

**LEARNING ORGANIZATION PRACTICES AT KENYA SHELL
LIMITED**

By

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DECLARATION

This research project is my original work and has not been submitted for a degree in any other university.

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DEDICATION

I dedicate this project to my wife Justine who challenged me into graduate studies programme and my children Gloria, Amani and Jewel whose sacrificial time I spent burning the mid night oil to deliver on this auspicious research work.

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ABSTRACT

Learning organization is not only one of the most recent concepts but also is strongly and closely linked to the concept of change management which is currently at the heart of every organization that not only desires to succeed but also to survive in this uncertain and dynamic global environment. Kenya Shell Ltd is one of the main Multinational players in the Kenyan Petroleum Industry that continues to undergo market transformation within the uncertain, dynamic and unpredictable environment. It is also the latest multinational in the Kenyan petroleum industry to engage in ownership restructuring move in Kenya. Bearing in mind it's a subsidiary of the Royal Dutch Shell that has played a significant role globally in contributing to the pool of knowledge in the field of the learning organization, no wonder the researcher established that the organization is committed to practicing learning organization disciplines.

This research work had two objectives, to determine the extent to which learning organization disciplines are practiced at Kenya Shell Ltd and to establish the factors influencing the learning organization practices. In order to achieve this objectives personal interview were carried out with senior managers (Their assistants in some cases) by help of an interview guide. The main dimensions determined are; Continuous Learning, Inquiry and dialogue, collaboration and team learning, Embedded systems, Empowerment, System connections and Leadership.

It was determined that Kenya shell ltd practiced learning organization disciplines to a large extent. The researcher found out that the organization is not only aware of the learning organization discipline but has integrated the disciplines into its processes, tools and programs to a large extent. The researcher further established the factors that influence the learning organization practices in the organization. The main factor established is the role of the parent organization (Royal Dutch Shell) via strategies, targets and goals to the local organization and the knowledge of learning organization. This is consistent with the arguments that De Geus, 1997; Senge, 1994) Royal Dutch Shell has played a significant role globally in contributing to the pool of knowledge in the field of the learning

organization such as the development of the concepts of scenario planning and the living company.

The study concluded that the organization to a large extent is practicing the learning organization disciplines which provide a conducive environment for anticipating, embracing and creating change. Therefore this ability to be more proactive and effective in managing change in this continuously dynamic environment should be used to give a more competitive advantage to the organization during the current strategic change involving ownership restructuring in Kenya.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

In today's global world, organizations and firms cannot thrive and succeed independent of their social economic and technological environment. According to Burnes (2004) organizations depend on their environment for both inputs and outputs. Ansoff and McDonnell (1990), state that the environment can be either relatively stable or turbulent. Organizations therefore respond to the changing environment by coming up with clear strategies for the organization. Whereas people are able to predict what sort of future direction they need for the organization, managing strategy is still challenging since the environment is continuously dynamic even at the centre of strategic planning as argued by Johnson and Scholes (2002). Therefore the more proactive and effective an organization is able to manage change in this continuously dynamic environment, the more competitive advantage the organization has.

The effectiveness of many firms in delivering the desired strategic change has been hampered by the organization's inability to learn how to embrace, anticipate and create change (Senge, 1990). This is mainly because the challenges faced by strategic leaders in implementing complex and long-range consequential decisions demand that they be sophisticated with respect to issues of leadership, power and influence. Without political awareness and skill, Managers face the inevitable prospect of becoming immersed in bureaucratic infighting, parochial politics and destructive power struggles, which greatly retard organizational initiative, innovation, morale and performance (Kotter 1995). According to Johnson and Scholes (2002), knowing or envisaging what strategy is and designing a structure and processes to put this into effect does not in itself mean that people will make it happen. Implementing strategic decisions amounts to change, which has a tendency towards inertia and resistance from people. Serrat (2009) recommends that for organizations wishing to remain relevant and thrive, learning better and faster is critically important. However, organizational learning is neither possible nor sustainable without understanding what drives it

1.1.1 The Concept of Learning Organizations.

The concept of the learning organization arises out of ideas long held by leaders in organizational development and systems dynamics. One of the specific contributions of organizational development is its focus on the humanistic side of organizations. The developers (Argyris, 2003; De Geus, 1997; Senge, 1990; Pedler et al, 1996) of the learning organization concept explain how the idea evolved from investigations into businesses' distressingly short life spans. The reason most businesses fail, they argue, is that they conceptualize management in individualistic, rather than in systemic terms. They outline a new leadership approach based on systems thinking in which managers' primary responsibility is to facilitate organizational learning rather than to develop and implement problem-solving strategies (Serrat, 2009). Because managers with the necessary skills to facilitate such learning are so rare, future managers need to be trained in these skills (de Geus, 2006). The disciplines described in learning organizations differ from more familiar management disciplines in that they are 'personal' disciplines. Learning organizations are viewed as part of the evolving field of organizational development. The concept of a learning organization allows us to imagine organizations as organisms or rather living things that among other things can learn. This concept is a very recent idea and that is why they are commonly referred to as the organizations of the future (Senge, 1990; and Pedler et al, 1996). Pedler et al (1996) concludes that only those organizations whose learning is equal to or greater than the rate of change in the environment will survive.

Effective change does primarily involve learning. According to Carnal (2007), people in an organization may learn about themselves, the organization and the environment. However if the organization does not learn, then when the individuals leave the organization, the learning they have achieved also goes with them. Organizations may adopt fashionable, state of the art techniques, but they will be unable to incorporate them as a sustained way of doing business unless the organization is learning. He further argues that learning in organizations is reflected in the continuous changing procedures, policies, behaviors patterns and evolving culture. Research by Senge, Roberts, Ross, Smith, & Kleiner (1994) stated that one thing that a learning organization does well is helping people embrace change. They further argued that people in learning organizations react more quickly when the environment changes

because they know how to anticipate changes that are going to occur. In 1990, Senge predicted that it is no longer sufficient to have one person learning for the organization, or play the role of the 'grand strategist' at the top and have everyone else in the organization following the orders of the "grand strategist." He further argues that the organizations that will truly excel in the future will be the organizations that discover how to tap people's commitment and capacity to learn at all levels in an organization. Some of the recent studies on learning organizations (Argyris, 2001; Garvin, 1998; Joni, 2005; Senge et al, 1994; Serrat, 2009; Sugarman, 2001) have argued that the only sustainable source of competitive advantage is an organization's ability to learn faster than its competition.

The learning organizations disciplines provide tools, practices and techniques that organizations can apply to evolve into learning organizations. The disciplines seem to generally agree on the characteristics of a successful learning organization. According to Senge (1990), organizations cannot learn unless the individuals learn, however individual learning does not guarantee organizational learning. Pedler et al (1996) on the other hand argues that individual learning is not synonymous to organizational learning. Understanding and improving how people learn together as collectively is the new frontier. However (Argyris, 2003) claims that the main reason why this concept of learning organization may not have been exploited by many organizations is the fact that it requires organizations to start by shifting their point of orientation from outward to inward and emphasize on thinking and interacting. He argues that Organizations are the product of its peoples' thinking and interaction. He claims that organizational; barriers are always created by peoples' wishes, expectations, beliefs and habits. In the course of time these barriers become reinforced as long as they are not challenged and eventually become invisible since they are being taken for granted. Therefore learning occurs when the people in the organization become conscious of how they think and interact, and begin developing capacities to think and interact differently.

Scholars and writers have raised several debatable issues surrounding the concept of learning organizations. Some scholars have argued that the concept of the learning organization is only but theoretical or prescriptive. One of the main challenges facing the development and application of the learning organization concept is the debate among some of the writers to

the effect that there is no one universal accepted model of the learning organization. Moreover not all agree about whether an organization can learn (Carnal, 2007). According to Garvin (1993), some portions of the learning organization disciplines are abstract such as the discipline of prescribing personal transformation as advanced by Senge (1990).

1.1.2 The Petroleum Industry in Kenya

Petroleum Oil contributes the highest percentage of primary energy demand for Kenya's economy and therefore remains the critical driver for economic and social goals for the Country's Vision 2030 (Sambu, 2010). Kenya is a net importer of petroleum products and has a refinery, Kenya Petroleum Refinery Limited (KPRL) which is jointly owned by the government and Essar Reliance of India, an 800 km cross country oil pipeline from Mombasa to Nairobi and Western Kenya, run by the Kenya Pipeline Corporation (KPC). The sector being regulated by the Energy Regulatory Commission (ERC) currently has over 30 oil importing and marketing companies comprising of four major companies namely Shell, Total, Kenol/Kobil, Oil Libya (75% market share), and other emerging oil companies which include the Government owned National Oil Corporation of Kenya (NOCK) as well as the independent dealers (PIEA, 2010). The petroleum industry is generally divided into upstream, mid stream and downstream operations. Kenya is mainly involved in downstream operations with visibility studies being conducted to establish potential for upstream operations.

The petroleum industry was liberalized late 1994 as part of Structural Adjustment Programs (SAP) for the energy sector. This liberalization was expected to bring about a realignment of the market structure and facilitate competition so that the country would benefit from the lowest prices from the international market, product availability in addition to stable and competitive pricing in a free market. At the start of the liberalization in 1994, multinationals accounted for over 90% of all petroleum products imported into Kenya and almost 100% of retail network. Currently the companies operating in Kenya could be categorized into the: Traditional multinationals, Secondly the new entrant multinationals and thirdly the independent petroleum dealers. According to the Petroleum Institute of East Africa (2007), the

Energy Petroleum Act of 2007 gave birth to the ERC as well as empowered the minister for energy to introduce price controls whenever he is convinced that there is unfair rise in petroleum prices. In addition to its regulatory role, the ERC also oversees the implementation and observance of the principles of fair competition within the industry. In the year 2010, the ERC gazetted a legal notice providing for a costing formulation to be used by the industry players in determining the monthly ceiling prices for petroleum products at retail and wholesale levels (PIEA, 2010).

According to PIEA (2010) the Petroleum industry in Kenya has witnessed unpredictable challenges and counter effects brought about by the global market driven liberalization of the 1990s. Some of these challenges and changes include: The emergence of independent petroleum dealers affecting the level and type of competition. The continued legislative changes and taxation guidelines have also been another issue of contention. The most recent challenges include increased and unpredictable crude oil prices at the international market and the escalating piracy menace along the Kenyan coastline. For most multinationals, the cost of compliance especially in areas of safety, health, environment and business ethics are very high as it places them at a competitive disadvantage compared to independent petroleum dealers. The entire capacity for the crucial petroleum handling facilities including the jetties at the Kenya Ports Authority (KPA), storage facilities and pipeline at KPC and the rail system are constrained since this infrastructure has not been upgraded in tandem with the rising demand of petroleum products in Kenya and the region. Inadequacies and inefficiencies at the only old and overstretched KPRL for processing crude oil continue to be a major bottleneck to product availability for marketers as well as push cost of product up unnecessarily. Unfair playing ground practices such as the latest government effort to give NOCK exclusive rights to import 30% of the Kenyan demand of petroleum products have enlisted negative reactions from the industry.

The Kenya's petroleum sector continues to undergo market transformation, with a major consolidation of operators, and even as more and more multinationals exit the market and sell their operations to existing operators (Sambu, 2010). As a result of these challenges and changes, some of the traditional multinationals such as Esso (K) ltd, Agip (K) Ltd, BP Ken-

ya Ltd, Mobil Oil Kenya Ltd and Chevron Oil Kenya Ltd have divested from Kenya and other African countries through acquisition strategy. Kenya Shell Ltd is the latest to announce its intention to review ownership of its downstream business interests in 21 African nations Kenya inclusive. This has also seen new regional entrants such as Engen and Oilibya into the market. These ranges of drastic strategic changes among the petroleum oil companies are expected to have elicited some dynamic and complex changes in the Kenya Shell Ltd Organization.

1.1.3 Overview of Kenya Shell Ltd.

Kenya Shell Ltd is a subsidiary of the Royal Dutch Shell Group of Companies, headquartered at Hague in Netherlands. According to PIEA (2010), The Royal Dutch Shell Company Ltd started its operations in Kenya at Mombasa and Zanzibar in 1901. In 1928, the consolidated petroleum company (merger) was formed to handle joint business operations of Royal Dutch Shell company Ltd. and that of British Petroleum (BP) plc. Covering several countries in Africa and Asia. In 1961 however the consolidated arrangement was dissolved and Kenyan operations taken over by newly formed companies namely, Kenya shell Ltd and BP Kenya Ltd. on 50/50 ownership basis under the management of Kenya Shell Ltd. Over the years the company has expanded and responded to several challenges by initiating and embracing change in several spheres/ aspects of its business. Agip (K) Ltd exited the Kenyan market in the year 2000 selling her shareholding to Shell BP Kenya Ltd. Likewise BP exited the Kenyan market in the year 2007 by selling all her business interests to the Royal Dutch Shell Company Ltd giving rise to the current Kenya Shell Ltd.

Kenya Shell Ltd currently with a 16.1% market share (PIEA, 2010) owns two large oil terminals in Mombasa and Nairobi as well as a depot in Kisumu. It also own aviation sites at Jomo Kenyatta International Airports, Moi International Airports Mombasa, Wilson Airport, Moi Airbase Easleigh and Malindi Airport. It further owns a Blending Plant for lubes in Mombasa. The Royal Dutch Shell Company Ltd manages its business interests in Africa under one Umbrella Company called Shell Oil Products Africa (SOPAF). This is then subdivided into clusters: East, West, South and North Africa clusters. Kenya Shell Ltd falls

within the East Africa cluster management whose business is managed under different functions namely: Retail, Commercial, LPG, Lubricants and Aviation. The company applies both a geographical and functional structures in its organization.

Despite the many changes Kenya Shell Ltd has gone through in the recent years ranging from acquisitions of Agip (K) Ltd and BP Kenya Ltd to re-organizations at country and regional levels as well as sale of its shareholding at KPRL to Essar Reliance of India, it still faces several challenges. Some of the major challenges include perceived unfair competition from the new entrants and independent oil dealers. The operations of Kenya Shell are still complex and sometimes bureaucratic hence resulting to inefficiencies. In the press release of 1st April 2010 (PIEA, 2010), Royal Dutch Shell Company Ltd announced its intention to review ownership options for its downstream businesses in 21 African countries including Kenya in line with Shell's strategy to concentrate their global downstream footprint into fewer, larger. In further press releases of 21st July 2010, 17th February 2011 and 1st October 2011, SOPAF announced that they had entered into joint venture agreements with Vitol and Helios to form two Pan-African companies for joint acquisition of their African businesses. The new joint venture outfit will be called Vivo Energy with a shareholding of 20:40:40 for Shell Vitol and Helios respectively. The Vitol Group, founded in Rotterdam, the Netherlands, in 1966, is the world's largest independent energy trader. Helios Investment Partners is a major investment firm focusing on Africa and one of the few independent pan-African private equity investment firms to be founded and managed by Africans.

There have been mixed reactions and responses from the staff of the various affected countries in Africa including Kenya mainly with the feeling that their needs and concerns as key stakeholders have not been fully incorporated in the change strategy by the Royal Dutch Shell. Some of the responses from the various countries include: staff seeking legal redress in courts of law, employees engaging in go slow/strikes and others enlisting the support of labour bodies in their countries. In Kenya for example, the employees have sought an industrial court injunction to stop the sale transaction till the company meets their demands. Consequently, the Royal Dutch Shell Management has further responded to the employee concerns via a number of strategic options including: facilitating and recognition of staff coun-

cils in the various countries to represent the employee interests in the change process, modification of the original total divesture to partial divesture strategy as well as formation of the management team representatives in each country to continuously engage with the local staff on a regular basis.

1.2 Statement of the Research Problem

In this era of uncertainty in the business world, the one sure way of lasting competitive advantage is knowledge management, yet few organizations understand the true nature of the knowledge creating company, let alone how to manage it. There are three fundamental reasons supporting the need for a thorough study and research in the area of learning organizations. Firstly, the concept of the learning organization being a more recent concept has not been widely and rigorously studied and researched upon hence not adopted by many organizations. Secondly, some portions of the concept of the learning organization have been argued to be abstract, as they have to do with people transformations. Thirdly, the concept of the learning organizations is strongly and closely linked to the concept of change management which is currently at the heart of every organization that not only desires to succeed but also to survive in this uncertain and dynamic global environment. Therefore there is a great need for scholars to study more this concept because it proposes the following benefits for the organization among others: create superior performance, improve output quality, address customer needs, develop an energized and committed workforce, manage change effectively, an avenue for realizing the truth, meet the demand of the current and future times and help people recognize their interdependence (Heller, 2008; Nonaka, 2008; Senge et al, 1994).

The research proposes three main reasons for studying Kenya Shell Ltd. This organization is one of the main Multinational players in an industry that continues to undergo market transformation within the uncertain, dynamic and unpredictable environment, registering an exit of four Multinational companies within the last one decade. Secondly Kenya Shell Ltd being the latest multinational in the Kenyan petroleum industry to announce its exit strategic move in Kenya provides a live and current case study opportunity not only in the field of strategic change management but also the extent to which the concept of learning or-

ganization has been practiced. Thirdly, Royal Dutch Shell has played a significant role globally in contributing to the pool of knowledge in the field of the learning organization. They are particularly remembered for the development of the concepts of scenario planning and the living company (De Geus, 1997; Senge, 1994). Therefore Kenya shell ltd being a subsidiary of the Royal Dutch Shell is a relevant case study for the concept of learning organization study in Kenya. Managing strategic change in a dynamic and complex environment requires the organization to become more learningful.

Comparatively very few studies have been done in Kenya in the area of the learning organization concept. The study (Amulyoto, 2002) was with specific reference to donor agencies and the findings of this study indicate that although donor agencies are classified as non-competitive firms, they like other organizations manifest some of the features of a learning organization. The study (Kirimi, 2006) was specific to private recruitment agencies and this study found out that teamwork and communication amongst staff was considered the main factors encouraging organizational learning. However distributing and sharing relevant organization information were the factors hindering organizational learning. The study (Kangethe, 2007) was specific to the relationship between job satisfaction of employees and extent of learning organization among disabled persons in Nairobi. The study revealed that most of the firms for disabled persons have embraced the features of a learning organization to a moderate extent and that majority of employees were satisfied with their jobs.

There has been no focus on the determination of the extent to which the learning organization disciplines have been practiced by an organization implementing strategic changes in light of uncertainty and dynamic environment in Kenya. Additionally there has been no prior empirical research that has explicitly investigated the factors influencing the practices of the learning organization disciplines in Kenyan organizations. This study offers to fill this gap and provide a suitable avenue in developing an in-depth understanding of the practices of the learning organization disciplines in an organization undergoing strategic change management in Kenya. To what extent has Kenya Shell Ltd practiced the Learning Organization disciplines? What factors have influenced learning organization practices at Kenya Shell Ltd?

1.3 Objectives of the Study

The objectives of this study were: -

- I. To determine the extent to which the learning organization disciplines have been practiced at the Kenya Shell Ltd.
- II. To investigate the factors that influences the practices of learning organization disciplines at Kenya Shell Ltd.

1.4 Significance of the Study

This study will be of benefit to both the academicians and practitioners in the area of strategic change management and learning organization. The groups are expected to obtain an insight into the extent of practicing the learning organization disciplines in creating an enabling environment for change management. The findings will also be diagnostic in pointing out the strengths and weaknesses of the organization with respect to the fundamental processes that support learning organization so that the organization can formulate strategic actions to improve the areas of weaknesses and sustain the areas of strengths. The practitioners may apply lessons learnt in facilitating strategic change management not only in this organization (the outgoing Kenya Shell Ltd entity and the incoming Shell, Vitol, Helios entity) but also for the senior managements in those other organizations undergoing strategic changes. Finally, this research will add to the body of knowledge on learning organizations, organizational change and its management, which will be of value to those studying learning organizations in Kenya.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Organizations and firms do not exist in vacuum but depend on their environment for both inputs and outputs (Burnes, 2004). Over the last decade, enormous, economic, social and technological changes of increasing intensity have changed the global business environment. Kenyan organizations have not been an exception. According to Marquardt (as cited by Basim, Sesen and Korkmazoyrek, 2007), the large organizations of the past will begin to vanish in the new atmosphere of rapid changes and intense competition. Change is a unique concept that is inevitable in the past and today. Consequently in order to adapt them to changing environmental conditions and increase their competitive abilities, today's world organizations are in constant process of change and development and managing change is their first priority. Therefore organizational transformation needs must be analyzed carefully, appropriate strategies must be developed and so that the organization can adapt to the environmental changes. According to Einstein (as cited by Basin et al, 2007), no problem can be solved from the same consciousness that creates it. He further stated that those new problems could not be solved with the same structures, mental processes or knowledge that was used successfully in the past.

According to Ortenblad (2004), when the world is thought to be a big system, any kind of change occurring in the subsystem will influence all other subsystems in a very short time. In this atmosphere it seems impossible for organizations to preserve their outdated structures and inevitable to transform into a more flexible and adaptive form. However of late Managers have increasingly become aware that the current knowledge, strategies, leadership and technology will not succeed in tomorrows market conditions (Basim et al, 2007; Senge, 1990; Serrat, 2009; Sugarman, 2001). It is clear that organizations have to increase their collective learning capacities if they have to live in environment that includes alliances, rapid technological and social changes and accelerating competition. Therefore, learning organization understanding must become widespread and efforts of transformation to a learning organization must be augmented.

The importance of learning depends on a simple reality that all knowledge, abilities, attitudes and behaviors are the result of our learning (Basim et al, 2007). A learning organization is a dynamic organization that draws a conclusion from its rights and mistakes adapts those to the changing environmental conditions in a systematic way, which improves itself continually. According to Senge, Roberts, Ross, Smith & Kleiner (1994), one thing that a learning organization does well is helping people embrace change. They further argued that people in learning organizations react more quickly when the environment changes because they know how to anticipate changes that are going to occur. Some of the recent studies on learning organizations (Senge et al, 1994; Sugarman, 2001) have argued that the only sustainable source of competitive advantage is an organization's ability to learn faster than its competition. In trying to underscore the competitive sustainability of learning, Serrat (2009) argues that Learning is the key to success and survival in today's organizations. Knowledge should be continuously enriched through both internal and external learning. For this to happen, it is necessary to support and energize organization, people, knowledge, and technology for learning.

2.1.1 Overview of the Learning organization Disciplines

In recent years the concept of the learning organization has received increased attention, particularly among consultants and organizational practitioners. There is little opposition to the premise that learning organization is a competence that all organizations should develop in fast changing and competitive environment (Armstrong and Foley, 2003). The learning organization is believed to be essential for survival in a rapidly changing and competitive environment (Pedler et al, 1996; Senge, 1990) the greater the environmental uncertainties, the greater the need for learning (Agyris, 2003). Effective change does primarily involve learning. Carnal (2007), argues that learning in organizations is reflected in the continuous changing procedures, policies, behaviors patterns and evolving culture. The terms organizational learning and learning organization have been used interchangeably in the past (Ortenblad, 2004). However most writers (Argyris, 1999; Burnes, 2004 and Schön, 1993) have attempted to distinguish the two concepts: First, organizational learning is viewed as a process or set of activities, whereas the learning organization is seen as a form of organization

Secondly, there is a perception that learning takes place naturally in organizational learning, whereas it requires effort to develop a learning organization. Third, the literature on organizational learning emerged from academic inquiry, while the literature on the learning organization developed primarily from practice. Lastly, in organizational learning, the focus is on individual learners, whereas in the learning organization, it is on learners at the individual, group, and organizational levels.

A number of definitions for a learning organization have been put forward: In 1990, Senge defined a learning organization as one in which people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together. According to Garvin (1993) a learning organization is an organization that is skilled at creating, acquiring, and transferring knowledge, and at modifying its behavior to reflect new knowledge and insights. Schwandt (1993) defined organizational learning as a system of actions, actors, symbols and processes that enables an organization to transform information into valued knowledge which in turn increases its long-run adaptive capacity. Pedler et al, (1996) defined a learning organization as an organization that facilitates the learning of all its members and consciously transforms itself and its context. Senge et al (1994), defines learning in organization as the continuous testing of experience, and transformations of that experience into knowledge, which is accessible to the whole organization, and relevant to its core purpose. Argyris (2003) defines the learning organization as an organization that has the ability to detect and correct errors.

Despite the various definitions there is some consensus in the literature that what constitutes the learning organization is its ability to collect and sharing information within and between organizations so as to change, transform, adapt and improve performance. According to Senge et al (1994), the learning effort leverage in any organization does depend on the people and not in policies, budgets or organization charts. He claims that of the main reason why this concept of learning organization may not have been exploited by many organizations is the fact that it requires organizations to start by shifting their point of orientation from outward to inward and emphasize on thinking and interacting. He argues that achieving

desired results alone today might not necessarily be a sign of learning. Organizations are the product of its peoples' thinking and interaction. He claims that organizational barriers are always created by peoples' wishes, expectations, beliefs and habits. In the course of time these barriers become reinforced as long as they are not challenged and eventually become invisible since they are being taken for granted. Therefore learning occurs when the people in the organization become conscious of how they think and interact, and begin developing capacities to think and interact differently (Linda et al, 2009).

2.1.2 Historical perspective of the Learning organizations

The concept of the learning organization arises out of ideas long held by leaders in organizational development and systems dynamics. One of the specific contributions of organizational development is its focus on the humanistic side of organizations. The developers (Senge, 1990; Pedler et al, 1996) of the learning organization concept explain how the idea evolved from investigations into businesses' distressingly short life spans. De Geus (1997) argued that most commercial organizations are under achievers because of their high mortality rate. He cites that by 1983, a third of the 1970, Fortune 500 companies had either died, broken into pieces, acquired or merged with other companies. The reason most businesses fail, they argue, is that they conceptualize management in individualistic, rather than in systemic terms.

They outline a new leadership approach based on systems thinking in which managers' primary responsibility is to facilitate organizational learning rather than to develop and implement problem-solving strategies. Learning organizations are viewed as part of the evolving field of organizational development. The concept of a learning organization allows us to imagine organizations as organisms or rather living things that among other things can learn. This concept is relatively a recent idea (Senge, 1990; and Pedler et al, 1996). The learning organization has emerged in the 1990s time space era to provide the much-needed way out for the organizations faced by bureaucratic crisis. According to Pedler et al (1996), today's leaders are experiencing a consciousness shift. Instead of seeking for excellence, they are now being coaxed to seek for learning. This is because it's not enough to achieve excellence

but rather to stay that way through being flexible, intelligent and responsiveness. He further argues that only those organizations whose learning is equal to or greater than the rate of change in the environment will survive.

2.2 Learning organization models

Despite the debates by some authors claiming that the Learning Organization is more of a vision than a model, various models of learning organizations have been developed based on the theoretical roots and perspectives held by different authors. Despite such flexibility, the learning organization literature frequently presents frameworks, tool sets, and strategies for transformation. Many learning organization authors reviewed here focus on identifying characteristics of successful learning organizations and developing conceptual frameworks from these examples.

2.2.1 The fifth Discipline model

Senge (1990) outlines the core of the learning organization's work as based upon five learning disciplines that represented lifelong programs of both personal and organizational learning and practice. He further asserts that these five principles (disciplines) of a learning organization fundamentally distinguish it from all other traditional organizations. He further argues that though each of the disciplines' can be developed separately, but each of them is vital in building organizations that can truly learn and can continually enhance their capacity to realize their highest aspirations.

The first of the five disciplines is achieving personal mastery. In this discipline individuals learn to expand their own personal capacity to create results that they most desire. Employees also create an organizational environment that encourages all fellow employees to develop themselves toward the goals and purposes that they desire. Personal mastery depends on each person's personal vision and his/her own freedom of choice. Senge et al (1994), argue that organizations do not create visions but rather its people who create visions. Visions don't become compelling until people are truly committed to them. The challenging

part is the capacity to see current reality objectively. The integration of the two, vision and current reality, inevitably produces the principal of creative tension. Creative tension exists when there is a gap between what one really want to create (vision) and what exists today (the current reality). Creative tension is not the same as emotional tension. He further advocates that organizational climate must strengthen the quest for personal mastery in two ways: Continually reinforce the idea that personal quality is truly valued in the organization and to the extent that individuals respond, provide the on the job training needed for developing personal mastery. He concludes that personal mastery is the bedrock for developing shared vision

The second discipline is building a shared vision. This involves individuals building a sense of commitment within particular workgroups, developing shared images of common and desirable futures, and the principles and guiding practices to support the journey to such futures. Senge (1990) outlines the discipline of personal mastery is a prerequisite to effective shared vision. Fulmer and Keys (2009) outlines the features that manifest when a vision is shared: people have a similar picture of the vision as it reflects their own personal vision. People are committed to one another having that vision. People are connected, bound together by a common aspiration. People are excited; their vision is powered by a common deep caring attitude, providing the focus and energy for generative learning. For an organization to build a shared vision, Senge (as cited by Fulmer and Keys, 2009) suggests that personal vision should be encouraged, respect for individual freedom to be practiced, a deliberate move from personal mastery (personal visions) to shared visions, Spread shared visions through the processes of enrollment and commitment, not compliance which requires flexibility and lastly create synergy by combining shared vision and systems thinking.

The third discipline is shifting mental models. This discipline argues that each individual is required to reflect upon, continually clarifying, and improving his or her internal pictures of the world, and seeing how they shape personal actions and decisions. Senge (as cited by Joni, 2005) argues that whether concerning business, or any other entity, people do not carry an organization in their minds but instead images, assumptions, and stories, which are deeply held internal images of how, the world works. Mental models are very powerful, shaping

not only the way people organize information but also what information they hold as well as determine the sense they make of information. According to Senge (1990) the following four skills are equally pertinent to the business world in helping keep the mental models in check. The first one is recognizing leaps of abstraction, secondly exposing the left-hand column that is, articulating what people normally do not say, thirdly balancing inquiry and advocacy, Fourth, is facing up to distinctions between espoused theories (what we say) and theories-in-use (the implied theory in what we do). Fulmer and Keys (2009) suggests that people must seek divergent views before developing a convergent conclusion. O'Brien (as cited by Sugarman, 2001) recommends a balance of advocacy and inquiry so that mental models are exposed and creative decisions are obtained.

Team Learning is the fourth discipline and involves relevant thinking skills that enable groups of people to develop intelligence and an ability that is greater than the sum of individual members' talents. According to Senge (1990), the essence of the team learning discipline is collective intelligence and alignment. He therefore argues that team learning is the process of aligning and developing the capacity of a team to create the results its members truly desire. This discipline builds on the disciplines of shared vision, personal mastery and mental models. Alignment in a team context occurs when a group of people function as a whole. In most teams, the energies of individual members work at cross-purposes. The fundamental characteristic of the relatively aligned team is commonality of direction, harmony of the individual's energies, less wasted energy and a resonance or synergy manifestation. Senge (1990) recommends that alignment as a precondition to empowering the individuals. He advises organizations to start by mastering the practices of dialogue and discussion. Dialogue involves the free and creative exploration of complex and subtle issues, a deep listening to one another and suspending one's own views." Discussion, on the other hand, involves presenting and defending one's views and there is a search for the best view of support decisions that must be made at this time. Through dialogue, a group begins to think like a team and not individual winners but champion teams. According to Linda et al (2009) for competitive advantage to be attained and sustained, a need exists to collectively learn and develop new capabilities and adapt at an increasing speed

The fifth and most integral discipline is systems thinking which involves a way of thinking about, and a language for describing and understanding forces, interdependencies and interrelationships that shape the behavior of systems. This discipline helps managers and employees alike to see how to change systems more effectively, and to act more in tune with the larger processes of the natural and economic world (Sugarman, 2009). According to Senge (1990), the essence of the systems thinking discipline is seeing wholes instead of parts only. He describes it as a framework for seeing interrelationships rather than things, for seeing patterns of change rather than static snapshots or events. System thinking involves a huge shift in idealism, perspective, and tools for managing an enterprise. The systemic perspective is one of wholeness, a radical departure from the traditional western tendency to break things apart, to fragmentation. It represents a massive shift in management tasks focusing more on developing strategy, shaping visions, designing policy and organizational structures. He states that there are two main types of complexities faced by organizations today. The first kind of complexity is detail complexity (s linear, sequential, cause-and-effect snap shot kind of detail). The second kind of complexity is dynamic complexity. This is more about process than tangible product. Its cause and effect are subtle at best and often obscure or totally hidden to people. Its structures are the patterns of interrelationships that recur frequently. Organizations are usually not very good with dynamic complexity. According to Senge (1990), leverage thinking when dealing with dynamic complexity comes from looking for circles of causality. This comes from understanding three crucial variables in every system: Reinforcing or amplifying feedback, balancing or stabilizing feedback and thirdly, delay.

2.2.2 Single-loop and Double-loop models.

Argyris (As cited by Crossam, 2003a) defines organizational learning as a process of detecting and correcting errors. An error in this context refers to any feature of knowledge or knowing that inhibits learning. Organizational learning may be said to occur whenever there is a match between intentions and results or whenever a mismatch is detected and corrected (Argyris, 1980; Schon, 1975). There are two types of learning that are necessary in all organizations. The first is single-loop learning: learning that corrects errors by changing rou-

tine behavior. It is incremental and adaptive. A learning process that is corrective or reactive in nature usually enables the organization to carry on its present policies or achieve its objectives the second is double-loop learning: learning that corrects errors by examining the underlying values and policies of the organization. According to Argyris and Schon (as cited by Senge, 2003) double loop learning is a learning process that would be capable not only of detecting errors but goes further to question the underlying policies and goals as well as its own program. This learning process is a more comprehensive inquiry of what has happened. Double-loop learning is rare in most organizations. Unless the leaders behave consistently with double-loop learning whenever it requires courage to do so, double-loop learning will not be credible (Argyris, 2001).

People hold two kinds of theories of action (Crossam, 2003b). First is the theory that they are aware of and report, this we call their espoused theory. Second is the theory they hold that can be determined by observing their behavior; this we call their theory-in-use. According to Argyris (1980) Model 1 (Espoused theory vs. Theory in-use) assumptions state that people have theories that they use to plan and carry out their actions. However (Argyris, 1982) few people are aware that they do not use the theories they explicitly espouse, and even fewer are aware of those they do use. If people are unaware of the propositions they use, then it appears that they design for themselves private assumptions that are not genuinely self-corrective. Thus they are prisoners of their own theories. Research (Fulmer and Keys, 2009) has shown that Model I (the theory in use) is the same all over the world. Model I, would not be different across cultures, between men and women, whites and blacks, young and old, well-educated and illiterate as well as the wealthy and the poor. This is attributed to the fundamentals of Model I come from both individual and organizational routine defensiveness. There are four basic values that people who operate by Model I assumptions always seem to strive to satisfy and that govern their behavior. They are to define in their own terms the purpose of the situation in which they find themselves, to win, to suppress their own and others' feelings, and lastly to emphasize the intellectual and deemphasize the emotional aspects of problems. To satisfy these governing variables, Argyris (2001) argues that people tend to use unilateral behavioral strategies such as advocating a position and simultaneously controlling others in order to win that position, controlling the tasks to be done, and

secretly deciding how much to tell people and how much is to be distorted, usually to save somebody's face. He cautions managers not to forget to inquire into what other people think, not just advocate their views. He recommends that decision-making should be free of “political paint,” that is, self-interest

One possible model that has been recently suggested that would lead to consequences that are the opposite of Model I is Model II (Argyris, 1993; Argyris, 1999; Crossam, 2003b; Schon, 1993 ;). The governing variables of Model II are valid information, free and informed choice, and internal commitment. On the other hand, the behavior required to satisfy these values is not the opposite of Model I. Model II does not reject the need to be articulate and precise about one's purposes. However, it does reject the unilateral control that usually accompanies advocacy. Model II couples articulateness and advocacy with an invitation to others to confront one's views and possibly to alter them in order to reach a position that is based on the most valid information possible and to which everyone involved can become internally committed. This means the individual (in Model II) is skilled at inviting double-loop learning. The behavioral strategies of Model II involve sharing power with anyone who has competence and who is relevant in deciding or implementing an action. According to Crossan (2003b) the ultimate goal of model II is to help individuals unfreeze and alter their theories of action so that they, acting as agents of the organization, will be able to unfreeze the organizational systems that also inhibit double-loop learning

2.2.3 The E-Flow or Energy flow model of the Learning Company.

Pedler et al (1996), defines a learning organization as an organization that facilitates the learning of all its members and consciously transforms itself and its context. According to this theory, the learning company is modeled around 11 characteristics: A learning approach to strategy, participative policymaking, Use of information technology as an empowerment tool, formative accounting controls, internal exchange, reward flexibility, enabling structures, boundary workers as environmental scanners, Inter-company learning, a learning climate and self development opportunities for all

According to Pedler et al (1996), energy flow in series of double-loops, inform of information, resources, consciousness and attention that built up the E-Flow model. He proposes that that the eleven practices are all integrated into four fundamental processes: Operations, Policy, Ideas and Action. The double-loop energy flows between operations and action involves the skill of managing, between policy and operations involves directing, between action and ideas involves learning and between ideas and policy involves participating. The four processes facilitate both individual and collective learning in a learning organization. Pedler et al (1996) describes the E-Flow model as a balanced interaction of the four fundamental processes consisting of the eleven practices. In figure 1 below its represented by the two pairs of double-loops together giving four figures of eight with the horizontal flows of ideas and action at the individual level joined with the collective flow of policy and operations by an inner focused flow between ideas and policy and the flow between action and operations which is more outer facing.

Pedler et al (1996) proposes that organizations can use the E-Flow model to check the status of each of the four processes. He prescribes that either biases or blocks or both can cause Learning disabilities in organizations. He explains that biases occur when one or more of the four (policy, operations, ideas and action. Blocks on the other hand occur when the free flow of information and feedback around the double-loops is blocked and interrupted. He further states that there are 14 possible biases and eight important blocks in an E-Flow model when mapped. He concludes by asserting that the E-Flow model does not only provide a means of interpreting the idea of a learning organization but also provides a conscious diagnostic framework to embrace member's observations and evidence including intuition to make judgments on possible cause of action in the company.

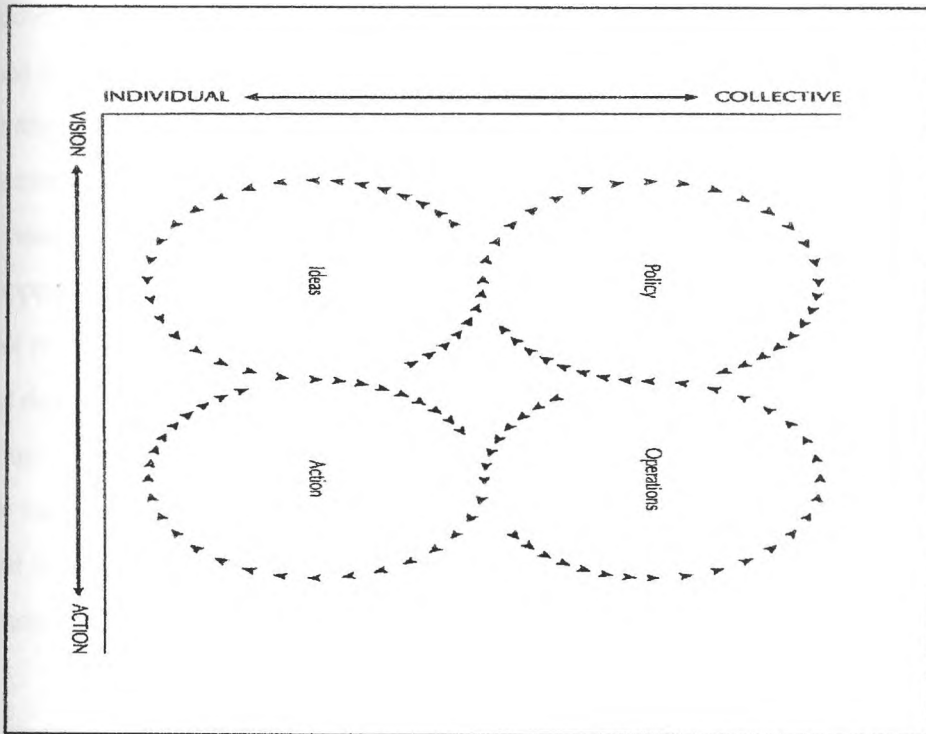


Figure 1: The E-Flow model of the Learning Company. Source: Pedler et al(1996) page 117

2.2.4 The three I's learning-cycle.

There are three conditions or steps necessary for organizations to learn. According to Townsend and Gebhardt, (2001), the three I's or learning cycle consists of three processes in sequence: Investigate Identify and Institutionalize. The first step is of investigating situations involves active efforts employed by people in organizations to investigate areas of concern. The second step involves identifying failures and discovering successful options to address the problem areas. The third step involves institutionalizing the lessons so that it becomes a way of life (This is done by capturing the knowledge and encouraging everyone to try the new things). Townsend and Gebhardt (2001) argues that it's only when the knowledge reaches the third stage (institutionalizing) does new behavior occur on a predictable basis hence a basis for the next improvement. The cycle is then repeated

According to Townsend and Gebhardt, (2001), the three I's model has been adopted and used successfully by the US Army, General Electric, Motorola, Harley Davidson and Amoco among others. The model proposes the use of an after-action review practice for organizations after significant experience or task. This is a professional discussion of an event, focused on performance standards, that enables employees to discover for themselves what happened, why it happened and how to sustain strengths and improve on weaknesses. The tool provides a forum for participants to investigate a situation and a problem-solving process designed to help the people and units identify strengths and weaknesses, propose solutions and adopt a course of action to ensure effective behavior in the future. He argues that the success of this tool is based on the premise that the employees know that the organization will not only follow the outcome of the review but also that the lessons identified are passed to a common database for use by other departments and units.

In the present world where the rate of change is greater than the rate of learning in many organizations, it's suicidal to leave information to flow among the few, particularly the top in the organization (Pedler et al, 1996). Townsend and Gebhardt, (2001) proposes that senior management in organizations have to deliberately surrender their stranglehold of information and ideas flow for learning to take place at all the three stages. He argues that cohesion through learning will occur when the staff believe that communication is open, focus will be on performance rather than motivation and that each opinion, memory and idea will be welcomed. This environment will facilitate everyone to honestly discuss what happened in detail and clarity so that all can understand what did and did not occur as well as why. He concludes by proposing that direct involvement in discussions by individuals during the three stages so as to increase the individual's motivation to accept the agreed-to lessons and change behavior in the future. Institutionalization stage will be less difficult if the identification of lessons and communication of the same to the people is diligent. The major benefit of the three I's learning cycle is its synergistic effect where ideas are built on one on another. From large or small organizations both can use the model irrespective of the size. However (Townsend and Gebhardt, 2001) without a well-crafted plan to investigate what is going on, identifying successes and failures and ensuring that the improvements become way of life, the organization will be courting a disaster.

2.2.5 The Building Blocks of Learning Organizations

In 1993, Garvin stated that learning organizations are not built overnight. He argued that most successful examples are the products of carefully cultivated attitudes, commitments, and management processes that have accrued slowly and steadily over time. Garvin (1993) and Serrat (2009) developed a summary of what he called the building blocks of a Learning Organization: First, Learning Environment and Culture: The first component represents the culture and environment created by the organization and consists of 3 elements: Climate for learning which is the degree to which people feel able to take interpersonal risks such as asking for help, raising concerns, discussing failures. The second element is valuing differences, which is the extent to which people genuinely welcome and use differences (demographic, opinion, expertise; tenure) that people bring to the workplace. The third element is openness to new ideas, which is the extent to which new, or minority views are welcome.

The second building block, he argues is the learning processes which represents the structures and learning processes used within the organization's social institution and consists of 5 elements: The first element is experimentation which implies that the organization supports and conducts experiments (actions taken for which outcomes are understood to be uncertain). The second element is information collection that requires that the organization to have systematic procedures for obtaining relevant information from varied sources. The third element is analysis that means the organization has systematic procedures for analyzing information to develop implications and understanding. The fourth element is education and training which requires that the organization offers and supports formal education and training. The fifth and last element is information transfer requiring that the organization have systematic procedures for sharing relevant information across employees.

The third block is leadership for Learning, which refers to the leadership put in place within the organization. It reflects the extent to which the leaders of the organization (unit) communicate that they value and support learning (in the form of the behaviors through which learning occurs). Leaders serve as designers, stewards and teachers, who are responsible for building organizations where people grow and develop their capabilities (Senge, 1990).

2.3 Factors influencing Learning organizations

The concept of the learning organization and detailed procedures for its development have been available for some considerable time through populist writers (Argyris, 2003; Pedler et al, 1996; Senge, 1990; Senge et al. 1994; Schon 1993) but also through a wealth of academic articles and books. However, although both practitioners and research scholars contend that the learning organization is a significant construct and an important determinant of organizational outcomes, this concept is still not well researched according to Heraty and Morley, 1995(as cited by Poon and Amin, 2001). They further argued that, there is little consensus regarding its definition, conceptualization, and measurement method. This lack of convergence on a definition and operationalization may be one reason for the paucity of systematic empirical research in this area.

The concept of the learning organization has been influenced both positively and negatively by various factors at play ranging from theoretical framework of the learning organization models to their implementation. Cyert and March (as cited in Poon and Amin, 2001) argued that in order to maintain performance in organizations the ability of the organization to learn from experience by establishing a cause and effect relationship between action and result (Garvin, 1993; Pedler et al, 1996) is being obstructed by time lags between action and result is fundamental. Some of the learning cycles in organizations are incomplete because of personnel turnover and ongoing Changes in organizations; new priorities arise which obstruct the cycle of learning. The implementation of the learning organization models faces challenges because the practices are highly dependent on the human being, which apparently is subjective and unpredictable. Senge (1990) claims that the fact that an organization implements the learning organization disciplines does not necessarily produce the desired results. For example, as more people get involved in creating a shared vision, several impediments may arise: Growth of diversity of visions may grow until it reduces the clarity of vision and also exceeds the organization's capacity to harmonize diversity as well. Third, there is also the potential discouragement if the people feel unable to bring a vision into reality hence unable to hold the creative tension. Fourth, the demands (current reality is too much) overwhelm people; they lose focus on the vision. Sixth, when people forget their connection to one another, they stop asking, what they really want to create and they may begin proselytizing.

ing members toward their point of view rather than continuing the visioning process as a joint inquiry. In 2009, Ashour summed up the issues and problems of the learning organization: Whereas most organization have their visions towards having the organizations turning wholehearted to the cultivation of the learning of their members, but those in charge of organizations will usually be dictated by the long-term growth and sustainability of their enterprise. Since the targets for profitability are too high and time horizons too short, the conditions are hardly conducive to building a learning organization. Secondly, sophistication and disposition, the argument is that the people to whom the discipline is addressed to usually do not have the disposition or theoretical tools to follow it through. The third factor is politics and vision. There is not a consideration of questions of social justice, democracy and exclusion in most Learning organization models.

Despite the fact that the learning organization concept is pretty new and recent and hence not adopted by many organizations, the complexities, crises and need for survival facing many businesses and organizations today is compelling them to undergo a paradigm shift. According to Capra (1986), a paradigm is a constellation of concepts, values, perceptions and practices shared by a community which forms a particular vision of reality that is a basis of the way the community organizes itself. Horst (1995), argues that when an organizations are faced with complexities, they normally adopt several strategies to redeem themselves. However for those who may not die in the process, only end up accepting a mindset shift when a clear failure of the status quo, which cannot be, rationalized way (crisis) sets in. According to Horst (1995), all organizations generally go through an ecocycle stages: strategic management, consolidation, crisis confusion, charismatic leadership, creative networks, choice and innovation. With the exception of those organizations that actually fail within the stages, most are now being compelled to recreate themselves (people rethink what they seek to achieve, with whom and how therefore recreating the organization).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

This was a case study of Kenya Shell Ltd. The study targeted to an account of learning organization practices at Kenya Shell Ltd in relation to the various dimensions of the learning organization model. The case study drew its accounts not only by interviewing senior managers in the organization but also review of the various relevant documents, references and existing information sources in order to gain a wealthy insight into the sources of the apparent extent of the practices of a learning organization at Kenya Shell ltd.

This was on the basis that a case study allows for an in-depth exploration of the concept, facilitates a rich understanding of the organization that is being studied and has the ability of a qualitative research to capture the real-life context within which events take place and to capture the essence of events, especially as they unfold (Burnes, 2004). However in 1989, Eisenhardt (as cited by Kinuu, 2007) outlined the limitations of the case study methodology in comparison to quantitative research methodologies on two major issues, reliability or replicability and external validity. Despite these stated limitations, Kenya Shell Ltd being a major player in the petroleum industry in Kenya, provided a study case close to the study of organizations that: are responding to the dynamic environmental uncertainty by formulating and implementing strategic decisions which require learning organization principles as a leverage to better manage the global change strategy such as divestments.

3.2 Data Collection

Primary data was collected in this study. Primary data was collected through personal interviews to top management and business line managers in all the departments and business units (Supply and Distribution, Finance and Accounting, Human Resource, Commercial, Retail, Legal Affairs, Information and Technology, Aviation, and Terminal Operations). The interview guide was adopted from Dimensions of the Learning Organization Questionnaire (DLOQ), which is grounded in principles and concepts derived from the learning organizations theory (Marsick and Watkins, 2003). The interview guide provided a comprehensive

assessment of the learning culture in seven dimensions: Continuous Learning, Inquiry and dialogue, collaboration and team learning, Embedded systems, Empowerment, System connections and Leadership. The interviewer on the basis of each respondent's answers recorded the responses. This method provided an opportunity to clarify the questions to the respondents.

Section A and section I was applied to all the respondents, while the other sections was selectively applied to the respondents depending on the relevancy of the dimension of the construct to the department or business unit. The completed interview guide was subjected to both field and central office edit. The editing process involved checking for completeness, legibility, consistency, uniformity and comprehensibility. The responses were further coded by assigning numerals to the various responses for ease of categorization.

3.3 Data Analysis

The responses were categorized into the various learning dimensions for analysis. (Continuous Learning, Inquiry and dialogue, collaboration and team learning, Embedded systems, Empowerment, System connections and Leadership). Content analysis was used in the analysis for each dimension. The theme for factors influencing learning was: knowledge of learning organizations, Parent company strategies & goals, Personnel turnover, Overwhelming current reality and demands, Lack of clarity of the vision and Politics & power play. The content was then compared to determine the extent to which it collaborates and/or contradicts. Findings were then summarized into a report and conclusions made.

CHAPTER FOUR: RESEACH FINDINGS AND DISCUSION

4.1 Learning Organization Practices at Kenya Shell Limited

The research sought to determine the extent to which learning organization disciplines are practiced at Kenya Shell Limited and to establish the factors influencing the learning organization practices. A learning organization is one that learns continuously and transforms itself. Learning is a continuous, strategically used process, integrated with and running parallel to work. The research guide was based on a comprehensive assessment of the learning culture in seven dimensions: Continuous Learning, Inquiry and dialogue, collaboration and team learning, Embedded systems, Empowerment, System connectedness and Leadership

The study established that the learning organization disciplines are well integrated into the organization corporate policies. It was further established that the learning organization disciplines are well articulated in the organization strategy. This is mainly driven by the fact that the Kenya Shell ltd organization receives its strategic guidance from the Group (Royal Dutch Shell group of companies) as part of its standardization and benchmarking fundamentals.

4.1.1 Continuous Learning.

Continuous learning is the first dimension of a learning organization. According to this dimension, Opportunities for ongoing education and growth are provided; learning is designed into work so that people can learn on the job (Marsick and Watkins, 2003). The systems, procedures and practices supporting and demonstrating continuous learning at Kenya Shell Ltd are compared to what the learning organization theoretical framework supposes in the table below;

Characteristics of Continuous Learning in a Learning Organization	Continuous Learning Practices at Kenya Shell Ltd.
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- According to Marsick and Watkins (2003), continuous learning is supported by organization culture that help staff to learn from each other, take time to support learning and be rewarded for learning.
- Organization's systems creates a climate which people feel able to take interpersonal risks such as asking for help, raising concerns, discussing failures (Garvin, 1993 and Serrat, 2009).
- The organization offers and supports formal education and training (Senge, 1990).
- According to Pedler et al (1996) the learning company is modeled around a learning approach to strategy, a learning climate and self development opportunities for all.
- According to Senge (1990), the first discipline of the fifth discipline model is achieving personal mastery where Employees also create an organizational environment that encourages all fellow employees to develop themselves toward the goals and purposes that they desire
- Change of job roles both cross functional transfers and cross geographical locations transfers for instance transfers at expatriate level have been great sources of exposure to continuous learning within the organization in terms of embracing different cultures, mental models, aspirations, how people think and interact as well as technological and social changes in other departments, countries as well as regions.
- Use of Shell Open University in administration of trainings and development programs. This is a global e-learning facility linking all subsidiary countries of the Shell Royal Dutch Company. The various training, competency and development programs, courses and materials are established by a central global human resource team and availed via the facility at a subsidized cost. The mode of learning varies from individual intranet access, virtual sessions and group face to face sessions locations. Refer to Figure 2 below.
- From interviews 'Learning from Incident' program practiced across the businesses in all countries and managed centrally through an enterprise system within the global organization intranet as one of most influential source of continuous learning. The program is such that all incidents affecting people, assets, environment and company reputation (unwanted occurrences) from each business site

are shared via bulletins to the entire staff countrywide, region wise as well as globally including the lessons learnt from their investigations. The same reports are fed into the intranet site where all staff has access for reference purposes. The manager argues that this system provides opportunity for staff not only to increase their capacity but also to challenge their own procedures, policies, and way of doing things, beliefs and behavior patterns. They further claimed that this source of learning ensured information was not limiting to a few employees but to all hence institutionalizing organizational learning and memory. Refer to Figure 3 below

- The other source of continuous learning found at Kenya Shell Ltd is the bench marking of results and best practice sharing strategy. They explained that at defined frequencies such as monthly, each business unit or function would have a session with their staff to share the business results. On a quarterly level the consolidated business results would be shared at a country level, and then escalated to cluster, regional and finally global levels. In each of the sessions, learning's, best practices and initiatives would be highlighted. This according to the managers has provided enormous information for learning purposes and also challenged people both at individual and group levels to always review

	their practices, compare with others and make adjustments as necessary
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Figure 2: The SOPAF Learning from Incidents for sharing. Source: <https://sww.shell.com/op/africa> (March, 22 2012) and the training and Learning opportunities Source : <https://sww-openuniversity.shell.com> (Jan, 15 2012)

From the content analysis and comparisons for the dimension of continuous learning, the findings were that the organization has a system of cross functional and cross geographical locations transfers for the people, a virtual e-learning facility, a system for sharing of best practices and lessons from past incidents as well as the bench marking concept to facilitate continuous learning. However it was found that the organization’s systems do not fully support continuous formal education and trainings outside the organizations e-facility. Therefore to a large extent the learning organization disciplines within the dimension of continuous learning are practiced in the organization.

Training Module	Training Duration	Notification of Needs	Mode of Training	Feedback /monitoring	Venue	Month
Shore Officer Course	5 days	Departments identifies attendees	Face to Face workshop	Trainer and Course Assessment	Mo- rocco/C ape Verde	Ju- ly/Nov
Oil Spill Preparedness & Response Course	2 days	Departments identifies attendees	Face to Face workshop	Trainer and Course Assessment	Tuni- sia/Mad agascar	April/ May
Multimedia Facilities Training	self study	Departments identifies attendees	Personal administration via CD8 pack	CD8 is an assessment of the candidate	Locally	within 2012
Storage & Handling Module B1	3 days	Nomina- tion by each country	Face to Face workshop	Trainers and Course Assessment	Virtual	July
Storage & Handling	2 days	Nomina- tion by	Face to Face workshop	Trainers and	Virtual	Dec

Module B2		each country		Course Assessment		
Supply & Trading Workshop	2 days	Nomination by each country	On-line assignments & Face to Face sessions	Trainer and Course Assessment	Kenya	March
Apply Effective Management of HSSE Risk	5 days	Nomination by each department	On-line via Shell Open University-SOU codes are:00000000118 5/6	On-line course assessment	Virtual	Aug
Barrier Thinking	5 days	Nomination by each department	On-line via Shell Open University-SOU codes are:00000000118 7	On-line course assessment	Virtual	Nov

Figure 3: The Supply and Distribution Department Training Plan. Source: <https://sww-openuniversity.shell.com> (Jan, 15 2012)

Below are a list of incident learnings – please share them with contractor staff; use them in toolbox talks and as practical examples when raising HSSE awareness amongst staff	
<u>Safety (General)</u> <ul style="list-style-type: none"> <input type="checkbox"/> Avoid being struck by lightning no longer available <input type="checkbox"/> Excavation fatality no longer available <input type="checkbox"/> Man killed at service station <input type="checkbox"/> Bitumen incident <input type="checkbox"/> Bogus scaffolding <input type="checkbox"/> Crane accident 	<u>Environment (Spills/LOPCs)</u> <ul style="list-style-type: none"> <input type="checkbox"/> 2009 Safety Day Checklist <hr/> <u>Security</u> <p>Killing at service station</p> <ul style="list-style-type: none"> <input type="checkbox"/> Murder at Shell service station

<input type="checkbox"/> Explosion during demolition work <input type="checkbox"/> Fatal scaffold collapse <input type="checkbox"/> Injury: Missing scaffold handrail <input type="checkbox"/> How NOT TO work at heights	<u>Safety (Road Transport)</u> Pedestrian killed <input type="checkbox"/> One mobile phone call too many! Pedestrian killed when struck by contractor vehicle <input type="checkbox"/> Fire after truck collision <input type="checkbox"/> Gedarif Sudan Incident
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Figure 4: The SOPAF Learning from Incidents for sharing. Source: <https://swwww.shell.com/op/africa> (March, 22 2012)

4.1.2 Dialogue and Inquiry.

Dialogue and Inquiry is the second dimension of a learning organization. In this case the organizational culture supports questioning, feedback, and experimentation; people gain productive reasoning skills to express their views and the capacity to listen and inquire into the views of others (Marsick and Watkins, 2003). The systems, procedures and practices supporting and demonstrating Dialogue and Inquiry at Kenya Shell Ltd are compared to what the learning organization theoretical framework supposes in the table below;

Characteristics of Dialogue and Inquiry in a Learning Organization	Dialogue and Inquiry Practices at Kenya Shell Ltd.
<ul style="list-style-type: none"> The systems of the organization provides avenues for provision of open feedback ,where one can ask what others think and facilitates spending time building trust (Marsick and Watkins, 	<p>There are three main avenues commonly used by the organization to promote the culture of questioning and feedback by the staff;</p> <ul style="list-style-type: none"> The major avenue is the annual employee surveys coordinated by the human resource department to collect views, feelings and suggestions of staff touching on the various organizational

2003),

- Organization's systems creates a climate that values differences to the extent that the firm genuinely welcome and use differences that people bring to the workplace. Openness to new ideas including minority views (Garvin, 1993 and Serrat, 2009).
- According to Argyris (1980) a learning organization recognizes the existence of Model I (Espoused theory vs. Theory in-use). However it emphasizes the adoption of Model II which couples articulateness and advocacy with an invitation to others to confront one's views and possibly to alter them in order to reach a position that is based on the most valid information possible and to which everyone involved can become internally committed.
- The third discipline is shifting mental models. For an organization to keep the

aspects. The survey instrument is administered via the company intranet and maintains anonymity of the staff (Figure 4). The staff responses are analyzed and an action plan drawn to address the key concern areas. The action plan is then communicated to the staff as a form of feedback from the survey.

- The individual and business unit goal setting, performance and appraisal systems is seen as one other avenue where the staff get opportunity to question, challenge and feedback how things are done in the organization. At the start of the year all staff are given generic organization goals and objectives upon which they have to customize their own (Figure 5). There is a forth and back engagements during this process with the management and shareholders. At the end of the prescribed interval and finally at the end of the year during appraisals and reviews, each staff gain engages their supervisors in forth and back engagements to achieve consensus on the results. Consequently staff views and feedback are incorporated into the organization processes such as following year goals, targets, procedures, reorganizations and structural changes.
- Face to face engagements with staff via meetings usually provide a session to staff to ask questions and answers on all areas of concern. This mainly occurs during the annual remuneration survey and reward results presentation by the Human resource department and whenever a global or

<p>mental models in check, they should recognize leaps of abstraction, secondly exposing the left-hand column, thirdly balancing inquiry and advocacy, Fourth, is facing up to distinctions between espoused theories and theories-in-use (Senge et al, 1994).</p>	<p>regional leadership team member visits the country.</p> <ul style="list-style-type: none"> • However from the interviews, it became apparent that the organization provides limited room for experimentation by the staff at a country level. This is in light of the fact the organization provides for experimentation of ideas at the very top level globally via the Research and development team and expects only what has been approved to be cascaded downwards in order to maintain standardization.
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Figure 5: The Shell People Survey Questionnaire guidance for 2012. Source: <https://sww.shell.com> (May, 23 2012 and the business goal setting and objectives program. Source : <https://sww-openuniversity.shell.com> (Jan, 15 2012)

From the content analysis of the dimension of Inquiry and dialogue, the findings were that the organization utilizes the systems of employee annual surveys, business units’ goal setting and appraisal system as well as the routine staff engagements with senior managers to achieve balance between inquiry and advocacy. However the aspect of experimentation was found to be limited as well as systems to support application of model II which couples articulateness and advocacy with an invitation to others to confront one's views and possibly to alter them. Therefore to a medium extent the learning organization disciplines within the dimension of Inquiry and dialogue are practiced in the organization.

Shell People Survey 2012: “Speak Your Mind”

QUESTIONS SPS 2012	Interpretation
Q1 Clear link between my work and the organization’s objectives	organization = BID
Q2 I feel well informed about what is expected in my job	Regional Team

Q3 My job makes good use of my skills and abilities	BID
Q4 The information I need to do my job is readily available	BID
Q5 When changes are made, communications are handled well	BID
Q6 Come up with new and better ways of doing things	BID
Q7 Free to speak my mind without fear of negative consequences	Regional Team
Q8 Opportunity to grow and develop at company	Shell
Q9 Given a real opportunity to improve my skills in this organization	BID
Q10 I am able to balance my work and my personal life	Regional Team
Q11 Level of work pressure is acceptable	Regional Team
Q12 I have the necessary tools and equipment to do my job	Regional Team
Q13 How do you rate your total benefits program?	Shell Group
Q14 How do you rate the amount of pay you get for your job?	Regional Team
Q15 How do you rate the organization in providing job security?	BID
Q16 Satisfied with your involvement in decisions that affect work?	BID
Q17 Considering everything, how satisfied are you with your job?	BID
Q18 People I work with cooperate to get the job done	BID
Q19 Good collaboration across organizational boundaries	BID
Q20 No compromise on agreed quality in order to meet other targets	Regional Team
Q21 Team uses external information to drive improvements	Regional Team
Q22 Decisions get made without undue delay	BID
Q23 Continuously improve processes for simplicity and speed	BID
Q24 We learn from the best practices of others	BID

Figure 6: The Shell People Survey Questionnaire guidance for 2012. Source: <https://www.shell.com> (May, 23 2012)

Goals and Performance Appraisal Form 2012

Name: Designation.....

1. Business Goals

Create 3-5 goals, breaking them down into sub-goals if they are large, that will contribute to the achievement of the business goals for your organization. These should be written in SMART format.

<i>KEY DELIVERABLES</i>	<i>Measures</i>	<i>Review Comments.</i>
Health Safety, Security and Environment Plan: 20% weight		
Customer Service: 10% weight		
Business plan and Growth: 25% weight		
Cost Management: 10%		
Capex&Project Management: 10% weight		
Competency, Talent &People development.15% weight		
Demonstrate Leadership: 10% weight		

2. Individual Development Goals (10%).

Record your Development Goals for the next year.

<i>KEY DELIVERABLES</i>	<i>QUANTITATIVE MEASURES</i>
PERSONAL DEVELOPMENT	

3. Overall Performance Summary

This summary reflects a consensus between you and your supervisor on your Overall performance. It should include comments about the behaviors that have been

Displayed in the achievement of your goals and agreed IPF.

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Next level Supervisor or Manager Comments

If feedback or comments are given by the Supervisor's supervisor or Line

Manager, record them here. This is optional.

Figure 7: The Individual Goals and Performance Appraisal Template for 2012. Source: <https://sww.shell.com> (Jan, 15 2012)

4.1.3 Collaboration and Team Learning

Collaboration and Team Learning is the third dimension of a learning organization. Work is designed to use teams to access different modes of thinking; collaboration is valued by the culture and rewarded; teams are expected to learn by working together. (Marsick and Watkins, 2003). The systems, procedures and practices supporting and demonstrating Collaboration and Team Learning at Kenya Shell Ltd are compared to what the learning organization theoretical framework supposes in the table below;

Characteristics of Collaboration and Team Learning in a Learning Organization	Collaboration and Team Learning Practices at Kenya Shell Ltd.
<ul style="list-style-type: none">• The organization is designed such that people have freedom to adapt team goals, revise their thinking with information received from the teams and act on their team recommendations (Marsick and Watkins, 2003).• Organization's systems create	<p>Some of the forums that the organization uses to achieve both team learning and collaboration are;</p> <ul style="list-style-type: none">• Cross functional workshops (Figure 2) mostly brings staff from various functions, countries and regions for a number of days to learn and engage in an in depth on a given subject such as project management. The forum will not only facilitate in depth learning from a subject expert but also provide room for the partici-

<p>a climate that ensures openness to new ideas including minority views from its people (Garvin, 1993 and Serrat, 2009).</p> <ul style="list-style-type: none"> • An organization which builds a shared vision, involves individuals building a sense of commitment within particular workgroups, developing shared images of common and desirable futures, and the principles and guiding practices to support the journey to such futures (Senge, (1990). • According to Senge (1990), the essence of the team learning discipline is collective intelligence, group alignment, functioning as a whole, commonality of direction, harmony of the individual's energies, less wasted energy and a resonance or synergy manifestation. 	<p>pants to challenge their own ideologies, practices, beliefs and way of doing things. The forum also provides a pool from which future projects teams are drawn to handle various projects.</p> <ul style="list-style-type: none"> • Safety days (Figure 6) are structured annual forums where staff from all functions within a given site meet together and in groups spend a whole day to reflect on their past safety related experiences, challenge on the current safety issues and draw commitments for the future. • Away day is a structured annual event organized by each business function where the staffs spend a number of days away from work in an agreed venue such as resort or hotel. The forum provides the staff with opportunity to brain storm on various business and soft people issues, engage in team building activities as well as fun activities. • On boarding programme is a forum for staff that has joined the organization recently from various countries but within a give function to meet centrally with the leadership team for in depth orientation for a number of days. The program facilitates working in teams, learning from one another's experiences and drawing alignments among the various teams.
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Figure 8: The Supply and Distribution Department Training Plan. Source: <https://sww-openuniversity.shell.com> (Jan, 15 2012)

From the content analysis of the learning dimension of collaboration and team learning, the findings were that the organization mainly uses cross functional workshops, safety days, away days and the on boarding programs to implement the strategy of collaboration and team learning in the organization. However programs for facilitating teams to adopt good ideas from the minority and harnessing group alignment, functioning as a whole and synergy manifestation was found to be limited mainly attributed to the functionalization and size of the organization. Therefore to a medium extent the learning organization disciplines within the dimension of Collaboration and Team Learning are practiced in the organization.

SAFETY DAY THEME: Time for Safety;

Agenda;

1. Welcome and Opening Comments
2. Introduction and Messages from Leaders
3. Group Safety Day Film
4. Discussion on Group Safety Day Film
5. Recognition and awards
6. Reflection, Commitment and Personal Action Planning
7. Refreshments

Venue	Leader	
Head office Nairobi	Vice President East , North and South Africa	
Mombasa Terminal	East Africa Depot Operations Manager	
Nairobi Terminal	East Africa Retail Manager	
Western Kenya	East Africa Commercial Manager	
JKIA	Human Resource Manager	
Wilson Airport	Legal affairs Manager	

Figure 9: The Safety Day Program/schedule for June 20th 2012. Source: <https://sww.shell.com> (June, 15 2012)

4.1.4 Embedded Systems

Embedded Systems is the fourth dimension of a learning organization. Necessary systems to share learning are created, maintained, and integrated with work; employees have access to these high- and low-technology systems (Marsick and Watkins, 2003). The systems, procedures and practices supporting and demonstrating Embedded Systems at Kenya Shell Ltd are compared to what the learning organization theoretical framework supposes in the table below;

Characteristics of Embedded Systems in a Learning Organization	Embedded Systems Practices at Kenya Shell Ltd.
<ul style="list-style-type: none"> • Marsick and Watkins (2003), argues that an organization that create measurement systems, makes its lessons learned available to all its people and Measure the results of training from the lessons learned. • The organization has systematic procedures for obtaining relevant information from varied sources, analyzing the information to develop implications and understanding (Garvin, 1993 and Ser-rat, 2009). • According to Townsend and Gebhardt, (2001), the three I's or learning cycle consists of three processes in sequence: Investigate Identify and Institutionalize. • According to Pedler et al (1996) 	<p>From the interviews, there are four main processes the organization uses to integrate the past experiences into the existing systems;</p> <ul style="list-style-type: none"> • The organization uses audit and assurance process (Figure 7) covering both specific areas such as safety audits and quality audits as well as general business audits not only to identify weak and non compliant areas for remediation but also strong areas and good practices for reinforcement. • The process of 'Learning from Incident' (Figure 3) which ensures that all incidents affecting people, assets, environment and company reputation (unwanted occurrences) across the businesses in all countries are investigated by cross functional teams, lessons learnt and recommendations are shared via bulletins to the entire staff countrywide, region wise as well as globally. Each business unit and function is then re-

<p>the learning company is modeled around formative accounting controls, internal exchange and reward flexibility.</p> <ul style="list-style-type: none"> • Argyris (As cited by Crossam, 2003a) a learning organization has a process of detecting and correcting errors. It applies Single-loop learning model that corrects errors by changing routine behavior. It is incremental and adaptive. • According to Argyris and Schon (as cited by Senge, 2003), a learning organization demonstrates double loop learning model, a process that would be capable not only of detecting errors but goes further to question the underlying policies and goals as well as its own program. 	<p>quired to incorporate these learning's and practices into their own procedures and way of doing things.</p> <ul style="list-style-type: none"> • Post implementation reviews (PIR) for projects have greatly contributed to embedded systems in the organization. The process requires that a project appraisal is done and all that went right and wrong is documented and incorporated into the project management process.
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Figure 10: The SOPAF Inspection/Audit Plan_ 2011. Source: SOPAF compliance Plan for 2011 and The SOPAF Learning from Incidents for sharing. Source: <https://sww.shell.com/op/africa> (March, 22 2012

Under the dimension of embedded systems, content analysis showed that the organization mainly uses the audit and assurance process, learning from incidents practices as well as post implementation reviews of projects as key avenues for integrating learning into day to day work. However programs for facilitating double loop learning model, a process that would be capable not only of detecting errors and correcting them but goes further to question the underlying policies, goals as well as its own programs may be limited. Therefore to

a large extent the learning organization disciplines within the dimension of embedded systems are practiced in the organization

COUNTRY	SITE	2011 INSPECTOR	INSPECTION DATE
KENYA	Shell Kenya Pert. Refineries- Supply	M. Achraf(Morocco)	19-Jul-11
KENYA	Nairobi Jomo Kenyatta	M. Achraf(Morocco)	13-Jul-11
KENYA	Nairobi Wilson	M. Achraf(Morocco)	14-Jul-11
KENYA	Mombasa Moi Intern.	M. Achraf(Morocco)	18-Jul-11
KENYA	Malindi	M. Achraf(Morocco)	16-Jul-11
KENYA	Nairobi KPC	Abdou(Senegal)	1-Oct-11
KENYA	Mombasa KPC	Abdou(Senegal)	2-Oct-11
KENYA	Eldoret KPC	Abdou(Senegal)	3-Oct-11
KENYA	Kisumu KPC	Abdou(Senegal)	4-Oct-11
KENYA	Moi Airbase	Abdou(Senegal)	15-Jul-11

Figure 11: The SOPAF Inspection/Audit Plan_ 2011. Source: SOPAF compliance Plan for 2011

4.1.5 Empowerment

Empowerment is the fifth dimension of a learning organization. People are involved in setting and implementing a shared vision; responsibility is distributed so that people are Motivated to learn what they are held accountable to do. (Marsick and Watkins, 2003). The systems, procedures and practices supporting and demonstrating empowerment at Kenya Shell Ltd are compared to what the learning organization theoretical framework supposes in the table below;

Characteristics of Empowerment in a Learning Organization	Empowerment Practices at Kenya Shell Ltd.
<ul style="list-style-type: none"> • The organization culture and systems are such that people are recognized for taking initiatives; people are given control over resources and are supported for calculated risk-taking (Marsick and Watkins, 2003). • The organization has systematic procedures for managing information transfers such as sharing relevant information across employees (Garvin, 1993 and Serrat, 2009). • According to Pedler et al (1996) the learning company is modeled around a participative policymaking and use of information technology as an empowerment tool. 	<p>Generally the organization uses several programs to enlist staff commitment in developing and implementing change.</p> <ul style="list-style-type: none"> • One of the main avenues is through goal and objective setting and management (Figure 5). Individual goals and objectives are drawn from the organization's goals and objectives. Therefore by managing the individual performance and reward the individuals for achieving the goals, the staffs get motivated to drive the organization programs. • Clear, consistent and effective communication from the management to staff on all business performance, initiatives and changes is used to demonstrate honesty and build trust hence enlisting commitment. • Sometimes the organization magnifies and emphasizes the aspects of the chang-

	es and initiatives that appeal to reason such as the benefits of the safety programs in order to get a buy in and support from the people.
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Figure 12. The Individual Goals and Performance Appraisal Template for 2012. Source: <https://www.shell.com> (Jan, 15 2012)

Upon content analysis of the empowerment learning dimension, the findings were that the organization mainly uses the system of appeal to reason, clear and consistent communication as well as staff involvement in goal setting process to build in staff empowerment. However programs for facilitating a participative policymaking may be limited at the country level on the basis of global business model and standardization. Therefore to a large extent the learning organization disciplines within the dimension of embedded systems are practiced in the organization

4.1.6 Systems Connections

System connectedness is the sixth dimension of a learning organization. The organization is linked to its communities; people understand the overall environment and use information to adjust work practices; people are helped to see the effect of their work on the entire organization (Marsick and Watkins, 2003). The systems, procedures and practices supporting and demonstrating System connectedness at Kenya Shell Ltd are compared to what the learning organization theoretical framework supposes in the table below;

Characteristics of Systems Connections in a Learning Organization	Systems Connections Practices at Kenya Shell Ltd.
<ul style="list-style-type: none"> The organization’s systems encourage global perspectives ,work with outside/resources and encour- 	<ul style="list-style-type: none"> The practice of sharing overall business results quarterly and demonstrating the contributions of each business unit or coun-

ages diverse perspectives (Marsick and Watkins, 2003)

- According to Pedler et al (1996) the learning company is modeled around enabling structures, boundary workers as environmental scanners and Inter-company learning.
- An organization that exhibits system thinking helps managers and employees alike to see how to change systems more effectively, and to act more in tune with the larger processes of the natural and economic world (Sugarman, 2009). Senge (1990) describes it as a framework for seeing interrelationships, interdependencies, cycles and patterns of change rather than static snapshots or events.

try or cluster or regions to the overall results whether positive or negative facilitates staff to see the effect of their actions or inactions on the entire organization.

- Some of the various trainings (Figure 2) on local and international law offered to specific staff such as anti-corruption and competition law in what is called high risk roles as a mitigation against exposing self or company. By sharing global examples where staff action or inaction have resulted to litigation cases help demonstrate the effect of their actions or inactions on the entire organization.
- The goals, objective performance and appraisal system (Figure 5) is weighted with the weight contribution factors varying from business unit or function to another depending on the criticality of their targets to the organization overall objectives. This helps communicate to the staff the significance and effect of their actions or inactions to the organization as a whole.
- The human resource reward system provides for Special Reward Allowance (SRA) for staff where a staff is recognized monetary wise for a specific action or inaction done that had a significant impact on the overall business or organization goal or interest.
- Among the many people related issues

	<p>covered by the company Human Resource Policy Manual is the concept of consequence management. Under this concept the manual contains a matrix that clearly enumerates the level and profile of disciplinary actions for each type and level of offense. This manual is given to all staff upon employment for reference and is used as a guide during disciplinary cases.</p>
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Figure 13. The Human resource Management plan for 2012. Source: <https://www.shell.com> (June, 15 2012)

By analysis systems connectedness learning dimension content, the findings were that the company uses mainly the system of sharing and rewarding business results both at individual and business unit levels using a weighted system, Global facilitated learning and sharing's as well as application of the localised human resource policy based on fair and just culture. Therefore to a large extent the learning organization disciplines within the dimension of systems connectedness are practiced in the organization

4.1.7 Leadership

Leadership is the seventh dimension of a learning organization. Leadership uses learning strategically for business results; leaders model, champion, and support learning. (Marsick and Watkins, 2003). The systems, procedures and practices supporting and demonstrating leadership at Kenya Shell Ltd are compared to what the learning organization theoretical framework supposes in the table below;

Characteristics of Leadership in a Learning Organization	Systems Leadership at Kenya Shell Ltd.
<ul style="list-style-type: none"> • According to Marsick and Watkins 	Most managers argued that in their

<p>(2003), an organization culture is such that it provides mentoring/coaching to its people, provides opportunities to learn and ensures consistent actions by the people.</p> <ul style="list-style-type: none"> • The organization reflects the extent to which the leaders of the organization (unit) communicate that they value and support learning. Leaders serve as designers, stewards and teachers (Senge, 1990). 	<p>leadership roles, they facilitate learning for their people by;</p> <ul style="list-style-type: none"> • Periodic review of their individual development plans, • Recommendations for trainings, learning opportunities, assignments and projects. • Coaching their direct reports and walk them through challenging assignments in order to facilitate learning.
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Figure 14. The Human resource Management plan for 2012. Source: <https://www.shell.com> (June, 15 2012)

Finally on leadership learning dimension, it was found that managers have direct responsibility of facilitating learning and growth for their people by periodic reviews of their development, recommending learning opportunities and coaching them. However the aspect of leadership designing and communicating consistently that they value learning may be limited. Therefore to a large extent the learning organization disciplines within the dimension of leadership are practiced in the organization

4.2 Factors Influencing Learning at Kenya Shell Ltd.

The theme for factors influencing learning was: knowledge of learning organizations, Parent company strategies & goals, Personnel turnover, Overwhelming current reality and demands, Lack of clarity of the vision and Politics & power play.

Factors Influencing Learning in Organizations	Factors Influencing Learning at Kenya Shell Ltd.
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The concept of the learning organization has been influenced both positively and negatively by various factors at play ranging from theoretical framework of the learning organization models to their implementation.

- Ability of the organization to learn from experience by establishing a cause and effect relationship between action and result (Garvin, 1993; Pedler et al, 1996) is being obstructed by time lags between action and result.
- Some of the learning cycles in organizations are incomplete because of personnel turnover and ongoing Changes in organizations; new priorities arise which obstruct the cycle of learning.
- The implementation of the learning organization models faces challenges because the practices are highly dependent on the human being, which apparently is subjective and unpredictable (Senge,1990
- Capacity to manage diversity may be limited. Growth of diversity of visions may grow until it reduces the clarity of vision and also exceeds the organization's capacity to harmonize diversity as well.
- There is potential discouragement if the people feel unable to bring a vision into reality hence unable to hold the creative tension.

Generally at Kenya Shell Ltd;

- The parent company strategies and goals is the factor with the highest influence in terms of learning in the organization. It's argued that more less all aspects of learning organizations in the company are primarily driven by the Royal Dutch shell group of companies' global strategies and goals which are disseminated to each subsidiary for adoption.
- From interviews it was apparent that availability of knowledge of learning organizations and clarity of the company's vision has greatly influenced the learning organization practices at Kenya Shell Ltd. The structures and practices of the company have equipped the people with experiences that support learning practices implementation.

<ul style="list-style-type: none"> • When the demands (current reality is too much) overwhelm people; they lose focus on the vision. • When people forget their connection to one another, they stop asking, what they really want to create and they may begin proselytizing members toward their point of view rather than continuing the visioning process as a joint inquiry. • In 2009, Ashour argued that competition between short and long term goals is key factor: Whereas most organization have their visions towards cultivation of the learning of their members, but those in charge of organizations will usually be dictated by the long-term growth and sustainability of their enterprise... • Sophistication and disposition of the theory, the argument is that the people to whom the discipline is addressed to usually do not have the disposition or theoretical tools to follow it through. • The role of organization politics. There is not a consideration of questions of social justice, democracy and exclusion in most Learning organization models 	<ul style="list-style-type: none"> • However it became apparent that the staff high turnover in the recent past is negatively impacting learning organization practices in the company. One manager clarified that “This turnover of staff may cost us the organizational memory we have been banking on for years”. • There was also a general agreement that at times the demands by current reality of dynamic environment is so overwhelming that most departments tend to focus on short term goals and strategies that give quick wins at the expense of the long term goals. This aspect is viewed as negatively influencing learning organization practices in this company.
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Figure 15: The Shell People Survey Questionnaire guidance for 2012. Source: <https://sww.shell.com> (May, 23 2012) and the business goal setting and objectives program. Source : <https://sww-openuniversity.shell.com> (Jan, 15 2012)

From the comparison between the conceptual framework and the practices at Kenya Shell Ltd on factors influencing learning organization practices it was found that mainly the strategies and goals of the Shell Royal Dutch group of companies to its subsidiaries and the knowledge of learning organization existing in the organization influence positively the most learning organization practices. On the other hand staff turnover and overwhelming current reality demands influence negatively the most learning organization practices at Kenya Shell Ltd. These findings are in agreement with the conceptual framework on factors that influence learning practices in organization.

4.3 Discussion of Findings

The first objective of this study was to determine the extent to which the learning organization disciplines have been practiced at the Kenya Shell Ltd organization. The seven dimensions of a learning organization were used as a baseline to assess the extent to which the learning organization disciplines have been practiced at the Kenya Shell Ltd.

Under continuous learning dimension, the key findings were that the organization has a system of cross functional and cross geographical locations transfers for the people, a virtual e-learning facility, a system for sharing of best practices and lessons from past incidents as well as the bench marking concept to facilitate continuous learning. However it was found that the organization's systems do not fully support continuous formal education and trainings outside the organizations e-facility. The key findings from the dimension of Inquiry and dialogue learning were that the organization utilizes the systems of employee annual surveys, business units' goal setting and appraisal system as well as the routine staff engagements with senior managers to achieve balance between inquiry and advocacy. However the aspect of experimentation was found to be limited. The dimension of collaboration and team learning key findings were that the organization mainly uses cross functional workshops, safety days, away days and the on boarding programs to implement the strategy of collaboration and team learning in the organization. However programs for facilitating teams to adopt good ideas from the minority and harnessing group alignment, functioning as a whole and synergy manifestation was found to be limited. The key findings from the dimension of em-

bedded systems were that the organization mainly uses the audit and assurance process, learning from incidents practices as well as post implementation reviews of projects as key avenues for integrating learning into day to day work. However programs for facilitating double loop learning model, a process that would be capable not only of detecting errors and correcting them but goes further to question the underlying policies, goals as well as its own programs may be limited. On empowerment learning dimension, the key findings were that the organization mainly uses the system of appeal to reason, clear and consistent communication as well as staff involvement in goal setting process to build in staff empowerment. Under systems connectedness learning dimension, the key findings were that the company uses mainly the system of sharing and rewarding business results both at individual and business unit levels using a weighted system, Global facilitated learning and sharing's as well as application of the localized human resource policy based on fair and just culture. On leadership learning dimension, the key findings were that managers have direct responsibility of facilitating learning and growth for their people by periodic reviews of their development, recommending learning opportunities and coaching them. However the aspect of leadership designing and communicating consistently that they value learning may be limited.

The second objective of this study was to investigate the factors that influence the practices of learning organization disciplines at Kenya Shell Ltd. The key findings were that the strategies and goals of the Shell Royal Dutch group of companies to its subsidiaries and the knowledge of learning organization existing in the organization influence positively the most learning organization practices. On the other hand staff turnover and overwhelming current reality demands influence negatively the most learning organization practices at Kenya Shell Ltd.

Comparatively very few studies have been done in Kenya in the area of the learning organization concept. Amulyoto (2002) was with specific reference to donor agencies and the findings of this study indicate that although donor agencies are classified as non-competitive firms, they like other organizations manifest some of the features of a learning organization. Kirimi (2006) was specific to private recruitment agencies and this study found out that teamwork and communication amongst staff was considered the main factors encouraging

organizational learning. However distributing and sharing relevant organization information were the factors hindering organizational learning. Kangethe (2007) was specific to the relationship between job satisfaction of employees and extent of learning organization among disabled persons in Nairobi. The study revealed that most of the firms for disabled persons have embraced the features of a learning organization to a moderate extent and that majority of employees were satisfied with their jobs.

The findings from this study of Kenya Shell Ltd are not only comparing to the findings from the previous studies but more so have a gone step further to determine the extent to which they are practiced at Kenya Shell Ltd and hence playing a vital role in enriching the body of knowledge.

CHAPTER FIVE: SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

5.1 Introduction and Findings

The research study had two objectives, to determine the extent to which learning organization disciplines are practiced at Kenya Shell Limited and to establish the factors influencing the learning organization practices. The primary data was collected by way of personal interviews with senior managers. The data was then analyzed using content analysis method hence narrative in nature.

5.1.1 Learning Organization Practices at Kenya Shell Limited.

The first objective was to determine the extent to which learning organization disciplines are practiced at Kenya Shell Limited. The seven dimensions of learning organization disciplines were: Continuous Learning, Inquiry and dialogue, collaboration and team learning, Embedded systems, Empowerment, System connections and Leadership.

Under continuous learning dimension, the findings were that the organization has a system of cross functional and cross geographical locations transfers for the people, a virtual e-learning facility, a system for sharing of best practices and lessons from past incidents as well as the bench marking concept to facilitate continuous learning. However it was found that the organization's systems do not fully support continuous formal education and trainings outside the organizations e-facility. Therefore the organization should consider avenues of supporting formal education programs for its staff to leverage on the dimension of continuous learning.

Under Inquiry and dialogue learning dimension, the findings were that the organization utilizes the systems of employee annual surveys, business units' goal setting and appraisal system as well as the routine staff engagements with senior managers to achieve balance between inquiry and advocacy. However the aspect of experimentation was found to be limited. Therefore the organization needs to consider the avenues of encouraging risk based

approaches of model II which couples articulateness and advocacy with an invitation to others to confront one's views and possibly to alter them.

The dimension of collaboration and team learning findings were that the organization mainly uses cross functional workshops, safety days, away days and the on boarding programs to implement the strategy of collaboration and team learning in the organization. However programs for facilitating teams to adopt good ideas from the minority and harnessing group alignment, functioning as a whole and synergy manifestation was found to be limited. Therefore the organization has the opportunity to improve the on this dimension by enhancing programs that will facilitating teams to adopt good ideas from the minority and harnessing synergy manifestation in spite of the organization size and model.

Under the dimension of Embedded systems, it was found that the organization mainly uses the audit and assurance process, learning from incidents practices as well as post implementation reviews of projects as key avenues for integrating learning into day to day work. However programs for facilitating double loop learning model, a process that would be capable not only of detecting errors and correcting them but goes further to question the underlying policies, goals as well as its own programs may be limited. Therefore the organization can leverage on the dimension of embedded systems by enhancing programs that would go the extent of questioning the underlying policies, goals as well as its own programs in the event of an incident at a country level.

On empowerment learning dimension, the organization mainly uses the system of appeal to reason, clear and consistent communication as well as staff involvement in goal setting process to build in staff empowerment. Therefore in order to optimize on empowerment as a learning dimension, the organization ought to enhance programs for facilitating a participative policymaking at the country level.

Under systems connectedness learning dimension it was found that the company uses mainly the system of sharing and rewarding business results both at individual and business unit levels using a weighted system, Global facilitated learning and sharing's as well as ap-

plication of the localized human resource policy based on fair and just culture. Therefore the organization should continue supporting avenues of linking all its systems to the global interface and environment.

Finally on leadership learning dimension, it was found that managers have direct responsibility of facilitating learning and growth for their people by periodic reviews of their development, recommending learning opportunities and coaching them. However the aspect of leadership designing and communicating consistently that they value learning may be limited. Therefore the organization needs to explore avenues of enabling the leaders to not only to be stewards and teachers but also designers of learning strategies in order to enhance learning practices in the organization.

5.1.2 Factors Influencing Learning Organization Practices at Kenya Shell Limited.

Under the factors influencing learning organization practices, it was found that the strategies and goals of the Shell Royal Dutch group of companies to its subsidiaries and the knowledge of learning organization existing in the organization influence positively the most learning organization practices. On the other hand staff turnover and overwhelming current reality demands influence negatively the most learning organization practices at Kenya Shell Ltd. These findings are in agreement with the conceptual framework on factors that influence learning practices in organization. Therefore the organization should develop strategies for limiting staff turnover particularly during transition period and support its people in coping up with the high demand from the changing and dynamic environment in order to optimize learning in the organization.

5.2 Recommendations

The study will recommend that Kenya Shell Ltd make use of the existing conducive environment in being more proactive and effective in managing change in this continuously dynamic environment, to give a more competitive advantage to the organization during the current strategic change involving ownership restructuring in Kenya. This will result to less effort and time being consumed in the transition change management as well less time and

resources in overcoming resistance to change. Consequently it will take less effort and time to refreeze the change. This provides opportunity for timely responsiveness to customers needs and be competitive post the current change. The other recommendation is for the organization to look at how to incorporate avenues for experimentation in their internal processes within acceptable risk levels so as to build up the discipline of questioning, experimentation and feedback which are key learning organization disciplines.

5.3 Conclusions

Learning organization disciplines appears to be a core concept that has been embraced by Kenya Shell Ltd as a result of the guidance and influence of the Royal Dutch Shell group. This is evident in the manner the 7 dimensions of learning organization disciplines have been integrated into the organization processes, tools and strategies. This aspect is a key fundamental driver to competitiveness during the current strategic change being handled

5.4 Suggestions for Further Research

The study could be replicated after the completion of the exit/ownership change strategy that is currently being undertaken by the organization which corporate wise will result in Vivo Energy Kenya taking over from Kenya Shell Ltd. This could bring out the effect of the direct strategy influence by the Royal Dutch shell group

Meanwhile quantitative type study could be done to determine the actual extent of the learning organization discipline being practiced by the organization. This is in light of the fact that this particular study is qualitative as it only employed content analysis.

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APPENDICES

7.1 Appendix : Interview Guide The Learning Organization

Section A: General Information

- | | |
|----|----------------------------------|
| 1. | Interviewee name (optional)..... |
| 2. | Position (optional)_____ |
| 3. | Department _____ |

Section B: Continuous Learning

Please provide the sources of continuous learning opportunities in the organization

Section C: Dialogue and Inquiry

Please explain how the organization has promoted the culture that supports questioning, feedback, and experimentation

Section D: Collaboration And Team Learning

Describe the forums that the organization has been using to encourage the culture of collaboration and team learning across functional groups.
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Section E: Embedded Systems

Learning organizations facilitate capturing and sharing of learning from both past rights and past mistakes at both individual and departmental levels. What specific tools and proc-

esses has the organization been using in this aspect?

Section F: Empowerment

Generally the involvement of the people in development or change of the organizations' Mission, value statements, goals and objectives enlist enthusiasm and commitment.

Please describe the programs the organization uses to obtain people involvement in this area

Section G: Systems Connections

Learning organizations help their people to see the effect and consequences of there Individual and departmental work on the entire organization and the stakeholders?

What specific practices are available in the organization to help the staff achieve this goal?

Section H: Leadership.

What are some of the roles leaders/managers play in order to facilitate learning in their departments and the entire organization as a whole?

Section I: Factors Influencing Learning

In your opinion describe in order of significance the main factors that have positively influenced learning in this Organization? (Focus on knowledge of learning organizations, Parent company strategies & goals, Personnel turnover, Overwhelming current reality and demands, Unclear Organization vision, Politics & Power Play).

Introduction Letter



UNIVERSITY OF NAIROBI
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DATE..... 16TH MAY 2011

TO WHOM IT MAY CONCERN

The bearer of this letter FRANCIS O. OMADEDE

Registration No: D 61 / 7474 / 2006

is a Master of Business Administration (MBA) student of the University of Nairobi.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate if you assist him/her by allowing him/her to collect data in your organization for the research.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

DR. W.N. IRAKI
CO-ORDINATOR, MBA PROGRAM

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