, reductionist and analytical foundation.

The difference between the two concepts can be better explained by:

**Fragmentation versus Collaboration and Integration**

Systems’ thinking is defined by Anderson and Johnson in their book Systems Thinking Basics as "a school of thought that focuses on recognizing the interconnections between the parts of a system and synthesizing them into a unified view of the whole." Systems’ thinking takes a holistic and big-picture view, as opposed to one that is more simplistic and linear. It looks for solutions that acknowledge the dynamic, complex, and interconnected nature of relationships and activities. In order to better understand why silos still occur in organizations, we need to look beyond isolated events and to consider patterns of behaviour and, even deeper, the structure, beliefs, or mental models that may be contributing to them.

Today’s leader has to manage in the moment, as long-term change only occurs when we try to understand and address the individual mental models and belief systems that are getting in the way of desired goals. Same applies to organisational structures and
practices that inhibits a systemic approach to problem solving and perpetuates silo thinking behaviour.

Stafford Beer (1990) introduces us to the concept that the system in which we operate, finds its roots in Aristotle’s Principle of Non-Contradiction, which has formed the basis for human logic and reasoning. It is completely reductionist in nature and has provided the foundation upon which we have structured all systems (Beer, 1990). The world and all of its systems is reductionist in nature and most of us are therefore only able to think mostly in reductionist terms. Beer focuses on the hierarchical structures and systems, divisions, siloes and functional ramparts within which he describes us as being trapped. He speaks to when anyone is asked to produce a [business or any other] plan for a system, business, government or organisation, the plan is forced to be expressed in terms of that organisation and its structure – which is the reductionist design that has gone into it.

The future that must be planned for will most definitely have to be very different from the way that things are in the present, but there is no way of expressing this. Beer invokes Goedel’s Theorem, which in essence speaks to there being no “language” to adequately express a systemic, coherent and sustainable plan for any organisation or system within the existing reductionist, fragmented and disconnected system (Beer, 1990). The impact of this status quo is that change and improvement are inhibited by our predominant systems. When change comes along (contraction of market), as it does on a constant basis, in what Beer describes as in big, cascading fashion across the world, in and across every field and sphere of life, if we are armed only with out of date models that are incapable of adaptation, we are and will remain in very big trouble (Beer, 1990). We are experiencing these predictions at present, as the global system as a whole remains in a state of melt-down with no way or understanding of how to halt, deal with, solve or dissolve the negative repetitive behaviours emanating from the system as a whole.

Ackoff (2008) rightly states that the only thing that is harder and more difficult than starting something new, is to stop something old. I.e. people struggle with change. He also paraphrases Einstein by restating that we cannot solve the problems created by the current pattern of thought by using this same pattern of thought. Ackoff mirrors and confirms our own first-hand experience, in that he states that he is yet to meet a leader or manager who does not agree with this statement, but alas, he has not dealt with any of them who have truly understood what this statement means or implies (Ackoff, 2008). Ackoff speaks about how the structure of society and systems has been informed via the foundations of analytical thinking. This finds connection with Beer’s description of our systems being based on Aristotle’s Principles of Non-Contradiction (Beer, 1990). Analytical thinking and reductionism, which is not necessarily mutually exclusive, find their roots in Aristotle’s principles.
Ackoff postulates that our entire culture are being built upon analytical thinking, which implies that everything is broken down into its parts, with the assumption that once you understand the part itself, there will by some miracle appear the moment when you are able to integrate the knowledge of the parts into an understanding of the whole (Ackoff, 1993)? He cites the example of entering a tertiary institution with the intent of studying Business, but being faced by having to learn about the separate parts of what is thought to constitute the collective concept of business; and that, by inference, when most students graduate, they have knowledge about the parts, but very seldom do they understand what business really is. Ackoff again echoes Beer, when he asserts that the analytical paradigm has managed to permeate society as a whole and so we run corporations by dividing them into parts, either by function, by product or by geography.

Thereafter, there are arrangements in respect of how to run and manage these parts and then, an attempt, to aggregate or integrate the running of the parts as running the whole. This is descriptive of what we, as a society are faced with on a near daily basis within organisations, institutions and government. Reductionist thinking has informed the divisive structures which permeate society and systems as a whole and that create the negatively repetitive cyclical outcomes, which are generated by this unconnected structure. As both Beer and Ackoff state, this is the way in which most all people think and act – and so one of the greatest challenges, requiring immense patience, fortitude and a clear focus on the ultimate outcome, to overcome the first hurdle – which is that of what Senge calls, “The diseases of Hierarchy” (Senge, 2006).

The silo mentality, with resulting organisational fragmentational behaviour, is an antonym for systems approach or strategic thinking, which views situations from a holistic perspective rather than from a narrow minded perspective. Silo mentality can create barriers and blocks opportunities for effective management of creativity and innovation within and between organisations, individuals and disciplines according to Stone (2004:11-14). The end result of narrow mindedness is “Consequential failure to achieve common goals and there is likelihood of duplication of effort because of lack of coordination through collaboration. In information/knowledge age characterised by ubiquitous ICT infrastructure professional and academic parochialism should not deter collaboration because there is more to gain through networking” as illustrated by Watson (2003).

In summary it can be said that Silo Mentality is the behaviour of an individual or a group of people, only focussed on the benefit for their own division, and is thus not aligned with the rest of the organisation. This lack of alignment and integration to the rest of the organisation is the key driver of derailing strategic thinking within the organisation.
4.5. LITERATURE REVIEW ON CORE VARIABLES

4.5.1. Effective Communication

Stacey Edwards (2012) defines effective communication as being more than a description of facts; it is largely about developing a strategy for transmitting a specific message. Successful communication is thus when everyone involved comes away understanding the same thing. When you have a clear understanding of the goal (i.e. making sure everyone understands the same thing), the process of communication suddenly seems a little simpler.

The ability to communicate is an essential life skill and one that can be continually developed. Individuals/groups who are good communicators find it easy to develop empathy and trust with others. Each person’s communication style is a unique combination of their own innate skills and those learnt both formally and through experience. What makes some people better than others at communicating is their ability to adapt their style to suit the message, environment, and exchange.

Whilst individuals may favour a particular way of communicating (Figure 4.4), they can alter their behaviour to other communication styles if necessary to suit a particular situation. This flexibility helps them to come across as knowledgeable, confident, and empathetic. People may be naturally visual, auditory, or kinaesthetic communicators. Using a supplementary form of communication can help your message to be correctly interpreted.

![Communication Styles](http://www.free-management-ebooks.com/dldebk-pdf/fme-effective-communication.)

Figure 4.4: Communication Styles(Source: http://www.free-management-ebooks.com/dldebk-pdf/fme-effective-communication.)

Effective communication depends on your ability to read the attitude of the other person or group. This is something that can be picked up from the behaviour you
see and will reflect their emotions and feelings towards the communication. The RESULT principle can help you to improve your communication skills. The acronym stands for Reason, Environment, Specific, Understanding, Listen, and Timeframe.

Problems with communication occur when the way in which we express ourselves is not fully understood and appreciated by those we want to communicate with. Some of these differences are within our control, others are not, and being forewarned about such obstacles influences how successful your communications will be.

4.5.2. Empowerment
To give power or authority to; authorize, especially by legal or official means. It can be defined as follows:

- the giving or delegation of power or authority; authorization
- the giving of an ability; enablement or permission
- (in South Africa) a policy of providing special opportunities in employment, training, etc for Black people and others disadvantaged under apartheid

Employee empowerment is a term used to describe an employee mind-set of responsibility, accountability, capability, and autonomy. In terms of business, empowerment is the opposite of micromanagement. For this reason, it may be very beneficial for managers to empower employees, thus fostering employee reliability and an environment of teamwork.

A quick generic guide to employee empowerment:

- Adopt the traits of a good leader who promotes employee empowerment.
- Delegate tasks clearly and concisely
- Give up some of your power in favour of employee autonomy.
- Be friendly without being a friend.
- Be respectful.
- Be positive
- Give clear guidelines for success
- Acknowledge employee achievements
- Open your door to employees
- Give more compliments than criticism
- Give criticism constructively.
- Understand what motivates each of your employees.
- Make employees feel like they are really a part of the company
- Show them that there’s room for growth in the company.
- Promote employee education
- Invite feedback from your employees
- Be willing to do what you ask them to do.
- Make the workplace a welcoming environment
- Encourage outside team building activities
- Make employees feel like they are contributing to the mission of the company

4.5.3. Organisational Coherence

High value work today is in addressing complexity, whether its in the market, society, or the environment. This requires learning, sharing, innovating and engaging. Organizations that promote awareness, transparency and openness through appropriate ways to coordinate, collaborate and cooperate have a better chance of understanding complexity.

Harold Jarche (2012), defines the coherent organization is a new way of creating a framework to look at organizational performance. ‘It is based on the fact that governance, work, and learning models are moving from centralized control to network-centric foundations. For instance, coalition governments are increasing in frequency, businesses are organizing in value networks, and collaborative & connected learning is becoming widespread. A coherent organization framework ensures that collaboration (working for a common objective) and cooperation (sharing freely) flow both ways.’ (Jarche, 2012)

4.5.3. Trust

In a social context, trust has several connotations (McKnight, 1996). Definitions of trust (Mayer, 1995) typically refer to a situation characterised by the following aspects:

- One party (trustor) is willing to rely on the actions of another party (trustee);
- The situation is directed to the future.

In addition, the trustor (voluntarily or forcibly) abandons control over the actions performed by the trustee. As a consequence, the trustor is uncertain about the outcome of the other's actions; they can only develop and evaluate expectations. The uncertainty involves the risk of failure or harm to the trustor if the trustee will not behave as desired. Trust can be attributed to relationships between people. It can be demonstrated that humans have a natural disposition to trust and to judge trustworthiness that can be traced to the neurobiological structure and activity of a human brain. Some studies indicate that trust can be altered e.g. by the application of oxytocin (Kosfeld, 2005)

Conceptually, trust is also attributable to relationships within and between social groups (families, friends, communities, organisations, companies, nations etc.).
is a popular approach to frame the dynamics of inter-group and intra-group interactions in terms of trust (Hardin, 2002).

When it comes to the relationship between people and technology, the attribution of trust is a matter of dispute. The intentional stance (Dennett, 1989) demonstrates that trust can be validly attributed to human relationships with complex technologies. However, rational reflection leads to the rejection of an ability to trust technological artefacts (Shneiderman, 2000).

One of the key current challenges in the social sciences is to re-think how the rapid progress of technology has impacted constructs such as trust. This is specifically true for information technology that dramatically alters causation in social systems (Luhmann, 2005). In the social sciences, the subtleties of trust are a subject of ongoing research. In sociology and psychology the degree to which one party trusts another is a measure of belief in the honesty, fairness, or benevolence of another party. The term "confidence" is more appropriate for a belief in the competence of the other party. In economics trust is often conceptualized as reliability in transactions. In all cases trust is a heuristic decision rule, allowing the human to deal with complexities that would require unrealistic effort in rational reasoning.

4.5.5. Goal Setting

‘A goal is the object or aim of an action, for example, to attain a specific standard of proficiency, usually within a specified time limit’


The purpose of goal setting theory is to predict, explain, and manipulate performance on organizational tasks (Lock & Latham, 2002). Goals have a pervasive influence on employee behaviour and performance in organizations and management practice (Locke & Latham, 2002).

Nearly every modern organization has some form of goal setting in operation. Programs such as management by objectives (MBO), high-performance work practices (HPWPs), management information systems (MIS), benchmarking, stretch targets, as well as systems thinking and strategic planning, include the development of specific goals. Furthermore, goal setting is the underlying explanation for all major theories of work motivation—whether that be Vroom’s (1994) VIE theory, Maslow’s (1970) or Herzberg’s (2009) motivation theories, Bandura’s (1986) social cognitive theory, or operant-based behaviourism (Skinner, 1979).
Goal setting and goal setting theory have been researched for more than 30 years, and goals and their relationship to performance have developed many theoretical constructs. These constructs include the core of the goal in terms of specificity and difficulty. For instance, the most difficult goals produce the highest levels of performance as long as the individual’s ability was not exceeded and commitment to the goal did not change. Also, specific and difficult goals lead to a higher level of performance than vague goals like “do your best” (Locke, 1996; Locke & Latham, 2002; Locke & Latham, 2006). More components of goal setting theory include moderators like the level of goal commitment (Hollenbeck & Klein, 1987; Klein, Wesson, Hollenbeck, & Alge, 1999), the assessment of self-efficacy (Podsakoff & Farh, 1989; Zimmerman, Bandura, & Martinez-Pons, 1992), the amount of feedback (Kim, 1984; Kim & Hamner, 1976; Vigoda-Gadot & Angert, 2007), the degree of task complexity (Wood, Mento, & Locke, 1987), the importance of the supervisor (Latham & Locke, 1979; Latham & Saari, 1979).

What is a common thread throughout the literature are the following:

- Goal setting needs to be transparent in order to be believable
- Goals need to be realistic – unrealistic goals leads to non-performance
- Goals need to be achievable – staff constantly not achieving goals in the end give up trying to achieve goals
- Goals need to be well communicated to everybody within the company
- Goals need to be specific – vague goals causes’ confusion and lacks strategic direction
- Goals must be adopted and accepted by all
- Feedback on goal attainment is critical
- Deadlines improves the effectiveness of goals
- A Learning Goal Orientation Leads to Higher Performance than a Performance Goal Orientation

In conclusion, goals that are deemed difficult to achieve and specific tend to increase performance more than goals that are not (Swezey, 1994). Setting goals affects outcomes in four ways (Latham, 2007):

- **Choice**: goals narrow attention and direct efforts to goal-relevant activities, and away from perceived undesirable and goal-irrelevant actions.
- **Effort**: goals can lead to more effort; for example, if one typically produces 4 widgets an hour, and has the goal of producing 6, one may work more intensely towards the goal than one would otherwise.
- **Persistence**: someone becomes more likely to work through setbacks if pursuing a goal.
- **Cognition**: goals can lead individuals to develop and change their behaviour.
4.5.6. Learning Organisation

The core competencies of the Learning Organisation (Senge, 2006): are:

**Discipline 1: Systems Thinking** – everything is connected and we can see the patterns very clearly.

**Discipline 2: Personal Mastery** – committed to life-long learning, continually clarifying and deepening one’s own personal vision
- This is the spiritual foundation of learning organisations
- It is the process of clarifying what REALLY matters and to live our lives in the service of our highest aspirations.

**Discipline 3: Mental Models** – turning the mirror inwards, surfacing our mental models, holding them up to rigorous scrutiny and have meaningful conversations
- Balancing inquiry and advocacy so as to free ourselves of those mental models that are limiting as well as to expose ourselves to generative dialogue with a diverse group of peers and role players.
- The more diversity, the deeper the interrogation of limiting mental models and the higher the probability that innovation and creativity may surface.

**Discipline 4: Building a Shared Vision** – bind people together around a shared vision and sense of destiny
- Unearth their shared picture of the future –
- Such a vision cannot be dictated;
- It is rather a force within the hearts of people and is emergent and organic by nature.

**Discipline 5: Team learning** – starts with dialogue
- Suspend all assumptions,
- Enter into real ‘thinking together and also
- Identify patterns that undermine learning.
- The power of collective intelligence still remains largely untapped within organisations.

4.5.7. Systems Thinking

“There are many ways to think about systems thinking. Some scholars view it as a specific methodology, such as system dynamics, while others believe it is a plurality of ‘methods.’ Others see systems thinking as systems
science, while others see it as a general systems theory. Still others see systems thinking as a social movement” (Cabrera, 2006)

In stark contrast to the predominant reductionist paradigm that we exist within, “Systemic awareness begins with a spiritual appreciation of Wholeness” and this wholeness can be ascribed to the inter-relatedness of everything or to something that Robert Flood calls spontaneous self-organisation, which leads to emergence and a new order, or new ways of seeing, organising and doing things (Flood, 1999).

Peter Senge describes and explores the concept best in his work, The Fifth Discipline(Senge, 1990). Peter Senge sensitises us to the **Laws of the Fifth Discipline**, Systems Thinking, with emphasis on how these laws impact on problem-solving:

**Law 1: Today’s problem comes from yesterday’s solutions....**
- Solutions that simply serve to shift problems from one part of the system to another have a habit of going undetected, because of the fact that someone else now owns the problem, often in a more complex form.

**Law 2: The harder you push, the harder the system pushes back...**
- The system has its own compensating feedback systems and loops and so, however well-intentioned short term, non-systemic solutions are, they will call forth responses from the system that will more than off-set their short-term benefits.

**Law 3: Behaviour grows better, before it grows worse – “The Halo Effect”**
- Quick fix solutions very often work in the short term, thereby creating the impression that the problems have been dealt with and solved.
- Compensating feedback, which is automatically built into the system, will eventually surface the time delay between the short-term benefit and the longer-term benefit of such quick fixes.

**Law 4: The easy way out usually leads right back in – “What we need is a bigger hammer” syndrome**
- This emanates from pushing harder, using the same old methods and expecting different outcomes.

**Law 5: The cure can be worse than the disease**
- The ineffectiveness of quick, easy and familiar solutions can sometimes become addictive, dangerous and create toxicity.
- The long-term consequences are generally expressed as requiring more and more of the bad solution.
A typical example would be the case of a manager making all decisions within an organisation do little more than to create dependency and the loss of ability of people to solve their own problems.

A functioning system and solution should strengthen and empower a system to carry its own burdens and resolve its own problems and challenges.

Viable systems require autonomy within an envelope of acceptance (Beer, 1995)

**Law 6: Faster is slower**

- The parable of the tortoise and the hare springs to mind when contemplating the fact that all systems have their own optimal rate of growth, which is generally far slower than what we believe to be the fastest possible growth.
- When growth becomes excessive, the system itself will seek to compensate and will slow itself down, perhaps putting the survival of the organisation and system as a whole at risk.

**Law 7: Cause and effect are not closely related to space and time.**

- Effects are symptoms and causes are the interactions of the underlying system that are most responsible for generating the symptoms.
- If these systemic causes can be identified and recognised, interventions could lead to lasting improvements.
- Senge also jolts us into recognising that we ourselves are the root of most problems and that this is mainly due to there being a mismatch between the actual reality within a complex system and our predominant way of thinking about that reality.

**Law 8: Small changes can produce big results**

- The areas of highest leverage are often hidden from plain sights and located in the least obvious places.
- Systems thinking is often called “the most dismal science” because it teaches that the most obvious solutions don’t necessarily work. In fact, based on our first-hand experiences over 26 years in business, the latter statement can be accepted as a 95% accurate axiom.
- This is what Senge calls the flipside of improvement and enduring change.
- Small, well-focused actions are able to produce significant and enduring improvements by finding the correct points of leverage.
- These high leverage pressure points are often distant in space and time and therefore non-obvious to the untrained eye.

**Law 9: You can have your cake and eat it too – But not at the same time**

- What Senge is sensitising us to, is that the knottiest dilemmas from a systems view, are in fact not dilemmas at all.
• These dilemmas are what he calls ‘artefacts’ of a snapshot in time, rather than related to authentic process thinking.
• This is a by-product of ‘either/or’ static thinking.

**Law 10: Dividing an elephant in half does not produce two (2) elephants.**

• What this translates to is that systems are living organisms and therefore have integrity as a whole.
• The most important issue at hand, regardless of the paranoid, archaic organisational, divisional siloes and boundaries, is in fact the principle of systems boundaries and the interactions that must be examined beyond the traditional and limiting hierarchical structures.
• Organisations are in fact, in the main, designed to actively keep people from seeing the most important interactions that create a range of outcomes, causes and effects.
• The continued enforcement of internal divisions, the pitting of departments against one another inhibit inquiry across divisional boundaries and therefore, the ability to see the system as a whole and to diagnose the real mess of problems,

**Law 11: There is no blame – there is no “separate other”**

• Whole and health come from the same root, ergo, unhealthiness of an organisation, the world or systems are in direct proportion to our inability to see everything as an inter-connected and inter-related whole.

### 4.5.8. Innovation

Wikipedia ([http://www.businessdictionary.com/definition/innovation.html](http://www.businessdictionary.com/definition/innovation.html)) defines innovation as, **“Innovation is a new idea, device or process. Innovation can be viewed as the application of better solutions that meet new requirements, in-articulated needs, or existing market needs** This is accomplished through more effective products, processes, services, technologies, or ideas that are readily available to markets, governments and society. The term innovation can be defined as something original and more effective and, as a consequence, new, that "breaks into" the market or society.

Innovation today is about a sense of being, a way of life. It is about constantly asking questions about the status quo. As a tool it is disruptive and gives rise to change. To be called an innovation, an idea must be replicable at an economical cost and must satisfy a specific need.

Innovation ([http://www.businessdictionary.com/definition/innovation.html](http://www.businessdictionary.com/definition/innovation.html)) involves deliberate application of:

• information
• Imagination
• Initiative
The above in deriving greater or different values from resources, and includes all processes by which new ideas are generated and converted into useful products. In business, innovation often results when ideas are applied by the company in order to further satisfy the needs and expectations of the customers. In a social context, innovation helps create new methods for alliance creation, joint venturing, flexible work hours, and creation of buyers' purchasing power. Innovations are divided into two broad categories:

- Evolutionary innovations (continuous or dynamic evolutionary innovation) that are brought about by many incremental advances in technology or processes and
- Revolutionary innovations (also called discontinuous innovations) which are often disruptive and new.

4.6. CONCLUSION

The literature reviews was done through obtaining information from the University of Cape Town GSB library, EMBA 2015 prescribed reading books and where necessary, other sources from the Web were consulted. Only limited articles were in the end used in the review process. Concept analysis of some key concepts in Appendix B.

The goal of the literature review process was to locate the research in a broader body of knowledge and increase the theoretical sensitivity of the researcher for the theory building phase of the research. In this Chapter we reviewed the literature on three levels. The parent discipline identified was the Organisational Culture and a literature review on it was presented. The research focus area was identified from the concern and research question as the silo behaviour within Media24 and how it informs the current prevailing Organisational Culture. A literature review on silo mentality was presented.

The study of the prevailing silo mentality is the concern of the research, and this made it necessary to review literature at the next level. Finally, the Grounded Theory process emerged some core concepts that are responsible for sustaining the fragmentational behaviour. Thus the level three literature review summarised a selection of literature in relation to these core variables. The review highlighted relationships between these core variables, and these relationships forms the foundation on which the design (theory building) of an alternative model in the next chapter is based.

A literature review on each core variable has been done and presented in this chapter. A concept analysis from the review involving each core variable has been done and can be seen in Appendix F. The literature review, combined with the concept analysis created an improved understanding of the variable itself and the relationship with each other within the context of silo mentality and organisational culture.
CHAPTER 5. THEORY BUILDING

5.1. INTRODUCTION

The purpose of this research is to find an alternative model to the current division-centred Organisational Culture (Silo Mentality) that exists within Media24 by unearthing the causal mechanisms that supports the prevailing silo mentality that exists within the organisation. In this chapter the theory (model) that will answer the research question will be build. A new long term sustainable Organisational Culture model is arrived at though Integrative Thinking business modelling through the application of Martin’s Knowledge Funnel (Martin, 2009), using the core variables that emerged in Chapter 3 as a guide and starting point in the design.

This journey towards an improved organisational state started in Chapter 1 with the positioning of our concern area in context. The process of developing the theory (design) was highlighted and explored in Chapter 2. In Chapter 3 we identified the underlying mechanisms that sustain the silo mentality in the form of core variables. The inter-relationship of the core variables is used to describe the undercurrents of the phenomenon. Chapter 4 explored the attributes of these variables in depth then identifies the key requirements and outcomes for each variable. The variables were located in a broader body of knowledge to increase the theoretical sensitivity of the researcher for the theory building phase (the design of a new model), which is discussed in this chapter.

5.2 THEORETICAL AND CONCEPTUAL FOUNDATIONS FOR THE THEORY BUILDING PROCESS

Theories are based on experience and common sense. Theory building uses common sense and logic to start off from point of Null Hypothesis. Once Hypothesis holds true, theory is unfounded and thus rejected (dependent on p factors off-course), similarly, researchers assumes theory correct until proven “not-correct”.

A Conceptual Framework is formed through connecting various small parts (concepts), each with different attributes and relationships that is varied. The inter-connectedness of these concepts results in complex systems, that is inter-related. The conceptual model attempts to communicate the current proven theories, draws from previous research whilst mirroring what the researcher was thinking and thus sharing his perspective on an event or events. At the same time it shows the embeddedness of the subject under scrutiny systemically.
The conceptual model emerges and is proven correct / unfounded only once the research had been completed - an emergent process. Additional proof through connecting research to available proven theories substantiates claims by current research and contextually holds.

In our case we used available theories (Hoebek, Beer, etcetera), to structure a conceptual model based on the concepts surrounding our concern – “The effect of silo thinking on the Organisational Culture of the Media24”. Causal relationships between various concepts were explored, and the effect of these on each other was explored. These relationships are intuitively explored, evaluated and packaged using Design Thinking and Integrated Thinking to produce a solution to the particular problem.

5.3. THE PHASES OF THE THEORY BUILDING PROCESS

In research, the conceptual models guide the researcher and gives direction, with assumptions and data rigorously collected and audited. Inferences from the data substantiate and helps build the theory until it is either proven correct or rejected. Once an outcome is reached from research specific inferences can be made based on story being told.

Integrative Thinking Business Modelling
Douglas (1986) defines integrative thinking as the process of integrating intuition, reason and imagination in a human mind with a view to developing a holistic continuum of strategy, tactics, action, review and evaluation for addressing a problem in any field. He defined a problem as the difference between what one has and what one wants. Integrative Thinking may be learned by applying the SOARA (Satisfying, Optimum, and Achievable Results Ahead) process devised by Graham Douglas to any problem. The SOARA Process employs a set of triggers of internal and external knowledge. This facilitates associations between what may have been regarded as unrelated parts of a problem.

Integrative Thinking is thus a decision-making process in which an individual balances the tensions between opposing variables which is done through a four-step process:

- **Step one: Salience** – seeks to define the relevant aspects of problem.
- **Step two: Causality** – Seeks to determine the relationships between related and seemingly unrelated parts of the problem.
- **Step three: Architecture** – involves the creation of a model that outlines the relationships defined in the previous two steps.
- **Step four: Resolution** – outlines the decision and how it was reached.
  (I.e. very much like a feedback loop – each step links to next, as well as backwards)
Design Thinking

Martin (2009) explains that the knowledge funnel requires a customisation of two or more opposing views (complementing models) on a specific business concern. He defines design thinking as a dynamic interplay and balancing act between analytical mastery and intuitive originality. He continues, saying that design thinking enables organisations to innovate along the path of the knowledge funnel, and that such organisations’ willingness to continuously redesign their way of being sets them apart and prepares them well for long term sustainability – continuous redesign results in both innovation and improved efficiency.

Wikipedia describes design thinking as combining empathy for the context of a problem, creativity in the generation of insights and solutions, and rationality in analyzing and fitting various solutions to the problem context. Design-thinking’s most crucial tool is abductive reasoning. In it “artistry” is used as a powerful tool. Artistry developed from a need of today’s leadership to deal with an ever increasing complex world of global change (wicked problems) as leaders are called to do more with less whilst remaining innovative and competitive – stretched to the limit, and still required to lead others in creative problem solving. Artistry provides leaders with skills and potentials that liberate personal and group inventiveness, increase ability to work cooperatively with others, and raise levels of self-esteem through a higher level of consciousness (everydayness) at work in order to create a more positive future, embedded with life-affirming values and practices.

Artistry is used to…

- navigate comfortably between differing, and sometimes clashing, organizational cultures, agendas and systems
- bring together collaborative networks and teaching/learning communities
- foster nonlinear, partnership forms of organization
- promote lifetime learning
- in deep resonant listening, authentic communication, finding common ground, and mediating differences between individuals and groups
- be intuitive, able to perceive the complex dynamics within a changing group, and to identify new trends emerging from apparent chaos
- Be skilled in the art of timing – waiting until the appropriate forces are converging to take action – and identifying organizational “trim tabs,” those areas where a little amount of effort results in huge shifts.
- be as much interested in the internal dimension of situations as the external forms. To help this perspective, the social artists explore and develop their own inner awareness and the capacities that come from such awareness
- be skilled in the art of interpersonal relations and able to find ways to cross the great divide of “otherness” to step out beyond stereotypes and respect and evoke the diverse potential of others
Social Artists are skilled in creating and managing work through cross-disciplinary, cross-cultural task forces or problem-solving teams. Social Artists are sensitive to and help protect the genius of each person, relationship, and team. They serve as catalysts for new blends of ideas and people, through growth and transition.

Social Artists recognize the emergence and importance of a new overarching story that helps unite everyone’s efforts.

Social Artists are entrepreneurs of organizational change, skilled in creative problem solving and resource development. They are fully vested in integrity and in the boldness of their missions. Social Artists rely on deeply held beliefs to sustain and inspire their work, and to tap the reservoir of human potential for inspiration and expansion of their capabilities.

**Social Artist’s leadership skills:**

- Developing partnerships and collaborative teams
- Operational integrity
- Mediation, artful negotiation and conflict resolution
- Invoking the genius in individuals, relationships, groups and teams
- Entrepreneurial skills in creating new income streams and resource development
- Influencing and managing dynamic systems changes
- Fluency between diverse ways of expression and conflicting needs
- Capacity for recognizing emerging trends on multiple levels
- Ability to envision how a particular project can impact the overall direction of the business
- Highly tuned intuition and mind/body balance
- Capacity for identifying “trim tab” factors and orchestrating actions with appropriate timing to create maximum effect for change with minimal effort
- Capacity to tap into deep beliefs and inner strength to bring commitment, resolve, courage and integrity to leadership
Table 5.1: Movement from Current Reality to Ideal Reality - Explored

Within Media24, organisational structures, processes and norms extinguishes creativity and innovation whenever it flares up. The existing culture favours analysis over intuition and mastery over originality with reliability instead of validity at its core. This “Old School Model” has undesirable consequences and impacts on issues such as stakeholder rights and power, the ability to innovate and the nature of strategic decision making, which is endangering the long term sustainability of the organisation. The model is examined (Figure 5.1) in terms of its impacts on the company, stakeholders and the elements that are undesirable or can be abandoned are singled out. Through a process of integrative thinking, new solutions are sought out of “double-downs”, “hidden gems” or “decomposition”.

Ultimately a new business model (theory) emerges, in which the company can give flexibility and empowerment to shareholders and empower them to influence strategic decision making by implementing a culture change which will improve sustainability and transform the company into that of a Learning Organisation (Figure 5.3).
5.3.1. STEP 1: KNOWLEDGE FUNNEL VIEW OF THE CONCERN

5.3.1.1. The Knowledge Funnel

Martin (2009) suggests that successful businesses and entrepreneurs use the knowledge funnel when they work in an area with a lot of unknowns (mysteries), develop strategies for understanding and solving those unknowns (heuristics), and, eventually, develop formulaic responses (algorithms/code) to those challenges, thereby increasing productivity and effectiveness. Companies implement these algorithms to fully exploit their value. Then they loop back to the beginning of the funnel to look for more mysteries and start down the pathway once again.

As we move down the knowledge funnel (Figure 5.1), an area of focus moves from exploration (exploring options or combinations of options), to exploitation (best possible solution or combinations of solutions is implemented, optimised in use and replicated because it offers best possible solution at maximum efficiency and ROI.

The knowledge funnel can roughly be divided into three phases (Figure 5.1):
- **Mystery phase**: working with lots of unknowns (mysteries)
- **Heuristics phase**: development of strategies for understanding and solving unknowns (heuristics)
- **Algorithms phase**: develop formulaic responses (algorithms/codes) to those challenges

Ideally organisations would exploit these algorithms in order to fully exploit their value, loop back to the beginning of the funnel to find more unknowns and process starts from all over – innovation.

---

**Table 5.2: Knowledge Funnel – Exploration versus Exploitation (EMBA 15, 2014)**

<table>
<thead>
<tr>
<th>Characteristics of Exploration and Exploitation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exploration</td>
</tr>
<tr>
<td>Organizational focus</td>
</tr>
<tr>
<td>Overriding Goal</td>
</tr>
<tr>
<td>Driving forces</td>
</tr>
<tr>
<td>Future orientation</td>
</tr>
<tr>
<td>Progress</td>
</tr>
<tr>
<td>Risk and reward</td>
</tr>
<tr>
<td>Challenge</td>
</tr>
</tbody>
</table>

**Mystery** (Figure 5.1)

In this phase of the Knowledge Funnel, exploration is high and exploitation low, with a high risk profile for failure. This phase is where solutions to problems are explored - ideas on possible answers to problems are shared and investigated. Intuitive solutions are identified and followed up on, with less reasoning so as to minimize effect of own worldviews which could be limiting.

In this phase exploration is non-linear and iterative, whilst tacit knowledge is high, whilst mostly abductive thinking is applied (Martin, 2009). Abductive reasoning typically begins with an incomplete set of observations and proceeds to the likeliest possible explanation for the set. While cogent inductive reasoning
requires that the evidence that might shed light on the subject be fairly complete, whether positive or negative, abductive reasoning is characterised by lack of completeness, either in the evidence, or in the explanation, or both. The abductive process can be creative, intuitive and even revolutionary.

Challenges (Current Model) facing Media24 – Sensing applied from collection of data:
- fragmented symptomatic interventions are being implemented
- fragmented symptomatic solutions being arrived at
- only short term topical improvement
- fragmented leadership and divisions
- problems always resurfaces in escalated form
- problem wickedness on increase
- divisions lose sight of overall company goals and only interested in own divisional goals
- infighting amongst divisions and groups within the company
- internal competition for finite resources
- misalignment in terms of overall company goals and vision
- inability to deal and handle change
- low staff morale and high staff turnover
- reduced profit margins over time
- low effectivity of human capital
- low productivity, efficiencies and efficacy
- no single view of client, divisions and staff
- fragmented, un-systemic approach to problem solving
- reactivity instead of proactivity to changing market environments
- looking at parts of problems and not as a whole
- no root cause analysis done on issues arising
- lack of divisional collaboration – each one for themselves
- lack of feedback loops or very little thereof
- low innovation facilitation
Transformational opportunities (Idealised Design) that exists to effect change for Media24

- holistic Systems approach to interventions being implemented
- systems solutions being arrived at
- long term topical improvement
- cohesive leadership
- problems seldom resurfaces in escalated form
- problem wickedness decrease
- divisions always mindful of overall company goals
- divisions goals always aligned to overall goals
- organisation-wide support and cohesion amongst divisions and groups within company
- Optimum resource allocation and utilisation
- Alignment in terms of overall company goals
- Able to deal with and handle change
- High staff morale
- Lower staff turnover
- Increased profit margins
- High effectivity of human capital
- High productivity
- Low efficacy
- View of client shared amongst divisions – single view
- Systemic approach to problem solving
- Proactive and solutions focussed
- Looking at system as a whole
- Root cause analysis done all the time
- Divisional collaboration

Heuristics (Figure 5.1)

During this phase of the journey tensions, relationships, mechanisms and solutions between the various parts (facts and norms) within the system are explored using the CHS questions (Appendix B). It is all about the invention of the business/solution as opposed to the administration thereof. There is a
transformation of the situation from current state to a future state whilst the current system is being honed and improved upon.

Which facts and norms we should consider depends on how we bound the reference system, and vice-versa (Ulrich, 2000). All value judgements are normative. As soon as we modify our boundary judgments, relevant facts and norms are likely to change, too. We are thus caught in an argumentative triangle. Ulrich (2000) calls this “boundary judgements” – Figure 5.2.

Figure 5.2: The eternal triangle’ of boundary judgements, facts, and values (Source: Ulrich 2000, p252)

Making boundary judgements is all about stakeholder perspectives of the problem, multiple perspectives, the ladder of inference and mapping the problem context. We use Heuristics to give us ideas of how the world “might” be working by answering the question: “How are we producing it at this part of the cause?” From the application of CHS in Chapter 1, the following tensions were identified within the system:

a) **Content providers** (editorial teams) – Are responsible to create original content which is validated through local, national and international standards through dealing mainly with the SA public as a whole. Tensions amongst this group exist specifically around the sharing of data and possible collaboration in order to deliver a quality service or the best and most in-depth sought-after content.

Huge distrust also exists between content journalist, operational management and sales teams based on historical competition for space within the newspapers. Journalists are of opinion that advertising space occupies too much space within
the newspapers that’s denying them opportunity to share more information with
the newspaper readers. This has led to a perception that “sales people are always
out to con us”.

Tension also exists between management and the editorial core – editorial
blames management for mismanagement and management blames editorial for
making “un-business-like” decisions. The current leadership is on a huge drive
to reduce the editorial teams as a cost saving measure.

A single view of the reader needs to be developed for ease of access to reader
profiles. Unique reader identifiers will need to be researched. Currently a
multiple of databases exists, which are not always accessible to the whole team.
Access to data is dependent on the individual’s position within the company
hierarchy and not easily shared. Various teams are doing their own independent
research and results sometimes not even shared within the same team.

Editorial has very little access and input to budgets, hence the perception that
management and sales are wasting.

b) **Technology Providers (IT)** – Are responsible to create, research and
maintain technology platform(s) providing functionality for publishing,
messaging, data collection, distribution and management. Tensions exist in
creation of one platform from which all draw data, and deposits data.

Readers’ take is to essentially push for an open source platform, which the
technology providers see as a threat to their IP. Huge tension exists between IT,
various divisions and management around the struggle and competition for
resources – IT wants more resources in order to develop better platforms and
research more improved methods for content delivery, whilst management are
denying them, enough budgets for this. Management wants IT to deliver with
archaic systems and only maintain current status quo so as not to have to
increase budgets.

A need exists for a single view of loyal readers and all clients, with easy an
access for them to company services and staff. How does this effect security, and
protection of sources and privacy?

c) **Management** – Adapts processes, manage budget implementations and
controls, sets the rules within which their respective divisions function, works
with multiple divisions (sometimes cross-functional), engages with service
providers, clients and reports to the leadership of Media24. Multiple data bases
makes decision-making difficult as various divisions do not allow access to their
data. Divisions operate autonomous, negotiations have to be done interdivisional – no clear directive and platforms had been created by leadership that assists in inter-departmental sharing of knowledge. Only leadership has a single view of the total company.

Managers are unhappy with the constant pressure they have to endure from leadership with regards to attaining goals that they had no input to. Management feedback on state of economy and the resultant impact it has on sales are considered negative if they do not predict that goals will be achieved. Perception is that leadership views this as incompetence and a lack of leadership and skills. Management is struggling with the numerous cyclic restructuring that has to be endured every time a new leader is appointed. Low trust exists between management teams of the divisions. In many cases managers are encouraged by leadership to compete for the same market. Strategic implementation plans are derailed as it might negatively affect one division whilst for the good of the overall.

Managers from various divisions are competing for printing slots, distribution network and company resources.

d) **Advertising sales force** – Sales teams within Media24 are divided up divisionally, and even within divisions the organisation have sub-divisional teams not in direct contact with each other. These respective teams are responsible for the various sales functions and packaging of editorial environments to clients needing to communicate with audiences thereof.

Sales distrust the goal-setting process by management. Huge insecurity exists about job-security with the general sector under huge pressure and in decline by three to five percent, whilst their sales budgets are continuously being increased by between five to fifteen percent. Lots of time spent on generating reports to management, reducing sales time. Various sales divisions competes for the same rand.

e) **Publishers** – Responsible for overall divisional oversight of specific newspapers and/or newspaper groups. Normally they work independently of each other, whilst sharing centralised units (in some instances only). These publishers are mostly focussed on achieving their divisional goals and have been known to launch competing titles to the detriment of existing organisational units. It is not common practice for these publishers to share knowledge and learnings freely.

Publishers have no choice but to use internal suppliers of services such as distribution and printing and distrusts printers and distribution pricing models.
f) **Printers** – are responsible for overall printing of all Media24 products. Printers, whilst geographically positioned around the country works well together as a printing unit. Printers are frustrated with processes from publications not being in place messing up printing times and slots. Ever changing print orders causing havoc on forward planning as they are reliant on inconsistent communication from publishers. Publishers normally inform printers last on any changes within system. Printers are questioning the skills and competencies of publishers and managers.

g) **Leadership** – Are responsible for overall management and strategy of the system. They determine budgets, organisational structure and overall Human Capital Management. Leaders reports to Media24 Board of Directors. Currently a new leadership structure in place, who immediately started re-structuring as an overall cost-saving measure, combined with the closing down of non-profitable business units, a process just completed after two years of restructuring.

**New Model: Prototype that releases tensions – Graphically explored**

![New Model - Prototype explored](https://example.com/new-model.png)

*Figure 5.3: New Model - Prototype explored*
### Work Context with respect to "Distinctive Competencies" in Value Creation (Ideal Model - Scenario 2)

#### 1. Systems Thinking

<table>
<thead>
<tr>
<th>Antecedents</th>
<th>Value Creation</th>
<th>Consequences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased complexity in the world we live in.</td>
<td>Understanding the difference between systems and such things as structure and policy</td>
<td>Big-picture view of business</td>
</tr>
<tr>
<td>View that parts cannot function without the whole something of the past</td>
<td>Reflections to see contexts and flows</td>
<td>World view not constrained</td>
</tr>
<tr>
<td>Instincts to seek systemic causes, not culprits</td>
<td>Interconnectedness of everything recognised</td>
<td>Solution focussed</td>
</tr>
</tbody>
</table>

#### 2. Variability of Work

<table>
<thead>
<tr>
<th>Antecedents</th>
<th>Value Creation</th>
<th>Consequences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Too much time and effort spend on things we have no control over</td>
<td>Understanding when a statement is theory or opinion versus fact, and acting accordingly</td>
<td>System geared for any changes in environment</td>
</tr>
<tr>
<td>Setting up system in order to better react to environmental changes</td>
<td>Knowing how to respond to common cause variation and to special causes</td>
<td>Responses measured and much more focussed</td>
</tr>
<tr>
<td>Business Intelligence systems in place</td>
<td>Gathering various important data in appropriate time-ordered charts</td>
<td>Business intelligence set up and providing depth of information that is accurate, meaningful and usable</td>
</tr>
</tbody>
</table>

#### 3. Learning

<table>
<thead>
<tr>
<th>Antecedents</th>
<th>Value Creation</th>
<th>Consequences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved Staff training</td>
<td>Understanding when a statement is theory or opinion versus fact, and acting accordingly</td>
<td>Increased Profits</td>
</tr>
<tr>
<td>Experienced in middle management</td>
<td>Knowing how different people learn differently</td>
<td>Improved relationship with clients due to increased professionalism</td>
</tr>
<tr>
<td>Sales people needs constant training in order to cater for the greater needs of clients.</td>
<td>PDSA</td>
<td>Solution-driven staff</td>
</tr>
<tr>
<td>Mentorship</td>
<td>Providing systems and resources for lifelong learning</td>
<td>Whilst still a long way off – beginnings of – of turning into a learning organisation</td>
</tr>
</tbody>
</table>

#### 4. Psychology and Human behaviour

<table>
<thead>
<tr>
<th>Antecedents</th>
<th>Value Creation</th>
<th>Consequences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Understanding of motivation, behaviour</td>
<td>Understanding and applying the concepts of internal versus external motivation and motivation</td>
<td>All group mental models aligned</td>
</tr>
<tr>
<td>Group mental models are aligned</td>
<td>Developing relationships and community within the organization and with those outside</td>
<td>Working towards a common goal &amp; vision</td>
</tr>
<tr>
<td>High trust between all</td>
<td>The difference between change and improvement</td>
<td>Solution-driven staff</td>
</tr>
<tr>
<td>Very meaningful relationships</td>
<td>Developing and nurturing trust</td>
<td>Forging meaningful relationships</td>
</tr>
</tbody>
</table>

#### 5. Interactions

<table>
<thead>
<tr>
<th>Antecedents</th>
<th>Value Creation</th>
<th>Consequences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Need to see system as one whole</td>
<td>Understanding the interdependence between systems</td>
<td>World viewed as inter-related.</td>
</tr>
<tr>
<td>Globalization reinforced notion that that we are all connected in some way or another</td>
<td>Seeing the interdependence between systems thinking, variation, learning, and human behaviour</td>
<td>All systems with parts contributing to whole</td>
</tr>
</tbody>
</table>

#### 6. Vision, meaning, direction & focus

<table>
<thead>
<tr>
<th>Antecedents</th>
<th>Value Creation</th>
<th>Consequences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Need to provide a clear focus and direction</td>
<td>Starting with clarity of purpose</td>
<td>Everybody within system clear on goals.</td>
</tr>
<tr>
<td>System of alignment</td>
<td>Developing and continuously communicating a clear sense of direction and focus</td>
<td>All clear on vision</td>
</tr>
</tbody>
</table>

**Attributes:**

- Competencies reinforce each other.
- Extended customer knowledge
- Unique multiple competencies
- Future focused
- Awareness of inter-related nature of everything
- Big-picture view of the world

*Table 5.3. Work context with respect to “Distinctive Competencies” in Value Creation – (Media24 – New Model)*
The implementation and successful replication of successful models takes place in this phase. In this phase the specific successful model, or combination of models decided on in previous phases are now implemented. Very little original thought and hypothesis about a possible new future happens – main focus on implementation, efficiencies of processes, mastery with very small risk profile. Past history now important as replication is of success stories becomes of primary importance to secure guaranteed success going forward.

**STEP 2: EXPLORING ALTERNATIVE MODELS**

**Model Identification**

**(a) Current Business Model**

<table>
<thead>
<tr>
<th>Media24 Staff</th>
<th>Clients</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Divisional autonomy</td>
<td>• Difficult access - have to deal with every division individually</td>
<td>• Decreased profit</td>
</tr>
<tr>
<td>• Internal competition</td>
<td>• Great discounting possible</td>
<td>• no singular view of problems</td>
</tr>
<tr>
<td>• Job insecurity</td>
<td>• ok, if need is to build relationship with one unit</td>
<td>• increased stakeholder interventions needed</td>
</tr>
<tr>
<td>• In constant state of stress</td>
<td>• Difficult if needing to build relationships with a multitude of divisions</td>
<td>• difficult to diagnose problems</td>
</tr>
<tr>
<td>• No trust</td>
<td>• slow turnaround time</td>
<td>• no systemic approaches to problems</td>
</tr>
<tr>
<td>• all about self - not the company as a whole</td>
<td>• Little innovation</td>
<td>• eat each other – before anybody else does?</td>
</tr>
<tr>
<td>• Access to information is restraint</td>
<td>• Slow turnaround time</td>
<td>• Unhappy staff</td>
</tr>
<tr>
<td>• Opportunities limited</td>
<td>• Symptomatic solution only on offer</td>
<td>• struggles to deliver on strategic Media24 objectives</td>
</tr>
<tr>
<td>• Huge personal cost</td>
<td>• no one point of entry into company</td>
<td>• High client turnover</td>
</tr>
<tr>
<td>• Singular view of the company</td>
<td></td>
<td>• Reactive</td>
</tr>
<tr>
<td>• Low morale</td>
<td></td>
<td>• slow turnaround time to clients</td>
</tr>
</tbody>
</table>

| Interactions | | |
|---------------| | |
| | | |

| Psychology and Human behaviour | | |
|-------------------------------| | |
| Starting with clarity of purpose | | |
| Going an inch wide and a mile deep | | |
| Developing and continuously communicating a clear sense of direction and focus | | |

| Variability of Work | | |
|---------------------| | |
| Understanding when a statement is theory or opinion versus fact, and acting accordingly | | |
| Knowing how different people learn differently | | |
| PDSA | | |
| The difference between change and improvement | | |
| Providing systems and resources for lifelong learning | | |

| Systems Thinking | | |
|------------------| | |
| Understanding the difference between systems and such things as structure and policy | | |
| Reflections to see contexts and flows | | |
| Instincts to seek systemic causes, not culprits | | |

Table 5.4: Competencies versus Value Creation Action needed

**Algorithm** (Figure 5.1)
(b) New Business Model

<table>
<thead>
<tr>
<th>Media24 Staff</th>
<th>Clients</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holistic Systems approach to interventions being implemented</td>
<td>Long term topical improvement</td>
<td>Holistic Systems approach to interventions being implemented</td>
</tr>
<tr>
<td>Systems solutions being arrived at</td>
<td>Cohesive leadership</td>
<td>Systems solutions being arrived at</td>
</tr>
<tr>
<td>Cohesive leadership</td>
<td>Problems seldom resurfaces in escalated form</td>
<td>Long term topical improvement</td>
</tr>
<tr>
<td>Organisation-wide support and cohesion amongst divisions and groups within company</td>
<td>Organisation-wide support and cohesion amongst divisions and groups within company</td>
<td>Cohesive leadership</td>
</tr>
<tr>
<td>Able to deal with and handle change</td>
<td>View of client shared amongst divisions – single view</td>
<td>Problems seldom resurfaces in escalated form</td>
</tr>
<tr>
<td>High staff morale</td>
<td></td>
<td>Problem wickedness decrease</td>
</tr>
<tr>
<td>High productivity</td>
<td></td>
<td>Divisional collaboration</td>
</tr>
<tr>
<td>Systematic approach to problem solving</td>
<td></td>
<td>Organisation-wide support and cohesion amongst divisions and groups within company</td>
</tr>
<tr>
<td>Looking at system as a whole</td>
<td></td>
<td>Alignment in terms of overall company goals</td>
</tr>
<tr>
<td>Collaboration</td>
<td></td>
<td>Lower staff turnover</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increased profit margins</td>
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<tr>
<td></td>
<td></td>
<td>High effectiveness of human capital</td>
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<td></td>
<td>High productivity</td>
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<td></td>
<td></td>
<td>Low efficacy</td>
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<tr>
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<td></td>
<td>View of client shared amongst divisions – single view</td>
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<tr>
<td></td>
<td></td>
<td>Systematic approach to problem solving</td>
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<tr>
<td></td>
<td></td>
<td>Proactive and solutions focussed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Looking at system as a whole</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Root cause analysis done all the time</td>
</tr>
</tbody>
</table>

Key take outs

Uniqueness of the model (Elements to be taken into account)

**Media24 Staff – Goals to be achieved**

- High morale
- Collaborative environment
- Shared/cohesive leadership
- Less tension
- Able to deal with and handle change

**Clients – Goals to be achieved**

- Supplied with systemic solutions to problems
- Innovation
- Being looked at from a single viewpoint
- Improved service
Company – Goals to be achieved

- Holistic systems approach to problem solving
- Long term improvements and sustainability
- Problem wickedness being reduced and addressed
- Increased mindfulness
- Cohesion amongst divisions
- Increased margins
- High efficacy, efficiency
- Lower staff turnover
- Root cause analyses
- Proactivity
- Increased client satisfaction

Emphasis going forward - Elements to be taken into account/added

- Technology is shared – “shared” ownership
- Innovation through thinking and doing things differently
- Structuring of innovative partnerships, even between competitors
- Removing current fragmentation and duplication, bringing all existing partners and systems together and building on what is first, then design for innovation
- Root cause analysis as a matter of practice
- Coaching and Mentorship programs in place
- Acceptance of path towards conversion into a Learning organisation
- Goals, Vision and strategy shared with all
- Forums for the creation of platforms for sharing

Explanation of solution

A changed (new) company culture will assist getting rid of prevailing silo mentality that exists within the Media24, with specific focus on the fragmentational behaviour between the various divisions. Changing of culture will enable innovation thriving, proactivity and a more systemic approach to finding solutions. This will enable improve cybernetic feedback, setting in place of improved feedback loops and thus improve on internal and external sensing abilities, making it easier to manage and control and do long term planning.

This is pivotal in driving operational efficiencies, cost saving and speed of services. Possibilities were explored on the basis of three approaches, “double down”, “decomposition” and “hidden gem”.

The following solutions emerged:

**Double Down** – ways of which qualities of the one could be created in the other.
- Solution 1: Information made freely available and shared
- Solution 2: Systemic view of problems
- Solution 3: Cohesive and shared leadership
- Solution 4: Strategicness of episodes – increased systemicity

**Decomposition** – applying different solutions to different parts of the problem.
- Solution 5: Systems Thinking
- Solution 6: Innovation

**Hidden Gem** - bringing together an essential element of each to come up with a new solution.
- Solution 7: One view of the client and improved service
- Solution 8: Collaboration

**Step 4: Reflective Process**

The process in applying the stance of the Integrated Thinker is helpful, yet not totally new. I realized that I do a lot of what is required, though not in a formal format and structure as was required. This made me think in retrospect on how it is that we do so many things in life which we don’t reflect on or even realize we do?

Naming what we do have the effect of making us pause and think of not only how we do things but why we do the things we do? Is this what is called everydayness? Or is everydayness a state in which we are aware of what we do? It raises the question around who we are and what it is we are about to become. More importantly, are we happy with where we are heading or even aware of where we are going?

Everydayness for me is more a state of being of one’s own self. Own self to me can be defined as that state of being not influenced by what we think the world require us to be, but the state most natural to ourselves.

Everydayness for me can best be described by above, where all circles represent various aspects of human’s life, and where it all intersects we find everydayness. We should all endeavor to enlarge this portion, but what is evident is that the shape of our everydayness changes as the variable changes!
5.4. THE APPLICATION OF THE THEORY BUILDING PROCESS

In constructing the final model (theory), the causal relationships between the variables results into the Inter-relationship Diagram shown in Figure 5.5. The tensions between these are explored within the knowledge funnel during the Heuristics phase.

The biggest drivers in the process are Effective Communication (O=7), Trust (O=5), Systems Thinking (O=4) and Goal Setting (O=4). The other variables are strongly influenced and very dependent on the causal relationship with these, and thus mostly outcomes in this complex relationship matrix.

As an example, Effective Communication is critical in this matrix as it influences and determines all the other variables. Within the Heuristic phase, of the solution (theory) finding process, one would thus expect to include Effective Communication in all possible prototypes to be explored later within Algorithm phase.

If on the other hand one wants to have as outcomes a transformation in culture towards one of an Innovative & Learning Organisation, you put emphasis on:

![Figure 5.4: ID – Inter-relationship Diagraph](image-url)
(a) **For Innovation as an outcome:**
Put emphasis and develop effective communication channels, Strategic thinking capability development, organisational coherence, empowerment, trust, goal setting (off course also Learning Organisation)

(b) **Learning Organisation achievement as an outcome:**
Put emphasis Trust, Effective communication, organisational coherence, empowerment and Strategic Thinking

It thus makes sense that using a combination of these (exploring models and tensions) would result in delivering on these outcomes simultaneously – i.e. efficiencies achieved during the design modelling process!

![Figure 5.5: CMO – Prototype (Theory/model) expressed as a Causal Loop diagram](image-url)
5.5. THE PRACTICAL ADEQUACY OF THE THEORY

The process in applying the stance of the Integrated Thinker is helpful, yet not totally new. I realized that I do a lot of what is required, though not in a formal format and structure as was required. This made me think in retrospect on how it is that we do so many things in life which we don’t reflect on or even realize we do?

Naming what we do have the effect of making us pause and think of not only how we do things but why we do the things we do? Is this what is called everydayness? Or is everydayness a state in which we are aware of what we do? It raises the question around who we are and what it is we are about to become. More importantly, are we happy with where we are heading or even aware of where we are going?

Everydayness for me is more a state of being one’s own self. Own self to me can be defined as that state of being not influenced by what we think the world require us to be, but the state most natural to ourselves.
CHAPTER 6. CONCLUSION AND EVALUATION

6.1. INTRODUCTION

Chapter six starts by providing the reader with the importance, implications and relevance of the research study being undertaken. It then discusses the usefulness and ethicalness of the results and the final outcome of the research. In conclusion it explores the validity and suggestions on possible spheres of further research on the topic.

6.2. IMPLICATIONS AND CONSEQUENCES OF THE RESEARCH RESULTS

The continual search for new organisational structures and cultures to ensure survival is driven by changes in ecospheres within which organisations function. More and more organisations are realising that an advantage today is derived from how well companies align intangible assets and less from the management of physical and financial assets. In addition many companies are revisiting their assumptions about the control and management of both their physical and intangible assets as they come under increased pressure from globalisation as well as the opportunities and challenges that it presents.

As companies have struggled with this in the past, many have gotten caught up in expensive and frustrating cycles of organisational change. Media24 is a classic case of this. The organisation has gone through many cycles of reorganisation since 2007 as it attempts to implement the “Matrix” form (retention of both the economies of scale of centralised functions and the flexibility of product-line and geographic business units), from an organisational form centralised by “functions”, and in-between it had also been structured on an organisational structure decentralised by product and region. This change had dependent on change of leadership who brings in “new” strategies every time. Within last 10 years, each of these models had been tested at least once within Media24 with resulting great disruption. The restructuring had been expensive and created more organisational problems than the “bad” ones it attempted to resolve. Tacit knowledge was lost in the process, as valuable employees left. In addition, the new structures every time were saddled with the vestiges of previous decisions.

The lessons learned from this research is that companies do not necessarily need to find a perfect structure for their strategy – a far more effective solution is to find an organisational structure that works without major conflict, and then to design a customised strategic system to align that structure with the overall organisational strategy. Within Media24, the constant restructuring has resulted in disempowerment, lack of strategicness, inhibited innovation and a breakdown in communication between divisions.
6.3. SIGNIFICANCE OF THE RESEARCH RESULTS

The purpose of this research is to find an alternative model to the current prevailing Organisational Culture that exists within Media24 by unearthing the causal mechanisms that supports the prevailing silo mentality that exists within the organisation.

The company has always encouraged autonomous behaviour amongst and within its divisions. At the time it was thought that with each division performing well on its own, the organization as a whole would do well. This reductionist thinking, instead of unifying the organisation as a whole towards the striving of a common goal, have evolved into a silo-mentality culture, which does not always facilitate co-operation between and alignment towards the greater company strategy and this negatively impacts Media24’s organisational culture.

Matrix organisations (functioning across traditional functional, product, and geographic boundaries) are difficult to coordinate, and managers operating at a matrix intersection have to juggle the dictates of two masters, which lead to conflict, fragmentation and mis-alignment towards overall organisational goals. Multiple process-focused units still have problems coordinating and aligning their activities - a silo is a silo whether it is a business process, a function, or a product group.

Silo mentality, with resulting organisational fragmentational behaviour, is an antonym for systems approach or strategic thinking, which views situations from a holistic perspective rather than from a narrow minded perspective. Silo mentality creates barriers and blocks opportunities for effective management of creativity and innovation, which are critical elements for the sustainability of Media24. Silo mentality is prevalent within the organisation, as divisional goals are more focussed on the benefit for their own division, and is thus not aligned with the rest of the organisation. This lack of alignment and integration to the rest of the organisation is the key driver to the inhibiting of strategic thinking within the organisation, and the prevailing organisational culture that exists.

The research study has been focused on answering the questions below in order to create a model for improving the organizational culture for Media24.

- What is the underlying factors influencing the fragmentational behaviour (silo mentality) of Media24’s divisions?
- How can we change the behaviour of these factors in order to positively influence Organisational Culture of Media24?
The research found that the following drivers (Table 6.1) are key contributors to the silo mentality behaviour within Media24 (Concepts explained in Chapter 4):

<table>
<thead>
<tr>
<th>Core Variables</th>
<th>Subject</th>
<th>Propositions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of Dialogue &amp; Communication amongst stakeholders</td>
<td>Effective Communication</td>
<td>Requires active, effective listening</td>
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<tr>
<td></td>
<td></td>
<td>Requires a willingness to change</td>
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<td></td>
<td></td>
<td>Needs clarity</td>
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<td></td>
<td></td>
<td>Learning Organisation formation</td>
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<tr>
<td></td>
<td></td>
<td>Proper feedback systems in place</td>
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<td>Transparency</td>
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<td></td>
<td></td>
<td>Open and honest communication</td>
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<td></td>
<td></td>
<td>No barriers - hierarchical or structurally</td>
</tr>
<tr>
<td>Level of Empowerment</td>
<td>Empowerment</td>
<td>Innovation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increased productivity</td>
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<tr>
<td></td>
<td></td>
<td>Increased customer satisfaction</td>
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<td></td>
<td></td>
<td>Builds confidence, self-awareness, freedom of expression</td>
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<td></td>
<td></td>
<td>Benefits employees</td>
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<tr>
<td></td>
<td></td>
<td>Organisational coherence</td>
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<td>Degree of Organisational Coherence</td>
<td>Alignment</td>
<td>Interdivisional coherence</td>
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<td></td>
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<td>reduce silo mentality</td>
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<td>Bigger picture thinking</td>
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<td>Long term solutions thinking</td>
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<td>Externally focussed</td>
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<td>Client needs before own needs</td>
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<td>Flexibility</td>
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<td>Solutions driven</td>
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<td></td>
<td>Innovation</td>
</tr>
<tr>
<td>Level of trust between staff and divisions</td>
<td>Customer Centricity/Outward Focussed</td>
<td>Clear communication of goals</td>
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<tr>
<td>Level of Goal setting</td>
<td>Expectations</td>
<td>Empowered staff</td>
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<tr>
<td>Degree of orientation towards becoming a learning organisation</td>
<td>Culture change</td>
<td>Systems Thinking</td>
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<tr>
<td>Degree of Systemicity Thinking within Media24</td>
<td>Holistic thinking</td>
<td>Design thinking/Integrated Thinking</td>
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</table>

Table 6.1: Key drivers to Silo mentality
Figure 6.1 below, presents the outcome created by the causal mechanism.

Figure 6.1: CMO – Outcomes of the research – reinforced with Balanced Scorecard

The insight learned from this research (Figure 6.1) is that Media24 needs to design a customised strategic system to align the current matrix company structure with the overall organisational strategy. This research points to the implementation of a balanced scorecard strategy management system to guide the decentralized units in their search for local gain even as they identified ways for themselves to contribute to corporate wide objectives.

Managers at every level in the corporation, from regional sales managers to group CEOs, can use the tools of the framework to drive their unit’s performance. Strategy maps enable managers to define and communicate the cause and-effect relationships that deliver their unit’s value proposition, and the scorecard is a powerful tool for implementing and monitoring the unit’s strategy. A balanced scorecard-based system, therefore, provides both a template and a common language for assembling and communicating information about value creation.

The corporate scorecard and map identify and measure the sources of corporate value creation at each of four levels or “perspectives”:

- **Financial** – creation of enterprise-level value by instituting effective processes for resource allocation, for corporate governance, for acquiring and integrating new business units, and for conducting negotiations with external entities.
Customer – generation of corporate synergies leveraging relationships across multiple business units to offer common customers lower prices, greater convenience, or solutions more complete than specialised competitors can provide. This cross unit integration creates a unique value proposition.

Process - corporate synergies gained when multiple business units reap savings by sharing common processes.

Learning and Growth - enables corporations to exploit their scope to create enterprise-level value from activities related to human capital development and to knowledge management.

It is clear from the above that should the changes (see CIMO – Appendix E) not be implemented, Media24 as we know will not be able to sustain itself.

The results of this research form another case study of how factors influencing silo mentality influences organisational culture. It reinforces how, if left un-checked, the effects of the causal relationships between the identified variables, could worsen the organisational culture of an organisation, which could threaten its sustainability. It recognises that companies have specific challenges imbedded within its organisational culture which needs to be understood before it can be changed.

Validity of the research:
The research study was assessed against three types of validity for qualitative research (Johnson, 1997):

- **Descriptive validity**: factual accuracy of the account as reported by the qualitative researcher
- **Interpretive validity**: attained to the degree that the participant viewpoints, thoughts and experiences are accurately understood and reported by the researcher.
- **Theoretical validity**: attained to the degree that a theory developed from the research study fits the data and is therefore credible and defensible

Ethicalness of the research:
The following ethical tests were applied during the research to ensure ethicalness:

- **The Utilitarian approach**
The Utilitarian Approach states that the right thing to do is whatever “produces the greatest good for the number of people”. In our research project the possible outcome, which is improved Organisational Culture will benefit all concerned and is thus applicable.

- **The Rights Approach**
This takes an opposite approach and allows the right decision can be made regarding any ethical dilemma is that which best protects the fundamental rights of those affected. This however can conflict between the fundamental rights of
the individuals and the common good – in this case the fundamental rights of all respondents were protected, and thus the approach applies. This is illustrated by anonymity of respondents where requested.

- **Fairness or Justice Approach**
  This approach addresses the conflicts between individual rights and the common good. This approach seems the most ethical approach to use as it “dispenses” benefits and harms amongst Internal Stakeholders in a fair and equitable way. So the approval of certain categories and the rejection process were based on this ethical decision making approach.

All stakeholders were treated fairly, their opinions noted and honoured and all treated as equals during interviews and questioning. As far as the researcher can ascertain, no bias on this point affected the research and compilation of this paper in this regard. The Fairness and Justice principles points to a Fair distribution of responsibility. By using more than one ethical principle the researcher ensured confidence in the correctness of the decisions made. This also ensured that any possible strengths and weaknesses of each are balanced out eventually. The writer can thus with confidence say that the processes were fair, ethical and just from an ethical point.

### 6.4 LIMITATION OF THE RESULTS AND THE NEED FOR FURTHER WORK

The research study was limited to the time allocated as prescribed by E-MBA course at GSB. The majority of the data was collected from a single organisation, limiting its ability to be applied to other organisations.

### 6.5 CONCLUDING PARAGRAPH

This study was based on the concerns around the organisational culture within Media24, the biggest media company in Africa. This higher level concern is in part dependent on, and being maintained by, the current prevailing silo mentality which exists within the organisation. The real focus (concern) of the study flowing from this, was to identify the causal mechanisms that sustains this behaviour, understand their inter-relationships, and then to use this knowledge to design a new model for organisational culture for the future of the organisation.

Two questioned flowed from the identified concern: “What are the causal mechanisms responsible for the silo mentality?”, and “How can the mechanisms be influenced positively to minimise or rid the system of this silo mentality?”
A rigorous methodology was developed that combined critical realism and systems thinking, whilst using a grounded theory approach for the collection of the rich data. This implementation of the methodology required excessive attention to the building of credibility though the collection of rich data, and then using emergence and triangulation. Issues of bias were taken into account and the emerging concepts were abstracted to higher levels to ensure transferability.

From this process the drivers for the concern behaviour was identified. These core variables developed through the grounded theory process, were further explored though a rigorous literature review process. This process lead to identifying that the main problem that exists is that business problems are being framed from a divisional perspective, which leads to fragmented leadership. This results in symptomatic solutions to business problems which offer only short term gains. The mechanism matches the “Fixes that Fail” archetype.

Design thinking was used as a final step to explore all the tensions between the mechanisms, using the knowledge funnel. The final outcome was a CMO (Causal Mechanism Output) which is a graphical representation the theory (new model) to be explored.

Finally, the research ended by looking at the ethicalness of the research, and possible future research options.


Engeström, Y. 1987. Learning by Expanding an Activity-Theoretical Approach to Developmental


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Schein E.H., February 1990. Organizational Culture


Tolman, C.W. EMBA 2013. The Basic Vocabulary of Activity Theory.


# APPENDIX A: INTERVIEW LOGS

## Informal Interview Log

- Nature and purpose of the dissertation and why their input was required was explained to interviewed
- All implications of the study was explained to interviewed

## Structured Interview Log

- Nature and purpose of the dissertation and why their input was required was explained to interviewed
- All implications of the study was explained to interviewed

### CONVERSATIONAL INTERVIEW LOG

<table>
<thead>
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<th>Name of Interviewee Group</th>
<th>Gender</th>
<th>Date</th>
<th>Time</th>
<th>Location</th>
<th>Relevance to Research</th>
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<th>Informed about potential risk of Research?</th>
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### STRUCTURED INTERVIEW LOG

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<th>Time</th>
<th>Location</th>
<th>Relevance to Research</th>
<th>Informed about the aims and nature of the research?</th>
<th>Informed about potential risk of Research?</th>
<th>Permission granted for use of name in the research?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Esme</td>
<td>Female</td>
<td>2014/12/01</td>
<td>14h00</td>
<td>Media24</td>
<td>Stakeholder</td>
<td>Yes</td>
<td>Yes</td>
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</tr>
<tr>
<td>2 Ishmet</td>
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<td>2014/12/02</td>
<td>13h30</td>
<td>Media24</td>
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<td>3 Barrie</td>
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<tr>
<td>4 Ane</td>
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<tr>
<td>5 Nicholas</td>
<td>Male</td>
<td>2014/12/09</td>
<td>11h00</td>
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<tr>
<td>6 Marinda</td>
<td>Female</td>
<td>2014/12/09</td>
<td>14h00</td>
<td>Media24</td>
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<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>7 Johan</td>
<td>Male</td>
<td>2014/12/09</td>
<td>15h30</td>
<td>Media24</td>
<td>Stakeholder</td>
<td>Yes</td>
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APPENDIX B: SAMPLE QUESTIONS ASKED

<table>
<thead>
<tr>
<th>QUESTIONS FOR SYSTEMS DESIGN AND ANALYSIS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FUTURE DIRECTED</strong></td>
</tr>
<tr>
<td>1  Whom should the Media24 system serve?</td>
</tr>
<tr>
<td>2  What should the Media24 purpose be?</td>
</tr>
<tr>
<td>3.1 What should the measures of performance be?</td>
</tr>
<tr>
<td>3.2 How will you recognise that the system fulfills its function?</td>
</tr>
<tr>
<td>4  Who should the decision makers be?</td>
</tr>
<tr>
<td>5  What aspects of current situation could be changed by the decision makers?</td>
</tr>
<tr>
<td>6  What could not be changed by the decision makers?</td>
</tr>
<tr>
<td>7  Who (else) should be involved in this solution process/systems design?</td>
</tr>
<tr>
<td>8  What should implementation strategies be?</td>
</tr>
<tr>
<td>9  Who might be worse off by the system as designed?</td>
</tr>
<tr>
<td>10 What would ensure that the problem solving process/system alteration don't mess things up?</td>
</tr>
<tr>
<td>11 How will you recognise that the system fulfills the right function? Who monitors this?</td>
</tr>
</tbody>
</table>

| **PRESENT DIRECTED**                     |
| 12 Who are the beneficiaries under the present system? |
| 13 What are the implicit and explicit functions that the system fulfills for its stakeholders? |
| 14 What are the stated and unstated performance measures and criteria? |
| 15 Who are the decision makers?           |
| 16 What aspects of reality do they control? |
| 17 What regulatory mechanisms operate to maintain the system as it is at present? |

| **PROBLEM SITUATION DIRECTED**            |
| 18 What is in your view the nature (essence) of the problem? |
| 19.1 Where do you think this originates from? |
| 19.2 Which events lead to the perception of the problem? |
| 20 Who are the persons concerned about the problem situation (the problem owners)? |
| 21 Who are the person(s) who commissions (and pays) for the inquiry - the client? |
| 22 In whom is the authority vested to change the system - the decision taker(s)? |
| 23 What are the aspirations or aims of the (a) problem owner, (b) the client and (c) the decision taker? |
| 24 What issues are highly valued by the (a) problem owner (b), the client and (c) the decision taker? |
| 25 What are the problem owner's reasons for regarding the situation as problematical? |
| 26 What are the expectations held by the client, problem owner and decision taker of this inquiry/problem solving process/systems design process? |
| 27 Which words (nouns and verbs) crop up most frequently in the description of the situation? |
| 30 What are possible names (labels) for the problem situation? |
| 31 How do you view the problem solving system in terms of people involved, skills required, resources, time available and finances? |
| 32 Do you perceive obvious constraints on the problem solving process/system? |
| 33 How will you know when the problem is solved? |
| 34 Who else should we consult for views on this situation? |

**Note:** Questions indicated in blue have been asked more often than the unmarked ones during interviews

Questions were not always asked using the exact wording above

Where necessary key concepts such as systems, processes, reality, events were clarified
## APPENDIX C: Categories of Propositions

<table>
<thead>
<tr>
<th>Strategic Thinking</th>
<th>Level of Uncertainty</th>
<th>Level of Risk Taking</th>
<th>Absence between divisions</th>
<th>Side Mentality</th>
<th>Entitlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer-In Thinking and focus</td>
<td>Customer-In thinking</td>
<td>We open and close publications annually</td>
<td>Labor micromanagement and so default to the Adult ego state of management</td>
<td>Each of us manages our own</td>
<td>I expect the best from employees and teams and am seldom disappointed</td>
</tr>
<tr>
<td>Systems must constantly be improved – they are always room for improvement</td>
<td>Systems must constantly be improved – there is always room for improvement</td>
<td>I am not sure I can share with you, you are from another division</td>
<td>Each of us devises our own year ahead</td>
<td>Nobody tells us what to do in our department</td>
<td></td>
</tr>
<tr>
<td>Transformation and Collaboration are key</td>
<td>not always sure what to do next</td>
<td>We like going all out on a deal</td>
<td>They don’t always share their plans with us</td>
<td>Phase don’t let them know what are we up to?</td>
<td>I allow micro-management and so default to the Adult ego state of management</td>
</tr>
<tr>
<td>Responsible and accountable as creators of purpose, vision, direction</td>
<td>Management tells us what to do</td>
<td>Trial and error is only allowed in some divisions</td>
<td>We hate having to get it right, only to have that they’ve already been signed by somebody within the company</td>
<td>Each division have their own budget for Christmas parties</td>
<td>Individual responsibilities seem more important than collective accountability</td>
</tr>
<tr>
<td>Lead from the front and gently nudge from behind</td>
<td>We have no insight into budgets</td>
<td>We have to talk to them via the management team</td>
<td>Each division celebrates exceptional behaviour on their own</td>
<td>Individual comes to believe that privileges are instead rights</td>
<td>Arrogantly assuming that privilege reflects the individual in question</td>
</tr>
<tr>
<td>Nurture and nourishment of productivity and progress top-down and bottom-upwards</td>
<td>Not my problem – I am not allowed to get involved</td>
<td>Negatively repetitive behaviours</td>
<td>We never know who is in charge over their heads</td>
<td>Essentially, the same solutions have to be applied in greater amounts so as to achieve some form of maintenance of the negatively repetitive behaviours</td>
<td>Lack of personal responsibilities</td>
</tr>
<tr>
<td>We have to understand systems and culture</td>
<td>Disposable, unemployed, compliance driven</td>
<td>Social behaviour, health and change to break out of habit while oblivious to downgrading and insidious tolerance</td>
<td>We are not allowed to challenge figures and budgets</td>
<td>Implications of efforts</td>
<td>Right to employment</td>
</tr>
<tr>
<td>everybody has a part to play</td>
<td>We are disempowered</td>
<td>Developing a greater receptivity to change and openness to learning</td>
<td>Believe someone from another function or business unit will not generate innovative ideas</td>
<td>No clear sense of the systemic causes of these repetitive behaviours and outcomes and the constant application of quick fix, short term solutions</td>
<td>Lack of personal responsibilities</td>
</tr>
<tr>
<td>always mindful of the whole that not just ourselves</td>
<td>Leaders remain reluctant to cross traditional functional lines without express permission</td>
<td>The relationship between employees’ perceptions of organisational justice and their self categorized feelings of trust and mistrust</td>
<td>The system causes the negatively or positively repetitive behaviour</td>
<td>Increased dependency</td>
<td></td>
</tr>
<tr>
<td>Leaders are responsible to work ON the system and for the constant improvement thereof</td>
<td>Operating outside my area of expertise without a clear path to a final or even defined outcome.</td>
<td>Some employees perceive trust and mistrust as two ends of a continuum, others see them as distinct concepts</td>
<td>There are no real improvements – rather short termistic effects, which inevitably lead to the problem becoming worse.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees work within the system created by leadership and so great care must be taken to enable a holistic system</td>
<td>Management do not understand employees’ feelings of mistrust fully</td>
<td>Silos, fragmented organisation, no systems view</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Success comes through being mindful</td>
<td>Feel reluctant to or fail to make time to engage people from other areas in the effort</td>
<td>Silo mentality is problematic; consequently creating hindrances to knowledge sharing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There are no early warning signals</td>
<td>Relevant, long term, sustainable, viable</td>
<td>Feed back is ineffective and weightless</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

Note: The table above outlines various propositions categorized under different perspectives such as strategic thinking, level of uncertainty, level of risk taking, absence between divisions, side mentality, and entitlement. Each category is further divided into specific propositions highlighting the challenges and solutions in organizational systems.
### APPENDIX C: Categories of Propositions (Continued)

<table>
<thead>
<tr>
<th>Knowledge Sharing</th>
<th>Enablers of Challenge and high performance</th>
<th>Level of Inclusiveness</th>
<th>Communication</th>
<th>Innovation</th>
<th>Drive to maintain status quo</th>
<th>Continuous improvement culture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer-In Thinking and focus</td>
<td>forced to deal with the consequences of entirely preventable problems</td>
<td>Not recognised as important &amp; not supported</td>
<td>The ability to communicate is an essential life skill and one that can be continually developed</td>
<td>Customer-In Thinking and focus</td>
<td>The same ‘solutions that created the problems in the first place, are being applied in an attempt to at least ‘be doing something’.</td>
<td>Customer-In Thinking and focus</td>
</tr>
<tr>
<td>Systems must constantly be improved – there is always room for improvement</td>
<td>absolute passion and belief in what can be achieved</td>
<td>Management by Objective</td>
<td>The MUSICAL principle can help you to improve your communication skills. The acronym stands for Reason, Environment, Specific, Understanding, Listen, and Timeframe</td>
<td>Systems must constantly be improved – there is always room for improvement</td>
<td>Profit motive and shareholders value only</td>
<td>Systems must constantly be improved – there is always room for improvement</td>
</tr>
<tr>
<td>Transformation and Collaboration are key</td>
<td>interorganizational knowledge transfers</td>
<td>Transformation and Collaboration are key</td>
<td>Transformation and Collaboration are key</td>
<td>Transformation and Collaboration are key</td>
<td>Customer-out thinking based on the organisational arrogance and isolationist style</td>
<td>Transformation and Collaboration are key</td>
</tr>
<tr>
<td>Societal &amp; Environmental impacts are ignored</td>
<td>knowledge sharing routines</td>
<td>who are disempowered, disinterested, demotivated and merely compliant to the minimum requirements</td>
<td>Two-way, multi-platform-constant engagement</td>
<td>Responsible and accountable as creator of purpose, vision, direction</td>
<td>status quo is unsustainable</td>
<td>Responsible and accountable as creator of purpose, vision, direction</td>
</tr>
<tr>
<td>barriers and enablers of knowledge sharing within multinationals</td>
<td>lead from the front and gently nudge from behind</td>
<td>non-core to the business and employees are treated as disposable commodities</td>
<td>Lead from the front and gently nudge from behind</td>
<td>Lead from the front and gently nudge from behind</td>
<td>do not share information</td>
<td>The majority of people naturally strive to deliver beyond the basics</td>
</tr>
<tr>
<td>Organisations’ systems and processes may also create challenges.</td>
<td>building inclusive cultures rather than being preoccupied with diversity numbers</td>
<td>intra and extra organisational feedback loops - nimble and responsive</td>
<td>The majority of people naturally strive to deliver beyond the basics</td>
<td>Opportunities held back</td>
<td>aversion to change</td>
<td>The majority of people naturally strive to deliver beyond the basics</td>
</tr>
<tr>
<td>knowledge sharing culture is influenced by communication, rules, regulations and routines</td>
<td>ideally, the compliance training will be engaging in ways that maximise knowledge transfer</td>
<td>Each person’s communication style is a unique combination of their own innate skills and those learnt both formally and through experience.</td>
<td>It can be done</td>
<td></td>
<td>leadership style: systematic, system of profound knowledge: the learning organisation</td>
<td>leadership style: systematic, the learning organisation</td>
</tr>
<tr>
<td>silo mentality is problematic; consequently creating hindrances to knowledge sharing</td>
<td>People may be naturally visual, auditory, or kinesthetic communicators. Using a supplementary form of communication can help your message to be correctly interpreted.</td>
<td>Leadership style: systematic, system of profound knowledge: the learning organisation</td>
<td></td>
<td></td>
<td>interorganizational knowledge transfers</td>
<td></td>
</tr>
<tr>
<td>They are flawed and can get us into trouble</td>
<td>effective communication depends on your ability to read the attitude of the other person or group</td>
<td>Innovation can be viewed as the application of better solutions that meet new requirements</td>
<td></td>
<td></td>
<td>interorganizational knowledge transfers</td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX D: Design Propositions

In this section we explore the key concepts underpinning the contextual issue (X) and the core variable (Y) of each micro research question- this means that each question will have two associated concepts:

- **Micro-Research Question 1:**
  
  *Lack of cohesion* *Divisional collaboration*

- **Micro-Research Question 2:**
  
  *Non-systemic strategies* *Framing of social & business problems*

- **Micro-Research Question 3:**
  
  *Reductionism* *Systemic solutions*

The current model Causal loop Diagram (Current Reality – Scenario 1) used to explain current reality and causal effects:

![Current Model CMO: ARCHETYPE: FIXES THAT FAIL](image)

*Figure 11: Current Model Causal Loop Diagram of Media 24 company culture*

**DP 1:**  
**Design Proposition 1:** (Micro-Research Question 1)

(Source: Bligh, M.C; Pearce, C.L; Kohles, J.C. 2006. The importance of self-...

**Intervention:**
Create a more unified Media24, concentrating on a relationship between self and shared leadership, which focuses on processes of trust, potency and commitment, that may lead to the development of shared leadership and more innovative knowledge creation and collaboration (Learning Organisation).

![Diagram](image)

**Design Proposition 1 - CIMO**

**DP 2:** Design Proposition 2: (Micro-Research Question 2)

**Intervention:**
Training, coaching and mentoring of leadership to master Problem-Based-Learning (PBL), could ensure that problems are framed in such a way so as to create sustainable and transformational strategies to address and dissolve wicked problems.

**Design Proposition 2 - CIMO**

**DP 3:** Design Proposition 3: (Micro-Research Question 3)

**Intervention:**
Move away from symptomatic problem-solving, whole systems design within complex systems aims to integrate social, economic and environmental issues into the comprehensive design solution. This leads to sustainable and systemic design solutions.

**DP 4:** Design Proposition 4: (Micro-Research Question 3)
**Intervention:**

Collaborative, sustainable system level approaches to design and find resonance with the stated Strategic Objectives of Media24 EXCO, in that it identifies systems thinking [Senge, P.M. 2006.], the development of partnerships [Katzenback, J.; & Smith, D. 1993.] as well as the use of trans-disciplinary skills [Gibson, C. 2001.] to achieve systemic, rather than symptomatic solutions.

As the individual CIMO’s for each Design Proposition clearly indicate, each have the desired effect of working towards the achievement of breaking the negative upward cycle brought forth by the Fixes that Fail Archetype, which sits at the foundation of the CMO as well as the CIMO.

**Design Proposition 3 & 4 - CIMO**

As the individual CIMO’s for each Design Proposition clearly indicate, each have the desired effect of working towards the achievement of breaking the negative upward cycle brought forth by the Fixes that Fail Archetype, which sits at the foundation of the CMO as well as the CIMO.
Any and all of the above interventions (Figure 22) should in fact be implemented, given that their cumulative effect would be significant in respect of moving out of reductionism and into systemicity.
APPENDIX E: Design Propositions – Interventions (DP 1-4 Combined)
## APPENDIX F: Final Core Variables

<table>
<thead>
<tr>
<th>Core Variables</th>
<th>Propositions</th>
</tr>
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<tbody>
<tr>
<td><strong>Level of Dialogue &amp; Communication</strong></td>
<td>Requires listening</td>
</tr>
<tr>
<td></td>
<td>Requires a willingness to change</td>
</tr>
<tr>
<td></td>
<td>Needs clarity</td>
</tr>
<tr>
<td></td>
<td>Learning Organisation formation</td>
</tr>
<tr>
<td></td>
<td>Proper feedback systems in place</td>
</tr>
<tr>
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<td>Transparency</td>
</tr>
<tr>
<td><strong>Degree of Customer focussed thinking</strong></td>
<td>Very important</td>
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<tr>
<td><strong>Level of Empowerment</strong></td>
<td>No barriers</td>
</tr>
<tr>
<td></td>
<td>Innovation</td>
</tr>
<tr>
<td></td>
<td>Increased productivity</td>
</tr>
<tr>
<td><strong>Degree of Organisational Coherence</strong></td>
<td>Increased customer satisfaction</td>
</tr>
<tr>
<td></td>
<td>Builds confidence</td>
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<tr>
<td><strong>Degree of Goal setting</strong></td>
<td>Benefits employees</td>
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<tr>
<td><strong>Learning Organisation</strong></td>
<td>Organisational coherence</td>
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<td><strong>Level of Silo mentality</strong></td>
<td>Interdivisional coherence</td>
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<tr>
<td><strong>Level of Goal setting</strong></td>
<td>reduce silo mentality</td>
</tr>
<tr>
<td><strong>Degree of Customer focussed thinking</strong></td>
<td>Bigger picture thinking</td>
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<tr>
<td><strong>Level of Dialogue &amp; Communication</strong></td>
<td>Long term solutions thinking</td>
</tr>
<tr>
<td><strong>Degree of Organisational Coherence</strong></td>
<td>Externally focussed</td>
</tr>
<tr>
<td><strong>Learning Organisation</strong></td>
<td>Client needs before own needs</td>
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<td><strong>Level of Goal setting</strong></td>
<td>Flexibility</td>
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<tr>
<td><strong>Learning Organisation</strong></td>
<td>Solutions driven</td>
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<tr>
<td><strong>Level of Dialogue &amp; Communication</strong></td>
<td>Innovation</td>
</tr>
<tr>
<td><strong>Degree of Customer focussed thinking</strong></td>
<td>Clear communication of goals</td>
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<tr>
<td><strong>Degree of Organisational Coherence</strong></td>
<td>Clear communication of expectations</td>
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<td><strong>Degree of Goal setting</strong></td>
<td>Focussed</td>
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<td><strong>Learning Organisation</strong></td>
<td>Empowered staff</td>
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<td><strong>Level of Dialogue &amp; Communication</strong></td>
<td>Innovation is key</td>
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<td><strong>Degree of Customer focussed thinking</strong></td>
<td>Mentorship</td>
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<td><strong>Degree of Organisational Coherence</strong></td>
<td>Coaching</td>
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<td><strong>Learning Organisation</strong></td>
<td>Transparent</td>
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<td><strong>Level of Goal setting</strong></td>
<td>Open communication</td>
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<td><strong>Level of Dialogue &amp; Communication</strong></td>
<td>Solutions driven</td>
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<td><strong>Degree of Customer focussed thinking</strong></td>
<td>Flexible, entrepreneurial</td>
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<td><strong>Degree of Organisational Coherence</strong></td>
<td>Systemic</td>
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<td><strong>Level of Goal setting</strong></td>
<td>Hierarchical</td>
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<td><strong>Level of Dialogue &amp; Communication</strong></td>
<td>Too many confusing voices</td>
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<td><strong>Degree of Customer focussed thinking</strong></td>
<td>Parts focussed versus System focussed</td>
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<td><strong>Degree of Organisational Coherence</strong></td>
<td>Benefits to few versus benefits to all</td>
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<td><strong>Degree of Goal setting</strong></td>
<td>Not bigger picture thinking</td>
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<tr>
<td><strong>Level of Dialogue &amp; Communication</strong></td>
<td>Design thinking</td>
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<tr>
<td><strong>Degree of Customer focussed thinking</strong></td>
<td>Solution driven</td>
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<td><strong>Degree of Organisational Coherence</strong></td>
<td>Improvement driven</td>
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<td><strong>Level of Goal setting</strong></td>
<td>Change driven</td>
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<td>Category Labels</td>
<td>Subject</td>
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<td>-----------------</td>
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<td></td>
<td>Alternate Agendas</td>
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<td>Politics</td>
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<td>Media24 way</td>
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<tr>
<td></td>
<td>Ads24 way</td>
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<td>Trust &amp; Confidence</td>
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<td>Old school leadership styles</td>
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<td>Goals</td>
<td>Learning Environment</td>
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<td>Trust</td>
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<td>Clear reporting</td>
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<td>Market developments</td>
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<td>Social Gap</td>
<td>Involvement</td>
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<td>Culture</td>
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<td>Conducive to innovation</td>
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<tr>
<td>Knowledge Sharing</td>
<td>Direction</td>
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<td>Goals</td>
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<td>Company priorities</td>
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<td>Common direction</td>
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<tr>
<td>Review &amp; Feedback</td>
<td>Review</td>
</tr>
</tbody>
</table>
## APPENDIX G: CONCEPT ANALYSIS

### INNOVATION

<table>
<thead>
<tr>
<th>Antecedents</th>
<th>Attributes</th>
<th>Consequences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ideas Creation</td>
<td>Change</td>
<td>Value Creation</td>
</tr>
<tr>
<td>Collaboration</td>
<td>Future Focussed</td>
<td>Growth</td>
</tr>
<tr>
<td>Imagination</td>
<td>Fills a gap</td>
<td>New Way of thinking</td>
</tr>
<tr>
<td>Empowerment</td>
<td>Addresses a client needs</td>
<td>Development</td>
</tr>
<tr>
<td>Participation</td>
<td>Simple</td>
<td>New Opportunities</td>
</tr>
<tr>
<td>Dialectic</td>
<td></td>
<td>Disruptive</td>
</tr>
<tr>
<td>Long term thinking</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co-ideation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co-design</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co-development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co-production</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acceptance of failure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flexibility</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Open Communication</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### LEADERSHIP

<table>
<thead>
<tr>
<th>Antecedents</th>
<th>Attributes</th>
<th>Consequences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confidence</td>
<td>Strategic</td>
<td>Idealised Influence</td>
</tr>
<tr>
<td>Hope</td>
<td>Pluralistic</td>
<td>Inspirational motivation</td>
</tr>
<tr>
<td>Resiliency</td>
<td>Achievement driven</td>
<td>Intellectual stimulation</td>
</tr>
<tr>
<td>Optimism</td>
<td>Knowledgeable</td>
<td>Individual consideration</td>
</tr>
<tr>
<td>Adaptability</td>
<td>Opportunistic</td>
<td>Positive organisational outcomes</td>
</tr>
<tr>
<td>Capacity for change</td>
<td>Self knowledge</td>
<td>Inquiry</td>
</tr>
<tr>
<td>Work engagement</td>
<td>Self-control</td>
<td>Dialogue</td>
</tr>
<tr>
<td>Communication frequency</td>
<td>Self-aware</td>
<td>Open communication</td>
</tr>
<tr>
<td>Excellent listening</td>
<td>Visionary</td>
<td>Experimenting</td>
</tr>
<tr>
<td>Internal moral perspective</td>
<td></td>
<td>Joined scenario analysis</td>
</tr>
<tr>
<td>Balanced processing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relational transparency</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self awareness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Empathy</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## APPENDIX H: CHS QUESTIONS

<table>
<thead>
<tr>
<th>Question Numbers</th>
<th>Questions</th>
<th>Evaluations based of System Heuristics</th>
<th>What is it?</th>
<th>Ought to be?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Who is (ought to be) the client or beneficiary? That is, whose interests are (should be) served?</td>
<td>Reciprocity (&quot;client&quot;): What would the beneficiary of the service or system(S’) be excluded?</td>
<td>Shareholders, Leadership, organization</td>
<td>Clients, Shareholders, Staff, organization, Leadership, Readers, Agencies,</td>
</tr>
<tr>
<td>2</td>
<td>What is (ought to be) the purpose? That is, what are the consequences?</td>
<td>Purpose: What should be the purpose of S’?</td>
<td>Increased</td>
<td>Fragmentation, reduced profits, no collaboration, Low trust, cohesion, alignment, no systems approach</td>
</tr>
<tr>
<td>3</td>
<td>What is (ought to be) the measure of improvement or measure of success? That is, how can we determine that the consequences are reconciled together, assist in an improvement?</td>
<td>Measure of success: What should be the measure of success for (improvement)?</td>
<td>No fragmented silo behaviour</td>
<td>Long term sustainable Media24, increased profitability, Happy staff, Media24 transformed into a Learning Organisation</td>
</tr>
<tr>
<td>4</td>
<td>Who is (ought to be) the decision maker? That is, who is (should be) in a position to change the measure of improvement?</td>
<td>Decision maker: Who should be/is the decision maker (in command of a resource necessary to enable S’)?</td>
<td>Company, Divisional, Technical, Media24 Leadership</td>
<td>Media24 leadership and staff, Media24 Shareholders</td>
</tr>
<tr>
<td>5</td>
<td>What resources and other conditions of success are (ought to be) controlled by the decision maker? That is, what conditions of success can (should) those involved control?</td>
<td>Resources: What components of S’ ought to be/is controlled by S’ decision maker.</td>
<td>Partial identification of business opportunities, Goal setting, some resources</td>
<td>Identification of business opportunities, budgets, measures of success, policies, Research</td>
</tr>
<tr>
<td>6</td>
<td>What conditions of success are (ought to be) part of the decision environment? That is, what conditions (can) should the decision-maker control (e.g. from the viewpoint of those not involved)?</td>
<td>Decision environment: What conditions ought to be/is part of S’ environment, I.e. not controlled by S’ decision maker and therefore acting as possible constraint?</td>
<td>Economy, Resource allocation, budgets, staff, employment, diversification, market, structure of company</td>
<td>Economy, market</td>
</tr>
<tr>
<td>7</td>
<td>What kind of expertise is (ought to be) consulted? That is, what counts (should count) as relevant knowledge?</td>
<td>Expertise: What kind of expertise or relevant knowledge ought to be/is involved as providing expert support for S’?</td>
<td>Consultants, Leadership, Technical experts</td>
<td>Experts with the company, Leadership/Staff</td>
</tr>
<tr>
<td>8</td>
<td>What or who is (ought to be) assumed to be the guarantor of success? That is, where do those involved seek some guarantee that improvement will be achieved – for example, consensus among experts, the involvement of stakeholders, the experience and intuition of those involved, political support?</td>
<td>Guarantor: What ought to be/is the guarantor attributes of success for S’ (e.g. technical support, consensus amongst professional experts, experience and intuition of those involved, stakeholder participation, political support...) and hence what ought to be/is the guarantor attributes of success (e.g. technical fixes, management, periodical, tokenism, ...)</td>
<td>Technical Experts-Leadership</td>
<td>Technical experts, Generalist Specialist, Technical Experts, Leadership, All staff</td>
</tr>
<tr>
<td>9</td>
<td>Who is (ought to be) witness to the interests of those affected but not involved? That is, who is (should be) treated as a legitimate stakeholder, and who argues (should argue) the case of those stakeholders who cannot speak for themselves, including future generations and non-human nature?</td>
<td>Witnesses: Who ought to be/is representing the interest of those affected by but not involved with S’, including those stakeholders who cannot speak for the marginal e.g. the handicapped, future generations and non-human nature?</td>
<td>Shareholders, Readers, Clients, Agencies</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>What measures (ought to be) secure the emancipation of those affected from the premises and promises of those involved? That is, where does (should legitimacy) lie?</td>
<td>Emancipation: To what degree and in what way ought/is the interest of the affected free from the effects of S’?</td>
<td>Strict hierarchical controls in place</td>
<td>Change organisational culture to that of a learning organisation, collaborative spirit and innovative future focussed</td>
</tr>
<tr>
<td>11</td>
<td>What worldview (ought to be) determining? That is, what different visions of ‘improvement’ are (ought to be) considered, and how are they (should they be) reconciled?</td>
<td>Worldview: What should be/is the worldview underlying the creation or maintenance of S’? I.e. What visions or underlying meaning of improvement, ought to be/is considered, and how ought they be/is reconciled?</td>
<td>Divisive performing individually means company as a whole performs. Internal competition is good</td>
<td>Through collaboration and synergy, long term sustainability can be attained</td>
</tr>
<tr>
<td>12</td>
<td>What knowledge (ought to be) used? That is, what kind of expertise, and what kind of knowledge (ought to be) used?</td>
<td>Knowledge: What knowledge (ought to be) used in the decision making process?</td>
<td>Knowledge of market, Knowledge of industry, Systems thinking, Goal setting, Systematic, Innovation, Systems design</td>
<td>Knowledge of market, Knowledge of industry, Systems thinking, Goal setting, Systematic, Innovation, Systems design</td>
</tr>
</tbody>
</table>
APPENDIX I:

MINDFULLNESS AUDIT – MEDIA24 (NOVEMBER 2014)

15 out of 20 employees at various levels within Media24 responded in time – 75%.

D.1. MINDFULNESS AUDIT RESULTS:

Mindfulness Audit survey forms were sent to twenty staff members within Media24.

<table>
<thead>
<tr>
<th>Audit Questions</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. There is an organization-wide sense of susceptibility to the unexpected.</td>
<td>2.13</td>
</tr>
<tr>
<td>2. Everyone feels accountable for reliability.</td>
<td>2.38</td>
</tr>
<tr>
<td>3. Leaders pay as much attention to managing unexpected events as they do to achieving formal organizational goals.</td>
<td>2.63</td>
</tr>
<tr>
<td>4. People at all levels of our organization value quality.</td>
<td>2.13</td>
</tr>
<tr>
<td>5. We spend time identifying how our activities could potentially harm our organization, employees, our customers, other interested parties, and the environment at large.</td>
<td>2.00</td>
</tr>
<tr>
<td>6. We pay attention to when and why our employees, our customers, or other interested parties might feel peeved or disenfranchised from our organization.</td>
<td>2.13</td>
</tr>
<tr>
<td>7. There is widespread agreement among the firm’s members on what we don’t want to go wrong.</td>
<td>2.63</td>
</tr>
<tr>
<td>8. There is widespread agreement among the firm’s members about how things could go wrong.</td>
<td>2.00</td>
</tr>
<tr>
<td>9. Total Score</td>
<td>18.00</td>
</tr>
</tbody>
</table>

Mindfulness Audit Results, Section 1 - View of the Organisation
3. Assessing Your Firm’s Tendency Toward Doubt, Inquiry, and Updating: Respond agree or disagree with the following statements about your work unit, department, or organization.

<table>
<thead>
<tr>
<th>Audit Questions</th>
<th>Score (% Agrees)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Doubt</strong></td>
<td></td>
</tr>
<tr>
<td>1. People around here are quick to deny problems when they show up.</td>
<td>67%</td>
</tr>
<tr>
<td>2. When someone voices a doubt or concern, people are quick to dismiss it.</td>
<td>67%</td>
</tr>
<tr>
<td>3. When something unexpected occurs, we rarely try to figure out why things didn’t go as we expected.</td>
<td>71%</td>
</tr>
<tr>
<td><strong>Inquiry</strong></td>
<td></td>
</tr>
<tr>
<td>1. When something unexpected happens, the information is not widely shared.</td>
<td>71%</td>
</tr>
<tr>
<td>2. When unexpected problems arise, those involved rarely spend time to debrief what they saw and heard prior to the incident.</td>
<td>76%</td>
</tr>
<tr>
<td>3. When things don’t go as expected, people rarely try to uncover what they assumed in the first place.</td>
<td>71%</td>
</tr>
<tr>
<td>4. It is uncommon to check our assumptions against reality.</td>
<td>62%</td>
</tr>
<tr>
<td><strong>Updating</strong></td>
<td></td>
</tr>
<tr>
<td>1. If things don’t go as we expected, it is uncommon for people to update their original assumptions.</td>
<td>76%</td>
</tr>
<tr>
<td>2. It is uncommon to revise our practices and procedures to incorporate revised assumptions and understandings.</td>
<td>67%</td>
</tr>
<tr>
<td><strong>Agree Total Ave</strong></td>
<td>70%</td>
</tr>
<tr>
<td><strong>Disagree Total Ave</strong></td>
<td>30%</td>
</tr>
</tbody>
</table>

**Scoring:** Count the number of agree and disagree responses. The greater the number of agree responses, the less the tendency to doubt, inquire, or update; hence, a greater potential for mindfulness. Use these questions to begin thinking of ways to improve your capacity for mindfulness.

4. Assessing Where Mindfulness Is Most Required: Respond agree or disagree with the following statements about your work unit, department, or organization.

<table>
<thead>
<tr>
<th>Audit Questions</th>
<th>Score (% Agrees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Work is accomplished through a number of sequential steps carried out in a linear fashion.</td>
<td>81%</td>
</tr>
<tr>
<td>2. Feedback and information on what is happening is direct and simply verified.</td>
<td>71%</td>
</tr>
<tr>
<td>3. The work process is relatively well understood and easily comprehensible.</td>
<td>100%</td>
</tr>
<tr>
<td>4. The work process does not require coordinated action by numerous mechanical components and operators.</td>
<td>52%</td>
</tr>
<tr>
<td>5. We can directly observe all the components in our “production” process.</td>
<td>48%</td>
</tr>
<tr>
<td>6. Our work process is such that it is possible to put the system on a stand-by mode, and delays are possible because unfinished products or services can sit for a while or be stored without damage.</td>
<td>57%</td>
</tr>
<tr>
<td>7. There are many ways to produce our product or service, items can be rerouted, schedules changed, and parts can be added later if delays or shortages occur.</td>
<td>71%</td>
</tr>
<tr>
<td>8. There is a lot of slack in our work process and it does not require much precision; things don’t have to be done right the first time because they can always be repeated.</td>
<td>38%</td>
</tr>
<tr>
<td>9. There is a lot of opportunity to improvise when things go wrong.</td>
<td>62%</td>
</tr>
<tr>
<td><strong>Total Agrees</strong></td>
<td>65%</td>
</tr>
<tr>
<td><strong>Total Disagrees</strong></td>
<td>35%</td>
</tr>
</tbody>
</table>

**Scoring:** Count the number of agree and disagree responses. The greater the number of disagree responses, the more your system is interactively complex and tightly coupled, and therefore the more important it is to be mindful. Use these questions to begin thinking of ways to improve your capacity for mindfulness.
## Mindfulness Audit Results, Section 5 – Assessing Media24’s preoccupation with failure

### Audit Questions

<table>
<thead>
<tr>
<th>Audit Questions</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. We focus more on our failures than our successes.</td>
<td>2.00</td>
</tr>
<tr>
<td>2. We regard close calls and near misses as a kind of failure that reveals potential danger rather than as evidence of our success and ability to avoid disaster.</td>
<td>2.44</td>
</tr>
<tr>
<td>3. We treat near misses and errors as information about the health of our system and try to learn from them.</td>
<td>2.00</td>
</tr>
<tr>
<td>4. We often update our procedures after experiencing a close call or near miss to incorporate our new experience and enriched understanding.</td>
<td>2.43</td>
</tr>
<tr>
<td>5. We make it hard for people to hide mistakes of any kind.</td>
<td>2.00</td>
</tr>
<tr>
<td>6. People are inclined to report mistakes that have significant consequences even if nobody notices.</td>
<td>1.86</td>
</tr>
<tr>
<td>7. Managers seek out and encourage bad news.</td>
<td>1.43</td>
</tr>
<tr>
<td>8. People feel free to talk to superiors about problems.</td>
<td>2.90</td>
</tr>
<tr>
<td>9. People are rewarded if they spot problems, mistakes, errors, or failures.</td>
<td>1.57</td>
</tr>
</tbody>
</table>

**Total Score:** 17.71

**Scoring:** Add the numbers. If you score lower than eleven, you are preoccupied with success and should be actively considering how you can immediately improve your focus on failure. If you score between eleven and eighteen, you have a moderate preoccupation with success rather than a fully mindful preoccupation with failure. Scores higher than eighteen suggest a healthy preoccupation with failure and a strong capacity for mindfulness.

### Audit Questions

<table>
<thead>
<tr>
<th>Audit Questions</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. People around here take nothing for granted.</td>
<td>2.14</td>
</tr>
<tr>
<td>2. Questioning is encouraged.</td>
<td>2.57</td>
</tr>
<tr>
<td>3. We strive to challenge the status quo.</td>
<td>2.29</td>
</tr>
<tr>
<td>4. People in this organization feel free to bring up problems and tough issues.</td>
<td>2.43</td>
</tr>
<tr>
<td>5. People generally prolong their analysis to better grasp the nature of the problems that come up.</td>
<td>1.86</td>
</tr>
<tr>
<td>6. People are encouraged to express different views of the world.</td>
<td>2.29</td>
</tr>
<tr>
<td>7. People listen carefully. It is rare that anyone’s view is dismissed.</td>
<td>2.00</td>
</tr>
<tr>
<td>8. People are not shot down for surfacing information that could interrupt operations.</td>
<td>2.00</td>
</tr>
<tr>
<td>9. When something unexpected happens, people are more concerned with listening and conducting a complete analysis of the situation than with advocating for their view.</td>
<td>2.29</td>
</tr>
<tr>
<td>10. We appreciate skeptics.</td>
<td>1.86</td>
</tr>
<tr>
<td>11. People demonstrate trust for each other.</td>
<td>2.29</td>
</tr>
<tr>
<td>12. People show a great deal of mutual respect for each other.</td>
<td>2.43</td>
</tr>
</tbody>
</table>

**Total Score:** 26.43

**Scoring:** Add the numbers. If you score higher than twenty-four, the potential to avoid simplification is strong. If you score between fourteen and twenty-four, the potential to avoid simplification is moderate. Scores lower than fourteen suggest that you should actively be considering how you can immediately improve your capabilities to prevent simplification in order to improve your firm’s capacity for mindfulness.
### 7-Assessing Your Firm’s Sensitivity to Operations: Respond agree or disagree with the following statements about your organization.

<table>
<thead>
<tr>
<th>Audit Questions</th>
<th>Score (% Agrees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. On a day-to-day basis, there is an ongoing presence of someone who is paying attention to what is happening and is readily available for consultation if something unexpected arises.</td>
<td>75%</td>
</tr>
<tr>
<td>2. Should problems occur, someone with the authority to act is always accessible and available, especially to people on the front lines.</td>
<td>75%</td>
</tr>
<tr>
<td>3. Supervisors readily pitch in whenever necessary.</td>
<td>79%</td>
</tr>
<tr>
<td>4. During an average day, people come into enough contact with each other to build a clear picture of the current situation.</td>
<td>79%</td>
</tr>
<tr>
<td>5. People are always looking for feedback about things that aren’t going right.</td>
<td>79%</td>
</tr>
<tr>
<td>6. People are familiar with operations beyond one’s own job.</td>
<td>67%</td>
</tr>
<tr>
<td>7. We have access to resources if unexpected surprises crop up.</td>
<td>54%</td>
</tr>
<tr>
<td>8. Managers constantly monitor workloads and are able to obtain additional resources if the workload starts to become excessive.</td>
<td>67%</td>
</tr>
<tr>
<td><strong>Total Score</strong></td>
<td><strong>72%</strong></td>
</tr>
</tbody>
</table>

**Scoring:** Count the number of agree and disagree responses. The greater the number of disagree responses, the less the sensitivity to operations. Use these questions to begin thinking of ways to improve your sensitivity to operations and capacity for mindfulness.

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### Mindfulness Audit Results, Section 7 - Assessing Media24’s Sensitivity to Operations

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### 8-Assessing Your Firm’s Commitment to Resilience: How well do each of the following statements describe your organization?

<table>
<thead>
<tr>
<th>Audit Questions</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Forecasting and predicting the future is not that important here.</td>
<td>2.00</td>
</tr>
<tr>
<td>2. Resources are continually devoted to training and retraining people on the properties of the technical system.</td>
<td>2.13</td>
</tr>
<tr>
<td>3. People have more than enough training and experience for the kind of work they have to do.</td>
<td>2.00</td>
</tr>
<tr>
<td>4. This organization is actively concerned with developing people’s skills and knowledge.</td>
<td>2.38</td>
</tr>
<tr>
<td>5. This organization encourages challenging stretch assignments.</td>
<td>2.25</td>
</tr>
<tr>
<td>6. People around here are known for their ability to use their knowledge in novel ways.</td>
<td>2.25</td>
</tr>
<tr>
<td>7. There is a concern with building people’s competence and response repertoires.</td>
<td>2.13</td>
</tr>
<tr>
<td>8. People have a number of informal contacts that they sometimes use to solve problems.</td>
<td>2.00</td>
</tr>
<tr>
<td>9. People learn from their mistakes.</td>
<td>2.25</td>
</tr>
<tr>
<td>10. People are able to rely on others.</td>
<td>2.13</td>
</tr>
<tr>
<td><strong>Total Score</strong></td>
<td><strong>21.50</strong></td>
</tr>
</tbody>
</table>

**Scoring:** Add the numbers. If you score higher than twenty, the commitment to resilience is strong. If you score between twelve and twenty, the commitment to resilience is moderate. Scores lower than twelve suggest that you should actively consider how you can immediately begin building resilience and the capacity for mindfulness.
9. Assessing the Deference to Expertise In Your Firm: How well do each of the following statements describe your work unit, department, or organization? Enter next to each item below the number that corresponds with your conclusion: 1 = not at all, 2 = to some extent, 3 = a great deal.

<table>
<thead>
<tr>
<th>Audit Questions</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. People are committed to doing their job well.</td>
<td>2.50</td>
</tr>
<tr>
<td>2. People respect the nature of one another’s job activities.</td>
<td>2.00</td>
</tr>
<tr>
<td>3. If something out of the ordinary happens, people know who has the expertise to respond.</td>
<td>2.38</td>
</tr>
<tr>
<td>4. People in this organization value expertise and experience over hierarchical rank</td>
<td>2.13</td>
</tr>
<tr>
<td>5. In this organization, the people most qualified to make decisions make them.</td>
<td>2.25</td>
</tr>
<tr>
<td>6. If something unexpected occurs, the most highly qualified people, regardless of rank, make the decisions.</td>
<td>2.13</td>
</tr>
<tr>
<td>7. People typically “own” a problem until it is resolved.</td>
<td>1.88</td>
</tr>
<tr>
<td>8. It is generally easy for us to obtain expert assistance when something comes up that we don’t know how to handle.</td>
<td>2.00</td>
</tr>
</tbody>
</table>

**Total Score**: 17.25

Scoring: Add the numbers. If you score higher than sixteen, the deference to expertise is strong. If you score between ten and sixteen, the deference to expertise is moderate. Scores lower than ten suggest that you should actively think of ways to improve the deference to expertise and capacity for mindfulness.

---

**Evaluating work context**

![Diagram showing various aspects of work context and their scores]

Understanding the difference between systems and such things...  
Developing and continuously communicating a clear sense of...  
Going an inch wide and a mile deep  
Instincts to seek systemic causes, not culprits  
Starting with clarity of purpose  
Understanding when a statement is theory or opinion versus fact, and...  
Seeing the interdependence between systems thinking, variation,...  
Knowing how to respond to common cause variation and to...  
Developing and nurturing trust  
Gathering various important data in appropriate time-ordered charts  
Developing relationships and community within the...  
Understanding when a statement is theory or opinion versus fact, and...  
Understanding and applying the concepts of internal versus...  
PDSA  
The difference between change and improvement  
Providing systems and resources for lifelong learning  
Knowing how different people learn differently
## Propositions collected during/from Mindfulness Audit

<table>
<thead>
<tr>
<th>Propositions</th>
<th>Is this proposition a weakness or a strength in the delivery of your selected product or service</th>
<th>If the position is a <strong>weakness</strong>, how does it threaten the long term delivery of your selected product or service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal supplier does not leave one with much room for movement</td>
<td><strong>Weakness &amp; strength</strong></td>
<td>Price competitiveness affected — could be both positive and negative — in this case negative as one is unable to negotiate. Pricing negotiated at higher levels. Service levels quality controlled from within — leads to competitive advantage</td>
</tr>
<tr>
<td>Mindfulness, with regard to people we work with are critical in our jobs.</td>
<td><strong>Strength</strong></td>
<td>Focused attention on client needs leads to increased turnover</td>
</tr>
<tr>
<td>Deference to expertise is needed</td>
<td><strong>Weakness</strong></td>
<td>Unappreciated staff leads to low morale and lowered service levels</td>
</tr>
<tr>
<td>Commitment to resilience is only way to survive in our cut-throat industry</td>
<td><strong>Strength</strong></td>
<td>Continually adapts to changing environment — making us ready for any shifts in the market</td>
</tr>
<tr>
<td>Reluctance to simplify, is very common in our organisation</td>
<td><strong>Weakness</strong></td>
<td>Processes too complex and sometimes slow to changes — could influence sustainability in long term</td>
</tr>
<tr>
<td>Our company is over-administrated</td>
<td><strong>Weakness</strong></td>
<td>Difficult to do business with Reaction to change is slow</td>
</tr>
<tr>
<td>Management is pre-occupation with failure</td>
<td><strong>Weakness</strong></td>
<td>No/slow appetite for uptake of new ventures Low entrepreneurship</td>
</tr>
<tr>
<td>Information is plentiful, but cumbersome to come by at times</td>
<td><strong>Strength/Weakness</strong></td>
<td>We have lots of data sources to work from, but access sometimes limited. Reliance on too many data sources results in blockages</td>
</tr>
<tr>
<td>Feedback to clients are timeous</td>
<td><strong>Strength</strong></td>
<td>We compare well with average within industry on turnaround time — though not best in business. Thus room for improvement</td>
</tr>
<tr>
<td>Production Processes is controlled by high-tech machinery</td>
<td><strong>Strength</strong></td>
<td>We only use the best available machines</td>
</tr>
<tr>
<td>Lack of innovation — “think outside the box, but within this box””</td>
<td><strong>Weakness</strong></td>
<td>Low adaptability to changes required by clients</td>
</tr>
<tr>
<td>Sensitivity to operations – all processes attuned to delivery of services</td>
<td><strong>Strength</strong></td>
<td></td>
</tr>
<tr>
<td>Lack of communication leads to long turnaround times</td>
<td><strong>Weakness</strong></td>
<td>Feedback loops not extensive enough Lack of quality information to base decisions on</td>
</tr>
<tr>
<td>Susceptibility to change – huge organisations struggle to implement quick changes</td>
<td><strong>Weakness</strong></td>
<td>Lack of entrepreneurship Slow adaptability</td>
</tr>
<tr>
<td>Vulnerability to Mindfulness – people are not always considered</td>
<td><strong>Weakness</strong></td>
<td>People’s ideas and feelings are not always prioritized and acknowledged.</td>
</tr>
</tbody>
</table>
### Work context with respect to Value being Created – Idealized Design (Scenario 2) – A Systemic View

<table>
<thead>
<tr>
<th>Antecedents</th>
<th>Value Creation</th>
<th>Consequences</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Establish who actual customer is.</td>
<td>Sourcing</td>
<td>Less waste – cost saving</td>
</tr>
<tr>
<td></td>
<td>Optimization of processes and resources.</td>
<td>All employees focussed on delivering to correct client</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Retention of existing customers and conversion of new</td>
</tr>
<tr>
<td>2. Robustly engage with customer(s) to establish real versus perceived needs.</td>
<td>The company, its strategy, its systems, processes, distinctive competencies and competitive advantages are all directed to create maximum customer value.</td>
<td>Retention and acquisition of clients</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Growth in client base</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Profits Increase</td>
</tr>
<tr>
<td>3. Clarify customers’ expectations on delivery of these needs.</td>
<td>Understanding of the changing needs of well-defined customer segments is built into the system, so that these changing needs can be catered for in a pro-active manner</td>
<td>High engagement between company representatives and client(s)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customer delight</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increased profit</td>
</tr>
<tr>
<td>4. Customer(s) needs to be satisfied as primary goal of all – research, Q&amp;A, funneling, word-of-mouth, networks.</td>
<td>Product &amp; Process Innovation lies at the heart of continuously creating and improving on value creation</td>
<td>Cross selling of products and services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increased profits</td>
</tr>
<tr>
<td></td>
<td></td>
<td>High morale</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Long-term sustainability of business</td>
</tr>
<tr>
<td>5. Structure system to optimise delivery to client as opposed to the needs of the organisation.</td>
<td>System designed to be nimble &amp; responsive to deliver customer value continuously</td>
<td>Customer delight</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Products and brands are always relevant</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increased market share</td>
</tr>
<tr>
<td></td>
<td></td>
<td>High productivity</td>
</tr>
<tr>
<td>6. Establish definition of value as defined by customer</td>
<td>Company develops a constant stream of products/services that offer unique &amp; compelling benefits to their chosen customers</td>
<td>Innovation</td>
</tr>
<tr>
<td></td>
<td>Creating win-win partnerships with customers, suppliers, employees and embracing Pragmatic Idealism</td>
<td>A new culture and way of being – continuously striving for excellence</td>
</tr>
<tr>
<td></td>
<td>Implies an integrated systems view.</td>
<td>Happy employees</td>
</tr>
<tr>
<td>7. System designed to react instantaneously to changing needs of customer.</td>
<td>Company creates its own unique value system beliefs, policies and culture through innovation, imagination and cooperation.</td>
<td>Customer delight</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customer loyalty</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Profits</td>
</tr>
<tr>
<td>8. Whole company involved</td>
<td>Systems view on entire value-creation process - all key elements in company are focused on delivering on customer value as prime objective</td>
<td>Value creation</td>
</tr>
<tr>
<td></td>
<td>Systems view on entire value-creation process - all key elements in company are focused on delivering on customer value as prime objective</td>
<td>Value creation beyond mere utility</td>
</tr>
<tr>
<td></td>
<td>Systems view on entire value-creation process - all key elements in company are focused on delivering on customer value as prime objective</td>
<td>outperforming market – and raising the bar for competitors.</td>
</tr>
<tr>
<td>9. Culture of innovation, life-long learning, and values based with societal well-being and sustainability is encouraged and focussed on.</td>
<td>Systems view on entire value-creation process - all key elements in company are focused on delivering on customer value as prime objective</td>
<td>Products, services and brands are relevant to environment it trades in as needs of the client, industry, society and global markets</td>
</tr>
<tr>
<td></td>
<td>Systems view on entire value-creation process - all key elements in company are focused on delivering on customer value as prime objective</td>
<td>Client loyalty</td>
</tr>
<tr>
<td></td>
<td>Systems view on entire value-creation process - all key elements in company are focused on delivering on customer value as prime objective</td>
<td>Client loyalty</td>
</tr>
<tr>
<td>10. Customer delight as ultimate goal.</td>
<td>Redefines shareholders’ value in a changed/changing business paradigm, so as to take long-term sustainability into account</td>
<td>Redefines shareholders’ value in a changed/changing business paradigm, so as to take long-term sustainability into account</td>
</tr>
<tr>
<td></td>
<td>Culture of efficacy</td>
<td>Products, services and brands are relevant to environment it trades in as needs of the client, industry, society and global markets</td>
</tr>
<tr>
<td></td>
<td>Culture of efficacy</td>
<td>Client loyalty</td>
</tr>
<tr>
<td>11. Plan, Do, Study and Act (PDSA) – continually check feedback loops and react if needed.</td>
<td>Employee value is created through respectful treatment, involvement in decision-making, meaningful work, excellent compensation and continuous training &amp; development</td>
<td>Wellness of employees</td>
</tr>
<tr>
<td></td>
<td>The company focuses on win-win partnerships with customers, employees and suppliers</td>
<td>Client delight and loyalty</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increased spending by clients</td>
</tr>
<tr>
<td>12. All processes and policies designed to improve client experience when dealing with company.</td>
<td>Value creation for shareholders is important, but not viewed as the primary purpose in value creation of the business</td>
<td>Shareholder increased profits</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Positive market sentiment</td>
</tr>
</tbody>
</table>

### Appendix D (ii): Generic Value Creation
Figure 14: Generic Value Creation

<table>
<thead>
<tr>
<th>Competencies</th>
<th>Value Creation Action</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systems Thinking</td>
<td>Understanding the difference between systems and such things as structure and policy</td>
<td>2.10</td>
</tr>
<tr>
<td></td>
<td>Reflections to see contexts and flows</td>
<td>2.23</td>
</tr>
<tr>
<td></td>
<td>Instincts to seek systemic causes, not culprits</td>
<td>1.80</td>
</tr>
<tr>
<td>Variability of Work</td>
<td>Understanding when a statement is theory or opinion versus fact, and acting accordingly</td>
<td>2.55</td>
</tr>
<tr>
<td></td>
<td>Knowing how to respond to common cause variation and to special causes</td>
<td>3.00</td>
</tr>
<tr>
<td></td>
<td>Gathering various important data in appropriate time-ordered charts</td>
<td>3.50</td>
</tr>
<tr>
<td>Learning</td>
<td>Understanding when a statement is theory or opinion versus fact, and acting accordingly</td>
<td>2.67</td>
</tr>
<tr>
<td></td>
<td>Knowing how different people learn differently</td>
<td>3.17</td>
</tr>
<tr>
<td></td>
<td>PDSA</td>
<td>3.50</td>
</tr>
<tr>
<td></td>
<td>The difference between change and improvement</td>
<td>2.75</td>
</tr>
<tr>
<td></td>
<td>Providing systems and resources for lifelong learning</td>
<td>3.50</td>
</tr>
<tr>
<td>Psychology and Human behaviour</td>
<td>Understanding and applying the concepts of internal versus external motivation and demotivation</td>
<td>2.80</td>
</tr>
<tr>
<td></td>
<td>Developing relationships and community within the organization and with those outside</td>
<td>2.70</td>
</tr>
<tr>
<td></td>
<td>Developing and nurturing trust</td>
<td>2.20</td>
</tr>
<tr>
<td>Interactions</td>
<td>Seeing the interdependence between systems thinking, variation, learning, and human behaviour</td>
<td>2.75</td>
</tr>
<tr>
<td>Vision, meaning, direction &amp; focus</td>
<td>Starting with clarity of purpose</td>
<td>3.83</td>
</tr>
<tr>
<td></td>
<td>Going an inch wide and a mile deep</td>
<td>3.10</td>
</tr>
<tr>
<td></td>
<td>Developing and continuously communicating a clear sense of direction and focus</td>
<td>3.13</td>
</tr>
<tr>
<td>Total Average (Average scores obtained from 15 respondents)</td>
<td></td>
<td>2.85</td>
</tr>
</tbody>
</table>

* Each respondent scored each category out of 4
* Average scored from 15 respondents
* Scoring Key applied:

1 = No, or almost no competency/skill
2 = Some competency/skill
3 = Average competency/skill
4 = Excellent competency/skill
### Work Context with respect to "Distinctive Competencies" in Value Creation (Ideal Model - Scenario 2)

#### 1. Systems Thinking

<table>
<thead>
<tr>
<th>Antecedents</th>
<th>Value Creation</th>
<th>Consequences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased complexity in the world we live in.</td>
<td>Understanding the difference between systems and such things as structure and policy</td>
<td>Big-picture view of business</td>
</tr>
<tr>
<td>View that parts can function without the whole</td>
<td>Reflections to see contexts and flows</td>
<td>Whole-view not constrained</td>
</tr>
<tr>
<td>Instincts to seek systemic causes, not culprits</td>
<td>Interconnectedness of everything recognised</td>
<td>Solution focused</td>
</tr>
</tbody>
</table>

#### 2. Variability of Work

| Too much time and effort spend on things we have no control over | Understanding when a statement is theory or opinion | System geared for any changes in environment |
| Setting up system in order to better react to environmental changes | Knowing how to respond to common cause variation and to special causes | Responses measured and much more focussed |
| Business Intelligence systems needed | Gathering various important data in appropriate time-ordered charts | Business intelligence set up and providing depth of information that is accurate, meaningful and usable |

#### 3. Learning

| Improved Staff training | Understanding when a statement is theory or opinion versus fact, and acting accordingly | Increased Profits |
| Lack of experience in middle management | Knowing how different people learn differently | Improved relationship with clients due to increased professionalism |
| Sales people needs constant training in order to cater for the greater needs of clients. | The difference between change and improvement | Solution-driven staff |
| Mentoring | Providing systems and resources for lifelong learning | Whilst still a long way off – beginnings of – of turning into a learning organisation |

#### 4. Psychology and Human behaviour

| Lack of understanding motivation, behaviour | Understanding and applying the concepts of internal versus external motivation and de-motivation | All group mental models aligned |
| Group mental models are not aligned | Developing relationships and community within the organisation and with those outside | Working towards a common goal & vision |
| Very little trust | Understanding each other’s behaviour | Trust in each other |
| Very superficial relationships | Developing and nurturing trust | Forging meaningful relationships |

#### 5. Interactions

| Need to see system as one whole | Seeing the interdependence between systems thinking, variation, learning, and human behaviour | World viewed as inter-related |
| Globalization reinforced notion that that we are all connected in some way or another | All systems with parts contributing to whole |

#### 6. Vision, meaning, direction & focus

| Need to provide a clear focus and direction | Starting with clarity of purpose | Everybody within system clear on goals |
| System out of alignment | Going an inch wide and a mile deep | All clear on vision |

**Attributes:**
- Competencies reinforce each other.
- Extended customer knowledge
- Unique multiple competencies
- Future focused
- Awareness of inter-related nature of everything
- Big-picture view of the world
<table>
<thead>
<tr>
<th>Competencies</th>
<th>Value Creation Action</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
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<td>PDSA</td>
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<td>The difference between change and improvement</td>
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<td></td>
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<td>Developing and continuously communicating a clear sense of direction and focus</td>
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</tr>
<tr>
<td>Total Average</td>
<td>(*Average scores obtained from 15 respondents)</td>
<td>2.85</td>
</tr>
</tbody>
</table>

* Each respondent scored each category out of 4
* Average scored from 15 respondents

* Scoring Key applied:
  1 = No, or almost no competency/skill
  2 = Some competency/skill
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Contents

- Methodology
- Sample
- Ranking criteria
- Research results
  - Winners tables
  - Category tables
  - Agency tables
- Qualitative comments
Sample

- The MOST Awards 2014 achieved a total of 6,503 votes (2013 = 6,331 votes) being cast in the Media Owners and Media Agencies surveys collectively.
- A record total of 464 respondents (2013 = 450 respondents) rated and ranked the 102 listed Media Agencies (2013 = 70 listed Media Agencies) and 110 listed Media Owners (2013 = 106 listed Media Owners) in the surveys.
- A total of 261 respondents (2013 = 275 respondents) voted for media owners listed in this year’s MOST MO Awards whilst 203 media owner practitioners (2013 = 175 media owners) voted for Agencies listed in the MOST MA survey.
- For the purposes of analysis, the MO data was split into “Media Leaders” (defined as anyone in a Directorship position) and non-Media Leaders. The data was also reviewed by size of Agency, namely “Large Agencies & Clients”, “Medium Agencies” and “Small Agencies” determined by published billing.

Methodology

- Since the MOST Awards inception in 2009, the methodology (quota controlled web-based self completion survey) for the survey in 2014 was retained.
- The six rating criteria from 2011 were retained in 2012, 2013 and again in 2014:
  1. Knowledge of own brands and the media landscape
  2. Knowledge of client brands and market landscape
  3. Service delivery
  4. Innovation
  5. Empowerment
  6. Involvement
- Since the MOST Awards inception in 2009, a media owner listed in each questionnaire needed to collect at least 30 votes in order to qualify for a MOST award in 2010. This was to avoid high margins of error in the scores due to too low sample sizes.
- In 2012, a “Lamb Award” was introduced and continued in 2012 & 2013. This was awarded to the media owner that achieved the highest overall rating score across the 6 criteria but did not receive the minimum 30 votes to qualify. A minimum 25 votes requirement was set in order to be eligible for the Lamb Award.
Results verification

- As in all previous years, the MOST Awards methodology was reviewed by industry leaders to maintain its relevance in our dynamic media environment. A key outcome of this review was that the six rating criteria used since 2009 were retained, thereby allowing the data to be trended.
- The six rating criteria were ranked in order of importance and used as the weighting factors for the rating scores given by “voters” to companies listed in the survey.
- The analysis of the data was adjusted to manage instances where small variances in overall scores occurred between companies. Since the MOST scores were average scores based on a ‘sample’ and not the whole population, there was a degree of ‘inaccuracy’ or ‘variance’ related to the scoring. By taking this level of inaccuracy into account, it was determined whether or not one score was really different from another, statistically.
- Voters were asked to nominate the best performer in each category that they scored, and this metric was used to “break the tie” in instances where the variance in overall scores between two companies was not statistically significant.
- As a final measure to maintain the validity and integrity of the MOST Awards results, the survey method and data analytics were audited by the Analytics Department at the University of Pretoria, and given a clear rating.

Media Agency Background

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
<th>Comparison (2013)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gauteng</td>
<td>57%</td>
<td>65%</td>
</tr>
<tr>
<td>Western Cape</td>
<td>34%</td>
<td>26%</td>
</tr>
<tr>
<td>KwaZulu Natal</td>
<td>9%</td>
<td>9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Period of Involvement in the Industry</th>
<th>Percentage</th>
<th>Comparison (2013)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 2 years</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>2-5 years</td>
<td>16%</td>
<td>22%</td>
</tr>
<tr>
<td>6 or more years</td>
<td>74%</td>
<td>67%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Company</th>
<th>Percentage</th>
<th>Comparison (2013)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketer</td>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>Advertising Agency</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>Media Agency</td>
<td>81%</td>
<td>80%</td>
</tr>
<tr>
<td>Media Owner</td>
<td>0%</td>
<td>2%</td>
</tr>
</tbody>
</table>
Ranking Criteria 2014

1. **Knowledge of own brands and the media landscape**
   - Having in-depth knowledge of the media brands that the media rep represents
   - Understanding how their media brand/s measure up against competitor brands
   - Understanding how the media brand/s measure up in the broader media landscape
   - Having a solid understanding of the broad media landscape

2. **Knowledge of client brands and market landscape**
   - Ability to interpret a brief and develop a strategically relevant proposal
   - Having sufficient understanding about a brand and its category in order to be able to hold a meaningful conversation with the client/agency

3. **Service delivery**
   - Timeliness – being on time, delivering proposals promptly
   - Preparedness – being suitably prepared for meetings
   - After-sales service
   - Presentation – well constructed and relevant proposals
   - Listening skills – being able to understand what has been requested
   - Availability – being readily available and prompt in replying to calls/messages
   - Communication – keeping the client up-to-date on the progress of campaigns
   - Execution – ensuring that the campaign is delivered as agreed
   - Admin – the efficiency of the media owner back-office

4. **Innovation**
   - Presenting relevant innovative opportunities in proposals
   - Using initiative and proactively presenting relevant opportunities
   - Periodically presenting new information/insights about their media brand/s

5. **Empowerment**
   - The extent to which the sales representative is mandated to make decisions
   - The extent to which the representative has been trained/empowered to think for themselves
   - The ability of the sales representative to be “flexible” – amending proposals as required

6. **Involvement**
   - The extent to which the sales representative displays commitment and involvement in his/her media brands
   - The general passion and energy that the sales representative displays in his/her job
   - The ability and willingness of the sales rep to go the extra mile for his/her clients
Ranking criteria
Media non-Leaders 2011-2014

Note: change in scoring methodology in 2014

Ranking criteria
Large Agencies 2011-2014

Note: change in scoring methodology in 2014
Ranking criteria
Medium Agencies 2011-2014

Knowledge of own brands and the media landscape
Knowledge of client brands and market landscape
Service delivery
Innovation
Empowerment
Involvement
Total

Note: change in scoring methodology in 2014

Ranking criteria
Small Agencies 2011-2014

Knowledge of own brands and the media landscape
Knowledge of client brands and market landscape
Service delivery
Innovation
Empowerment
Involvement
Total

Note: change in scoring methodology in 2014
### % change to category scores

- The graph format overleaf shows the criteria scores achieved by a company as a percentage of its overall MOST score in a particular year compared to that of its category in the same year.

- The objective of this analysis is to review a company’s performance in the context of its performance by its category.

- For example, if a company’s score for a criteria is negative and the same criteria score for its category is negative, then this indicates that the criteria is perceived as a weakness of the category rather than a weakness of the company. However, if the variance between the category score and the company’s score is negative for a criteria, then this means that the company has declined against this criteria, relative to its category, in a particular year.
Ads24

% change to category 2014

This graph shows the score achieved by the brand for each criteria as a % of the overall MOST score achieved – compared to that for the category.

The Ads24 score for “Empowerment” has decreased 5% more than the score for this criteria by the category.

Ads24

% change to overall score 2012-2014

- Ads24 has improved its “empowerment” index in 2014 but it is still a weakly rated criteria.
- Ads24 has achieved a positive index for “service delivery” but it has declined by 10% (2014 vs 2013).
- The “involvement” index has declined year-on-year since 2012. This criteria is directly correlated to the “service delivery” criteria.
Ads24
Media Leaders 2012-2014

Ads24
Media non-Leaders 2012-2014
Qualitative Responses 2014

Best in category – Ads24

Excellent turn around time, make an effort on behalf of client (approaching editor, publisher etc) with unusual requests.
Knowledge of own brands
Exceptional service delivery, the media owner’s willingness to help
Their understanding of their readers and the research they produce
They’re always on track with what is looked and what not.
Excellent Service Delivery
Excellent turn around time on briefs
Always available, Proactive. Quick turnaround.
They’re always willing to negotiate and have client best interests at heart. They always pull through.
Knowledge of Client brands
Know their products, give you the best advice
Push innovative ideas especially the editorial team
The amount of time they put in to make each newspaper different I think its phenomenal.
Very visible, friendly
Key knowledge of their own brands, they spend great time in researching and familiarising themselves with with client’s brand. They thus tailor make their offerings based on informed knowledge, back up with data. They are innovative.
Participation
Always ready to help, do business
Willingness to help and go the extra mile for our client
Very proactive and involved with media agencies.
Worst in category – Ads24

Size does not always count
this is improving now, but a few months back, the service was not great
Bad service
Bad service delivery and lack of viability
Service delivery - slapdash
Lack of communication, consistency and commitment. Special projects division harass us, as well as our clients instead of working through our OMD rep. Recent staff changes seem to have really had a negative impact on morale and attitude.
Inconsistent staff and policies, no care for clients brands, all about the money money money and not about service, knowledge, and there is a major lack of accountability. I have taken business away from this group due to their lack of flexibility and lack of understanding their products and offerings.
They recruit their special projects staff from the pit of hell - they refuse to respect agency client relationships and treat agencies like the plague and behave in a very back handed fashion with clients and agencies. Special projects are sharks.
It started well this but has lost momentum into client knowledge and innovation.
Knowledge of client brands, involvement (don’t see them - don’t even know who our rep is post the reorganisation of our old rep)
They do not communicate staff changes, have provided me with incorrect rates which was then sent to client and they were not very willing to resolve the error.
Lack service delivery
Poor service delivery

Worst in category – Ads24

No service delivery at present
They are not always readily available to assist
Turnaround time. Not very clued up on clients requirements. Simple feedback can take days to resolve.
They have centralised their media booking system and we do not get the special service we used to get.
Only provide the bare necessities when answering a brief.
Lack of client service

Never hear a word from them - not even sure whom the sales representative is on this front.
Negotiation Levels
They have awesome platforms but I think they currently lack in resource in taking their platforms and their advertising capabilities to the next level.
Lack of service delivery