

ABSTRACT

Small and medium enterprises (SMEs) in South Africa experience one of the highest failure rates in the world with 75% to 80% of SMEs failing in their first ten years. This data suggests that few small organisations in South Africa are sustainable entities and this in turn impacts on employment and the GDP of South Africa.

In order to be sustainable, organisations should be learning ones (Garvin, 1993; Marquardt in Hattingh & Smit, 2004, p2). Senge's (1990) ground-breaking model of a learning organisation identifies the disciplines companies should practice in order to contribute to their sustainability. This model, previously researched in large global companies, is used as the basis of researching a small company in a local, South African context. This study explores whether by being a learning organisation, a small company is able to sustain itself.

Senge's concept of a learning organisation includes five disciplines. These disciplines have adult and workplace learning theories embedded in them. The study attempted to identify whether the small company drew on these learning theories in day-to-day operations and practise, and if this contributed to its development as a learning organisation.

In addition to learning theories, literature reviewed included factors that impact on small business sustainability in the South African context. The study reveals an interesting blend of a business management concept ("the learning organisation") with adult education principles that give insight into developing a small company as a learning organisation.

A qualitative, ethnographic case study approach was used for this study, using an interactive model to accommodate the dynamic nature of the workplace with its variety of events and activities. Data collection took place during two intensive research periods in 2008 and 2012, in a single Johannesburg-based company. A multi-method approach was used and included observations, document analysis, questionnaires, transect walks, auto-photography, focus groups and interviews.

The study revealed that a small company can ensure its sustainability by being a learning organisation, even though the company did not hold the same understanding of a learning organisation that Senge (1990) did. By practising various adult and workplace learning theories, especially the theory of communities of practice, a small company can develop the disciplines of a learning organisation. Furthermore, organisations may practise the disciplines of a learning organisation organically, without specific intent, and this may assist in their sustainability.

Key terms:

Small to Medium Enterprise (SME) sustainability, Small business management, Learning organisations, Adult learning, Workplace learning, Learning theories, Organisational learning, Organisational leadership, Organisational culture, South African small business environment