

CHAPTER 2

RETAIL AND BUSINESS ENHANCEMENT

2.1 INTRODUCTION

In this chapter, an in-depth literature study of the global and South African retail sectors is outlined over the past 40 years, highlighting the retail landscape challenges, transformation in the retail sector and the various factors that have impacted on business performance over the past 15 years. These aspects will provide retail context to the challenges faced today, and also outline the transformation demands and performance expectation on retail company's' to enhance business profitability.

Global trade and international business exploration as a game-plan for survival, competitiveness and expansion are significant primary focuses followed by astute company management and boards. When confronted with globalisation during the nineties, government authorities and regulators have grown to be considerably more conscious of the requirement to consider corporate governance rather than regulating commercial enterprise, thus an emphasis on building an encouraging business landscape and trade environment in which business flourishes and entrepreneurial trading habits and tendencies continue to be nurtured and extracted to enhance business, thus in the process governments have been offering investors, market players and share-owners optimal yield from investments.

The researcher is of the opinion that over the past 10 years, corporations tend to be observing significant change in which business methods are re-aligned and additionally business operations are re-engineered to accomplish far more transparency in order to essentially enhance performance. Corporations are typically changing, becoming exceedingly differentiated and provide a distinctive and unique value proposition to consumers. Thus in consideration of the research study objectives, a key question answered was how the Ellerines business changed in adopting a creativity intervention, and what performance enhancements had been achieved throughout through the execution of the creativity intervention objectives. Normally within organisations, the

change intervention is expedited on two tiers, the front-line consumer transformation funnelling customer through multiple customer access points, and a shared service hub approach of integrating support processes by dynamic integration on a shared service platform to improve joint resourcing and leveraging the resource pool by sharing resources to ensure business efficiencies and productivity.

Progressive state and federal government liberalisation seems to have escalated and driven the pressure levels on enterprises to elevate the performance standards, the international marketplace becomes universally optimistic and deliberately integrated along with developing and established economies, concentrated on particular target segments and levels of competition. Because of many considerations and transformation dynamics, such as nationwide market limitation, assorted national diversification and irregular resource endowments, technology advancement sophistication, various degrees of progress and demand requirements, assorted manufacturing expenditures and efficiencies, and the Industrial Revolution in varied domains such as knowledge management and communication, globalisation is certainly an imperative (Priyanto, 2003:104).

The researcher further comments that the financial, corporate and performance assessment are key results metrics and the ability to ensure adequate managerial control have been sharply improved and reemphasised over the past five years. This research study specifically entrenches three key measures (sales, opex and profit before tax) as indicators of the success of the implementation of a creativity intervention within Ellerines business. Companies have become smarter with the realisation of the importance to link strategic intent with strategy execution, leadership and team behaviour, and business systems and processes. Subsequently the researcher concludes in that expectations from shareholders have placed pressure on companies to present ongoing key measures of performance, identifying regular intervals for performance review and the impact on shareholder value, using key results area scorecards and various forms of Balance Scorecard approaches to continuously drive improvement in business performance.

Stevenson *et al.* (1999:14) reveal four essential guidelines for successful retail, which include:

- Implement a consumer centred, premier retail value proposition (RVP) – to be the industry leader within category, range or market sector focus and establishing a dominant and unique competitive niche proposition with the consumer.
- Maintain marketplace, geographic and location leadership, through multiple channels with dominant product offerings and categories – sustaining a superior position in share of market in the respective trading segment.
- Operate considerably more effective than the competition with regards to human capital, technological advances and expenditure – making an investment in human capital resources, containing excessive expenditure and the optimal use of technological resources.
- Direct transformation through frequently repositioning and realigning the organisation – appreciating transformation and additionally plotting a new direction when needed.

Arnold (2002:564), through the review of the world's six premier international retailers, showcases a number of business improvement parallels in culture and business approach. Almost all the retailers studied in the review had exhibited all of the following major similarities in comparison to each other:

- Superior leadership through inspiration and passion;
- Culture driven through motivation;
- Creative environment through entrepreneurial culture;
- Customer centricity and demand relevance; and
- Community orientation through social relevance.

Recently, King (2012:12) identified seven mega trends that will transform the retail sector in future, namely:

- Mobile technology will dominate communication platforms.
- Mobile telecommunications will become the new banking systems.
- Intimate knowledge of the customer and consumer spending patterns.
- Company collaborations with complex systems integration to allow data flow across multiple IT platforms.
- Brand building and exposure through social media platforms.

- Real time customer engagement and a move away from batch-based processes.
- Transactions across multiple banking and social network platforms.

These mega trends identified in 2012, is already having an effect on retailing in 2013 and 2014. These megatrends identified have shaped the retail landscape and continue to be major transformational trends beyond 2014.

Given the views of Stevenson *et al.* (1999:14) and King (2012:12), the researcher comments that evolving within the transforming environment is a vital pillar to assure relevancy and employing strategic paths when appropriate. To reinvent the organisation as a catalyst to realign the consumer proposition and additionally generate new business models to boost performance is definitely a major offensive approach.

Many of the research studies outlined the effectiveness of using the Kaplan and Norton Balanced Scorecard (BS) model as a basis to measure overall financial performance by outlining specific key business drivers, and ensuring understanding and alignment between business objectives, goals and strategic imperatives (Barlas, 2003:24). Incorporated in the Balanced Scorecard (BS) model together with the key business drivers, is the support for learning and development and organisational culture considerations. Of particular interest was the research finding on the inter-connections between financial factors and ratios, strategic goals, organisational value disciplines, and business performance enhancement (Barlas, 2003:24).

The researcher concurs that the Kaplan and Norton Balanced Scorecard (BS) model provides a solid foundation for overall performance measurement, with the application stretching across multiple industries, sectors and functional disciplines, thus ensuring ongoing performance evaluation with directed action orientated strategies for under-performance. Thus, the study developed an Ellerines financial and behavioural scorecard that can be used to track financial and behavioural improvements and enhancements to align Ellerines to its stated objectives.

The researcher suggest that the distinction in these cases above is the impact leaders have on an organisation through inspirational insight by reinforcing good performance over sustained periods of growth and innovative transition. Highly effective leaders

display positive influence and superior levels of inspirational character in the organisation's performance, contributing significantly to the company's improvement initiatives. These types of leadership play a huge role in building and evolving a strong organisational culture that lure key human capital talent and inspire this key talent to become more inventive, change agents, display business savvy and continuously search for new opportunities.

Basically no dissimilar is the difficulties for the leadership, employers and owners of small businesses. They are compelled, just like large organisations, to continually search for methods as to how to develop productivity in the workplace. Frequently practiced motivation strategies involve acknowledgement of exceptional performance, compensation adjustments, and job security. Additionally, organisations may take advantage of goal-setting programs, structured performance reviews, and monetary incentive plans. Various methods to boost business performance are reviews and objective-setting, two methods which have been identified as having an influence and impact on performance. Many of the research designate specific objectives for every single person and examine their job outputs alongside all these criteria. Comments pertaining to individual effectiveness are presented in a number of ways. Although, individuals could possibly also draft their own personal targets and objectives based on prior performance and performance reviews provided by the organisation (Verdin, 1984:49).

Pavitt (2005:131) further contends that innovation processes within small companies could be separated into three inter-related sub-processes:

- **Psychological feature:** precisely how companies produce and retain the expertise to perform activities and functions;
- **Organisational:** the way companies function internally as well as in collaboration alongside other companies and organisations;
- **Economic:** the ways in which companies build internal rewards and incentives ensuring creativity advances rapidly as well as in the required direction.

Zhou, Hurst and Shipton (2012:56) recently captured the new age challenges facing organisations in stating that escalating international competition, economic crises, workplace realigning, along with the streamlining of company hierarchies have significantly boosted the creative problem-solving demands on employees' jobs

(Shalley, Gilson & Blum, 2009:489). Most of these developments have amplified the acceleration and frequency of change (Eisenhardt & Tabrizi, 1995), decreasing structure, predictability, and supervision in the workplace (Moreland & Argote, 2003). As a result, there is certainly an increased demand for creativeness at almost all levels as well as across several types of jobs (Shalley *et al.*, 2009:490).

2.2 CREATIVITY AND BUSINESS ENHANCEMENT

Growing business cases and academic interest over recent years identify how organisations craft and change business models based on innovative and creative approaches. Utilising these innovative and creative approaches derived from strategic management principles, in various fields such as marketing and promotional strategy to capture market share. Sufficient academic evidence and research dictate that not only are innovative and creative approaches used in crafting product innovation, but applied to the primary strategic decision-making that is central to management, in redrafting and reviewing business models for ongoing business enhancement (Asparaa, Hietanena & Tikkanen, 2010:39).

Asparaa *et al.* (2010:51) continues to comment that creativity and innovation are far more widely used in sustainable initiatives other than only marketing and innovation management, rather as a process to continuously drive creativity and innovation over sustained periods, instead of isolated and single initiatives or projects within an organisations performance lifecycle. Thus organisations incorporate innovative and creative approaches as part of the corporate culture, values and modus operandi, thus inculcating a sense that the more creativity and innovation are extracted, the better the likelihood of business performance improvements. This cultural transformation establishes a directed focus on continuous business model re-invention as a priority, over focussing on the status quo and existing methods of operation. Resources within the organisation are deployed where it most adds significant input to supporting more innovative and creative approaches, and not deployed in unproductive activities that maintain the old ways of doing work. This holistic business innovativeness and creative approaches seek to cement the advantages of continuous reviewing of business model relevance, in conjunction with the associated outcome, benefits, business decision trade-offs and risk profile (Asparaa *et al.*, 2010:51).

The researcher contributes that various literature promoting innovative and creative approaches in the review of business models have supported the notion that this concept offers a superior decision-making platform where business model innovation has been adopted as an inherent part of the strategic planning process. Thus with the creativity intervention deployed within the Ellerines business, the foundation of whole brain thinking had been applied to form the catalyst for decision-making, communication, problem solving and strategic planning.

Hamel (1998:8) describes strategy innovation as a process involving the re-evaluation and redesigning of existing industry models, norms and practices that are customer centric and not only provide a solid customer value proposition (CVP), but create significant customer relevance, enhance competitiveness, ultimately boosting shareholder value. This strategy innovation approach provides a catalyst to capture market share and drive for a larger share of the value creation within the competing industry.

Kim and Mauborgne (2005:105) alternatively argue and promote the blue ocean strategy (BOS) approach. This BOS approach aims to redefine the industry landscape by developing or creating totally new markets (blue oceans), in addition also extending existing markets and traditional business platforms (red oceans), these all through adopting the value innovation approach.

Kim and Mauborgne (2005:121) further argue that in adopting either the blue or red ocean approach, that this strategic roadmap to be more offensive and superior in providing a platform to redefine the economic landscape and customer value proposition, and in so doing creating superior competitive strategies over peer competition in existing markets.

Markides (2006:19) states that only with the redefining of business paradigms and creating new rules of the game, can business model innovation be exploited to produce profitable outcomes. By redefining customer requirements and demands, and re-establishing the rules of engagement, new forms of thinking can give rise to new levels of performance. This is achieved through seeking to build new customer segments, by

crafting new customer niche markets that are either not being served or have been identified.

Christensen *et al.* (2002:22) demonstrate the innovative growth approach, by drafting new business models that enable the redefinition of new markets. Challenges often manifest in delivering new thinking, which on many occasions requires the slow reiterative process of re-thinking and re-evaluation until a suitable new outcome is derived. Thus the dependence only on popular strategy literature is not sufficient to deal with new challenges, which has been the theoretical topic of debate by many strategists, economists and leaders.

Training teams and employees should bring alternatives and solutions, not only complications and problems because this creates an environment of solution findings and creative responses. Any idea that there is something wrong should always be met with exactly what the required solution ought to be before the difficulty is unravelled (Templar, 2011:76).

Hesselbein *et al.* (2007:9) continue to comment that organisational transformation can be defined as a journey. Any sort of significant change undertaking must begin by outlining the journey's destination. It could be a drastic enhancement in operating performance, and not only financial success. Focusing on lowering cost may lead only to retrenchment, without any real improvement in the business's efficiency. Objectives may also include enhancements in service, quality, growth or return on investment, essentially an improvement in shareholder value.

Jacobides, Knudsen and Augier (2006:1200), suggest that through orchestrated creative and innovative processes, and the focussed attempt to influence industry architecture, organisations of all shapes and sizes can succeed to reshape the business landscape through business model innovation which complements the organisation's core capabilities and in so doing, create significant market share gains to drive profitability.

The researcher suggest that business model research has been primarily focussed on the concept of originality or idea novelty, with a secondary focus on the selected follower approach of strategic replication. To strategically pursue a late entrant strategy

to replicate, copy or adopt best practice and thus leaving the initial new innovation process to other players to develop and build for strategic reasons.

Crainer (1994:152) also comments that for an organisation to transform itself, it must deal with its very core, and question its context. Interrogate the underlying assumptions, and invisible premise upon which its choices and actions are dependent. To reveal the invisible box inside wherein the company functions, and once revealed, it is possible to have a basic conversation about whether the company, operating at its current level, will be able to react to the unfolding competitive threats.

It is a fairly obvious, but nonetheless commonly overlooked fact that all outcomes in business depend essentially on human capital inputs. Whether suitable treatment alone is an important precursor for high levels of performance then the complicated and complex tasks would never have been performed. There exists a need to create autonomy, self-sufficiency, discipline and confidence in the workforce at every level. Growing recognition that business is holistic and integrated, as a result the movement in numerous companies toward the empowerment of the employees will discover its most powerful outlet in team behaviour. The responsibility of the average person to take ownership, and be empowered to generate a valid, creative and viable contribution to the team is important (Lambert, 1996:69).

Given the many insights and views by numerous authors in the preceding paragraphs, it can be concluded that organisational change is ongoing, disruptive and progressively more daunting in the postmodern world. With this particular dramatic change and complexity-driven society, there will always be the need for leaders that can adapt and harness what is important to drive their companies towards new learning curves and additionally into new directions to guarantee survival. Most important is the fact that reliance on individuals that can make a difference, extract ongoing creative and innovative insights that will empower companies to continuously reinvent itself, its business methods and consumer engagements to ensure a sustainable future outlook.

Winter, Szulanski and Jensen (2001:740) argue that any growth strategy which aims to achieve success need to incorporate a degree of innovation with strategic replication. Combining both approaches aggressively seeks to pioneer a new path, yet also considering what has already been produced through initial innovations, to ensure

maximum value for the organisation from an integrated approach. Replication strategy seeks to ensure that any past learning, best practice and existing innovation is exploited, captured, maintained and duplicated in areas of the organisation where it is most required and adds value.

As part of their earliest notions, authors Winter *et al.* (2001:743) particularly underline that reproduction is simply not just basically recurring implementation, straight-forward new business design formula, blueprint or commercialisation of a smart concept. Preferably, the reproduction approach includes focused investment in understanding and discovering exactly what these sophisticated, interdependent, and moderately subtle patterns, constructive processes, and consumer-valued features of the new business model happen to be, that can be reproduced and worthwhile replicating.

Re-affirmations in the work of authors Winter *et al.* (2001:740), indicate that many modern-day organisations have deployed strategic replication as key dimension to the strategic planning process. Frery (2006:71) and Wirtz, Mathieu and Schilke (2007:295), confirm through various business case studies that the incorporation of replication strategy has been one of the cornerstones of top global organisations' business success. Replication strategies can be described as copying other competitors strategies, products and business processes to compete more effectively and avoid the development cost in the creation of original and novel strategies, products and business processes.

Thus, a key consideration within the strategic decision-making process remains the choice to pursue business model innovation, with or without consideration for original and novice business model approaches.

Doz *et al.* (2001:10) cements the notion that organisations operate within the global arena, and are subjected to the need for ongoing creativity and innovation as no industry in the global business space is dominated by a single player, or no dominant industry leader has captured a convincing monopoly. Knowledge and business intelligence management has become part of conducting business in a global market, readily available within multiple access points. A key driver remains to stay relevant to the customer segment, and craft new levels of loyalty to products and services through

highly differentiated and unique propositions; this ultimately will provide competitive advantage in a global economy.

Companies of the next decade will certainly be very distinct from companies which function at present. A fundamental reconsideration of the relevance of the current company structure and business models, as well as the precise reason why the company is in business (Hesselbein *et al.*, 2007:377), will be important questions in the next decade.

O'Keefe (2006:294) states that the balancing act in today's business world is that often organisational effectiveness is dependent on the organisation's capacity towards balancing conflicting objectives concerning stability and reliability along with the expectations to explore and innovate. Managers could attain competitive advantage out of this evident contradiction providing they comprehend the contradictory nature of effectiveness. As a result the shift away from applications including total quality management, world class manufacturing, lean and Six Sigma, toward learning organisations happens to be stimulated to some extent based on the acceptance these types of earlier approaches failed to recognise the significance of intellectual capital when sustaining competitive advantage, particularly throughout periods of fast transformation and change.

Templar (2011:16) in addition reports that efforts to build your team much better than yourself displays mature leadership, seeing that developing your staff to soar demands bravery, resolution, perseverance and formidable passion. When making the team greater than the leader, usually means having faith in people, finding the better resources for staff, coaching individuals to be successful and drive creativity.

Prospering retailers realise that their staff happen to be an essential requirement in successfully executing a winning strategy, considering that being victorious with consumers usually signifies firstly succeeding with staff members. Essentially the connection between happy staff members and the organisation achieving success is considered superior in retail due to the fact that personnel are the retailers' only sustainable asset (Stevenson *et al.*, 1999:117).

Building a great work environment is extremely important, due to the fact that whenever employees tend to be demotivated, negative and frustrated, this exhibits in their performance, blocks creativeness and influences the way they interact with clients and co-workers. Acknowledging the significance of a leader within a team, certainly not due to the fact that the leader is more superior, or even more experienced or more important, only for the reason that nearly everybody normally takes direction from the leader who sets the standard. In cases where a leader does not raise the bar, demand high standards, or function as the person the team desires the leader to be, will not enable a truly great leader (Templar, 2011:18).

Rajah (2008:346) contends that several leaders' most likely view the use of complexity science to business as just theoretical and intriguing, and on the other hand mystic and unimportant. Nonetheless there are many dedicated academics and authors that reason that the effective use of complexity science to complicated business challenges can offer knowledge and understanding that the early Newtonian perspective was not able to. A perspective shift exist in the business world, from simple to complex, from predictable to unpredictable, from equilibrium to chaotic.

Templar (2011:56) further remarks that whenever leadership presume they understand almost everything, most likely they are too busy paying attention to themselves. Every single worker no matter their job function or occupation has something to contribute as employees are the persons at the leading edge and could actually have ideas and cutting edge innovations. Leadership do not need to seek advice from staff members on every single detail within the company, nevertheless extract employee opinions or their ideas along with the creativity.

Contemporary corporate leaders today do not have options but to render decisions in a world in which the speed and sophistication of change have grown to be overpowering, obscuring recognised boundaries of time, geographic location, and dialect; of sectors and market segments; as well as the public, private, and societal sectors (Hesselbein *et al.*, 2007:65).

Global competition, enhanced technologies, sophisticated system development, fast changing environments and constant change are the factors redefining business relationships. As organisations accelerate within these game changing environments,

the world of work has demanded new ways of doing things, thus the need for employees to adapt to these new environments, rendering the old ways of performing tasks and activities obsolete and dysfunctional (Crainer, 1994:42).

Lambert (1996:8) clarifies that a crucial role concerning a management model is in using the theories of one or more experts and adjusting their thinking to the specific and specific requirements of the company. An appropriate model, if intelligently applied, most definitely will clarify and apply the commonly exalted thinking of the scholastic to the intensely functional playing field of operations. It will likewise guide the amalgamation and development of ideas and minimises the risk of the informed manager been considered as one whose sole consistency is the enthusiasm with which the executive pursues the current flavour of the month.

Adapt your personal style to each and every single team member, which means a leader has to be sensitive to the team's individuality and additionally work with the differences to ensure the best relationships and response from employees (Templar, 2011:58).

In the concluding analysis, the researchers is of the opinion that within the underlying arguments presented above, that a singular strategic approach to follow by company leaders and influential figures questions the intention and priority regarding what importance is placed on review and evaluation in strategy development. In addition, questioning the importance that is placed on business model innovation within the corporate strategic planning process. A myriad of the researchers have assumed that the directed focus and drive in pursuing business model innovation, will ensure successful outcomes in profitability and growth. Furthermore a servant leadership approach complemented by an effective situational leadership orientation could most certainly be a better leadership combination to extract the best potential from employees. Bold leadership styles are the realisation to develop team members to be better than the leader, able and competent to replace the current leadership. Thus to ensure the achievement of the stated objectives regarding new business thinking and new practices, as well as facilitating an effective creativity change intervention, the researcher had integrated and used various best practice business and deliberate models and frameworks, to ensure the optimal achievement of the stated objectives.

2.3 LEADERS AS CREATIVITY AGENTS

Business leaders can no longer be isolated from the universal tendency of change with its incredible leaps of knowledge. Only when we welcome transformation and find creative ways to relate to the complexities of our times can we use change as an opportunity for growth. The result of innovativeness is indeed an ability to recognise opportunities in a transient world, to formulate novel ideas and implicitly create competitive advantage and improved performance. Leaders stand at the forefront of change, creating options that would otherwise not have emerged. Skills of leadership that are most often overlooked are the ability to create options (Steyn, 2004:16).

The role of leaders and executives in companies is also largely about creativity – enlivening the spirit, debunking myths – making the power of creative imagination, new ideas and new decisions easily accessible to people so they can make a difference in their work and lives. Creativity drives the innovation engine; strategies and language for encouraging contributions are interwoven into modeling behaviours that support people being at their best (Steyn, 2004:16).

2.4 RETAIL BUSINESS ENHANCEMENT MODELS

Trivellas, Reklitis and Konstantopoulos (2007:1074) state that competitive strategy is vital in strategic planning and strategic control, receiving substantially interest throughout the business enhancement literature.

Miller (2010:233) identifies two different types of differentiation strategies, namely product innovation and marketing or image management. Product innovation aims to dominate product innovation criteria such as value, design, style characteristics and functionality. Marketing and image innovation strategy aims to exploit marketing resources, pricing campaigns, product attributes, ego promotion and image enhancing strategies. Product superiority is not necessarily implied in this strategy. Cost leadership drives the production cost of a product to its lowest levels, and ensuring strict cost controls to maintain low cost of production. This strategy has its risks in that product or

service quality and image are compromised in favour of the lowest possible price to the consumer (Trivellas *et al.*, 2007:1076).

Gerwin and Guild (1994:5) showed that speed to market and responsiveness plays a key role to competitiveness, especially for companies acting in a very specific market niche, thus forcing organisations to continuously redefine and restructure ways to ensure adequate speed to market of new products and services. Aardoom (2012:6) cites Osterwalder *et al.* (2010:44) detailing four benefits for organisations to innovate its business model: 1) an emergency in the prevailing business model (McGrath, 2010:247), 2) modifying, enhancing or safeguarding existing model in order to adjust to a transforming environment (Amit & Zott, 2010:181), 3) introducing new solutions, goods, or services to the market place, and 4) being prepared for the future in considering and screening new business models that could consequently substitute existent business models (Osterwalder *et al.*, 2010:44).

Whenever changing a business model, the organisation's framework and existing business model changes the value creation. Adapting to the new business models and innovation could possibly unlock new challenges for the respective organisation and researcher to take into consideration. Nevertheless, the principal aim and effectiveness of business model innovation should be to remain focused about the transforming marketplace and technologies innovation (Adner & Kapoor, 2010:306).

Business model innovation and model adjustment may lead to a specific direction of future technological innovations and decisions (Singh, Sethl & Sethl, 2005:629). In addition Aardoom (2012:7) recommends that organisations may benefit from the model advancement, innovation and adjustment from a business model, as the marketplace rewards some types of business model modifications. Consequently, it suggests that organisations that use this marketplace response to enhance business performance will be beneficial to the organisation (Singh *et al.*, 2005:629). Through studying and seeking improved designs amongst various frameworks including (Morris *et al.*, 2005:726; Osterwalder *et al.*, 2010:47; Chesbrough, 2007:12; Johnson *et al.*, 2008:60), the benefits and value creation is often enhanced. Ultimately an organisation usually stays competitive whenever business model innovation is accomplished.

2.5 FACTORS CONTRIBUTING TO BUSINESS ENHANCEMENT

The researcher observes that a plethora of industry changes, transformation activity, downturn within economies worldwide, rare and relevant talent, training and development budgets, and the demands for new knowledge, keeps driving companies to charter a new path of reinvention and accelerate to new levels of work. With considering the deliberate creativity intervention within the Ellerines business, the researcher canvassed adequate ownership from all management levels as a basis to ensure awareness of industry changes and the need to transform the Ellerines business using the deliberate creativity intervention as the key catalyst for change, once again ensuring alignment with objectives of using the creativity intervention to improve competitive advantage and drive higher financial and behavioural performance. Focusing more on sustainable and enhanced business performance, leaders and senior executives need to ensure that work output is aligned to business objectives and supportive of key strategic interventions. Long-term challenges are centred on transforming any auxiliary training, development and support functions into strategic benefit contributors that produce and demonstrate real business value.

Snell (2009:4) comments that the business enhancement and performance solution differs between organisations; however, performance measurement approaches and efforts are directed to extract best in class principles, implementing effective training and development methods, and continuous improvement initiatives remain central to ensure sustained business performance.

Snell (2009:6) further highlights the critical contributing factors to business performance by identifying a performance based method to support team members in dealing with the new world of work:

- **Processes:** adequate job specification clarity, reasons for the need to improve work performance and the overall work contribution to the organisations' goals and objectives, all integrated to ensure a holistic and integrated approach in achieving desired outcomes.
- **Change Management:** without attention to the correct and sensible implementation of change management activities, initiatives are doomed for failure. Thus in analysing the failure it becomes apparent that the strategy is

technically sound; however the change process had not delivered the people ownership to support the intended change.

- **Blended Learning:** a combination of training techniques that is suited to workforce proficiency, education and skills, will ensure effective implementation of required outcomes. This could comprise computer-based learning, classroom learning or peer group learning depending on the various levels and type of employees.
- **Communities of Practice:** the importance in creating supportive communities within the workforce, and staff ownership within communities or teams to advance collaboration between various functional responsibilities, as well as the collaborative community culture to understand business objectives and support business strategy.
- **Content Management:** with the vast amount of knowledge transfer, the need to effectively manage accuracy of information, access, storage and deployment of knowledge and information where it is required by individuals to be able to deliver quality output.
- **Evaluation:** ongoing performance monitoring gives the organisation a gauge to determine success or failure at any interval or period of operation. Performance management systems and tools are complex and require sizeable investment over extended periods to deliver expected human capital return.

In considering the above listed aspects, the researcher comments that a vital observation is the fact that a one dimensional perspective in enhancing business performance is literally neither functional nor sustainable. As the world and companies start recovering from the global economic crisis and declining performance, efforts to enhance organisational performance continue to be challenged with complexity and the need for ongoing review. Vital to the holistic approach in improving performance is the elimination of barriers between technological capability and human capacity. Business processes and technologies must be relevant and supportive in ensuring business success, albeit continuously more difficult in the alignment of human capital enhancers to satisfy organisational performance objectives. It remains an integrative approach in extracting best-in-class learning, together with effective human capital improvements to accomplish an organisation's performance goals.

2.6 CHANGING CORPORATE CULTURE

The researcher is of the view that every organisation has an inherent corporate culture, which has originated since the inception of the organisation and carried through periods of the corporate history and lifecycle. Corporate culture can be linked to the founding members' value system and the reason for bringing the corporation to life. Culture is often embedded and influenced by the leadership style, employee values and what *modus operandi* is most prevalent within the organisation at a particular time. As leaders and leadership teams are replaced and the organisation evolves, the deeply entrenched corporate culture keeps floating within the organisation as the unwritten rules of what the organisation stands for and aspires to maintain. Although corporate culture can be changed and altered, elements and facets remain within the organisation as a reminder of history and of the way of life of conducting business with stakeholders and competitors.

For centuries, the entire world witnessed a slow, evolutionary transformation. Nowadays the real dynamics of change is evolving. Change is originating in brief bursts, can happen *ad hoc* and offers almost no time for transformation. At the point of adjusting to change, the universe delivers different change dynamics. Knowledge as we might possibly recognize and understand at present will no longer be powerfully relevant. Power rests within the capability to preserve and utilise just the resources and information necessary for plotting the new path in finding a way forward. Power depends on creating new solutions, different strategies for playing the game required to win, on new frontiers into the future, not having dismissing the lessons of history (Neethling, 2005:273).

Trivellas *et al.* (2007:1074) cite that in culture literature, the theoretical foundations, methodology and knowledge philosophies have widely been the topic of debate. Nevertheless, there is partial understanding and agreement that organisations with solid and deeply entrenched cultures may outperform organisations with under-developed and vague cultures, when confronted with internal and external threats in maintaining reliable and consistent performance.

Sarros, Cooper and Santora (2008:145) state that leadership and organisational culture is commonly considered to be associated with the change process (Afsaneh, 1993:297;

Kotter, 1998:164). Kotter (1998:166) claims, that only by way of good leadership is one able to genuinely establish and nourish culture which is adaptive to transformation and change. Ostroff, Kinicki and Tamkins (2003:565) defined leadership being an emerging process which functions on equally on organisational climate and culture. Likewise, Denison (1990:204) declared that management actions and behaviour strengthened the principles of the organisational culture, and thus experienced to be a intermediary regarding the association between transformational leadership and organisational creativity (Amabile *et al.*, 1996:1154; Deshpande, Farley & Webster, 1993:23; Jassawalla & Sashittal, 2002:42; Prather & Turrell, 2002:13) and performance (Ogbonna & Harris, 2000:766; Xenikou & Simosi, 2006:566; Cakar & Ertuk:2010:328). However, even though empirical research lends support to the notion that transformational leadership and organisational creativity tend to be connected (Waldman & Bass, 1991:169), the addition of organisational culture being an intervening variable needs to be analysed adequately. Further, Ogbonna and Harris (2000:780) substantiated by Cakar and Ertuk (2010:328), uncovered a connection concerning participative leadership and creative culture to be an indicator of organisational effectiveness and efficiency, however this leadership perspective had not been completely compatible with existent frameworks of transformational leadership.

Trivellas *et al.* (2007:1076) further outline the developmental culture type, which is characterized by flexibility values and focussed externally, known as adhocracy, and based on its ability to readily adapt to its environment. Adhocracy cultures emphasis is on displaying entrepreneurial characteristics, being proactive, the ability to be creative and innovative in exploring and discovering the new frontier of markets and growth potential. Developmental cultures, although high risk tolerant, embraces transformation, innovation and continuous change. Alternatively the rational culture type embodies beliefs and norms linked to stability and control, merged with external orientation. Rational culture contains market or rational goal culture, with the emphasis on competition, overall performance, decisiveness, accomplishment of expected industry objectives and targets, along with the inter-relationships and partnerships with external stakeholders.

Denison (1996:654) contended that culture often is the deeper construction of organisations that are grounded within the values, ideals and presumptions contained in organisational individuals. Organisational culture refers to the symbolism underlying the

activities, processes, and methodologies of organisational business. James et al. (2007:21) expressed culture as prescriptive beliefs (system values) as well as common social anticipations (system norms) in an organisation. Adhering to Moran and Volkwein (1992:19) and Glisson and James (2002:767), the researcher's perspective is that organisational culture and environment being different are nonetheless interconnected elements. As reported by Beugelsdijk, Koen and Noorderhaven (2006:837), organisational culture is certainly unique to an organisation (Smircich, 1983:340), will be reasonably consistent (Christensen & Gordon, 1999:398), and will influence inter-organisational relationships. Therefore, organisational culture can be commonly regarded as a method of obtaining continuous competitive advantage to companies (Miron, Erez & Naheh, 2004:179).

Describing rational culture is specifically focusing on results, accomplishment of task, defining and clarifying goals, efficiency, profitability, productivity, organising and setting objectives. Hierarchical culture type entrenches values linked with stability, control and internal focus. This hierarchical culture type is commonly labelled as the stable hierarchy or internal process type. Hierarchical culture is entrenched in behavior depicting structure, pattern, steadiness and coherence. Formal communication, adherence to rules and regulations, responsibilities matrices, centralised decision making, standardised systems and procedures, being reliable and dependable (Trivellas *et al.*, 2007:1077).

Rajah (2007:60) describes two types of environmental factors that have an effect on creativity, which include the inner environment and climate of the organisation, along with the external environment and the culture of the country or location in which the scenario exist. Creative environment has an effect on business; the influence of the environment cast a shadow on most people prior to them entering the workplace. If employees in business, commerce and government organisations are required to operate creatively, a workplace habitat that promotes creativity is required. A great deal of how humankind think and additionally methods and tactics they choose is based on their upbringing and also the cultures of communities they inhabit. Culture is a part of the social way of living, not simply something which exhibits itself inside organisations.

2.7 BUILDING HIGH PERFORMANCE ORGANISATIONS

The researcher suggests that working together as well as effective team structure is crucial for organisations to succeed in achieving and outperforming strategic ambitions. Given that that team members have the suitable blend of skills and expertise to function optimally as team members, organisations depend on their staff having the ability to manage team dynamics and disagreements, and function productively in groups. This particular supposition continues to be principally incorrect and false, as regardless of the teams awareness and also the dependence on people within companies, a large number of employees are generally not functioning and performing to their full capacity and potential, resultantly the organisation underperforms.

Rajah (2007:279) specifies three approaches to improving team performance:

- a) **Diagnostic tools** – symptomatic interviews, constructive assessment and metaphor generation.
- b) **Collaboration tools** – team workshops, environment creators, human sculptures and quick response feedback.
- c) **Problem solving tools** – constructive assessment for idea generation and workshop evaluation.

Boyatzis (2009:749) asserts that the thrust for effectiveness within organisations drives the pursuit of comprehending the expertise and capacity of individuals that induces or defines effectiveness. Of the numerous approaches to tackle this requirement, competence studies and methods emerged in 1970. These studies built on preceding efforts to study competencies, capabilities, and cognitive intelligence (Campbell et al., 1970:81) as well as the subsequent efforts to study emotional and social intelligence (Salovey & Mayer, 1990:187; Goleman, 1998, 2006:125). At present, the emotional and social intelligence competencies make up a considerable as well as crucial volume regarding the discrepancies in anticipating or comprehending performance in competency studies (Boyatzis, 2009:750).

Boyatzis (2009:757) further argues that should a competency be an inherent attribute of the individual leading towards or triggers effective or enhanced performance, thus supporting McClelland's (1973:21) earlier work with regards to the restrictions of conventional perspectives of intelligence consisting of:

1. **Emotional intelligence competency** being a capability to acknowledge, comprehend, and make use of emotional information concerning oneself leading towards or causing effective or exceptional performance;
2. **Social intelligence competency** being the capacity to distinguish, comprehend and apply emotional information concerning people which leads towards or triggers excellent or exceptional performance;
3. **Cognitive intelligence competency** being the skill to think or evaluate data and also scenarios leading to or causing excellent or exceptional performance

Barrett (2011:2) suggests that turbulent transformation and change causes various degrees of complexity in a company, and that every single phase associated with company evolution triggers a rise in the degree of complexness regarding external conditions demanding increasing levels of complexity of the inner company decision-making capability. Individual, teams and departments need to discover how to operate independently within normal company structure circumstances of existence. While transformations occur, individuals, teams and departments discover exactly how improve their resiliency through connecting with alternative appropriate individuals, teams and departments to create a group structure. By encouraging the workforce becoming worthwhile, independent entities so as to be reliable in order to meet function effectively within the company in an accountable, agile and dependable manner. The workforce needs to be encouraged in making decisions when required without the need to navigate levels of hierarchy or bureaucratism. The aim of creating a common sense of purpose together with a common range of values enabling the workforce to connect collectively to create feasible independent group structures which includes teams, departments and functional units. A sense of trust and team comrade is crucial, and to build the trust foundation a high degree of empathy is required from management.

Doyle (2013:2) advocates that high performance organisations (HPO) persistently and consistently outperform competitors as these high performance organisations clearly underpin objectives and targets of achievement, and quantify, lead and operate more effectively than their competitors. High performance organisations usely have above average customer engagement and understand their customer demands intimately, thus positioning their products or service proposition to meet these customer demands. Doyle (2013:2) further outlines five critical characteristics of high performance organisations, namely:

- Well-defined as well as fully comprehended business strategy that all relevant staff members in the business understands the business strategy and ways in which staff members and teams align and support to execute the business strategy. Organisational communications are transparent, straightforward and repeated. Business targets and objectives are generally aligned all through the organisation to ensure that the strategy is accomplished.
- Premier leadership and moral values with the resources, key talent and executives in the most suitable roles.
- Robust performance management that focuses on actual performance and minimises company politics, with the realisation that human resource department is not responsible for performance management, and thus performance management the key role of line management in ensuring regular performance conversations with teams and individuals, as well as coaching staff to ensure continuous performance improvement.
- The importance of fully involved, adequately training and empowered workforce, since workforce engagement is often an essential element of organisational performance. Engaged workers take increased control over their jobs and are generally more impassioned concerning their company.
- Unrelenting attention to customer demands, business processes with the organisation centred on the customer as the core of achieving performance objectives.

The researcher supports the views echoed above in that building an effective organisation and enhancing team performance remains the cornerstone for developing high performance organisations. A critical contributor and catalyst to the success of achieving exceptional organisations, is the depth of human capital with regards to skills, expertise and team cohesiveness. Building high performance teams remain a complex task, however operating as a high performance team given today's business challenges and rapid transformation has become a non-negotiable strategic imperative for business survival.

2.8 SUMMARY

The researcher suggests that not everybody has to hold blind belief in just about every enterprise model; however, when these models have purpose, reason and functionality for managers and companies, chances are they are beneficial tools. A model, framework or guidelines ought not to be observed within the theoretical context only or used solely with regards to their particular sake; it continues to be a concept which, when integrated with education and expertise, and applied in the correct context and also the correct timeframe, can guide companies to discover answers to some difficult questions.

Business enhancement as a method for boosting performance does not possess any simple formula or pre-set methodical technique. Each and every single organisation is confronted with distinctive, a variety of, differing and divergent challenges, and deploys its business plan to guarantee survival from competitive forces and industrial sector pressures, and therefore considers several business analysis, problem solving tools, commerce and business case studies to craft the most effective business model that could result in a predetermined outcome. Constant transformation, disruptive market segments, worldwide difficulties along with the pursuit of continuous advancement are all drivers in the necessity to continually recreate, reinvent, re-align and restructure an organisation's business methods, culture and plan of action. Undoubtedly the dependency on human resources continues to be the essential driver in organisations gaining higher levels of success or alternatively sliding into decline. Organisations that demonstrate exceptional leadership build an environment for cutting edge practices, creative ownership and additionally unleashing the massive human capabilities, will probably triumph and outperform the competition, enjoying substantial financial benefit for either shareowners or stakeholders. Organisations of the future are the ones who welcomes and drive transformation, seek for the subsequent learning curve, take advantage of several best practices whilst disposing of degeneration and old outdated methods, also continue changing the rules of the game to remain ahead of the rest through a deeply established mission, business programs and values.

One of the stated objectives of this research study had been to develop a deliberate creativity blueprint to enhance retail business performance (profitability), and thus the deployment of a deliberate creativity strategy (DCS) to incorporate awareness of the

external environment , improvement in competitive positioning, unlocking staff potential through new work methods, and creating a high performance culture in equipping teams with the relevant creativity tools and techniques to influence the workplace.

Chapter three details and outlines an extensive literature study with respect to the subject of creativity and creative thinking. A combination of historical viewpoints and present day thinking will be presented.