Improvement of work-integrated learning through corporate entrepreneurship to enhance return on investment

By

Winnyfred Pettula Pienaar

12875228

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Study Leader: Johan Jordaan

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DECLARATION

I, Winnyfred Pettula Pienaar, hereby declare that this study is a product of my own work and all the sources I have used or quoted in this study have been indicated and acknowledged by means of reference.

I. This work was done wholly and mainly while in candidature for the MBA degree at Potchefstroom Business School;

II. Where I have consulted the published work of others, this was always clearly attribute and referenced;

III. Where I have quoted from work of others, the source was always given.

IV. I have acknowledged all main sources of assistance

Signed: ............................................................

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REMARKS

The reader is reminded of the following:

The editorial style as well as the references referred to in this dissertation follow the format prescribed by the NWU Referencing Guide (2012). This practice is in line with the policy of the Programme in the NWU School of Business and Governance to use the Harvard Style in all scientific documents.
ACKNOWLEDGEMENTS

Lord, I recognised that I need you and your presence in my life. With you in my life I could and can walk in victory, and I can overcome any obstacle that may come my way.

My acknowledgements go to:

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ABSTRACT

**Title:** Improvement of work-integrated learning through corporate entrepreneurship to enhance return on investment

Investing and developing talent plays a crucial role in organizations. It is one of the core functions and resource to manage an effective and efficient business, followed by time and finances. Thus in a working environment, education, exposure and experience remain the backbone of any strategy in a business organization. Entrepreneurs are also being developed with the aim of enhancing the individual's innovation and creativity.

In this study, the researcher's main objective was to establish whether McDonald's WIL programme really results in an improved Return on Investment (ROI) for the organization. This was supported by the four secondary objectives. The first objective was to identify potential benefits of a Work Integrated Learning (WIL) programme through a literature study. The second one was to explore the reasons why some Restaurant Managers (RMs) find it difficult to implement what they have learnt during and after the in-house training. The third objective was to recommend a proper shoulder-to-shoulder coaching method to enhance the application of the learning in the restaurant and improve the level of corporate entrepreneurship in the organisation, and the last objective was to suggest a framework for WIL that will lead to improved ROI.

The study is inclusive of operations research where application of knowledge is changed to influence outcome. The RMs' evaluation is vocational and old school, and is not relevant to the ever changing business environment. Their analytical skills, diagnostic skills and the ability to comprehend what they are accountable for was a challenge. Reporting and proposals and action to be taken when they are faced with opportunities were very limited. They need exposure on business skills. Therefore, academic and educational exposure is important to achieve this objective.
The researcher followed a descriptive research design which was mainly based on qualitative and a bit quantitative methods. The quantitative method was chosen as it is used in investigations among groups of restaurant managers based on the application of theory into practice and how the organisation supports the achievement of the objectives. The sample selection from a population of about 140 RMs was done based on their competencies over 3-4 years in the position. Focused group interviews of four (4) to six (6) people were conducted, and an ultimate number of 37 individuals were interviewed.

The results of this study revealed poor shoulder-to-shoulder coaching, ineffective time management and poor communication, lack of trust from a knowledge perspective and inadequate feedback given during the implementation of what was learnt in the course from the WIL themes. In corporate entrepreneurship (CE) trust and lack of support in networking, and broken relationship between the RM and operations consultant (OC). Lack of empowerment, poor delegation also came out as barriers for the RMs to trust and lack of formal mentoring programmes. Regarding return on investment (ROI) or return on expectations (ROE), the lack of recognition and rewarding, inadequate time spent for people development and coaching and knowledge sharing were some of the challenges.

**Key words**: Work integrated learning, restaurant management, return on investment (ROI), return of expectations (ROE), management competencies, post class action plan (PCAP) and corporate entrepreneurship (CE).
LIST OF ABBREVIATIONS

“N” - Population
“n” - Sample
BCR - Benefits Cost Ratio
BP - British Petroleum
CE - Corporate Entrepreneurship
CEO - Chief Executive Officer
CV - Curriculum Vitae
FMCG - Fast Moving Consumer Goods
HRD - Human Resources Department
KM - Knowledge Management
KPI - Key Performance Index
LO - Learning Orientation
MDP - Management Development Program
MS - Microsoft
OC - Operations Consultant
OO - Owner Operator
Ops - Operations
PBS - Potchefstroom Business School
PCAP - Post Class Action Plan
QSC&V - Quality Service Cleanliness and Value
RLP - Restaurant Leadership Program
RM - Restaurant Manager
ROE - Return on Expectations
ROI - Return on Investment
WIL - Work Integrated Learning
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CHAPTER 1: CONTEXTUALISATION OF THE STUDY

1.1 INTRODUCTION

Corporate companies exist to be profitable by delivering a sterling service to consumers. Adding to this, corporate entrepreneurship became a trend in most corporate companies of note (Holden & Hamblett, 2007; Hsu et al., 2014:584).

The academic discipline of andragogy describes how adults learn (Knowles, 1973:23). One of the important elements of adult learning is that adults learn by doing rather than seeing. This has given rise to another trend, which is called Work-Integrated-Learning (WIL) (Jonsson et al., 2014:91). Many entrepreneurs who made it in the business environment have a story to tell on how they became interested and become a businessman or woman. Some cited inspiration by someone close in the family who ran a successful business. These entrepreneurs were taught business skills at an early age. They were ingeniously profiting from being creative and innovative and behaviours were observed in small firms that were able to create something from nothing by exploiting physical, social, or institutional inputs that other firms rejected or ignored. The purpose of this study was to explore and understand the central concept of the impact of WIL on restaurant managers and operations consultants. In addition, the study sought to explore the impact of WIL on return on investment (ROI) in training and coaching, through corporate entrepreneurship and application in each restaurant outlet.

The study also sought explanation as to why restaurant performance is not improving despite the educational and practical training conducted by the training department (Manager, 2015). The operations consultants and restaurant managers are held accountable for people development and for Quality, Service, Cleanliness and Value (QSC&V), which are regarded as the issues that set the company apart from its competitors. The restaurant managers are also held accountable for profitability (McDonald's, 2010:1-5).

Chapter One provides the background and problem statement of this study. The primary and secondary objectives of the study are subsequently presented, together with the methodology used for achieving these objectives.
1.2 BACKGROUND

There are various definitions of WIL in corporate education. In some organizations, these two terms are confused with each other. WIL can be described, from a learning point of view, as highlighting the process in which an adult gets educated in a work environment. “WIL is, contrary to traditional education’s viewpoint, at heart an educational, or “learning” process (Smith et al., 2009:23). “WIL is considered an educational strategy where classroom learning alternates with workplace learning and allows students to gain competencies through applied practical learning, while nurtured by the mentors” (Keating, 2012:90). For the purpose of this study, other definitions will be given, but this is the one that will be used in the discussions following. The definitions of Smith, 2009 & Jones, 2007 curtail an ideal situation where theoretical learning takes place in the classroom and competence is further build through coaching, supporting and mentoring in the practice. There are concerns that this ideal might not be general practice in corporate business (Ismail et al., 2015:287). This research is designed to verify or reject this notion.

Customer needs and demands are continuously changing and growing, which creates the need for companies to reciprocate by meeting the customer demands (Delporte, 2015:38). The business environment also requires efficiency and effectiveness to enhance a strong competitive advantage (Petro & Gardiner, 2015:1727). In any organization, there is an existence of work learning and education, whether formal or informal, on paper or through demonstration (Stan, 2014:140). This encapsulates the importance of human capital investment, employee productivity and innovation which are highly regarded as sources of competitive advantage in most organizations (Pelinescu, 2015:188).

The organisation in question is McDonald’s South Africa, which started operating in South Africa in 1995. This company is known for its well-defined methods of training, product and service consistency throughout the world (Cahill, 2012:2).

The organization is divided into two franchise models. These are classified under franchised owned (Owner Operator) restaurants and corporate owned restaurants. McDonald’s refer to the franchisees as Owner Operators because they own and operate the restaurant. As a result, they are to be 100% involved in their restaurants
The Owner Operator (O/O) restaurants are more profitable than the corporate owned restaurants due to the nature of investments (Equity injection) they undertake, and their entrepreneurial characteristics, experience and the level of accountability to the organization (McDonald's, 2015-2020:5). This is shown in Annexure H. Conversely, the corporate owned restaurant managers are trained, developed and taught corporate entrepreneurial skills, managerial skills and business skills. The ideal is that they eventually pursue a corporate career and become future Owner Operators (Manager, 2016:6). Corporate career is a phase that enables the employee to gather valuable work experience (Politis & Landström, 2002:94). The author further states that the individual works for years as a manager in a large organisation indicating a hierarchical career. During the corporate career, the employee has been able to learn the managerial logic and create a platform of financial preparedness, competence building, network establishment, and legitimising reputation.

With the consistent growth of between 10-15 restaurants annually in South Africa and staff compliment of 49 per restaurant on average, McDonald’s is experiencing a shortage of trained and talented individuals to manage the restaurant outlets (McDonald's, 2015-2020). The organisation believes in building a talent pipeline of restaurant managers who are adequately skilled to manage the restaurants upon completion of the Management Development Programme (MDP) course. It has been proven by several researchers that employee turnover is lower among skilled employees. Most importantly, skilling employees provides a more productive, efficient and effective working environment (McIntyre, 2016). The implementation of what restaurant managers have learnt from any training course should translate into return on investment (ROI). Businesses without fully functional management teams are generally not progressing. Also, such managers struggle in performing their management duties (Cox & Cox, 2016:86).

The main idea illuminated in this research is that the organisation is committed to providing training to capacitate their employees, particularly the restaurant managers as participants and operations consultants as the coaches of the restaurant managers (RMs) (McDonald's, 2015-2020:7). An RM is the individual who recruits, leads and develops people to execute Quality, Service, Cleanliness and Value
(QSC&V). The RMs are competent in safety standards, building sales and control costs to deliver optimum business results for the assigned McDonald's restaurant (McDonald's, 2010:1).

An operations consultant (OC) is the individual operating from head office who provides leadership, coaching, and direction to their assigned restaurants, and maximize the long-term sales and profit potential of each restaurant. The RM reports to the OC and there should be a positive business relationship between the two. The RMs key customers include Restaurant Management Team, Shift Managers, Operations Managers, Restaurant employees and customers. (McDonald's, 2008:4). The OC is responsible for driving consistent improvements in customer experience, and therefore increased profitability in the restaurants assigned to them. They achieve this through regular assessments of restaurant performance and on-the-job coaching of restaurant managers (Corporate, 2013:1). Every corporate owned restaurant is managed by a qualified individual who has completed and graduated from the Restaurant Leadership Programme (RLP). There are between 110 - 140 restaurant managers (RM) in the corporate-owned restaurants, and an average of six (6) assistant managers reporting to the RM as outlined in Annexure A.

According to senior leadership of the organisation, restaurant management education and training should have three outcomes, namely; a high performance culture created through entrepreneurial skills, strong leadership competencies and quality as measured by the organisation’s scorecard and return on investment or expectations (McDonald's, 2015-2020:2-5).

Most of the management education takes place within the organisation structures through the training department. The goal of this department is to ensure 100% execution of the core curriculum, to actively support Operations (Ops) in driving business results from a business plan perspective and to manage great restaurants (Manager, 2015). The training courses are scheduled as shown in Annexure B.

A training path is outlined from crew to RM, giving the employees an opportunity to develop a career within the company. There is time lines which will guide the employee through their developmental path should they stay with the company to pursue a career. A detailed training path is outlined in Annexure C.
The curriculum is geared to deliver the outcomes stipulated, and the curriculum also administers after-course action learning, called Post Class Action Plan (PCAP) or practical class assignment. The PCAP is an objective set after the course to evaluate and confirm the implementation of the action plans set to improve on the four aspects of operations, namely; QSC&V, Sales, People and Profit (McDonalds, 2003:153-160). An analysis of a PCAP is in **Annexure D**. The challenge is that the observed results are not necessarily forthcoming as expected resulting from the level of application of the learnings in the restaurant. Internal analysis suggests that RMs are not completing their RLP PCAP’s (Manager, 2015). The training department also conducts audits and they had reported fewer RMs completing PCAP after 90 days of completing RLP.

An interview with the training manager highlighted that the restaurants are measured on people development as a key performance area. The challenge he emphasised is that the RMs and OCs focus of the number of managers graduating from the inservice courses as an objective, and not the quality of knowledge applied and implemented in the restaurant. This compromises the integrity of the management skills because of the RMs incompetence in applying the learnings (Manager, 2015). It is possible that the actual returns on WIL are not as high as theory would predict, and the training department would like to believe. The OC as the coach is not clear on his/her responsibilities to ensure the RMs are implementing the action plans identified in the training classroom and there is no sufficient focus on sustainability of performance to improve the four aspects of operations to impact the restaurant business plan (Manager, 2015). Just under R50 000 is invested on each manager who attends the in-house training courses (Manager, 2015:3), as outlined in **Annexure E**.

One of the challenges the RMs face is the generation gap between themselves and new crew belonging to the so-called generation Y or millennials which they are hiring. This is augmented by the fact that crew often has a higher educational standard and academic qualifications than the current restaurant managers. These employees are the ones through which the RM needs to achieve results. In each restaurant, there is on average 30-35% of the generation Y crew. Therefore, the
RMs should be knowledgeable and skilled to be able to train and coach these crew members. Millennials are individuals who grew up in an electronics-filled and increasingly online and socially-networked world (Langan, 2012:47). They are the generation that has received the most marketing attention. As the most ethnically diverse generation, millennials tend to be tolerant of difference and having been raised under the mantra "follow your dreams" and being told they were special, they tend to be confident (Anon, 2014:403). The author further argues that, while largely a positive trait, the millennial generation’s confidence has been debated to spill over into the realms of entitlement and narcissism. At a strategic level, the organisation has to upskill the restaurant managers with relevant and new information in terms of changing operational platforms, restaurant technology, customer relations and company financial performance (Powell, 2015:17) in order to engage with these calibre of crew.

Conversely, the company aims to develop a talented people pipeline to feed the growth that the organisation is currently experiencing. (McDonald's, 2015-2020:7). Looking at the number of restaurant managers in the company currently, their average employment years is between 11 and 15 with the longest being 20 years and more as per the data collected. Some were employed with only matric as the highest qualification without work experience; they worked their way up and got promoted within the organisation (Manager, 2016). This group of people are flight risk adverse. Some will not go further in position than where they are currently, and the question is: How does the organisation keep these managers motivated and engaged?

The in-house training department identified several skills lacking in the restaurant managers’ capabilities (Training Dept, 2011-2015). The assessments were conducted through physical observation in class, class participation forms, class tests, post course action plan verifications forms and individual evaluations feedback forms. The skills observed were basic numeric literacy, business writing skills or business report writing skills, basic comprehension of business logic and output which is not forth coming, inadequate entrepreneurial skills and coping with the continuous changing business environment including internal and external aspects of the organisation (Training Dept, 2011-2015). Other skills were observed through the improvement of the leadership competencies such as: Communicates Effectively,
Develops and builds Talent, Builds Teamwork, Leads and Influence by example, Puts Customers First, Organizes Work, Supports Change and Plans beyond work, which the organisation evaluate twice annually.

The company uses a talent assessment framework to assess an individual's potential to move to the next level. One of the dimensions is Learning Orientation (LO), which means the ability and willingness to learn, change, and gain from life experiences, and to apply learning effectively across different situations (Manager, 2016). The talent manager further confirmed that most opportunities are found in the thinking agility behavior which includes the following Annexure F:

- Adapts quickly and easily to new or changing conditions;
- Identifies patterns/trends and applies them to new or unfamiliar situations;
- Learns from mistakes; does not make the same mistake twice; and
- Experiments with new ideas or approaches to determine what works best.

On a smaller scale, the company has attempted to use work placement concepts, which is a three-way relationship between McDonald’s, the educational institution like hotel schools or customer service institutions (Elijido-Ten & Kloot, 2015:217), and the student graduate. The aim of the concept was for the organisation to build on to the talent and academic knowledge of the student, and to also take advantage for the already customer-oriented individual. The concept has not consistently tried and properly tested.

In the work placement model, the student gets placed in the restaurant during the diploma programme where they would develop links between theory and practice (Holden & Hamblett, 2007:583). The students experience life within an organisation outside the institution, develop professional competence and undertake a specific project, being it a specialist or generalist, in the restaurants' day-to-day operations. The students will further gain knowledge of workplace practice by shadowing/observing of the restaurant manager within the organisation and being mentored. The learning outcome is usually negotiated by the student with the academic/industry supervisor and the whole work placement is being assessed (Smith et al. 2009:42).
Innovation, critical thinking and solid decision-making skills by the restaurant managers are vital during the implementation of the PCAP (Corporate, 2013:8). Thus the organisation is in the process of fostering corporate entrepreneurship through formal lectures with local tertiary institutions (Manager, 2016). The need for more entrepreneurial skills is a growing interest across the organisation, and the initiative is expected to help the organization to enhance the innovative capabilities of the RMs and OCs, and at the same time increase business success through the creativity of innovative ventures (Rauch & Hulsink, 2015:202). The organisation is constantly changing. Therefore, an entrepreneurial environment is crucial where RMs and OCs can think for themselves when making decisions that are affecting their restaurants in terms of cost and profit implications (Glaub et al., 2015:45). An overview on this research is underpinned by how the organization utilizes WIL and entrepreneurial skills to equip its restaurant managers to become better leaders who are capable to deliver the set business plan.

1.3 PROBLEM STATEMENT

McDonald’s has increased the practice of moving people including RMs between branches. The company encourages competent employees to develop skills that allow them to pursue promotions within the company (Arnórsson, 2013:38-39). The author further highlighted that the human capital departments in McDonald’s worldwide maintain a list of qualified candidates that they have reviewed and updated from all over the world and locally. When a managerial position opens anywhere, McDonald’s provides this list to the relevant party who can then choose a fitting candidate from the international list or pursue a local candidate. The strategy reduces the risk of unqualified employees being placed in managerial positions because of insufficient local talent outlets. The organisation is committed to capacitate its employees in delivering QSC&V, develop and implement a marketing plan that will increase sales and optimize profitability (McDonald's, 2015-2020:4).

The concern currently is that RMs are managing restaurants that are turning over between R9mil and R32mil annually (McDonalds, 2003:159). This in itself is cumbersome, looking at the inadequate skills of the managers identified by the
training department and the incorrect evaluation of management skills and performance. The opportunities around the talent assessment framework, especially thinking agility, and the poor performance of the business key performance indexes (KPI), are the areas which need focused. A list of these KPIs is given in Annexure G. Lack of coaching and accountability contributes to misalignment of the RM and OC’s goals and objectives to improve the four operations aspects which impacts the business plan (Fitzpatrick, 2007:302).

The organisation is constantly training, developing and skilling RMs to manage these restaurant outlets. Subsequently, non-implementation and application of the learnings from in-service training courses prevents the organisation from realising the returns on investing in people skills development, and this causes substantial losses in profitability (Sherif et al., 2013:458). RMs is provided with processes and procedures to implement rather than researching and developing those processes. This prevents the culture of quest for self-development, thinking agility and cultivation of a learning environment (Borzillo et al., 2012:29), which stifles the entrepreneurial skills.

1.4 BENEFITS OF THIS STUDY

The assumption of this research is that this study will benefit the organization in question as follows:

- It will allow the company to develop accurate training and WIL objectives that are linked to KPIs;
- The organization will be able to calculate the ROI percentage on the training received by individuals graduating from RLP and other in-service training courses;
- A proper structure of shoulder-to-shoulder coaching between OC and RM should enhance the desire to learn, and align learning to business needs;
- Leadership and department heads will be able to identify successful programmes that can be implemented in other departments within the organisation; and
• Improved support on training and performance improvement processes quantified.

1.5 OBJECTIVES

1.5.1 Main Objective

The main objective of this research was to establish whether McDonald’s WIL programme really results in an improved ROI for the organisation.

1.5.2 Secondary Objectives

To achieve the objective above, the following secondary objectives will be pursued:

• Identify potential benefits of a WIL programme through a literature study;
• Explore the reasons why some RMs find it difficult to implement what they have learnt during and after the in-house training;
• To recommend a proper shoulder-to-shoulder coaching method to enhance the application of the learning in the restaurant and improve the level of corporate entrepreneurship in the organisation; and
• To suggest a framework for WIL that will lead to improved ROI.

1.6 SCOPE OF THE STUDY

The study involves principles of Entrepreneurship, Organisational Behaviour, Operations Management and Change Management. It will primarily focus on a company in the Fast Moving Consumer Goods (FMCG) industry in South Africa with its diverse and competitive environment. However, it does not involve WIL programmes from other FMCG companies or from branches outside South Africa.
1.7 RESEARCH METHODOLOGY

The method that was used in this research consisted of two phases, namely; a literature review and an empirical study. In this research, a qualitative method was followed. The World Cafe data collection and thematic analysis tools in relation to this study were used in this research. The study is built around Kolb’s Learning Cycle, general WIL theories, and models describing corporate entrepreneurs and ROI.

1.7.1 Phase 1: Literature Review

The literature review of this study was conducted by means of a study of relevant business science journals, articles, books and research documents. The following databases were considered:

- EbscoHost: International journals on Academic Search Premier, Business Source;
- Journal of knowledge management;
- Journals;
- Dissertations;
- Internet: Google Scholar; and
- Articles.

1.7.2 Phase 2: Empirical Study

The use of the World Café as a data collection tool was found to be suitable and applicable to all cultures and different age groups. Data were collected from the RMs using focus group discussions, where participants also rated some elements on a questionnaire as a basis for the discussion. This method is effective as a qualitative data collection technique because it combines certain aspects of several more traditional qualitative data-collection techniques, such as interviewing, narratives and
also because it allows time to reflect on what was shared (De Chesnay, 2014:181-195).

The World Café method implements seven design principles that were considered for the implementation of the technique, namely; setting the context, creating a hospitable space, exploring questions that matter, encouraging everyone’s participation or contribution, connecting diverse perspectives, listening together for patterns and insights, and sharing collective discoveries (De Chesnay, 2014:181-195). Verbatim descriptions will be saved electronically on hard copies.

The method was implemented with individuals in groups of four (4) to six (6) people. The number of participants who took part in the interview was 36 split in 8 groups. The researcher, who was the table hosts in this study, consisted of an individual who was familiar with qualitative data collection and who has experienced several sessions in the World Café methods. The hosts’ responsibility was to guide the discussions during the interview. The groups were asked 28 questions and were given approximately 3-5 minutes to answer each question during the session to share key ideas or any other contribution that they felt was appropriate. After the questions were answered completely, the researcher moved to another venue to meet with another group and the same process took place (De Chesnay, 2014:182).

The research was conducted in the corporate owned restaurants because the need to improve inefficiencies are cropping up in the restaurants identified (Manager, 2015). The MDP and systems are implemented consistently across the organization (both in franchised and corporate owned restaurants).

The data were analysed by the researcher and an experienced and independent supervisor who was notified beforehand of the analysis procedure. After independent analyses, the researcher had a consensus discussion with the supervisor so that they could have consensus on the themes. Thematic analysis was used to analyse the data. This analysis identified and recorded patterns/themes within data (Braun & Clarke, 2006). Themes are patterns across data sets that are important to the description of a phenomenon and are associated to a specific research question (Braun & Clarke, 2006:99).
1.7.3 Participants

The population in this research includes all the organizations training course facilitators, and all the restaurant managers of the organization in all the nine provinces of South Africa.

The participants were briefed about the purpose of the study and why their involvement is required in the study. They were also assured that their identities will remain confidential. They were made aware that their participation is voluntary and that they are free to withdraw from the study if they so desire at any point in time. See participation letter Appendix A

1.7.4 Measuring Instruments

The trustworthiness of this research will be addressed in four alternative constructs (De Vos, Strydom, Fouché & Delport 2005: 346) and they include:

1.7.4.1 Credibility and Transferability

An in-depth description which shows the complexities of variables and the interaction will be so embedded with data derived from the settings that will be valid. Within the parameters of that setting, population and theoretical framework, the research will be valid. However, for the purpose of this research, the study used the theoretical framework to show how data collection and analysis will be guided and transferred by concepts and models.

1.7.4.2 Dependability and Conformability

This is alternative to reliability which is most applied in quantitative research. Researcher has accounted for the changing conditions in the phenomenon chosen for the study and the changes in the design created by increasingly refined
understanding of the setting. The research study was conducted objectively and confirmed by an independent individual.

1.7.4.3 Ethical Considerations

Ethical obligation rests with the researcher to protect the subjects within reasonable limits from any form of physical discomfort that may emerge from the research project (De Vos et al., 2005:58). Informed consent implies that all information of the goal of the investigation, the procedures followed in the investigation, advantages and disadvantages and dangers to which the respondents may be exposed and the credibility of the researcher be rendered to potential subjects or their legal representatives. Violations of privacy, anonymity or confidentiality were also considered. The individual has the right to privacy, right to decide when, where, to whom and to what extend his or her attitudes, beliefs, and behaviours will be revealed. Researchers are ethically obliged to ensure that they are competent and adequately skilled to undertake the proposed investigation (De Vos et al. 2005:61).

1.7.4.4 Questionnaires

A semi-structured questionnaire was developed (see Annexure J).

1.8 LIMITATIONS OF THE STUDY

The research will contribute in a way that it presents the extent to which enhancement of WIL through corporate entrepreneurship (CE) positively impacts ROI for the company. This particular research has not been explored within this particular environment, and as such a valuable contribution to the body of knowledge could be made.

The use of interview questionnaires in the present research constitutes a limitation. The relationships could only be analysed and described. Therefore, the discovery of
relationships in the present research helped with the setting-up of common themes which could be compared with the theoretical research regarding the correlation relationship of the different variables (WIL, CE and ROI) being studied. Another limitation was that the study was conducted using a sample of employees working for the organisation and might not represent the retail and manufacturing industry as a whole.

1.9 LAYOUT OF THE STUDY

This study is divided into five chapters:

- **Chapter one** introduced the content of the paper and explained why the topic was chosen for the research. The chapter presented the problem statement, the research goals, methods and research limitations.

- **Chapter two** conceptualizes WIL through corporate entrepreneurship and its effect on return on investment in a literature review.

- **Chapter three** reports the research method that will be employed to achieve the goals of the research project. Aspects that will be covered include research design, measuring instruments that will be used to gather data and then data analyses techniques will be discussed.

- **Chapter four** focuses on the results of the study. The results will then be discussed by focusing on the implications of the findings for the restaurant managers.

- **Chapter five** discusses the conclusion reached resulting from the study as well as any recommendations that can be made to management and recommendations for future studies.

1.10 CHAPTER OVERVIEW

An overview on this research is underpinned by how the organisation utilises WIL to equip its restaurant leaders to become better leaders, to trigger curiosity and unleash
the entrepreneurial spirit in them. In addition, the chapter discussed how the restaurant leaders can take initiatives through creativeness, innovativeness and become critical thinkers, have solid decision making skills and optimize of the restaurant profitably.
CHAPTER 2: THEORETICAL OVERVIEW

2.1 INTRODUCTION

The aim of the literature review is to examine key concepts and related research relevant on WIL and corporate entrepreneurship and effects the two has on return on investment. The topics identified as important are: defining WIL and its importance, model used and research that could enhance the learning capabilities to improve return on investment. Corporate entrepreneurship and how it is used to facilitate the learning experiences of the individuals and the impact of WIL on return on investment. Each of these topics is reviewed and critiqued relevant to the study.

2.2 WORK INTEGRATED LEARNING (WIL)

Work integrated learning is the focus of this research and it was discussed in depth.

2.2.1 Definition of Work-integrated Learning

WIL is intended for adult learning in a workplace environment. It is closely linked to Andragogy, a word discovered by Malcom Knowles. The latter defines Andragogy as an emerging technology for adult learning. The author researched that adults moves from dependency to self-directedness, draw upon their reservoir of experience for learning; adults are ready to learn when they assume new roles and they want to solve problems and apply new knowledge immediately (Knowles, 1973) Andragogy is self-directed learning which continues to be important to present-day understanding of adult learning (Merriam, 2001:3).

Anon (2016:1) defines WIL as an educational approach that aligns academic and workplace practices for the mutual benefit of the learner and workplaces. According to (Keating, 2012:90), “WIL is considered an educational strategy where learning in the classroom alternates with learning in the workplace and allows for the competencies of students to be developed and nurtured by the mentors” In addition, (Reeders, 2000:218) defines WIL as “student learning for credit designed to occur either in the workplace or within a campus setting that emulates key aspects of the
workplace”. Furthermore, WIL is a structured strategy integrating classroom studies with learning through productive work experiences in a field related to an individual's academic or career goals (Groenewald, 2003:17).

WIL is skills learnt from a classroom environment and conducted in a way that measures and evaluates the experience executed in exchange of a consumer paying for consistent delivery of work/service that is intended for during practical application (Jackson, 2015:366). The expected outcome from work integration learning is in many words the enhancement of skills to improve customer satisfactions and enhance business effectiveness. WIL is an on-going process whereby, in any practice or discipline, the individuals or employees are continuously learning and executing the organisation’s strategy at the highest levels.

Highly skilled employees are an organisation’s competitive edge (Collings & Mellahi, 2009:311). McDonald’s has labelled this initiative as a priority in its list of goals and objectives in the organisations business plan. The influence that WIL has on the employees is crucial. It is a mechanism for retaining employees, a motivator and enabling entrepreneurial thinking and as a result enhancing innovativeness and job satisfaction (Möller, 2013). WIL is when an individual is applying the knowledge that they have acquired at college, university and during formal training taking place in a work environment (Merriam, 2001:13).

### 2.2.2 Categories of Work Integrated Learning

WIL is based on andragogy and it is characterized and identified by the following major assumptions (Knowles, 1973:12):

- As the person matures, self-concept gets enhanced from that of a dependent personality to a self-directing human being through teachers who shows interest in learners, making the subject interesting, who shows understanding, flexibility and practicality;

- Adult gathers a bank of experience, a rich resource of learning where they develop their self-identification;
• Adults become ready to learn when they experience the need to know and the need to impact their way of life in a positive way;

• An adult become more problem-centred than being subject-centred when they are learning; and

• External motivators like better job, promotions and advancement incentives are influencing adult learning; they are also internally motivated by factors such as self-esteem, recognition, better quality of life and self-actualization.

Several authors who worked on assessment categories to measure student learning summarised the strategies strategy analysis tools (Winchester-Seeto et al., 2010:69). The categories were highlighted in the problem statement as most common skills lacking during in-service training course at McDonald’s. The in-service training was mainly for the restaurant managers, which is currently presented by the training consultants. The strategy analysis tool below has six aspects. However, the study will make use of five aspects to help assess the students, in this case the restaurant managers.

Learning through participation – five of the six strategies analytical tool

• **Professional skills and knowledge (the so-called ‘hard skills’)** – technical skills and competencies viewed as necessary for immediate, effective and/or safe performance in the workplace such as meeting the organisational standards, which also relates to compliance (Zegwaard et al., 2003). These include specialized skills such as Health and Safety Officers or chartered accountants etc.

• **Professional skills and knowledge (the so called ‘soft skills’) -** a broad range of cognitive and behavioural competencies that help managers to transition from in-house theoretical course to work as well as support effective career management. Interpersonal skills and personal leadership skills including communication skills are commonly cited as learning outcomes along with others such as self-awareness, opportunity awareness, decision making, and networking including negotiation skills (Coll & Eames, 2004).
• **Graduate capabilities (also referred to as attributes and generic skills)** – a broad mix of cognitive capabilities, as well as personal, social and interpersonal dispositions conceived as necessary for managers in terms of preparing for an uncertain future, life-long learning, promoting change and range of other purposes as identified in the literature (Watts, 2006).

• **Application of theory to practice** - the hands on application of what has been learnt in the institutional setting in an authentic or real-life situation/context. This aspect of learning overlaps and encompasses the other aspects of learning identified in Kolb’s diagram (Tsai & Lee, 2006:67) to foster deeper learning. This relates to leadership interns, lawyers serving articles and practical practices for hotel management courses.

• **Personal development and transformative learning** – focused on developing independent thinking, critical discourse and using strategies that build on the learner’s existing experiences and knowledge to encourage personal growth and transformative learning that may lead to personal and social change (Van Gyn & Grove-White, 2004). This relates to executive coaching and emotional intelligences (EQ) development.

### 2.2.3 Antecedents and consequences of work-integrated learning

Adults rely on prior knowledge, experiences, failures and successes from other adults and thus it increases ones’ attention. Some of the good presentation techniques which encourages maximum learning, participation and retentions, focuses around case studies as in company projects, which participants analyses job-related situations to develop critical thinking and decision-making skills and the world café model which is a conversational process about questions and issues that matters to problem solving (Kiesau, 2016).

WIL should be guided by mentoring and the successful introduction and sustenance of a WIL programme, which requires commitment from all stakeholders and a believer in positive outcomes (Keating, 2012:94). The author further asserts that WIL is not an add-on to the curriculum, but an integral part of the educational process.
Another way that companies enhance the employee’s knowledge applicative and creative capability is through the completion of a learning cycle process and the factors that gives rise to a learner’s decision to learn in terms of environmental forces and individual factors, classified under external and internal factors respectively (Tsai & Lee, 2006:66). Below is a diagram that focuses of integrating the perspective of degree of completeness of the learning cycle and learning various levels of knowledge.

![Exploratory framework knowledge internalization](image)

**Figure 1: Exploratory framework knowledge internalization (Tsai & Lee, 2006:67)**

In today’s rapidly changing world, an organization’s employees must learn to use abundance on-site experience to observe their real work situation and ask questions, not only the content and the way to perform them, but the context and motives behind these works. When they begin to care about how work is completed, and whether improvements should be made, the employees begin to master “care-why” and “know-why” knowledge, thereby forming better concepts to perform their jobs (Tsai & Lee, 2006:67). The author further said that while testing and improving the concepts in real work situations and succeed, their implicit experience increases in dealing with similar affairs.

When employees experience the complete learning cycle, they are no longer step-by-step workers, but instead become knowledge workers who are able to use their experience and on-site information and make on-going revisions and improvements. The employees do not only have knowledge applicative capability; they also have knowledge creation capability (Tsai & Lee, 2006:67).
Employees who receive attention and support in terms of learning, application and coaching will more than likely implement the organisation's strategy with ease and efficiency (Fink, 2012). The employee will find meaning in what they are doing and the enhancement in the levels of autonomy will boost the individual’s confidence in making sound decisions and improve innovativeness, said the author.

In a South African context, talent is a key success factor for global competitiveness. Organizational talent in any business environment is challenged by continuous change since the apartheid era and continuous external environmental impacts (Groenewald, 2003:49). The author states that cooperative education is a structured educational strategy that progressively integrates academic study with learning through productive work experiences is a means to grow the talent of the South African people. Furthermore, Groenewald also mentions that the skill sets we have are proving to be inadequate to meet the rapidly changing fast-paced of technical and business needs (Groenewald, 2003:49). This statement mirrors the experience the organisation is going through in the restaurant outlets, and the challenge points out to the lack of skills to which the author refers.

In-house structured programmes are working as curriculums adaptations are fit out to corporate needs by Higher education institutions and enterprises. This sometimes results in entrepreneurial freedom which empowers individuals (Groenewald, 2003:56). Many corporates are looking and encouraging experiential learning. This curbs the way academic learning is structured through theoretical learning. Experiential learning for adults works out as a way to go in terms of visual demonstration of a subject that can easily be comprehended. It is also done through communities of practice, personal networks and completion of work-related tasks, learning is done through observation and interaction with others (Helyer & Corkill, 2015:1831).

The processes of WIL is structured in a hotel school scenario and demonstrated in its true sense (Tse, 2012:25). This provides the students with the opportunity to apply what they have learned in a classroom setup and to prepare them for the working world out there. This enables the individuals to demonstrate management characteristics such as being innovative, taking initiative, being competent and
become strategic and lateral thinkers. The skills above can be achieved with experience gained from WIL (Spowart, 2006:11). The author further emphasizes that, collaborating with hotel schools will ensure the educational and formal training material is understood by the educators and best suited for the needs of the industry and further, to better prepare the students for the working environment.

The hotel schools that prepare their students for WIL takes two sixty (2 x 60) minutes class timetabled periods per week. One-hour lesson is for invited guests to promote the company they represent and expectations if placed there for WIL or at a later stage be employed in the company. Indirectly, the company is marketing itself to the students to consider future recruitment. The second one hour lesson is utilized preparing the students on topics such as writing curriculum vitae (CV), how to handle sexual harassment in a workplace as this a common act at that stage, working with teams and disciplinary procedures and group dynamics (Spowart, 2006:11).

WIL and internship have considerable benefits to industries. This provides access to pool of workers who are enthusiastic and dedicated to the industry, brings fresh ideas and positive energy to the workplace. It also provides the company an opportunity to screen potential employees without making any long-term commitments and to have direct involvement in training the industry’s future leaders (Walo, 2001:12). The authors further maintain that WIL and internship contributes in developing management competencies in generic areas such as leadership, human resources, oral and written communication, interpersonal communication, problem solving, teamwork planning and decision making.

2.3 CORPORATE ENTREPRENEURSHIP (CE)

Since 2007 to date, hospitality and retail industries need to think differently because competitors are more prominent than ever before (Basson, 2015:ii), especially the eat out industries and accommodation. Basson further commented in his research that, organisations must strike a balance between existing knowledge and new avenues to seek opportunities. Businesses are under enormous pressure to counter
the impact of rive competition through creativity and innovation (Atkinson & Easthope, 2009:77).

One gathers knowledge mostly through training and practice (Ansari & Tabrizi, 2012). Several authors put more emphasis on the need for work space, support to the individual and the organisations educational material, systems, processes and procedures. In their article the author concluded that Knowledge Management (KM) and Corporate Entrepreneurship (CE) are two strategic tools through which companies can exploit their competitive advantage while seeking potential opportunities (Ansari & Tabrizi, 2012:4042). The author stated that the two practically help to improve organisational performance through their own resources; they are interrelated and also influence each other. The results from the author’s research of the two being related revealed that knowledge exploitation has a significant positive relationship with innovation culture. An alternative term for corporate entrepreneurship is intrapreneurship, which indicates that CE is usually defined at the level of organizations while intrapreneurship relates to the individual level (De Jong & Wennekers, 2008:295).

2.3.1 Definition of Corporate Entrepreneurship

Corporate entrepreneurship is defined as a process of creating new organisation or stimulating renewal of innovation in an existing organisation by individuals or a team (Ansari & Tabrizi:4043). In addition, corporate entrepreneurship, as defined at a level which organisations, refers to a top-down process, a strategy management can utilize to foster more initiatives and improve efforts from their workforce and organisation (De Jong & Wennekers, 2008).

Corporate entrepreneurship is explained as an employee below in the organisation who takes on something new, an innovation created by them autonomously, expected or even given by higher management (Vesper, 2000:295). Furthermore, corporate entrepreneurship is an activity to enhance a company’s ability to innovate, take risks and seize the opportunities that are allocated in the market. The author also mentioned that CE is targeted at new business establishment and new market allocations (Brizek:2).
Other prominent researchers defined CE operationally as a process where corporate entrepreneurs of established organisations undertake product and service innovation, act proactively and are willing to take risks through internal and external business ventures to enhance the organization’s performance (Zain & Hassan, 2007:2).

Corporate entrepreneurship is a process where organisations think differently to overcome barriers to improve the performance of the organisation (Basson, 2015). In addition, (Salehi & Javali, 2012:2) define corporate entrepreneurship as encompassing several types of phenomena and processes: innovation, venturing, and strategic renewal. The author further stated that entrepreneurship in established firms is commonly referred to as corporate entrepreneurship (entrepreneurship) which is an extension of entrepreneurship and encompasses entrepreneurial behaviour exhibited by managers in larger organizations. The authors realised that the need for managers to adopt entrepreneurship when formulating their strategies has become recognized, and many researchers argue that entrepreneurial attitudes and behaviours are necessary for firms of all sizes to prosper and grow.

In summary, CE is defined as different and several new ideas that employees develop and implement to innovate new efficient processes which corporates wish to implement and foster to enhance its strategy around employee value proposition. This strengthens the organization’s competitive edge in any given point in an industry because of the positive impact on the company’s strategy implementation and profitability. The potential ideas create opportunities that the business organization will support if the idea places the organization in a competitive position. The organization is willing to take risks which come with the implementation of those ideas. The platform set by CE during WIL is crucial, as stated above in the five strategy analysis tools that personal development and transformative learning may lead to personal and social change. Taking ownership is one characteristic of an entrepreneur where the individual takes personal responsibility on the decision and risks taken. Finding different ways to produce above average results is mostly what a corporate entrepreneur considers “doing more with less.”
2.3.2 Antecedents and consequences of corporate entrepreneurship

Therefore, in this research we will focus on CE because the leadership in the organisation should make the workplace a fertile environment for employees to develop corporate entrepreneurial skills (Bruneel et al., 2012). Encouragement of key behavioural aspects of entrepreneurship which includes networking, behaviour, out of the box thinking, initiative, taking charge, championing, wilful behaviour, finding a way, getting the job done and some degree of risk taking are some of the initiatives that leadership in the organisation can foster (Corbett et al., 2013:819). The author further states that corporate entrepreneurship may even significantly alter the balance of competition within an industry or create entirely new industries through this act of internal innovation (Karimi & Walter, 2016:359).

These are enabled aversely to risk-taking innovation and driving leaders and teams forward and an increased level of corporate enterprising (Costanzo & Di Domenico, 2015:506). In addition to that, this approach also provides organizational benefit of setting the stage for leadership continuity. Corporate entrepreneurship can also be considered a means of organizational renewal and an equal drive toward venturing (Kuratko & Audretsch, 2013:333). Companies undertake innovations across the entire organizational spectrum, from product and process to technology and administration. Further benefits of CE activities entails creating new knowledge that enhances the organisations’ competencies which results in the development of new ones. These activities are difficult as they sometimes involve radical change to internal organisational behaviour patterns (Ferreira, 2005:1).

Cultivating and setting up the corporate entrepreneurship environment within the organization is reliant on managing of entrepreneurial systems (Brizek:2). Promoting this culture by freely encouraging creativity, business leaders motivated toward corporate entrepreneurship must continuously strive to exude and build trust, embracing the risk to fail and inspiring those around them to take similar calculated risks (Costanzo & Di Domenico, 2015:506).

Corporate organisation elaborates and gives a view that entrepreneurship is an individual behaviour shaped by the systems and culture of the organisation (Welter & Smallbone, 2011:124). The author further highlighted that an environment where
there is a high level of societal acceptance of entrepreneurship is an integral part of the economic well-being. This means that entrepreneurship is culturally embedded, institutions are known and well-established, and entrepreneurs know how to deal with the issues in the business environment. This also implies that their behavioural responses are learned over time and entrepreneurs can draw on sets of strategic options.

According to British Petroleum (BP) management model, there are four components that help guide and control entrepreneurial action and these are direction, space, support and boundaries. All these components have to work together at any point in time; if anyone is missing, this will compromise the ability of employees in the organisation to act as an effective entrepreneur. The model depicted below reflects the corporate entrepreneurship which illustrates the impact of one on the other should entrepreneurship being taken too far and not managed (Birkinshaw, 2003:51). This model also identifies the fall of Enron as failure of control and governance because of the system that ratcheted up the risk-reward payoff for individuals.

**Figure 2: Corporate Entrepreneurship Model (Birkinshaw, 2003:55)**
This model is in line with the processes that McDonald is working on currently. It is a structured layout that depicts the organisations systems map, where each activity in a process is inter-dependent on the previous step; in other words, a chain reaction. The map eventually leads into the key success factors. Therefore, the flow of events is crucial and should be followed precisely.

The implementation of the organisation’s strategy is conducted through teams in their different business units, to an extent, individual work is also encouraged. Mutually, the teams bring the mission and vision of the organisation alive, and elaborates on corporate entrepreneur advantages and disadvantages of collectivism and individualism in the business (Brizek:7).

The authors realised that the need for managers to adopt entrepreneurship when formulating their strategies has become recognized, and many researchers argue that entrepreneurial attitudes and behaviours are necessary for firms of all sizes to prosper and grow (Salehi & Javali, 2012:3).

2.3.3 Barriers to Corporate Entrepreneurship

Entrepreneurship has been proven as having challenges in corporate, government and individuals who are capable to impact the economy of the country. The barriers are brought upon by the following (Salehi & Javali, 2012:7):

- Weak supporting of institutions;
- Lack of training;
- An inappropriate governmental support; and
- Unnecessary bureaucracies, leads inappropriate corporate entrepreneurship.

There are key variables that can affect a company’s pursuit of corporate entrepreneurship, including internal organizational factors such as: the company’s incentive, control systems and managerial support (Hornsby et al., 2002:259). This support can take many forms, such as championing innovative ideas, providing necessary resources or expertise, or institutionalizing the entrepreneurial activity within the RMs system and processes. The author also highlights availability of
resources including time for entrepreneurial activity; a supportive organizational structure provides the administrative mechanisms by which ideas are evaluated, chosen, and implemented. Risk taking indicates the middle managers’ willingness to take risks and show a tolerance for failure when it occurs (Hornsby et al., 2002:260).

The four main directions which organisations can embark on to develop an entrepreneurial environment within the organisation are; structuring the company for entrepreneurship, establish efficient control in the area of entrepreneurial activities, smart human resource management and creating an appropriate culture. They also elaborate on corporate entrepreneur advantages and disadvantages of collectivism and individualism (Brizek:7),
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<th><strong>Pros:</strong></th>
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<tr>
<td>- Employee develops stronger self-concept, more self-confidence</td>
<td>- Greater synergies from combined efforts of people with different skills</td>
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<td>- Consistent with achievement motivation</td>
<td>- Ability to incorporate diverse perspectives and achieve comprehensive view</td>
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<tr>
<td>- Competition among individuals encourages greater number of innovative concept and ideas; breakthrough innovations</td>
<td>- Individuals treated as equals</td>
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<tr>
<td>- Stronger sense of personal responsibility for performance outcomes</td>
<td>- Relationship are more personalized, synchronized, harmonious, while interpersonal conflicts are discouraged</td>
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<td>- Linkage between personal efforts and rewards creates greater sense of equity</td>
<td>- Greater concern for welfare of others, network of social support</td>
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<th><strong>Cons:</strong></th>
<th><strong>Cons:</strong></th>
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<tr>
<td>- Emphasis on personal gain at expense of others, selfishness, materialism</td>
<td>- Loss of personal and professional self to group/collective</td>
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<td>- Individuals have less commitment/loyalty, are more “up for sale”</td>
<td>- Greater emotional dependence of individuals on the group or organization</td>
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<td>- Differences among individuals are emphasized</td>
<td>- Less personal responsibilities for outcomes</td>
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<td>- Interpersonal conflicts are encouraged</td>
<td>- Individual “free ride” on efforts of others, rewards not compensated with efforts</td>
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<td>- Greater level of personal stress, pressure for individual performance</td>
<td>- Tendency towards “group thinking”</td>
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<td>- Insecurity can result from over-dependence on ONE’S-self</td>
<td>- Outcomes can represent compromises among diverse interests, reflecting need to get along more than need for performance</td>
</tr>
<tr>
<td>- Greater feelings of loneliness, alienation and anomie</td>
<td>- Collectives can take more time to reach consensus, may miss opportunities</td>
</tr>
<tr>
<td>- Stronger incentive for unethical behaviour, expediency</td>
<td>- Onus on failure falls on the individual</td>
</tr>
</tbody>
</table>

**Table 1:** Collectivism vs. Individualism (Brizek:7)
2.4 RETURN ON INVESTMENT (ROI)

ROI underscores the importance of training and performance improvement, to shift from activity based process to results-based process (Phillips, 2012:9). The author further states that, in today’s education, training manager is more aware of bottom line in the organisation, knowledgeable of operational and financial concerns. Organisations are challenged with putting value to the training outcome of their employees with the goal that training does enhance human capital and therefore billions of money are spent on workplace learning (Daniels, 2003:40).

In conjunction with ROI, Kirkpatrick and partners elaborated on an approach to creating and demonstrating the organizational value of training (Kirkpatrick & Kirkpatrick, 2011:60) to achieve an outcome termed return on expectations (ROE). The author further explains ROE as a successful training initiative that delivers to key business stakeholders to demonstrate the degree to which their expectations have been satisfied, emphasizing this with a slogan “When done properly, it cannot fail”. ROE qualifies a “result” of a training programme where optimum organisational impact is achievement, for example increased sales or profitability, (Kirkpatrick & Kirkpatrick, 2011:61). Therefore, according to Kirkpatrick & Kirkpatrick (2011), ROE is the most practical and effective way to show the value of an initiative.

The Kirkpatrick Model is used worldwide as a standard to evaluate the effectiveness of training, see model below.

![Figure 3: Kirkpatrick Model (Kirkpatrick & Kirkpatrick, 2011:64)](image)

The model considers any type of training, formal or informal, across the four levels. **Level 1** Reaction evaluates how participants respond to the training. **Level 2** Learning measures if they actually learned the material. **Level 3** Behaviour considers
if they are using what they learned on the job, and Level 4 Results evaluates if the training positively impacted the organization.

Organisations require broader and higher-level skills, which includes interpersonal and communication skills. They also implement training programmes to increase employee efficiency and productivity, which eventually results in monetary returns and increased value of training expectations (Mohamed et al., 2012:597). An increase in training investment is significantly linked to an increase in revenue per employee. This measures the level of productivity of an employee on how well they are managing the business in terms of the income revenues and controlling of cost ingeniously (Mehra et al., 2014:757). There are concerns and problems, which come with the ROI process, whereby managers await for results anxiously and only to be disappointed when they are not available.

2.4.1 Definition of Return on investment

ROI is an accounting formula utilized to get a real or perceived future value of an expenditure or investment (Burton et al., 2013:17). The author explains that ROI computes the amount of profit before taxes and after depreciation from all investments made, and it is generally communicated as a percent of the original total cost invested. In addition, (Burton et al., 2013:18) gave a definition from an education and training arena stating that “ROI is a metric that provides an instantaneous understanding of the economic payoff of an education initiative or training programme”. Another way to view ROI is a reductions on costs, revenue increases, and non-financial impacts which talks to improved customer satisfaction (Burton et al., 2013:18).

The ROI formula is return on investment equals to gain from investment minus cost of investment divided by cost of investment. It compares the monetary value of the results with the costs for the programme, usually expressed in a percentage (Harris, 2007:492). ROI in terms of the impact from training compares the monetary value of the results with the cost of the programme in this regard business impact, usually expressed as a percentage (Phillips, 2012:12)
2.4.2 Antecedents and consequences of ROI

For ROI to be realised there must be a balance between several issues such as feasibility, simplicity, credibility and soundness (Phillips, 2012:16). The balancing requires the following essential criteria:

- **Simplicity** - Avoiding of complex formulas, equation and complicated methodologies;
- **Credibility** – Logical methodical steps or practical approach is needed to earn respect of senior managers. The ultimate level of evaluation is to compare benefits with costs because omitting or underestimating costs will destroy the credibility or the ROI values;
- **Soundness** – Generally accepted practices, there must be a balance between maintaining practical and sensible approach and a sound theoretical base;
- **Feasibility** - Appropriateness with variety of Human Resource Department (HRD) programmes. The process should pinpoint the contribution of the training program compared to other influences;
- **Flexibility** – In some instances ROI is estimated before the actual program is developed, ideally the process should adjust to a potential time frames;
- **ROI Formula** – This is often the benefits/cost ratio.

2.4.3 Calculation ROI in Training

Not all benefits derived from training are quantifiable, as not all training is directed towards physical numeric outputs. In the case of training with quantifiable results, the two most common formulas given to determine training cost impact on the outcomes or ROI are firstly (Phillips, 2012:21):

\[
\text{BCR (benefits/cost ratio)} = \frac{\text{Program Benefit}}{\text{Program Cost}}
\]

\[
\text{ROI} (\%) = \left( \frac{\text{Net Program Benefits}}{\text{Program Cost}} \right) \times 100
\]
In the example below, we see the benefits and ROI on the training programme offered. For every R1 spent invested there is a return of R0.95 in net benefits.

Example:
Training programme costs: R1 116 291, Benefits: R3 296 997

\[
\text{BCR} = \frac{\text{Program Benefit}}{\text{Program Cost}} = \frac{R3\ 296\ 997}{R1\ 116\ 291} = 2.95 \text{ (or 2.95:1)}
\]

\[
\text{ROI} = \left( \frac{\text{Net Program Benefits}}{\text{Program Cost}} \right) \times 100 = \frac{R3\ 296\ 997 - R1\ 116\ 291}{R1\ 116\ 291} = \frac{R2\ 180\ 616}{R1\ 116\ 291} \times 100 = 195\%
\]

ROI measures contribution of the impact of training, it sets priorities where the higher the impacts on training and execution the more returns will the organisation benefit. It is focused of results to improve effectiveness in the organisation, which will help the training department and Operations to gain respect on how the processes and results are achieved (Phillips, 2012:24). Other benefits related to a sustainable ROI is decreased employee turnover, positive feedback from customers, reduced expenses due to mistakes, increased sales, decreased comps are all indicators of quality impact; it is also difficult to identify training as a measurable factor (Allen et al., 2006).

The ROI methodology follows four building block selection such as the evaluation framework, which is a balanced score card. Secondly, the process of the model that depicts how the data are collected, processed, analysed and reported to the senior leadership. The model ensures that the appropriate techniques and procedures are consistently used to address any situation. Operating standards is the third building block that allows for replication, and is the guiding principles that should produce the same results even when one or more individuals evaluate a specific program. Lastly, successful applications and practices that describe the implementation process within the organisation (Phillips, 2012:33). In addition,
Phillips’ (2012) ROI methodology elements have been explained in the literature above. He further extends to the characteristics of evaluation levels on which this research focused. Below are the evaluation framework levels (Phillips, 2012:35):

![Evaluation Framework Levels](image)

**Figure 4: Six levels of evaluation (Phillips, 2007:57).**

### 2.4.4 Evaluation Framework

There are six characteristics of evaluation levels that are explained individually in a particular order and they are as follows (Phillips, 2012:34):

#### 2.4.4.1 Reaction, Satisfaction and Planned Action

This measures the satisfaction of programme participants and their plan to apply what they have learnt. While this level is important as a customer satisfaction measure, a favourable reaction does not ensure that the participants/customers have learnt new skills or knowledge.
2.4.4.2 Learning

Learning entails focused on what the participants learn during the particular programme using test, skill practice, role plays, simulations, group evaluation and other assessment tools. A positive measure on this level is no guarantee that what was learnt will be applied on the job.

2.4.4.3 Application and Implementation

Various follow-up methods are used to determine whether the participants applied what they have learned on the job. The frequency and the use of skills are important measures. However, this does not guarantee that there will be positive business impact in the organization.

2.4.4.4 Business Impact

This focuses on the actual results achieved by the participants as they successfully apply what they have learnt. This measure includes output, quality, costs, time and customer satisfaction.

2.4.4.5 Return on Investment

This ultimately measures the level of evaluation; it compares the monetary benefits on the impact of training and the costs of training.

2.4.4.6 Sustainability

Sustainability of training is dependent on all the previous stages. When a manager gets to master a new way of doing things; for example, Solution Focused coaching,
and when s/he gets to use it and finds out it works, then the change happens more naturally.

2.4.8 Barriers to ROI

There are myths behind the implementation and measurement of ROI. There are also actual realities that hinder the realization of ROI from the training and development of managers and leaders in the organisation, these are as follows (Phillips, 2012:22):

- **Cost and Time** - There are additional costs that could stop the implementation in the earlier stages. The cost of training and developing the individual and the time it takes to implement action learning from the participant and the coaching manager.

- **Lack of skills and orientation of the coach, and training consultant** – The understanding of ROI in training and performance improvement. The measurement of the outputs of training is usually not part of the preparation for the job and the training outcomes that are not focusing on the results but rather on the learning outcomes. Therefore, a tremendous barrier to implementation what the managers have learnt is the need of change of the overall orientation, attitude, skill and alignment of the coach and the training consultant to sustain the ROI expected from the managers. The ratio of coach to learner is not adequate or optimal to effect transfer of learning.

- **Fear** – Fear of failure appears in many different ways, facilitators and programme managers may be concerned about the consequences of a negative impact on performance evaluations and ROI, instead of a process of improvement. Traditional fear change often based on unrealistic assumptions.

- **Discipline and Planning** – Keeping the process of track requires a much planning. Scheduled implementation, evaluation targets and ROI analysis plans. Continuation of evaluation through to the restaurants by the operations and training consultants should stay on course through OC performance management programmes and accountability.

- **False assumptions** – Assumptions that the impact of the training programme cannot be accurately calculated. Managers not wanting to see the result of
training and development expressed in monetary values. No expectations of ROI on training and development from the leadership of the organization. No justification of efficiency of the training programme due to the professional competent employees, and therefore, there is no need to justify. The training process is a complex but necessary activity. Therefore, it should not be subjected to an accountability process.

2.5 CHAPTER SUMMARY

The question about determining learning effectiveness shows that there remain a gap between the delivery manner in which learning effectiveness information is provided by institutions and academes (Allen et al., 2006:150). It also shows the way businesses and organizations comprehend, internalize, and perceive the available learning effectiveness information. Business leaders wants to know from the following questions (Burton et al., 2013):

- What are the cost-savings, cost-benefits and cost efficiencies?
- How can they achieve these savings, benefits, and efficiencies without overspending their thin, overstretched, and uncertain budgets?

Associates’ personality, work ethic, past experience, willingness to learn, learning level, interest in duties assigned, and attitude are factors that affect performance, making training and application of skills, knowledge and abilities difficult to adequately measure (Harris 2007:492). However, with the ROI process above, measuring of performance will be determined.

The function of a manager in an organisation is to manage people and processes (Ionescu et al., 2014:297). Therefore, people management relies on skilled managers (McIntyre, 2016). McDonald’s is an organisation that fosters a skills-hungry environment or a learning culture (Manager, 2016). The organisation is also encouraged to engage employees in “out of the box” thinking about what skills are needed and why, which corporate entrepreneurship unpacks in the literature review above, also focusing on creativity that is key for innovative success in skills development. This helps employees embrace new ideas, which could ultimately lead to new business aspects and new ways to make money (McIntyre, 2016).
In a nutshell, WIL is the main source in developing skills, that is, practical application of the learnings from in-service training. However, as mentioned above, the challenge is what the managers are not doing; implementing the theory presented in class. Skills development requires one to rethink the inner organizational structure of the organisation and management that increases efficiency and this factor can lead to enormous savings or ROI. There is a vast knowledge and models that are in the literature review that organisations can use to encourage managers to innovate and explore. Managers who know the skills of their employees are more likely to avoid costly mistakes and errors in strategy.

More benefits are related to WIL from which one can take away. The improvement of communication and proper reporting is one that impacts how organisations implements strategies, a solid work environment throughout the organisation and better decisions are made through creativity, innovation and better understanding the goals of individuals as well as that of the organisation. Work integrations ensure alignment throughout multi-discipline departments where individual and teams are held accountable for the results and impacts positively on the performance of the organisation. Employees develop confidence, morale and motivation are at an all-time high, and there is a noticeable improvement of efficiencies and employee retention. With the learnings for this study, the McDonald’s will realise improvement in RMs levels of creativity and innovation; they will strive to better the restaurant’s business plan results thorough productive coaching from the OC.
CHAPTER 3: EMPIRICAL RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter describes the study approach, research design and the methodology employed in the study. A case study design was applied covering the RMs of McDonald’s as participants in this study. The study employed a qualitative methodology. The concepts analysed include WIL, corporate entrepreneurship and the outcomes-based of ROI. The researcher also provides a description and analysis of how trustworthy is the quality of the evidence and how well was that maintained in the study. This chapter concludes with an explanation of how ethical considerations were addressed.

3.2 RESEARCH DESIGN

Research design is a plan on how the researcher will obtain research participants to collect data from them (Welman et al., 2005:52). Furthermore, (Yin, 2003) defines the case study research design as “the empirical inquiry design that investigates contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used.”

3.2.1 Research Approach

This research followed a qualitative method. Qualitative research is an in-depth scrutiny of the problem or event that is happening. It is also known as a research method that looks at the processes or systems executed within an organisation (De Vos et al., 2005:269-272). Qualitative research is descriptive form of research because of groups, small communities and organisations (Welman et al., 2005:188)
The study also followed epistemology as the theory of knowledge. In this research, aspects that encompasses the theory of learning is identified in Kolb’s circle of learning diagram to foster deeper learning. Theories of Work Integrated Learning (WIL) or teaching and learning (Tsai & Lee, 2006:67).

### 3.3 RESEARCH METHODOLOGY AND TECHNIQUES

The different approaches originates from ethnographic methods which are described as an essential descriptive design used in investigations among individuals of groups within a community or organisation (Welman et al., 2005:193). Ethnography or collecting field notes is focused on behavioural regularities of everyday situations. The author further highlighted that the primary goal of collecting field notes is to uncover ways in which people in particular settings come to understand, account for, take action and manage situations, problems and difficulties they encounter based in the interviews. Focused groups are described as group in depth interviews will be the method used to gather information and data (Welman et al., 2005:203).

The use of focus group interviews for this study has relevance in that the participants neither reside nor do they work in one location. It is the organisation culture that every RM should be focusing on their restaurants and on results, engaging with their employees and customers.

### 3.4 DATA COLLECTING METHODS

This study employed the primary data collection method. Primary data is the original data collected by the researcher for the purpose of the study on hand (Welman et al., 2005:149), which is the improvement of WIL through corporate entrepreneurship to enhance ROI. The researcher was cognisant of the following advantages of focused groups (Welman et al., 2005:203):

- Focus groups provides source of information that can be obtained rapidly and it is cost effective, and a wider range of participants can be selected
• The researcher communicates directly with the participants which allows for clarifying questions and elaboration on answers immediately;

• Focus groups enable the participants to share their opinions and experiences in a way that a consensus of opinion regarding the problem could be reached; this will also give birth to new ideas;

• A use of teleconferencing can be used for participants who are in other regions; and

• The administering of the questionnaires corresponds with the interview as far as the interviewer is concerned.

The unstructured interviews will be conducted by the researcher as the interviews are employed in qualitative or explorative form of research (Welman et al., 2005:197), this is also referred to as in-depth interviews.

3.5 SAMPLING

A population includes the entire collection of unit of analysis which are affected by the research study; it is indicated by “N” (Welman et al., 2005:52). The authors argue that it is impossible to conduct research on a population from a practical point of view and he therefore had to rely on a smaller population called a sample indicated using “n”. Sampling can be defined as the deliberate selection of a number of participants, who are to provide the researcher with data from which the researcher will draw conclusions about a large group, population, whom these people represent (Jankowicz, 2005).

3.5.1 Sampling Size, type and technique

This study is focused on probability sampling because the research can determine the probability that any member of the population will be included in the sample (Welman et al., 2005:57). The population in this research includes the employees in the following departments: Training and Development, Talent and the Operations departments in the organizations. In addition, all the RMs and the OCs are the target
audience in the nine provinces of South Africa. A purposive cluster sample was taken from Gauteng Province, which included the facilitators in the province. The study focused more on the Gauteng and Tshwane RMs to analyse why the company is not achieving the ROI, with the emphasis the organisation is putting in to up-skilling the restaurant managers to run effective and efficient business operations.

In cluster sampling, fewer locations are visited with 5 or more individuals in a group (Welman et al., 2005:67). The author indicated saving of time and cost compared to other sampling and on the contrary, the cluster sampling may lead to biased samples.

The research was conducted in the corporate owned restaurants only, because the bulk of the inefficiencies are cropping up in the restaurants identified. The total number of restaurants in South Africa is 244 where 55% are corporate owned and 45% belong to individual franchisees operating an average of two to three restaurants. The number of participants who were interviewed was 50.

3.6 DATA ANALYSIS

The data of the questionnaire was analysed, although it was expected not to yield valid and reliable results due to the small sample size. To confirm this, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was employed. Sampling adequacy for statistical analysis is measured by the Kaiser-Meyer-Olkin measure of sampling adequacy, where a value of lower than 0.6 is inadequate for statistical analysis. The KMO measure of sampling adequacy for this questionnaire has a value of 0.425, supporting the view that the sample might be too small for proper statistical analysis. Hence any attempt to do advanced statistical analysis other than correlations and regressions was discarded. Therefore, the decision was made to just use qualitative analysis techniques on the responses of the respondents.

The analysis is a statistical technique which helps to investigate variables and their effect, relationship, and patterns of involvement within the world (Welman et al., 2005:211). According to Welman (2005), the in-depth unstructured group interviews method will be used in an approach such as ethnographic research as well as observations. Following that, content analysis of historical and personal documents,
open-ended questions as well as unstructured interviews will be discussed. The author further stated that the challenge is to reduce the huge amount of data to understandable text using words other than numbers. The coding of data was used to process the data and to make sense of the data being collected (Welman et al., 2005:215).

3.7 VALIDITY AND RELIABILITY

The validity and reliability of the research data and instrument was achieved by analysing each item with the allocated academic supervisor. According to (De Vos et al., 2005:160), validity is the extent to which an empirical measures accurately reflects the concept it intended to measure; it also represents the truthfulness of findings. Reliability is the stability and consistency of the measurement of findings; it is concerned with how well it is measured because the more reliable the instruments to measure and observe, the more consistent and dependable the results (De Vos et al., 2005:163). The data were collected and assessed for content affirmation and consistency alignment with research objectives.

3.8 ETHICAL CONSIDERATIONS

To ensure confidentiality, the following steps were taken into consideration:

- Consent forms were signed by senior management after they had been made aware of the objectives of the study (see Appendix A outlining consent from the CEO;
- The study was carried out during working hours, and great care was taken to avoid interrupting colleague’s duties;
- The identification of respondents was private and confidential and remains so. Any shared information was solely for the purpose of this study and not to be disclosed to third parties; and
- Responses and results from the data collection process were not linked back to the clients (see letter to participants attached in Appendix B).
3.9 MEASURING INSTRUMENTS

The questionnaire that was used was compiled from various validated questionnaires and adapted for this study. A biograph included a 28 point questionnaire which was developed to gather information about the demographical characteristics of the participants. Information gathered included age, gender, race, education, and number of years employed. The questionnaires are attached on Annexure J. The numbers of questions addressed in each of the variables of the topic were as follows: 8 on WIL, 13 on Corporate Entrepreneurship and 7 on ROI.

3.10 PROCEDURE

3.10.1 Preliminary Arrangements

Permission to use the company for this study was requested and obtained from the CEO (see addressed letter on Appendix A). General Managers including the Operations Managers where consulted through emails and phone calls, for cooperation to conduct the questionnaires. A detailed schedule indicating the date, time and venue of the focused group interview was communicated through email, SMS’s and phone calls. Regular update via SMS was conducted to remind the respondents of the group meetings. The findings will be given to respondents who indicated that this was what they required. It will also be provided to the management and the Human Capital Department of McDonalds SA.

3.10.2 Administration of the measuring instruments

A personal letter was addressed to each respondent stating the purpose of the study with the purpose of encouraging employees to understand the purpose of the study, to kindly ask for their assistance and to motivate them to complete the questionnaire. The personal letter also explained the auspices and the context under which the WIL was investigated. The letter also assured the respondent that the information will be
kept confidential. The researcher took full responsibility for the administration of the questionnaires and helped with any queries the respondents had.

3.10.3 Data capturing and feedback

The results of the questionnaire were not used for statistical analysis, but to guide the researcher to extract narrative information from the respondents. The groups were formulated based on the respondents’ position and their engagement levels, that is, the RMs whose personalities are strong expressing their opinions verses those who are quiet reserved. The phases in conducting the interview were orderly started with the researcher introducing the topic to the focused group. The rules were set to indicate that one person should speak at a time and each respondent in turn was allowed to make an opening statement regarding their experience on the topic. Throughout the interview, the researcher guided the group and lastly the respondents were allowed to give the final statements that may not be challenged (Welman et al., 2005:202).

After the group interviews, data were captured in an MS Excel spreadsheet to facilitate the themes and patterns identified. Additional feedback on the questionnaires asked during the interview was recorded per group per question, focusing on feedback to the questions which were rated “Strongly Disagree” and “Disagree”. The researcher transcribed the feedback information from the respondents as is (including language mistakes, etc.), and then sorted the information in terms of the issue that the comments refer to. The information was then extracted into main issues from the transcription, and the researcher used to determine the conclusions and recommendations of the study.

3.11 CHAPTER SUMMARY

This chapter has outlined the research process that was used in this study. It has justified the choice of methodology as well as the sampling procedures to be employed in this study. The final sample of cases included for the declined and approved applicants were clearly justified. The next chapter presents the analysis and findings of the research.
CHAPTER 4: DATA ANALYSIS AND PRESENTATION

4.1 INTRODUCTION

In this chapter, the researcher analyzed and presented the data from the questionnaires conducted during the focused group interviews with 37 respondents, who were grouped in numbers of four (4) and six (6). However, the data did not warrant techniques like correlations or regressions, as originally intended by the researcher.

Quantitative methods were used to analyse quantitative data by means of content analysis which aimed to provide the descriptive explanatory framework. The findings of each of the data sets were explained and analysed drawing from the relevant and salient points, concepts and trends highlighted in the literature review chapter.

4.2 BIOGRAPHICAL QUESTIONNAIRE

Biographical information included the age group, time in position as an RM, duration of employment, academic qualification, number of employees under the RM and the last course the RM attended from the in-house training courses.

A total of 37 individuals took part in the group interviews scheduled over five days, which represents 77% response rate.

The table below describes the highest age group sample as between 36 and 45 which is 27 (72.92%) followed by the two age groups of 26-35 and 46 – 50 tying at 5% each. There are no persons under the age of 18 years and over the age of 60 years.

The majority of the respondents who are in RM position for a longer period are 4–6 years at 43.24% followed by those with 7–9 years at 27%, the rest are showing a 16.22 and 13.51 in years between 1–3 and 10-12 years respectively.
Regarding qualification, majority (62.16%) of the respondents have matric as the highest academic qualification. Conversely, 32.43% of the respondents have a diploma while the minority (5.41%) have a technikon qualification.

Table 2: Biographical Profile of the Respondents

<table>
<thead>
<tr>
<th>ITEM</th>
<th>CODE</th>
<th>CATEGORY</th>
<th>FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age Group (years)</td>
<td>1</td>
<td>18-25</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>26-35</td>
<td>5</td>
<td>13.51</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>36-45</td>
<td>27</td>
<td>72.97</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>46-50</td>
<td>5</td>
<td>13.51</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>51-60</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>Indicate time in position in years(RM)</td>
<td>1</td>
<td>1 - 3</td>
<td>6</td>
<td>16.22</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>4 - 6</td>
<td>16</td>
<td>43.24</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>7 - 9</td>
<td>10</td>
<td>27.03</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>10 - 12</td>
<td>5</td>
<td>13.51</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>13 or more</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>Duration of Employment (years)</td>
<td>1</td>
<td>1 - 5</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>6 - 10</td>
<td>5</td>
<td>13.51</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>11 - 15</td>
<td>8</td>
<td>21.62</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>16 - 20</td>
<td>16</td>
<td>43.24</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>20 and more</td>
<td>8</td>
<td>21.62</td>
</tr>
<tr>
<td>Academic Qualification</td>
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<td>Matric</td>
<td>23</td>
<td>62.16</td>
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<tr>
<td></td>
<td>2</td>
<td>Diploma (Technical College or Technicon)</td>
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<td>32.43</td>
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<tr>
<td></td>
<td>3</td>
<td>Degree</td>
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<td>5.41</td>
</tr>
<tr>
<td>Employees reporting to RM</td>
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<td>Under 30</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>31-40</td>
<td>5</td>
<td>13.51</td>
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<tr>
<td></td>
<td>3</td>
<td>41-50</td>
<td>9</td>
<td>24.32</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>51-60</td>
<td>11</td>
<td>29.73</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>61 and more</td>
<td>12</td>
<td>32.43</td>
</tr>
<tr>
<td>Last course you attended in McD</td>
<td>1</td>
<td>EMP</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>RLP</td>
<td>13</td>
<td>35.14</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>BLP and recycled</td>
<td>22</td>
<td>59.46</td>
</tr>
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<td></td>
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<td>NQF4</td>
<td>2</td>
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<td>5</td>
<td>NQF5</td>
<td>0</td>
<td>0.00</td>
</tr>
</tbody>
</table>

After the analysis of the data, several themes where highlighted where the respondents disagreed and strongly disagree with the questions asked.

The in-house courses were rated as vital and relevant looking at the feedback from the participants. The participants experienced the course as valuable because they have seen improvement in decisions making, and they can drive their restaurant’s business results. The feedback also acknowledges a strong mentorship programme in the organisation which RMcs can use.
Table 3: Questionnaire Indicators

<table>
<thead>
<tr>
<th>QUESTIONS</th>
<th>Avg</th>
</tr>
</thead>
<tbody>
<tr>
<td>The last course I attended is valuable (ROI/ROE)?</td>
<td>3.6</td>
</tr>
<tr>
<td>The last course I attended helped me to communicate effectively (WIL)?</td>
<td>3.5</td>
</tr>
<tr>
<td>The last course I attended helped me to drive business performance (ROI/ROE)?</td>
<td>3.6</td>
</tr>
<tr>
<td>The course attended helps me to meet my career goals (WIL)?</td>
<td>3.3</td>
</tr>
<tr>
<td>My decision making skills has improved since I attended my last course (WIL)?</td>
<td>3.8</td>
</tr>
<tr>
<td>I know who to go to if I struggle to achieve my post class action plan (WIL)</td>
<td>3.8</td>
</tr>
<tr>
<td>RM is recognised for the achievement of action plan set from the course (ROI/ROE)?</td>
<td>2.8</td>
</tr>
<tr>
<td>I use action plans to a sets the foundation to improve business results (ROI/ROE)</td>
<td>3.5</td>
</tr>
<tr>
<td>The last course attended is relevant to help me impact the business results (ROI/ROE)?</td>
<td>3.5</td>
</tr>
<tr>
<td>RM is able to resolve issues that are internal and externally customer related (ROI/ROE)?</td>
<td>3.7</td>
</tr>
<tr>
<td>The work environment encourages development of networking amongst peer RMs (CE)?</td>
<td>3.6</td>
</tr>
<tr>
<td>There are mentors in the organisation to guide me in my career (WIL)?</td>
<td>3.5</td>
</tr>
<tr>
<td>I became a RM because someone coached me through my development (CE)?</td>
<td>3.9</td>
</tr>
<tr>
<td>The work environment encourages networking with other RMs (CE)</td>
<td>3.7</td>
</tr>
<tr>
<td>The work environment encourages networking with other OCs (CE)</td>
<td>2.6</td>
</tr>
<tr>
<td>The company encourages an entrepreneurial thinking environment (CE)?</td>
<td>3.2</td>
</tr>
<tr>
<td>The work environment encourages creativity and innovation (CE)?</td>
<td>2.6</td>
</tr>
<tr>
<td>There are other different ways to achieve business results (CE)</td>
<td>3.2</td>
</tr>
<tr>
<td>The work environment allows for implementation of what was learnt on the course in the restaurant</td>
<td>3.4</td>
</tr>
<tr>
<td>The environment allows for making mistakes (CE)?</td>
<td>2.6</td>
</tr>
<tr>
<td>The environment is conducive to learn from mistakes done (CE)?</td>
<td>3.0</td>
</tr>
<tr>
<td>I am given additional reading material to complete my course (CE)?</td>
<td>2.8</td>
</tr>
<tr>
<td>The course was relevant to my needs to run my business effectively (ROI/ROE)</td>
<td>3.7</td>
</tr>
<tr>
<td>I was able to ask for assistance from my manager to complete my PCAP (WIL)</td>
<td>2.9</td>
</tr>
<tr>
<td>I’m able to test or apply my learnings (WIL)</td>
<td>3.4</td>
</tr>
<tr>
<td>My manager coaches me every time he/s visits my restaurant (WIL)</td>
<td>3.2</td>
</tr>
<tr>
<td>I’m able to think differently about a problem after talking to someone about it (CE)?</td>
<td>3.6</td>
</tr>
<tr>
<td>Talking about my work and the course attended helps me to identify better or improved solution (CE)</td>
<td>3.8</td>
</tr>
</tbody>
</table>

4.2.1 Presentation

Regarding WIL, themes that came across from the respondents, pointed to the poor shoulder-to-shoulder coaching, ineffective time management, lack of trust from a knowledge perspective and inadequate feedback given during the implementation of what was learnt in the course. Typical responses were as follows:

- There is no interest from my manager on whether the goals and objectives were achieved or not, and how they were achieved;
• Lack of knowledge and time from my manager and the respondents will not ask for assistance from them and they will go to someone who is knowledgeable;

• Manager gossiping about restaurant performance issues with other restaurant managers; and

• The completion of the post class action plan is for formalities and not so much so to impacting application of knowledge and return on investment.

The view expressed under corporate entrepreneurship had the most number of questions at 13. Majority of the questions in this area scored significantly below the average.

Regarding CE, the themes highlighted trust and lack of support in networking among the RM, which is not encouraged in the organisation. Issues like broken relationship between the RM and OC and poor communication also came out strongly as barriers for the RMs to trust the OCs and the organisation. Lack of empowerment, poor delegation, and the fear of being punished or even lose their jobs when they make mistakes. RM is not interested and encouraged to read books to upskill themselves and improve their knowledge to effectively impact their business result. Some reported a feeling of intimidation when the restaurant manager is found networking with other consultants. No formal mentoring programmes for restaurant managers. Other issues were highlighted like:

• The RMs are afraid to delegate as they are held accountable for the mistakes of their subordinates;

• McD standardised systems also stifle creativity and innovation as the company’s strength and successes are based on selling a standard franchise systems;

• This system is not necessarily open for RMs to act and think innovatively and creatively;

• The managers are not allowed to network with other line managers;

• There is all this red tape. Company does not trust me with taking risks;
• Fear of authority, making mistakes is career limiting moves; and

• Interruptions which affects their focus. There are too many activities that should be implemented in the restaurant which makes the projects unmanageable.

Regarding ROI/ROE, the lack of recognition and reward came out strong, and this should be improved. Inadequate time is spent for people development and coaching because the OC is not knowledgeable to support the RM. Sharing of information and knowledge is also one of the challenges. Some of the responses were as follows:

• There is no support while they are attending course, in a form of back up administrator;

• The course activities should have more case studies for the RMs to have a practical understanding of running a business; and

• The post class action plan is sometimes not aligned with the restaurant objectives.

4.3 DISCUSSION OF DEGREE TO WHICH RESEARCH OBJECTIVES WERE MET

The aim of this study was the improvement of WIL through corporate entrepreneurship to enhance ROI. The main and secondary objectives were implemented to achieve the research. Because the research method used was qualitative, this method must be a convincing argument systematically presenting data to support the researcher’s case and to refute alternative explanations (Liamputtong, 2010:316)

To answer the main objective of whether McDonald’s SA’s WIL programme really results in an improved ROI for the organisation, it came out that the programmes cater for the restaurant managers to learn the knowledge of the McDonald’s systems which are researched systematically to educate them. However, the application of such systems requires constant involvement from line managers in collaboration with the training department.
In the four secondary objectives, the initial one talk to identifying potential benefits of a WIL programme through a literature study, the strategy analysis tools which involves learning through participation was highlighted and used in the questionnaires to specifically focus on hard and soft skills. The research confirmed that almost all of the respondents strongly agreed that there are benefits that the organisation is focusing on to enhance their skills.

The second objective of the study was to explore the reasons why some RMs finds it difficult to implement what they have learnt during and after the in-house training. The corporate entrepreneurship had the most questions and opportunities highlighted by the respondents. The organisation is challenged in fostering an entrepreneurial environment. The thinking agility from the restaurant manager ability perspective was low. This encompasses the crucial creativity and innovation aspect of entrepreneur characteristics. In the analysis using the Excel coded recorded scores, the researcher also calculated the Pearson correlation coefficients with regard to the individual responses to the questions to analyse the impact of entrepreneurship to ROI which confirmed that intervention of corporate entrepreneurship has a positive impact on ROI.

The third objective, that is, to recommend a proper shoulder-to-shoulder coaching methods, to enhance the application of the learning in the restaurant, and improve the level of corporate entrepreneurship in the organisation was answered. The literature review highlighted encouragement of key behavioural aspects of entrepreneurship as an intervention because most of the respondents cited the issues as lacking in the organisation. These key behaviours include networking, behaviour, out of the box thinking, initiative, taking charge, championing, wilful behaviour, finding a way, getting the job done and some degree of risk taking are some of the initiatives that leadership in the organisation can foster (Corbett et al., 2013:819). Mentorship programmes and the utilization of the entrepreneurial model depicted in the literature review together with the cultivation of entrepreneurship within an organization cited by Brizek where areas found to be lacking in the organisation.
The last objective was to suggest a framework for WIL that will lead to improved ROI. Based on the results from the analysis, recommendations will be made using the guidelines in the study.

4.4 CHAPTER SUMMARY

In this chapter, the results of the imperial research are discussed based on the qualitative analysis findings. Highlighting on the themes and patterns from the interviews was consolidated to evaluate data. The objectives of the study were addressed and recommendations and conclusions will be made in the following chapter.
CHAPTER 5: CONCLUSIONS, RECOMMENDATIONS AND LIMITATIONS

5.1 INTRODUCTION

In this chapter, the researcher focuses on the following:

- Conclusions and the results obtained from the empirical study;
- Recommendations to the McDonald’s organisations; and
- The limitations of the study.

5.2 CONCLUSIONS

The research study conclusion was based on the theoretical objectives and the empirical study.

The conclusion regarding the explanation to understand the challenges around the restaurant performances not improving despite the order and systematic educational and practical training conducted by the training department was explored and conceptualized from the literature review. The purpose of this study was also to understand the central concept of WIL regarding how it impacts on RMs’ ability to become the entrepreneur. This study was designed with the end in mind of realizing the efficiency of ROI because leadership is the most common application of ROI (Phillips, 2012:xii). The author further states that ROI needs to be looked at from activity based process to results based process, this is underpinned by “When it’s done properly, it cannot fail” (Kirkpatrick & Kirkpatrick, 2011:61). Based on the literature review, ROI is commonly known as a financial term which looks at profits and return. Return on expectations (ROE) classifies the return on training and development as results achieved after training, said the author.

Companies enhance the employee’s knowledge applicative and creative capability through the completion of a learning cycle process, and the importance of the first areas which describe the “know why” and “care why” (Tsai & Lee, 2006:67). The
process to a certain degree addressed the main objective in the study that aims to understand if the company’s WIL programmes are impacting ROI. The internalization of management knowledge expresses that bridging the gap between theory and practice should result in managers being able to solve problems using the skills acquired (Tsai & Lee, 2006:57). Looking at the research study, there are opportunities in the training and application areas which lacks planning and execution of the training process. The opportunities should question why are managers trained and what is expected from them when they complete the training, and the extent to which the business realizes the positive outcomes of intended training and the sustainability of the process to achieve the objective. There is an expectation in general that WIL could impact business results. Researchers such as Jack Phillips have concluded that “when you invest and develop managers, and quantify the return on investment, the level of accountability and ownership has increased including the levels of efficiency.”

Employee who receives attention and support in terms of learning, application and coaching will more than likely implement the organisation’s strategy with ease and efficiency (Fink, 2012). We have also heard during the interview that lack support was a major aspect in achieving the objectives using the post class action plan tool. Coaching from manager was highlighted as a need as it relates to questions asked during the interview. The OC needs to have interest in what the RM is working on to improve business results.

One of the benefits of WIL requires commitment from all stakeholders and a believer in positive outcomes (Keating, 2012:94). The objective in this study aimed to identify those potential benefits where junior managers had to be mentored by the senior managers and executive leadership of the organization. It in turn enhances the relationship between senior leadership and the managers in the restaurants. Thorough and consistent follow-up in a form of coaching from the consultants is imperative; the need in the organization that sets realistic and measurable goals, a restaurant management team that works towards goals that are aligned with the company strategy and meets customers’ needs and satisfaction. However, the RMs does not see their operations consultant as the go to person in terms of helping and assisting them to achieve their objectives. This also received an unfavourable score from the RM interviews, where they doubt and question the OC’s knowledge on a
particular subject. This is fuelled by the trust relationship that is non-existent between the RM and the OC.

In terms of the impact of corporate entrepreneurial activities on successful company performance, there are organizational factors that can promote or impede on these activities. These are internal organizational factors such as: the company’s incentive and control systems, organizational structure and managerial support (Hornsby et al., 2002:259). To encourage and empower managers is seen as an employee satisfaction criteria, which if consistently demonstrated, the employees with perform to their full potential.

The reasons why some RM find it difficult to implement what they have learnt during and after the in-house training was the other objective which was not popular during the interviews. The environment in the organization has shown that networking is discouraged to some extent, whether among peer RM or OCs. The respondents disagreed that the organisation encourages entrepreneurial thinking. The environment is not conducive for managers to express and explore their leadership and decision making abilities without the feeling of intimidation.

Creativity and innovation is presented on a smaller scale due to the rigid systems of McDonald’s which in greater lengths stifle the development of entrepreneurs in the organization. McDonald’s success is built on consistent process and systematic models of franchising. Therefore, all the employees and the owner operators are discouraged from implementing anything that is outside the system’s procedures. RMs also work in fear of losing jobs as making mistakes and learning from them are punishable transgressions, and the pressure of doing everything, not working through the junior managers, delegating tasks and holding the management team accountable at restaurant level is not exercised. The culture of reading and improvement of knowledge has taken a back seat because the OCs and RMs are not confident in coaching and being subject matter expert. This has received a low score.

According to Michael Brizek, corporate entrepreneurship is an activity to enhance a company’s ability to innovate and take risks. The appetite to take risk in the organizations has been suffocated. Thus, managers are afraid to even take
calculated risks where the impact is minimal. This supresses' creativity and thinking out of the box and change becomes stressful and difficult for employees who are confined to following processes and not challenge the status quo. However, there is more that the leadership of this organization can do to reverse this mentality, expose the RMs to a high performing culture that will impact efficiency and profitability. Therefore, the organization should educate its management workforce.

The second last objective was recommending proper shoulder-to-shoulder coaching methods to enhance the application of the learning in the restaurant. To answer this objective, the results have shown that RMs are not entirely familiar with mentoring aspects and if coaching is neglected, that will have a ripple effect on the organisation’s results and the future prospects of McDonald’s in the industry and economy of the country.

Lastly, the objective of suggesting a WIL framework that will positively impact ROI was also achieved. Overall, most of the executives recognise the need for training and investing in people development and feel that there is value in training. The value associated with training is in productivity improvement, quality enhancements, cost reductions and time savings (Phillips, 2012:2). To answer the objective, it is the responsibility of the manager to enforce a form of pay back in return for the education and training the individual completed. With the same sentiment, RMs and OCs have to follow-up and ensure the objectives together with the post class action plans are implemented and measured. Sustainability in achieving objectives has the potential to meet and exceed the restaurant business plan.

5.3 RECOMMENDATIONS

Recommendations pertaining to the results of this research study will be made in this section. The researcher recognised the systems that the organisation has in place; this is the success of the McDonald’s brand globally. The opportunities found are mainly to recommend and suggest on areas that need improvement based on the objectives of the study and the questionnaires.

The organization has strong WIL programmes which focus on people development and the impact they have on the four aspects of the business plan and the
organisation strategy. These programmes are presented during the in-house training course with outcomes that are expected to yield outputs required.

OCs and RMs should enhance their two-way communication, and enhance training to increase their knowledge and skill. Based on the findings of the study, the following recommendations are:

- Building trust between the OC and the RM where both parties’ interest are the success of the organization;
- Establish reward mechanisms in which good job performance is rewarded through various financial and non-financial incentives;
- Enhancing a strong performance management system which holds restaurant managers; and their juniors accountable for the goals set and results; and
- Keep the RM motivated and engaged looking at the number years they work for the organization (Boikanyo, 2012:80).

Included in the performance management system, should be an objective that talks to reading of leadership and business books and case studies.

For optimum results, the organisation should foster coaching and follow-up on post class action plans, which the RM should apply and implement what they have learnt at the course in the restaurant. Monetary value should be placed as an outcome of the objective to be achieved; this will hold the managers accountable to deliver ROI of the training course they attended. The literature review gave an example of working out ROI in training and performance improvement programmes (Phillips, 2012:197-200). Kirkpatrick model is a guideline on how the evaluation process will be using the four levels, namely; Level 1 Reaction evaluates how participants respond to the training. Level 2 Learning measures if they actually learned the material. Level 3 Behaviour considers if they are using what they learned on the job, and Level 4 Results evaluate if the training positively impacted the organization (Kirkpatrick & Kirkpatrick, 2011:64).

To build a distinctive corporate entrepreneurship culture, the organisation needs to enhance mentorship coupled with apprenticeship programmes for the new RMs. This is a 10 years or more programme which will help the individuals to acquire networks,
skills and the ability to recognize business patterns. The programme will build their confidence in controlling and problem solving - monitoring results versus plan in detail, identifying deviations and plan to resolve these problems, delegating responsibilities and authority to carry out the plan (Timmons & Spinelli, 2008:36).

The culture should allow creativity from managers to meet customer’s needs. Best creative and innovative ideas should be shared among other RMs, and the organization should make provision for risk taken to empower RMs. Not all ideas will be winners, but RMs will learn from experiments and bet on people capabilities develop and sustain entrepreneurship (Ramachandran et al., 2006:14-15). The author’s further postulate that the role of the top leadership team in companies that pursue an entrepreneurial strategy is to build an organisational setting that stimulates exchange of information between individuals and develop a culture that encourages innovation.

Future research could consider using the same questionnaires for the OCs, analysing their relationship with their line manager. Laterally conducting the same study on the OCs in order to evaluate the impact the study will have on the RM and business performance. The other area to be considered for future research is a level below the RM, that is, the 1st assistant managers in the restaurants. In which case the research would come a full circle of understanding the correlation between the two levels (level above RM and level below RM).

5.4 CHAPTER SUMMARY

The chapter concluded the research study, whereby objectives and theoretical empirical study was made. Conclusions were discussed and recommendations were suggested for the organization in which the research study took place. This chapter also included the limitations for future research and the objectives of the study were met.
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Annexure A

RESTAURANT ORGANOGRAM STRUCTURE

Restaurant Manager (RLP)

First Assistant Manager (EMP)

Second Assistant Manager (ASM)

Shift Manager (SMX)
Shift Manager (SMX)
Shift Manager (SMX)
Shift Manager (SMX)

Crew Trainer
Crew Trainer
Crew Trainer
Crew Trainer
Crew Trainer

40 x Crew
Annexure D

Objective One:
Beginning January 15th and ending March 15th, will increase the number of Crew from 50% to 70% as measured by employee listing.

Objective Two:
Beginning March 1st and ending May 1st will SOC verify all Crew on 2 stations as measured by SOC tracking.

Objective Three:
Beginning March 1st and ending June 1st will ensure 50% of Crew receive a performance review as measured by the crews rating.
Objective

- Beginning __________ and ending __________ I will ensure ____ Crew receive a performance review as measured Daily Training Schedule (Performance Review) Report.

Potential Actions

<table>
<thead>
<tr>
<th>Task</th>
<th>Who</th>
<th>Resources</th>
<th>Begin</th>
<th>End</th>
<th>Follow up</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is going to be done?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Who will complete the task?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>What materials will be needed?</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>When will it be started?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>When will it be finished?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date to check that task is complete.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Develop schedule for performance reviews with the Training Manager

Enter Performance Reviews (already completed) into (Employee Master File) so that you can report on completion

Provide the schedule to the rostering Manager to ensure Crew are rostered on dates of review

Display review dates and schedule in crew room in advance

Obtain information from all Managers and review Crew files and write reviews

Ensure all Crew rated as ‘Needs Improvement’ have development plans in place

Conduct and document reviews

File reviews and sign off tracking sheet

If need be, schedule further time for crew requiring follow up performance review

Identify and communicate next performance review date

Enter review results into Employee Master File

Follow up on completion
## Training and Coaching Cost

<table>
<thead>
<tr>
<th>Course/material detail</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Needs assessment/Development</td>
<td>R 900</td>
</tr>
<tr>
<td>Starter pack (Pocket Reference Guides etc.)</td>
<td>R 1 750</td>
</tr>
<tr>
<td>Travel Costs</td>
<td>R 3 000</td>
</tr>
<tr>
<td>Training Consultant Time</td>
<td>R 16 000</td>
</tr>
<tr>
<td>Administrative Support and Overhead</td>
<td>R 7 000</td>
</tr>
<tr>
<td><strong>SMX</strong></td>
<td></td>
</tr>
<tr>
<td>SMX course material</td>
<td>R 1 200</td>
</tr>
<tr>
<td><strong>ASM (including course material)</strong></td>
<td>R 2 445</td>
</tr>
<tr>
<td><strong>EMP (including course material)</strong></td>
<td>R 2 100</td>
</tr>
<tr>
<td><strong>RLP</strong></td>
<td></td>
</tr>
<tr>
<td>RLP course material</td>
<td>R 350</td>
</tr>
<tr>
<td>First aid (mandatory)</td>
<td>R 1 100</td>
</tr>
<tr>
<td>Security (mandatory)</td>
<td>R 1 100</td>
</tr>
<tr>
<td><strong>TOTAL TRAINING COST</strong></td>
<td><strong>R 49 595</strong></td>
</tr>
</tbody>
</table>
Annexure F

Assessing Potential

Two key attributes are used to assess an individual’s potential: Learning Orientation & Desire to Lead. Individuals are assessed against the extent to which they exhibit the behaviors described below.

Learning Orientation

Ability and willingness to learn, change, and gain from life experiences, and to apply learning effectively across quite different situations.

EXPECTED BEHAVIORS

Quest for Self-Development
- Seeks feedback from multiple sources (e.g., peers, customers, subordinates) and acts on it
- Asks questions in a way that shows a genuine curiosity and desire to learn
- Proactively advances his/her knowledge and capabilities through a robust IDP
- Reflects on experiences and applies lessons to future experiences

Thinking Agility
- Adapts quickly and easily to new or changing conditions
- Identifies patterns/trends and applies them to new or unfamiliar situations
- Learns from mistakes; does not make the same mistake twice
- Experiments with new ideas or approaches to determine what works best

Cultivates a Learning Environment
- Brings out the best thinking in others
- Encourages others to experiment with new ideas
- Respectfully challenges others to think in unconventional or unprecedented ways
- Shares ideas and best practices (i.e., with other parts of the organization) that make the system incrementally stronger

CONTRARY BEHAVIORS

- Reacts defensively to feedback
- Is unaware of his/her own development needs (i.e., has significant “blind spots” despite being given clear feedback)
- Demonstrates over-confidence in his/her knowledge or abilities
- Fails to apply information broadly or to new experiences
- Becomes overwhelmed by complexity or ambiguity
- Resists new ideas or approaches
- Prefers to think and act in standard ways, consistent with what has been done in the past (e.g., “this is how we’ve always done it”)

QUESTIONS FOR ASSESSING

- How quickly does he/she learn how to perform and excel in first-time situations?
- How does he/she respond under pressure when dealing with ambiguity?
- Has he/she been effective across different groups/leaders?
- Does he/she approach problems the same way or use a fresh point of view?
- Does he/she make others smarter with his/her thinking?
- Does he/she help others solve problems?
- Is he/she a “go to” person for ideas, even on topics outside of his/her area of expertise?
### Key Performance Initiatives

<table>
<thead>
<tr>
<th>Issue</th>
<th>Deliver an Exceptional Restaurant Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mission</strong></td>
<td>To put the “V” back into QSC</td>
</tr>
<tr>
<td><strong>Strategy</strong></td>
<td><strong>Capacity</strong> Grow sales and Guest Counts</td>
</tr>
<tr>
<td><strong>Tactic</strong></td>
<td></td>
</tr>
<tr>
<td>• Max the Peak</td>
<td>• Talent Management</td>
</tr>
<tr>
<td>• DT Turbo Charge</td>
<td>• Hospitality Ambassadors</td>
</tr>
<tr>
<td>• ROIP Optimization IPUR &amp; 80% or more pass QSC</td>
<td>• Manager Trainee Program</td>
</tr>
<tr>
<td>• Grand Openings, Open Doors</td>
<td>• PDS / IDP Goals</td>
</tr>
<tr>
<td>• NABIT Execution</td>
<td>• SMX Course Roll Out</td>
</tr>
</tbody>
</table>

<p>| <strong>Measure</strong> | Operations Score-card |</p>
<table>
<thead>
<tr>
<th></th>
<th>Trailing Twelve Month (TTM) 06/2015 Volume Restaurants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>O/O Best In Class %</td>
</tr>
<tr>
<td>NET PRODUCT SALES</td>
<td>100</td>
</tr>
<tr>
<td>GROSS PROFIT</td>
<td>58.41</td>
</tr>
<tr>
<td>TOTAL CONTROLLABLE COSTS</td>
<td>27.13</td>
</tr>
<tr>
<td>PROFIT AFTER CONTROLLABLES</td>
<td>31.27</td>
</tr>
</tbody>
</table>
APPENDIX A

CONFIDENTIAL

To: CEO and/or COO
McDonald’s South Africa

Re: Request for permission to conduct an Academic Research Study using McDonald’s South Africa (MSA) Employees and information as partial fulfillment of MBA studies

I am a registered final year MBA student in the Potchefstroom Business School at the North West University. I’m currently conducting a research project for a dissertation and the title is “To Improve Work-integrated Learning through Corporate Entrepreneurial skills to enhance Return on Investment”

I hereby request permission to conduct the study using McDonald’s employees (Restaurant Managers and some Operations Consultants). The research will be done using a set of questionnaires, and once the data is collected it will be analysed to address the issue at hand. A random selection of employees will be done and interviewed by me with the guidance of a coach from the school. A concerted and conscious effort will be made at all times to keep the results confidential. The results will be used purely for academic purposes

I hereby confirm that confidentiality is ensured throughout the process and that only the selected academic staff members who are part of the research project evaluation will have insight into the prepared document. After the results presentation and conclusion, this document (all copies incl) will be returned to the McDonald’s. Please indicate permission is granted and attach your signature.

Permission Granted: YES NO

Signature: ........................................ Signature: ........................................
CEO: McDonald’s SA COO: McDonald’s SA
Greg Solomon Nico Jacobs

Yours faithfully
Pettula Pienaar
Franchise and Field Service Manager
McDonald’s South Africa
APPENDIX B

TEMPLATE OF THE INTERVIEW QUESTIONNAIRE ADMINISTERED TO THE RESTAURANT MANAGERS AND OPERATIONS CONSULTANT.

WORK INTEGRATED LEARNING

Dear Prospective Participant,

My name is Pettula Pienaar and I am doing research with Mr. Johan Jordaan at the Potchefstroom Business School towards my degree: Master in Business Administration. The aim of the study is to improve work integrated learning to enhance Return on Investment (ROI).

I have identified you as someone with experience in hospitality and customer care area, as I believe you will be able to provide rich data in so far as me exploring the role that Work Integrated Learning plays, and the extent to which corporate entrepreneurship influence the impact on return on investment. Thus you were selected as a participant in this study. No specific restaurant will be researched but all company owned restaurants in general.

Being part of this study is voluntary and you are under no obligation to consent to participation. You are free to withdraw at any time and without giving a reason. As the project involves the submission of non-identifiable material, and there is no penalty or loss of benefit for non-participation.

The results of the research will, however, be of insights and practical value in understanding how to improve the practical implementation of learnings from the in-house courses to improve business results. There are no foreseeable, physical or psychological risks involved in participation. The duration it takes to complete the questions/interview is approximately two hours. If you would like to discuss the research and reactions to the questionnaires/interview, you are welcome to do so after the session.

Your privacy and that of the restaurant you represent will, however be protected and no identifiable information will be included in such reports. If you would like to be informed of the final research findings, please contact Pettula Pienaar on 082 572
4932 or pettula.pienaar@za.mcd.com. The findings will be accessible second quarter 2017. Should you require any further information or want to contact the researcher about any aspect of this study, please contact Mr Johan Jordaan at Jordaan.johan@nwu.ac.za.

I am extremely thankful to you for taking time to conduct the interview and for considering participation in this study.

Pettula Pienaar
MBA Student
**APPENDIX C**

1. **Indicate your age:**

<table>
<thead>
<tr>
<th>Age</th>
<th>Coding</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-25</td>
<td>1</td>
</tr>
<tr>
<td>26-35</td>
<td>2</td>
</tr>
<tr>
<td>36-45</td>
<td>3</td>
</tr>
<tr>
<td>46-50</td>
<td>4</td>
</tr>
<tr>
<td>51-60</td>
<td>5</td>
</tr>
</tbody>
</table>

2. **Indicate the number of years in the organisation**

<table>
<thead>
<tr>
<th>Yrs. in Org</th>
<th>Coding</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5</td>
<td>1</td>
</tr>
<tr>
<td>6-10</td>
<td>2</td>
</tr>
<tr>
<td>11-15</td>
<td>3</td>
</tr>
<tr>
<td>16-19</td>
<td>4</td>
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<tr>
<td>20 or more</td>
<td>5</td>
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</tbody>
</table>

3. **Indicate time in position in years(RM)**

<table>
<thead>
<tr>
<th>Time in position:</th>
<th>Coding</th>
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</thead>
<tbody>
<tr>
<td>Yrs</td>
<td></td>
</tr>
<tr>
<td>1-3</td>
<td>1</td>
</tr>
<tr>
<td>4-6</td>
<td>2</td>
</tr>
<tr>
<td>7-9</td>
<td>3</td>
</tr>
<tr>
<td>10-12</td>
<td>4</td>
</tr>
<tr>
<td>13 or more</td>
<td>5</td>
</tr>
</tbody>
</table>

4. **How many employees are currently employed in your restaurant?**

<table>
<thead>
<tr>
<th>Emp. Employed</th>
<th>Coding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 30</td>
<td>1</td>
</tr>
<tr>
<td>31-40</td>
<td>2</td>
</tr>
<tr>
<td>41-50</td>
<td>3</td>
</tr>
<tr>
<td>51-60</td>
<td>4</td>
</tr>
<tr>
<td>61 and more</td>
<td>5</td>
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</tbody>
</table>

5. **What was the last course you attended in McD?**

<table>
<thead>
<tr>
<th>Course attended</th>
<th>Coding</th>
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</thead>
<tbody>
<tr>
<td>EMP</td>
<td>1</td>
</tr>
<tr>
<td>RLP</td>
<td>2</td>
</tr>
<tr>
<td>BLP and recycled</td>
<td>3</td>
</tr>
<tr>
<td>NQF4</td>
<td>4</td>
</tr>
<tr>
<td>NQF5</td>
<td>5</td>
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</table>

6. **Academic qualification**

<table>
<thead>
<tr>
<th>Qualification</th>
<th>Coding</th>
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<tbody>
<tr>
<td>Matric</td>
<td>1</td>
</tr>
<tr>
<td>Diploma (Technical College or Technicon)</td>
<td>2</td>
</tr>
<tr>
<td>Degree</td>
<td>3</td>
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</tbody>
</table>
The questionnaire consists of 28 statements. Please indicate which best describes your opinion, perception or experience. SD=strongly disagree D=Disagree A=Agree SA= strongly agree.

<table>
<thead>
<tr>
<th>STATEMENT</th>
<th>SD</th>
<th>D</th>
<th>A</th>
<th>SA</th>
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</thead>
<tbody>
<tr>
<td>1  The last course I attended was valuable</td>
<td></td>
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<tr>
<td>2  The last course I attended helped me to communicate effectively</td>
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<td>3  The last course I attended helped me to drive business performance</td>
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<td>4  The course attended helped me to meet my career goals</td>
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<td>5  My decision making skills has improved since I attended my last course</td>
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<tr>
<td>6  I know who to go to if I struggle to achieve my post class action plan</td>
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<tr>
<td>7  RM is recognised for the achievement of action plan set from the course</td>
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<tr>
<td>8  I use action plans to sets the foundation to improve business results</td>
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<tr>
<td>9  The last course attended is relevant to help me impact the business results</td>
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<tr>
<td>10 RM is able to resolve issues that are internal and externally customer related</td>
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<td>11 The work environment encourages development of networking amongst peer RMs</td>
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<tr>
<td>12 There are mentors in the organisation to guide me in my career</td>
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<td>13 I became an RM because someone coached me through my development</td>
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<tr>
<td>14 The work environment encourages networking with other RMs</td>
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<tr>
<td>15 The work environment encourages networking with other OCs</td>
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<tr>
<td>16 The company encourages an entrepreneurial thinking environment</td>
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<tr>
<td>17 The work environment encourages creativity and innovation</td>
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<tr>
<td>18 There are other different ways to achieve business results</td>
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<tr>
<td>19 The work environment allows for implementation of what was learnt on the course in the restaurant</td>
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<td>20 The environment allows for making mistakes</td>
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<td>21 The environment is conducive to learn from mistakes done</td>
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<td>22 I am given additional reading material to complete my course</td>
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<td>Statement</td>
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<tr>
<td>23</td>
<td>The course was relevant to my needs to run my business effectively</td>
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<td>24</td>
<td>I was able to ask for assistance from my consultant to complete my PCAP</td>
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<tr>
<td>25</td>
<td>I’m able to test or apply myself</td>
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<td>26</td>
<td>My consultant coaches me every time he/s visits my restaurant</td>
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<td>27</td>
<td>I’m able to think differently about a problem after talking to someone about it?</td>
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<tr>
<td>28</td>
<td>Talking about my work and the course attended helps me to identify better or improved solution?</td>
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</table>