THE UTILISATION OF CHANGE MANAGEMENT IN NON-PROFIT ORGANISATIONS: A BUSINESS NECESSITY

by

JORDAN KONDI KONDI

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Supervisor: Prof AD Slabbert

DECLARATION

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ABSTRACT

A sizeable number of individuals and organisations are not keen to invest or donate significant amounts of cash in non-profit organisations (NPOs) since the results of their donations or investment cannot always be shown or substantiated. Thus, changing from a traditional non-governmental organisation (NGO) to a social enterprise seems to be the only 'bail-out' for NPOs should they wish to sustain and maintain their activities.

This study investigated the possibility of utilising change management as a tool for NGOs wishing to transition from traditional to social enterprises. The objective was to assess how change management models initially developed for profit/business organisations, could effectively be applied in NPOs.

In order to assess the suitability of these models, the study used two types of research methods. The first was theoretical and took the form of a literature review. The second was empirical and was held in the field (experimental). In addition to the consultation of secondary data and the field experiment, the study used other research tools which were: interviews, focus group discussion, direct observation and survey questionnaires.

The study found that change management principles developed for profit organisations are also suitable for NPOs, however, certain adaptations are needed to ensure successful implementation of change initiatives in this sector.

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1.1 Introduction

Thirteen years into the new millennium, the human species still cannot escape being confronted with social, environmental, political and economic problems on a scale that seems overwhelming. According to Seelos and Mair (2005:1) the emotional drama caused by pictures of war, terrorism, hunger, diseases and natural catastrophes that have caught victims unprepared, refuse to disappear from daily newspapers and TV screens. This promotes a feeling of resignation or of hopelessness and powerlessness.

The challenge, according to Seelos and Mair (2004:1), remains therefore to take important decisions on how to address socio-economic issues at both a domestic and global level. In other words, with lots of inequalities and disparities around the world, especially in poor communities, there is a massive desire for both human and financial capital. In an attempt to make a significant contribution, various public and private benefactors have increased their donations to humanitarian and emergency relief organisations to combat these ever-growing phenomena. The increase of donations can be attributed to the persistence of global media coverage of conflict zones and natural disasters, such as the tsunami that struck South East Asia in 2004, Hurricane Katrina that struck the gulf coast in 2005, and the earthquake that struck Haiti in 2010.

Despite these donations, most non-governmental organisations (NGOs) have however been unable to raise the amount of money they need to sustain their activities from public entities, and are therefore increasingly turning to the corporate sector for funding (www.iisd.org).

1.2 Background of the study

Firstly, it denotes from the above that funding remains one of the determinant factors for NGO success. However, Niven (2002, quoted in Ors, 2009:6) warns that donors are becoming more selective with their contributions, especially after the emergence of private charities. They tend to be conscious of how their donations are being spent, and are interested in seeing that such donations actually reach recipients and not used-up by heavy administration. Websites, such as charitywatch.org and charitynavigator.org,

make it even easier than before for benefactors to get an overview of how various non-profit organisations (NPOs) use their donations.

Secondly, it appears that giving money alone to charity will not solve the aforementioned crises, nor will it produce sustainable solutions to social problems. Hand-outs to charities will only be a temporary reprieve for cash-strapped charities struggling for survival. (www.heartglobal.org). Such a viewpoint is also shared by Tamzin (2008:np) who espoused the view that non-profit or philanthropic organisations do very valuable work in channelling the generosity of the rich to the underprivileged. But philanthropy alone is not enough to solve the world's problems. The money that is available for charitable contributions is but a drop in an ocean of need (Shrimpton, 2009:np). The solution proposed by social entrepreneurs is to make a complete change from traditional NGOs to social enterprises.

In order to achieve such an endeavour, NPOs are being forced to examine their managerial practices and search for methods which will ensure that they are able to continue meeting the needs of their beneficiaries in cost-efficient ways. In doing so, NGOs are increasingly turning to measurement tools such as performance management, return on investment (ROI) and change management to overcome these challenges. To this end, the services of professionals, including change management facilitators, appear to be essential to facilitate the transition. Such means is also advised by Potts and Lamarsh (2004:8) who are of the opinion that change management processes should be applied to any situation that has change implications.

1.3 Research problem

On one hand, and as alluded to above, a sizeable number of individuals and organisations are not keen to invest or donate significant amounts of cash to NGOs, since the results of their donations cannot be shown or substantiated. On the other hand, NGOs devote considerable effort and energy into getting that crucial eyeball contact from their benefactors. Usually that means making the message as blatant and sensational as possible, with the implicit message that the NGO knows exactly how to resolve the identified problem (Bunting, 2011:np). The reality on the ground and

especially in the South African context, is that the NGO sector is believed to be grossly under-resourced and faces an increasing number of challenges (www.heartglobal.org). Some of these challenges include limited access to financial capital, inadequate infrastructure, weak governance structures, and excessive engagement in non-value-added activities, just to mention a few. Unlike NGOs, social enterprises seem to be well resourced with access to both financial and human capital, operate with tested models and are subsequently able to meet donors' expectations by clearly demonstrating "their know how" using pre-existing models and/or previous accomplishments.

Thus, changing from a traditional NGO (unstructured, unorganised and unprofessional) to a social enterprise (organised, professional, not solely reliant on donations, and generates own income using well-crafted operational models) seems to be the only ''bail-out'' for NPOs, should they wish to sustain and maintain their activities. It is this problem that the present study aimed to address and provide a sound model, if and where applicable.

1.4 Objectives of the research

The objective of this study is to investigate the possibility of utilising change management and its existing models as a tool for NPOs that wish to transition from traditional NGOs to social enterprises, and measure its impact thereafter.

The actual situation on the ground is that change management models, methods and processes currently in existence, were developed for profit/business organisations. Therefore, should NGOs and NPOs decide to transition from traditional NGOs to social enterprises, they will have no other alternative but to use the same models as those of profit organisations (which do not necessarily help them in the process of change, as these two types of industries seek different goals).

Thus, the primary objective of this study is to investigate how change management models, initially developed for profit/business organisations, can effectively be applied in NPOs. The secondary objective (depending on the finding of the primary objective) is to develop a possible change management model that is tailored to the NGO sector and which can successfully assist it in managing change initiatives.

1.5 Research questions

1.5.1 Primary question

The fundamental question that this study answered is: Are change management processes developed for profit organisations suitable for NPOs, or will certain adaptations be needed?

1.5.2 Sub-questions

In order to fully address and respond to the primary question above; the following questions are considered:

- Will well implemented change management initiatives be able to assist any grassroots NGO to evolve into a social enterprise?
- Can any unstructured NGO succeed in its transformation process with the help of a change management facilitator, or should other factors first be implemented?
- What are the pre-requisites that NGOs should have in place or be aware of prior to embarking on any transformation processes to become a social enterprise?
- At which stage of its life cycle should an NGO embark on the change process to become a social enterprise?

1.6 Conceptual framework and key terms

The rise of currently observed social issues is often attributed to the gap between the rich and the poor as well as the level of industrialisation. However, solving these issues is not profitable to those who originally caused these issues. This subsequently created the need for secondary organisations (NGOs or NPOs), which aim to address and resolve these issues.

Given the nature of the stated objectives, these organisations find themselves battling for survival, hence the need for a financial bail-out from the rich and corporations to conduct their activities. In addition to financial assistance, these organisations need the human will (social entrepreneurs or owners) and the "know how" (expertise, knowledge and sound business models) to convince benefactors of the value that they add.

Below are the main key concepts used in this study and an explanation of their definitions. These concepts are further expanded on and discussed in chapters 2 and 3.

Change management (principles)

In this study change management refers to the processes, tools and techniques used to manage the "people side" of change in order to achieve required business outcomes.

Not-for-profit/non-profit organisations/non-governmental organisations

These terms often refer to organisations with the primary objective of addressing social issues and do not generate any profit in their activities. In this study, however, they are referred to as organisations that only or mainly depend on subsidies and donations to finance their activities, and any income generated is used to finance the organisation's programmes and/or activities.

Social enterprises

This term refers to a new form of NPO/NGO where the primary objective of existence is also to address social issues, but business principles and practices are used to achieve their endeavours. Income generated from their trade is invested in the organisation and also used to pay dividends to their shareholders.

Social entrepreneurs

Individuals who often manage social enterprises and whose endeavours are to create social value through innovative, entrepreneurial business models.

Change models

This refers to pre-selected ways, standards, sequences, and perspectives of dealing with changes.

1.7 Overview of change management and the non-profit sector

1.7.1 The origin of the NGO

NGO is a broad and confusing term as it covers such a large number of different entities. The term is believed to have been created by a United Nations (UN) bureaucrat

. In UN jargon, official agencies of member states are known as Government Organisations (GOs). Back in the 1960s, when the UN started to invite other kinds of organisation for consultation meetings and events, it needed an easy way to refer to them and settled on Non-Government Organisations (NGOs). Over time, organisations that had already been established for many decades, but that had never before thought of themselves as ''NGOs', began to refer to themselves in this way.

Since the 1960s, the global NGO community has grown phenomenally and is thus very broad, encompassing organisations with different histories, values, ideas, objectives and ways of working. Faith-based organisations, especially those with a Christian affiliation, are among those that have existed the longest (Bagci, 2001:np). The Church possessed great power and wealth in Europe long before anything like the modern national state had developed. Like other major religions, Christianity taught the duties of charity and compassion, and its churches and monasteries dispensed charitable relief as well as serving as centres of learning, art, and what is regarded today as agricultural technology (Mitlin et al., 2007:np).

The rise of social and humanitarian issues also gave birth to non-religious based NGOs (NGLS, 2009:np). Such are the *Red Cross*, founded in response to the humanitarian catastrophe of war, and *Médecins Sans Frontières* (Doctors without Borders) founded by French journalists and medical doctors who were disturbed by the failure of international humanitarian agencies to prevent genocide in "Biafra" - a region and ethnic group in Nigeria (currently known as Ibo). The number of NGOs working overseas and locally has grown rapidly over the last few decades and new organisations are created on a regular basis. This proliferation is doubtless largely due to the steady rise in disposable income of ordinary people in the West, the contribution of business in the form of corporate social investment/responsibility (CSI), the new fundraising techniques such as direct mailing (involving mass mailing of charitable appeals to targeted households), and micro-finances. These donations have however had little effect in resolving the world's socio-economic problems, hence the need for the creation of social enterprises that identify more suitable ways to address these problems.

1.7.2 The rise of social enterprises

The lack of sustainability in the NGO sector has given rise to a new organisational model called *social enterprise*. According to Sarah, Alvord, Brown and Letts (2002:3) the concept of social enterprises is relatively new. However, initiatives that employ entrepreneurial capacities to solve social problems are not. The concept was found in a variety of initiatives that particularly focused on the problems of poor and marginalised populations that have transformed the lives of thousands of people around the world.

Dees (1994, quoted in Mair & Mart, 2004:4) defines social enterprises as private organisations dedicated to solving social problems, serving the disadvantaged and providing socially important goods that were not, in their judgment, adequately provided by public agencies or private markets. These organisations pursue goals that cannot be measured simply by profit generation, market penetration, or 'voter support'. Social enterprises are managed by social entrepreneurs who, according to Seelos and Mair (2004:1), are individuals whose endeavours are to create social value through innovative, entrepreneurial business models.

Other views on social entrepreneurs are from Thompson et al. (2000, quoted in Seelos & Mair, 2004:2) who describe social entrepreneurs as "people who realise where there is an opportunity to satisfy some unmet need that the state welfare system will not or cannot meet, and who gather together the necessary resources (generally people, often volunteers, money, and premises) and use these to 'make a difference'".

Bornstein (1998, quoted in Seelos & Mair, 2004:2), describes social entrepreneurs as path breaker individuals with a powerful new idea that combines visionary and real-world problem-solving creativity, have strong ethical fibre, and are totally possessed by their vision for change.

1.7.3 Introduction to change management

Creasey (2011:np) sees change management as "the process, tools and techniques to manage the people-side of change to achieve required business outcomes". Ford and Ford (1994:759) argue that change is "a phenomenon of time, where something over time turns into something else". Porras and Silvers (1991:52) state that "organisational change consists of the following components: An initiative that alters critical

organisational process, which in turn influences individual behaviours, and subsequently impacts on organisational outcomes".

Although many individuals may naturally know what change management is, they however experience some challenges in conveying to others what it really means. Thus, the concept of change management is amply discussed in the next chapter. However, in thinking about how to define change management, it is important at this juncture to provide a clear distinction between two related concepts – change management and project management. Below are their similarities and differences.

- Both project management and change management support moving an organisation from a current state to a desired or future state. Project management however focuses on the tasks required to achieve the project outcomes; whereas change management focuses on the people impacted by the change.

- Both concepts require moving an organisation from point A to point B. Project management outlines it step by step, including the change of processes, systems and/or job roles. Change management, however, outlines the steps needed to help individuals impacted by the change to adopt the new way of doing their jobs.

- Both project and change management are needed every time that processes, systems, organisation structures or job roles are altered. Project management however, in this instance, would focus on deploying needed resources in a structured manner to implement the given solution, whereas change management would focus on helping each individual impacted by the change to make a successful transition, and grasp what is required by the proposed solution.

The point that one should take from the above discussion is that change management and project management are tools that need to be applied independently in any given change intervention that one is undertaking.

1.8 Research methodology

There are two types of research methodologies used in this study. One is theoretical and the other is empirical. The theoretical study takes the form of a literature review

where secondary data from similar researches are analysed. The empirical study on the other hand was held in the field (experimental). The researcher spent 12 months facilitating a change management intervention in a NPO. The rest of the research methodology is outlined in chapter 3.

1.8.1 Descriptions of the organisation that participated in the field experiment

Readers should note that the information provided below were authorised by the organisation to be used for academic purposes only and should remain confidential for the next 10 years.

The organisation that participated in the field experiment for this study is Learn to Earn located in Khayelitsha, Claremont and Hermanus – which are all located in the Western Cape province of South Africa. Learn to Earn is a non-profit skills development organisation that works with unemployed individuals from socially and economically disadvantaged backgrounds. Its aim is to develop unemployed people socially, economically, emotionally and spiritually. The organisation's vision is to eradicate unemployment and other legacies of injustice in South Africa and the rest of Africa. Learn to Earn intends to accomplish its endeavour by providing skills development programmes that recognise human dignity and the human right to live a meaningful life. In doing so it hopes to assist individuals to regain their self-respect by empowering them to provide for themselves and for their families.

1.8.2 Reasons for choosing this organisation

To participate in this research the organisation had to be fully or partially self-funded, have a working model, and/or provide services that are or can be used to generate income. The organisation mentioned above fulfilled these requirements and was therefore chosen as a data source for the present study.

1.9 Research tools

In addition to the field experiment and the consultation of secondary data, the research tools used were interviews, direct observation and survey questionnaires. The objective of the survey was to generate data that would enable the research to measure the

effectiveness of the overall change management process before and after its implementation.

1.10 Benefits of the study

Social entrepreneurs use and apply business practices to solve social issues. Thus, this work is believed to provide both social entrepreneurs and the academic community with new practical insights and guidance on how to plan, implement and manage change initiatives. In other words, it assists the abovementioned communities to compel change cases and initiatives that gain or earn the hearts and minds of their intended audience. In doing so, they connect each effort with their intended benefits in order to achieve the envisioned change outcomes.

Furthermore, the study is also understood to provide a tool to this category of entrepreneurs that is tailored to their specific sector and will require fewer modifications for their specific needs than would be the case for a currently available off-the-shelf package.

1.11 Chapter breakdown

This research contains six chapters, the breakdown of which is provided below.

1.11.1 Chapter 1: Introduction and background of the research

This chapter outlines the objectives of the study and its contribution to the world of research. It includes the research background, research questions, research objectives, methodology and the outline of the entire project.

1.11.2 Chapter 2: Literature study/review

This chapter mainly focuses on exploring similar research work conducted by other researchers on similar topics currently available on the Internet books, journals, magazines and newspapers. The chapter also looks at how to identify possible resistance to change, the possible sources of such resistance and how to create an action plan from a theoretical perspective.

1.11.3 Chapter 3: Research methodology and data collection

This chapter describes the research methods used, the data collection process as well as the research tools utilised in this study.

1.11.4 Chapter 4: Analysis of results

This chapter analyses and presents the research findings obtained from all tools used in the study. Such tools are the change readiness questionnaire, strategy implementation kit, the interviews and observations made throughout the entire change management initiative.

1.11.5 Chapter 5: Discussion of results

This chapter discusses the results obtained from the various research tools and deliberates on what the results actually mean in the context of the present study. The chapter also provides answers to the research questions formulated in the first chapter.

1.11.16 Chapter 6: Summary and recommendations

This chapter wraps up the entire research, suggests possible improvements on the current study and provides pointers for topics that should be considered for future research on the same subject.

1.12 Conclusion

The world's socio-economic problems appear to be endless. In an attempt to make a meaningful contribution, various public and private benefactors have increased their donations to humanitarian and emergency relief organisations to help alleviate human suffering. Despite these significant donations, traditional NGOs are not coping well with the increased demands of their services and expertise. The main solution put forward is the creation of social enterprises.

Social enterprises are defined as private organisations dedicated to solving social problems, serving the disadvantaged, and providing socially important goods/services that were not, in their judgment, adequately provided by public agencies or private markets.

The next chapter deals with the literature review. It focuses on existing literature and previous research done on the topic of change management as well as on the non-profit sector.

Chapter 2:
Literature review

Chapter 2: Literature review

2.1 Introduction

Chapter 1 provided the history and origin of NGOs. Such history revealed that faith-based organisations, especially those with a Christian affiliation were among the longest existing NGOs. The rise of social and humanitarian issues, however, also gave birth to non-religious based NGOs to tackle the challenges thereof. Despite the growth of the NGO sector, philanthropy alone appears not to be enough to solve the world's problems as the funds that are available for charitable contributions are but a drop in the ocean of need. The previous chapter also argued that the charities sector is experiencing a capital barrier for grants and donations. As a result, the NGO sector in South Africa needs to make a complete change from traditional NGOs to social enterprises to ensure that they are able to continue meeting the needs of their beneficiaries.

In this second chapter readers are presented with existing literatures and previous research conducted on the topic of change management and the non-profit sector. With regards to change management, readers are introduced to what the concept entails, the type of change initiatives one can possibly embark on and the different change management processes and models that currently exist, just to mentioned a few. The main objective of this section is to provide insight and understanding as to why change management should be considered.

Where the topic of NPOs is concerned, readers are provided with the origin of this sector, what it entails, its objectives and the individuals who are operating in it. The intended objective of this section is to afford readers with a macro view of the non-profit sector, the operating principles guiding this industry and ultimately an easy understanding as to why change management is needed in this sector.

In order to achieve the abovementioned objectives, this chapter unpacks and discusses the following issues:
- What is the non-profit sector about?
- What the non-profit sector comprises and how it operates?
- What is change management about?

- Forces of change.
- The types of change.
- The role of change management in an organisation.
- The theory and methodology of change management currently used in the business sector.
- Why should organisations apply the principles of change?
- Who should be responsible for change management in the organisation?
- How to go about identifying the need for change?
- How to deal with the resistance to change?
- Scrutinising previous or related work done on the topic of change management in the non-profit sector.

2.2 The non-profit sector - what is it about?

The non-profit sector or industry encompasses NPOs with different histories, values, ideas, objectives and ways of working. The term 'non-profit' is used here and refers to the types of organisations that are structured under rules that forbid the distribution of profits to its owners (Barber, 2011:np; Fritz, 2011:np). The two most common types of NPOs found in this industry are traditional NGOs and social enterprises. These two types of organisations are however both referred to as Section 21 companies in the South African context and have two things in common: 1) Their common purpose is to meet one or more needs in particular communities (McNamara, 2011:np). 2) They are established with the primary objective to tackle and address social and humanitarian issues that are inadequately served by government institutions and/or private organisations, or social issues that are purposely left unattended due to financial constraints, low return on investment, and low profit margin, among other reasons (www.heartglobal.org). Below is a discussion of what these two organisations do and how they differ from each other.

2.2.1 NGOs

Traditional NGOs can be classified into various types on the basis of different factors, such as orientation or level of co-operation. Orientation can be grouped into charitable orientation; service orientation; participatory orientation; and empowering orientation. Level of co-operation on the other hand can be grouped into community-based

organisations, city-wide organisations, national NGOs, and international NGOs (Sushant, 2012:np).

Traditional NGOs are the subset of the broader non-profit sector that engages specifically in charitable deeds. This definition, to a certain extent, includes many of the non-profit actors, such as community-based organisations, churches and rural co-operatives, which exist to benefit their members directly (Werker & Ahmed, 2007:3), (Sushant, 2010:np). So, the concept 'NGOs' refers to a group of players who are mostly active in the efforts of increasing the welfare of poor people, especially in poor countries, both at a national and international level. These organisations are largely staffed by philanthropic, selfless employees and volunteers who work towards ideological, rather than financial, ends. NGO founders are often intense, creative individuals who sometimes create a new product or a better way to deliver existing goods and services. They are often funded by donors, many of whom are individuals who remain anonymous.

From this perspective, NGOs are frequently idealised as organisations committed to 'doing good', while setting aside profit or politics. They work both independently and alongside bilateral aid agencies from developed countries, private-sector, and local or provincial governments (Rouse, 2010:np). They range in size from an individual to a complex organisation with large annual revenue and headquarters anywhere in the world from Khayelitsha, Windhoek, Nairobi to Oklahoma City in the United States. NGOs are often characterised as the new 'favoured child' of official development agencies and proclaimed as a 'magic bullet' to target and fix the problems that have befallen the development process (Edwards & Hulme, 1996:3). In addition to being more efficient providers of goods and services, they are also seen as instrumental in changing mind-sets and attitudes.

These types of organisations have however been constantly challenged over their dependence on donors, which in turn creates a great concern over sustainability. Since the early 1990s, the world of NPOs, and philanthropy, has been pre-occupied with two powerful mantras of 'accountability' and 'impact'. Funders, taxpayers, and concerned citizens, including clients, are increasingly demanding NPOs to be more transparent about their fundraising and spending, how they are governed, and what they have

achieved with the resources entrusted to them. The need for visible impact followed by accountability is driven both by funders who want to know whether their funds are making a difference or might be better spent elsewhere, as well as by committed non-profit leaders. Such attention to accountability and impact has led to the emergence of social enterprises that use common administrative norms such as credentialed experts, auditors and evaluators to demonstrate results in addressing complex social problems (Ebrahim & Rangan, 2010:2). These are but some of the latest developments in the operation of NGOs.

2.2.2 Social enterprises

The idea of social enterprise has a long history around the world, though under different names and with different tendencies. Such a view is shared by Sarah et al. (2002:3) who are of the opinion that the concept of social enterprises may seem relatively new, but the initiatives that employ entrepreneurial capacities to solve social problems are however not. As a consequence of this history trail, scholars are experiencing a predicament to agree on what a social enterprise is. Below are some of the views.

Rangan (2011:np) defined a social enterprise as an entity that is primarily in the business of creating social value. As long as that organisation creates significant social value, it does not matter how it sustains itself—whether with internally generated surplus or with donor funds. This definition concurs with the contemporary view of social enterprises as being "any for-profit or non-profit organisation that applies capitalistic strategies to achieving philanthropic goals" (Ebrahim & Rangan, 2010:2).

The dilemma with these two definitions is that many commercial enterprises which consider themselves to have social objectives, may also claim to be social enterprises and see commitment to these objectives as a fundamental motivation that will ultimately make their enterprises more financially valuable. Social enterprises differ in that they do not aim to offer any benefit to their investors, except where they believe that doing so will ultimately further their capacity to realise their philanthropic goals. This second view is shared by the following definitions.

The Finding Australia's Social Enterprise Sector (www.socialtraders.com.au) defines social enterprises as organisations that are led by an economic, social, cultural, or

environmental mission consistent with a public or community benefit. They trade to fulfil their mission from which derives a substantial portion of their income, and re-invest the majority of their profit/surplus in the fulfilment of their mission. The Social Enterprise Alliance (SEA) (www.se-alliance.org) also concurs and defines a social enterprise as an organisation or venture that advances its primary social or environmental mission using business methods. SEA further provides two distinct characteristics that differentiate social enterprises from other types of NPOs, businesses and government agencies. SEA argues that:

1. Social enterprises directly address social needs through their products and services or through the numbers of disadvantaged people they employ. This distinguishes them from 'socially responsible businesses' which create positive social change indirectly through the practice of corporate social responsibility (e.g. creating and implementing a philanthropic foundation; paying equitable wages to their employees; using environmentally friendly raw materials and providing volunteers to help with community projects).

2. Social enterprises use earned revenue to pursue their objectives either alone as a social business operating in the non-profit sector or by using a mixed revenue stream that also includes charitable contributions and government subsidies.

Despite the divergence of views discussed earlier, it appears that there are three common characteristics on which these definitions agree. Such characteristics are summarised by Social Enterprise London (www.sel.org.uk) as:

1. **Enterprise orientation:** Social enterprises are directly involved in producing goods or providing services to a market, and aimed to be viable trading organisations with an operating surplus. Social enterprises seek what is called a "blended value bottom line" - the simultaneous achievement of both economic and social values (www.enterprisingnonprofits.ca).

2. **Social aims:** They have explicit social aims, such as job creation, training or the provision of local services. They have ethical values, including a commitment to local capacity building, and they are accountable to their members and the wider

community for their social environmental and economic impact (http://my.socialenterprisefinder.com.au).

3. **Social ownership:** They are autonomous organisations with governance and ownership structures (ranging from individuals and Trustees, to local community groups) including participation of stakeholder groups (users, clients, etc.). Profits or surplus are distributed as profit sharing to stakeholders or used for the benefit of the community (www.sel.org.uk).

From these common characteristics, social enterprises in this study are defined as any NPOs or private organisations operating in the non-profit sector that are dedicated to solving social problems, serving the disadvantaged, providing socially important goods, and applying capitalistic strategies to achieve these philanthropic goals.

2.2.3 Similarities and differences between traditional NGOs, conventional businesses and social enterprises

Traditional NGOs, social enterprises and conventional businesses share certain characteristics and have differences. The discussion below provides a comparison analysis (differences and similarities) between these types of organisations.

- Income generation: It is commonly known that both types of NPOs receive donations to achieve their objectives, sustain their organisations and fund their activities. Traditional NGOs, however, are still practicing what can be referred as "old-style corporate philanthropy" - relying primarily and in most cases on philanthropic and government support for their subsistence (http://www.iisd.org/business/ngo/roles.aspx). Social enterprises, on the other hand, rely predominantly on their income generated via business trade using the same funding options available to conventional businesses. (www.startups.co.uk/how-to-fund-a-social-enterprise). This implies that as long as their business plan is sound, and their venture's proposition is sustainable, social enterprises can access finance and investment as opposed to relying on charitable and government grants.

- Employment/labour: Both types of organisations utilise volunteer and employed personnel to carry out their activities. However, traditional NGOs often rely

predominantly on volunteers and staff who are usually remunerated below market value to accomplish their objectives (http://knowhownonprofit.org). Social enterprise, on the other hand, primarily rely on their personnel, including young MBA (Masters of Business Administration) graduates, who are remunerated at market value and in some cases, salaries are broadly competitive with the public sector and/or at a similar rate offered by conventional businesses (Brandi, 2012:np).

It is therefore, and as such, not uncommon for social enterprises and private-sector development firms to bid on the same 'requests for proposals'. Such requests for proposals may include a contract to deliver a quantity of grain, organise events, and even build and operate a feeding centre or primary school. It is nevertheless important to mention that private-sector development agencies have an advantage on projects involving heavy infrastructure, while the NPOs have better connections and presence at grassroots level.

- Profit/surplus: Business organisations exist with the sole purpose of generating wealth and making profits, which are in turn offered to their investors or stakeholders. Social enterprises, on the other hand, exist to provide socially important goods or services (especially to poor communities) that were not, in their judgment, adequately provided by public agencies or private markets and from which derive a substantial portion of their income. The majority of the social enterprise's profit/surplus is re-invested in the fulfilment of their objectives (www.startups.co.uk/how-to-fund-a-social-enterprise).

Hansmann (1980:5) and Fritz (2013:np) concurs with this differentiation and argues that the key characteristic separating non-profits from for-profits is the "non-distribution constraint" that prevents or limits officers or directors from distributing the net earnings amongst themselves. This, however, does not prevent NPOs from distributing their 'profits' to employees in the form of perquisites, such as higher wages, shorter hours or better offices.

2.2.4 Benefits of social enterprises

From the discussion provided above it appears logical to suggest that social enterprises best serve the interest of investors, government, business, and private citizens when

responding to global inequities. This subsequently should justify why traditional NGOs should change their operation modes and adopt those of social enterprises (http://www.iisd.org/business/ngo/roles.aspx).

The next section of the study outlines the principles and methods of change management currently available to NGOs, should they wish to embark on this transformation journey and manage their change process. These principles and methods are later examined in chapter 3 to assess their suitability for the non-profit industry, the results of such assessment are presented in chapter 4, and then discussed in detail in chapter 5.

2.3 What is change management about?

Change management is a comprehensive term used to describe change at both the individual and organisational level (Jones et al, 2012:np). For example, the term is used to describe:

1. the task of managing change
2. an area of professional practice
3. a body of knowledge (consisting of models, methods, techniques, and other tools).
4. the process of following change in *computerised systems* (logging best practices or system upgrades) (www.change-management-coach.com).

This chapter however focuses on change management as it relates to people's experiences and the organisational process, which is commonly referred to as *organisational change*.

Organisational change management per se is a multidisciplinary practice that has evolved as a result of scholarly research. It is often associated with other names such as transformation, development, metamorphosis, transmutation, transition, evolution, regeneration, and revolution, just to mention a few (Hughes, 2006:1).

Although the concept of change is commonly understood, there is however no universally agreed definition of the term (organisational change management). After

consulting several text books, the results show that various authors offer several definitions, which are discussed below.

2.3.1 Definitions of organisational change management

Prosci (2013:np) defines change management as the application of a set of tools, processes, skills and principles for managing the people side of change to achieve the required outcomes of a change project or initiative.

The above view is also shared by Rouse (2009:np) who defines "*Organisational change management (OCM) as a framework for managing the effect of new business processes, changes in the organisational structure or cultural within an enterprise*".

Fincham and Rhodes (2005:525, quoted in Hughes, 2006:2) define change management as "*the leadership and direction of the process of organisational transformation - especially with regard to human aspects and overcoming resistance to change*".

Hughes (2006:2) sees change management as "*attending to organisational change transition processes at organisational, group and individual level*".

Ford and Ford (1994:759) argue that change is "*a phenomenon of time, where something over time turns into something else*".

Lewis (1951, quoted in Van Tonder, 2004:5) views changes as "*a sequence of activities that emanate from disturbances in the stable force field that surrounds the organisation (or object, situation or person) and focus on the role of context, stability as preferred state, and the onset of chain reaction of events when the force field is disturbed*".

Van de Ven and Pool (1995:512) state that "*change, one type of event, is an empirical observation of difference in form, quality, or state over time in an organisation entity*".

Porras and Silvers (1991:52) state that "*organisational change consists of the following components: An initiative which alters critical organisational process, which in turn influence individual behaviours, and which subsequently impact on organisational outcomes*".

Potts and Lamarsh (2004:16) define change management as "*the systematic process of applying the knowledge, tool and resources needed to effect change to the people who will be impacted by it*". In other words, the objective of change management is to deliver the required business solution successfully in an organised and methodical way through managing the impact of change on the people involved.

While these definitions diverge in the way they are formulated, they however seem to subscribe to the same fundamental view of change management, which is a **process** that is formally **initiated** and **approved,** using an **agreed method**, resulting in a **different state** or **condition**. From these similarities, change management is described in this study as a structured approach or process during which the changes of a system are implemented in a controlled manner by following a pre-defined framework or model with, to some extent, reasonable modifications in order to facilitate the transitioning of individuals, teams, and organisations from a current state to a desired future state (BNET Business Dictionary).

Based on the definitions and discussion of organisational change provided above, it appears that when one talks about organisational change one must also keep human change in mind. Therefore, when organisations change, humans as part of the organisational system also change. Inversely, organisations cannot change unless people who constitute them change. On pages 24 to 28 are graphic illustrations drawn from the definitions of change management discussed above. These illustrations serve to provide an in-depth understanding of organisational change while incorporating the human factors, and assist to fully grasp the concept of change management.

2.3.2 Illustrated definitions of organisational change

There is a general belief that change begins either as a result of a disturbance - something that is not satisfying anymore (Lewis, 1951:np), or as a result of attractors - something that is pulling an individual, or both (www.thevillageofleaders.co.za). The figures on pages 24 to 28 provide an illustration of the change process as argued by The Village of Leaders, and are the work of the author of this study.

The image on the left hand side in **figure 2.1** represents the current situation: dry land, unwanted, not enough, uncomfortable, racism in the organisation, sexism, and glass

ceiling, just to mention a few. This situation in turn creates what is called the **disturbance**. On the other hand, the image on the right hand side represents the desired situation perceived to be the ideal state. This can be: a new vision, dream, reality, a leader that one admires and wishes to resemble, being heard in the organisation, the hero leader, or being part of the inner circle, just to mention a few. This situation in turn creates what is called the **attractors**. Such sentiment is also shared with the Bloomsbury Information Corporation, which argues that change management usually follows five steps: recognition of a trigger indicating that change is needed; clarifying the end point, or desired state; planning how to achieve the change; accomplishing the transition; and maintenance to ensure the change is lasting (http://www.qfinance.com/dictionary/change-management).

The argument here (according to the statements above) is that the disturbance happens as a signal of a change that needs to happen, and often 'shakes' those who will be affected by the change out of their comfort zone. The attractors are issues that will stimulate the individuals or organisations to proceed with the change process. This argument is also shared by Doppelt (2010:89) who cites cultural shift as one of the successful ways of achieving and sustaining change initiatives.

Figure 2.1: Disturbance and attractor

Current reality

Desired state – perceived ideal state

Disturbance:
•Not satisfying anymore
•Not enough
•Uncomfortable

Attraction
•New visions
•New dreams
•New realities
•A model that one wishes to resemble
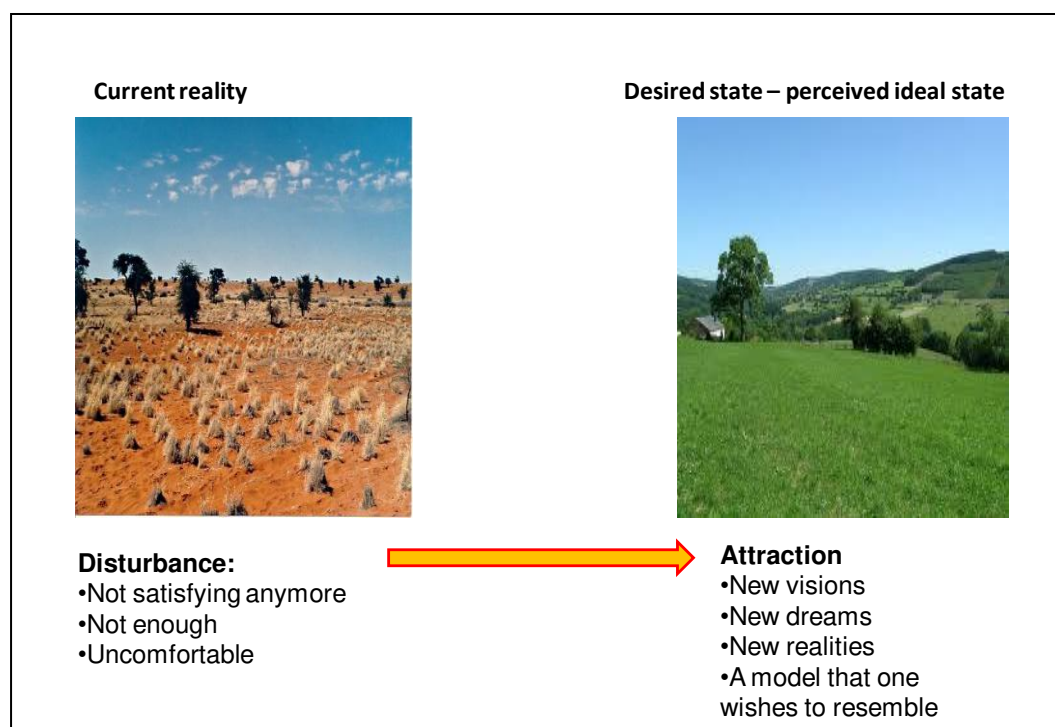
In the next illustration below, a bridge is provided to facilitate the change from the current situation to the desired situation; with the bridge being an allegory for opportunities that allow the transformation to happen. This can be the willingness to change, financial possession, or a pool of knowledge that one has access to when needed (http://www.qfinance.com/dictionary/change-management).

Figure 2.2: Opportunity for change
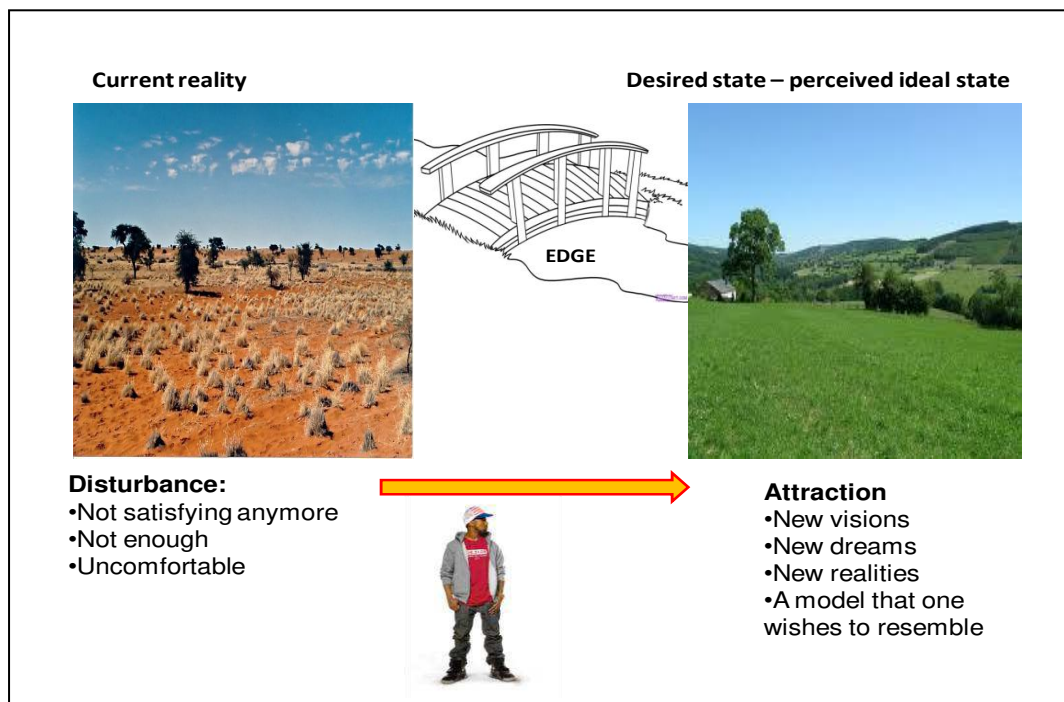
There is however one dilemma with the bridge; such a dilemma is a troll standing at the edge of the bridge (as shown in figure 2.3). The troll here represents the critical voice that the organisation and/or the individuals in particular would have to face if they wish to change. Wright (2013:np) describes the critical voice as "the very thing" that usually stops individuals in achieving their full potential. This voice constantly draws self-defeating conclusions, paints bleak scenarios, and anticipates the worst from everything and everyone.

The critical voice, which is also the human defence mechanism, warns individuals why they should not attempt any bold, risky, yet rewarding undertaking (McFarland, 2008: np). Common messages of the critical voice would include declarations such as these:

- It is just another change like the previous one that went nowhere.
- Do not worry; it will pass.

- The situation is not that bad; one can still remain in it for a while.

- In fact, changing would be a useless exercise and waste of resources.

- That will never work.

- It is a stupid idea.

Figure 2.3: The critical voice
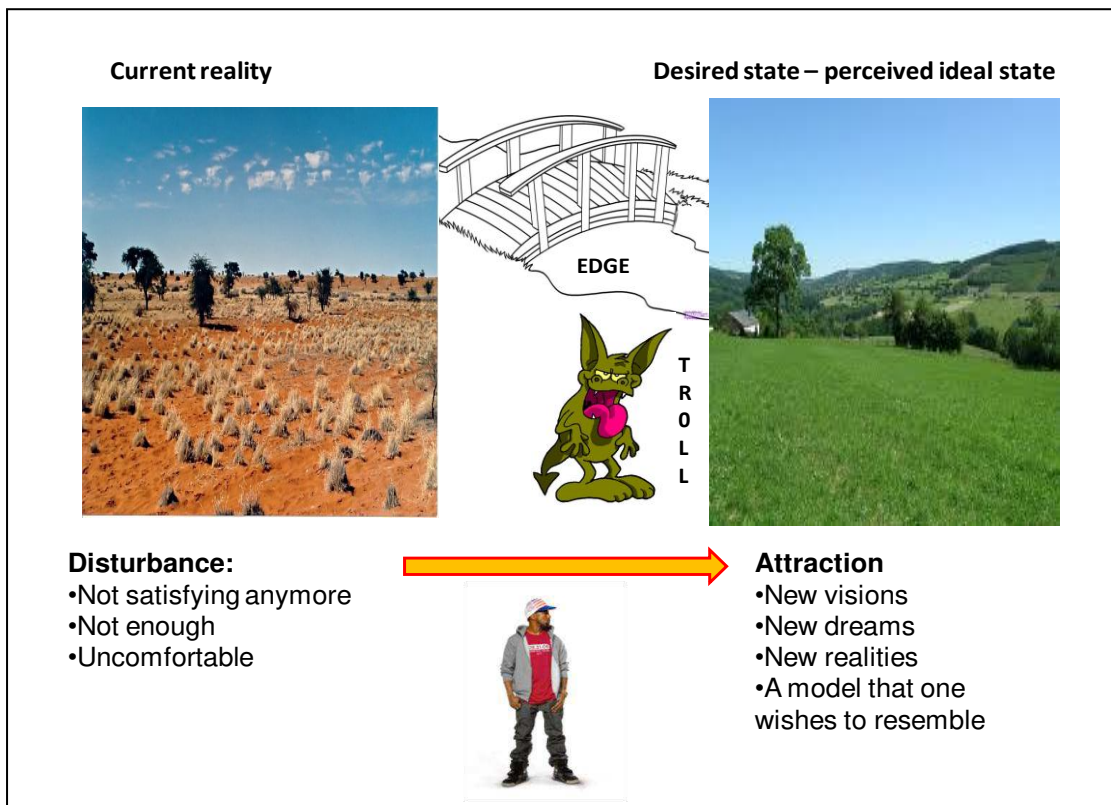
This critical voice often comes from past experiences, values, attitudes, direct community, fear of victimisation, or being labelled as the rebellious among peers (http://www.pathwaytohappiness.com/writings_voice_in_head.htm). There are symptoms that signal that one has reached the edge of the bridge (the critical voice). The figure on the following page presents such symptoms or signals.

As illustrated in figure 2.4 on the following page, the signs that one should be mindful of or that notify individuals that they are at the edge are: laughter, tension on the chest, distracted, blushing and 'butterflies', nervousness, discomfort, denial, apathy, passivity, fear, rejection, resentment, arrogance, anger, guilt, shame, confusion, and mild depression, just to mention a few (The Village of Leaders, 2011:np). This in turn creates a fear to change and subsequently leads to what is commonly known as human

resistance to change. The causes of human resistance to change, including how to identify such resistance, and how to deal and manage it, are later discussed in this chapter.

Figure 2.4: Edge signals
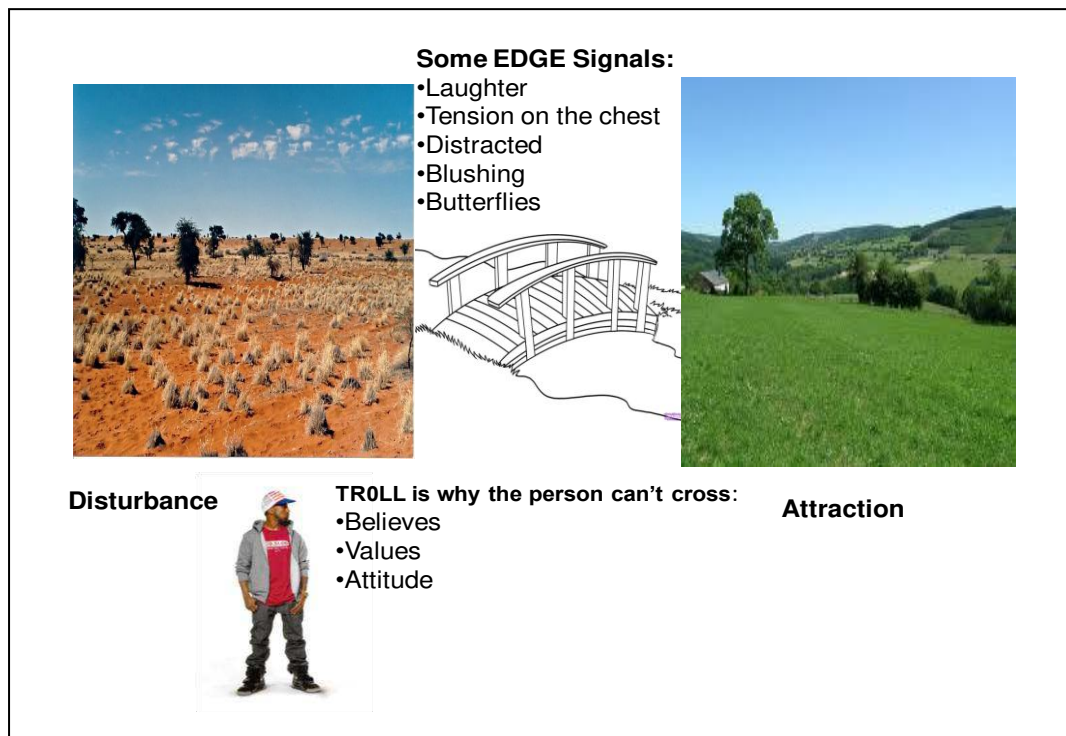
Finally, when individuals and their organisations are faced with their troll and edge signal, they reach what can be qualified as the change status quo. In the status quo state of mind, individuals are on the one hand provided with the opportunity to change, but on the other hand are restrained by their critical voices (de Jager, 2005:np). If the situation remains unchanged it would most likely create anxiety. However, if individuals wish to change they will have to face and overcome their fear.

Figure 2.5: Change status quo

Fear

Increase anxiety   Support is needed to Cross the edge

Disturbance   Attraction
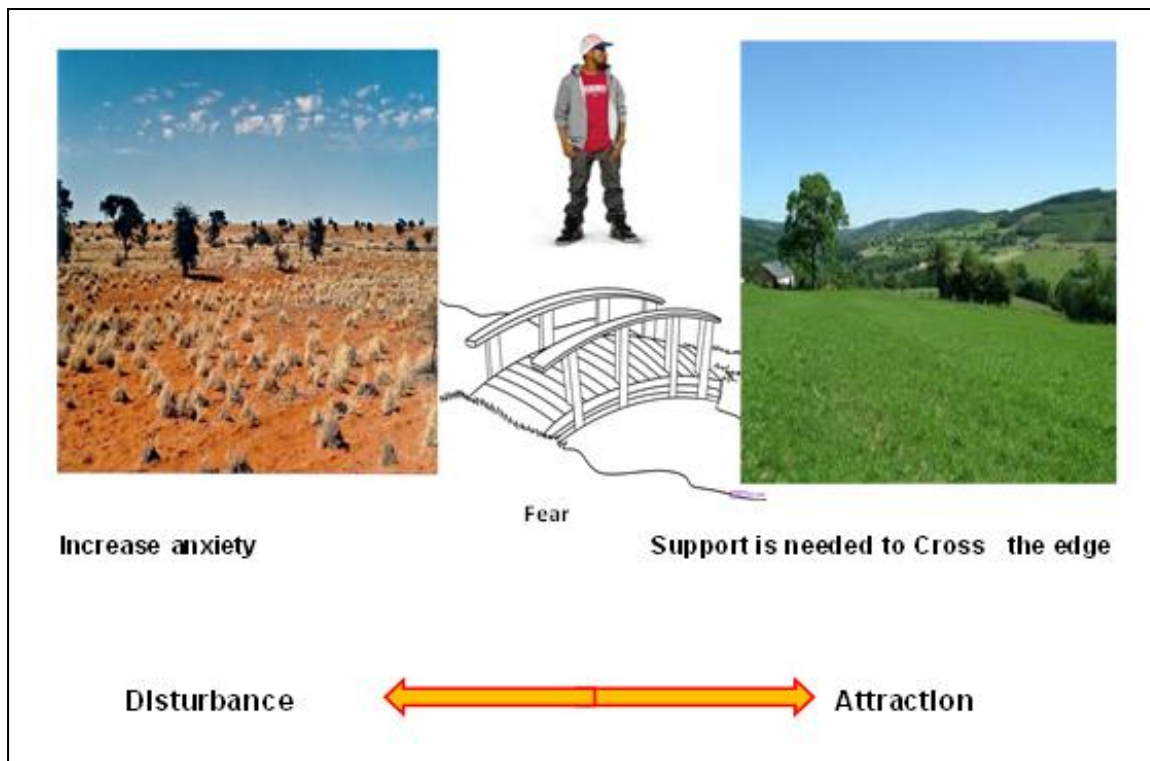
The graphic illustration of change management discussed above, demonstrated how change in general begins, progresses, and finally, which type of decisions individuals would be faced with prior to embarking - or not embarking - into their transformation process. However, not all changes are the same, nor start for the same reasons. Below are some reasons that force organisations to change and common types of organisational change.

2.4 Forces of change

According to Nel and Beudeker (2009:165), there is certainly not much doubt that organisations are currently operating in a world where their market position is under constant attack by both local and global competitors, where tariff or trade barriers are diminishing, and where the speed of technical innovation can erase any market giant in an instant. Therefore, organisations have to adapt to change or they simply die, and faster than they might believe. Sangamithra (2011:np) concurs with such a declaration and adds the following elements to the list of components that may force an organisation to change. Such components are nature of the workforce, technology, economic shocks, competition, social trends and world politics.

This means that an organisation could be forced at any time, and without warning, to cope with four or five sets of overlapping changes. These can range from a new technology being introduced to merger and acquisition, or from changes in consumer preferences to social trends, and even new legislation that could have been recently promulgated.

Werner (2007:374), and Connelly (2012:np) also concurs with this view and states that "change is real, it is radical and it faces each individual every day". Human's ageing is a typical example of individual change, while market decline, economic meltdown, and industries becoming extinct are on the other hand some typical examples of organisational change.

Subsequently, one of the universally accepted and recognised findings of change management is the forces of change. Robbins and Judge (2007:645) and Greenfield (2010:np) are of the opinion that these forces may be exercised from inside or outside the organisation. Kreitner and Kinicki (2001:659-663) quoted in Werner (2004:374) distinguish between external and internal forces of change. External forces are global and national dynamics that impact on the organisation. These dynamics are technological changes, market, political, social and economic changes, and changes in the general labour market. Internal forces are human resource based problems such as low productivity and high labour turnover rate, as well as managerial behaviour/systems such as autocratic inclinations, clumsy systems and poorly designed jobs.

The above classification or distinction is also shared by Partridge (2007:6) who identifies three forces of change - the *outside world, closer to home,* and *inside the organisation*. The figure on the following page illustrates the factors that bring about change in an organisation as put forward by Partridge (2007:6).

Figure 2.6: Forces of change
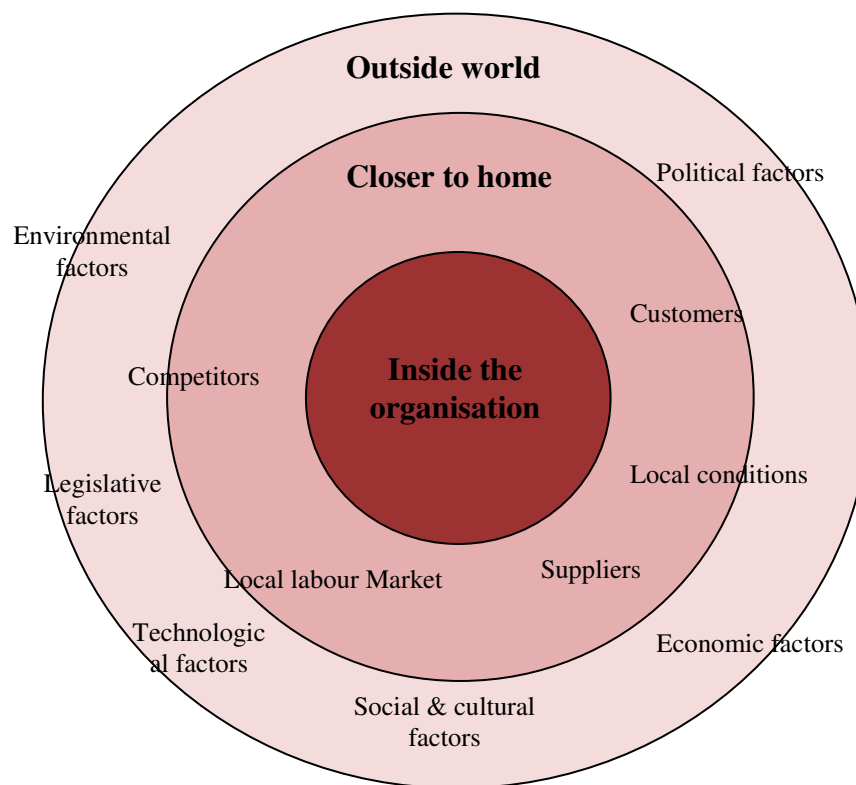
(Source: Partridge, 2007:6)

The outside world of Partridge's model corresponds with the external forces proposed by Kreitner and Kinicki (2001:np). It is argued that every organisation is open to external forces that can put an enormous amount of pressure on the organisation to change. Such are the economic, political, environmental or technological factors. Closer to home and inside the organisation correspond to the internal influence of Kreitner and Kinicki (2001:np) who argue that organisations of all sizes are also influenced by forces acting on their business or industry sector, and in their local areas (see figure 2.6). These forces create a pressure that influences the type of changes that an organisation would embark thereto.

2.5 Types of change

There are a number of ways in which change can be categorised. Some of the categories put forward by McNamara (2009:np) include planned versus unplanned, organisation-wide versus change in one part of the organisation, incremental (slow, gradual change) versus transformational (radical, fundamental), and many more. The

author later argues that knowing which types of change one is doing helps all participants to retain scope and perspective during the complexities and frustrations created by the process. Tucker (2007:np) agrees with this statement and states that different types of change require different strategies and plans. Thus, he identified three main types of changes that occur more frequently in organisations. These are developmental, transitional and transformational changes.

Developmental change: An improvement of what is already existing (Ackerman, 1997 quoted in Ramanathan, 2009:21). This often focuses on the improvement of a skill or process. It is change that enhances or corrects existing aspects of an organisation and may be either planned or emergent. Developmental change should cause little stress to current employees as long as the rationale for the new process is clearly conveyed and the employees are educated on the new techniques (Tucker, 2007).

Transitional change: Simple yet unpredictable, or complex yet predictable outcomes need transitional change. This is according to Rikerjoe (2009:np), who is of the opinion that for a change to be successful, some modifications are needed in the organisational structure, the existing systems of policies, procedures, and the individual skills needed to implement change. Hence this type of change touches upon and raises an examination of mission, strategy and organisational culture. Ackerman (1997:np) shares the same view and believes that transitional change seeks to achieve a known desired state that is different from the existing one. Tucker (2007:np) also concurs with this view and believes that transitional change is more intrusive than developmental, as it replaces existing processes or procedures with something that is completely new. He furthermore adds that the period when the old process is being dismantled and the new process is being implemented is called "the transitional phase" (Tucker, 2007:np). Transitional change is argued to be episodic, planned and/or radical. The change outcome is unknown, so employees may feel that their job is unstable and their personal insecurities may increase as a result.

Transformational change: This is deemed to be well suited for complex and unpredictable outcomes (Rikerjoe, 2009:np). It is the emergence of a new state (Ackerman, 1997). Transformational change is also argued to be radical in nature. It however occurs after the period of transition. Thus, transformational change may

involve both developmental and transitional change, and can also result in an organisation that differs significantly in terms of structure, processes, culture and strategy. It is important to mention that transformational change can be a life journey.

2.5.1 Other forms of changes

Other forms of changes are suggested by Partridge (2007:11) who believes that the pressure for change influences the type of change experienced, its speed and scope, including the way it is introduced and planned. She identified a gradual scale of four different types of changes which are; top down, bottom up, radical and gradual change (see figure 2.7 below for illustration). The essence of this scale is that individuals will experience change differently at each end of the radical-gradual scale.

Figure 2.7: The radical-gradual scale
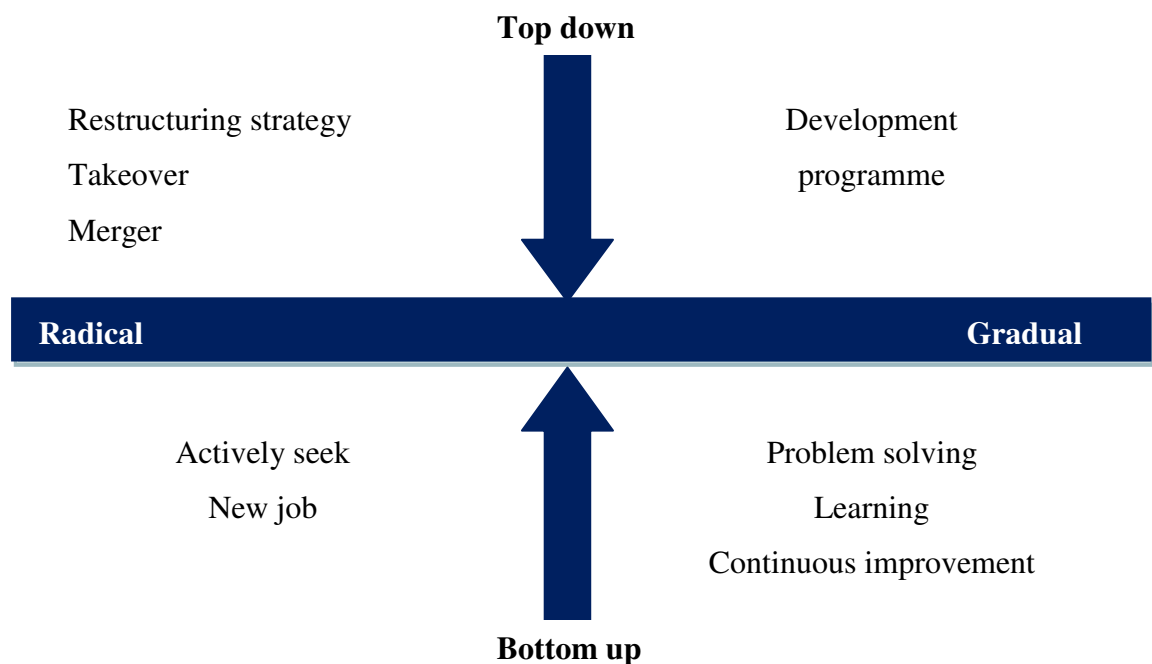
(Source: Partridge, 2007:11)

2.5.2 Radical change

Radical change is a change management approach that is guided by the aggregate of a project or initiative that is unique and specific to that change (www.change-management.com). Radical change is about a revolution. It is argued to be usually fast with a broad scope and has far-reaching effects on the whole part of the organisation. The radical change is also characterised by a major shift in the way individuals work or

act. Such change can be taken out of a crisis or a determination when it becomes evident that the path that one is currently in will not lead to the desired destination or will not yield the expected results. At such a moment it often becomes a necessity to change the direction completely (Partridge, 2007:11).

An example of a radical change from a personnel point of view would be to take a new position into another department or organisation. From an organisational point of view, it can vary from restructuring, takeover or merger. Radical change is also, and often, marked by a decision to establish a clear rupture from the current situation in order to reach the desired situation. Such a radical breakpoint-decision, as illustrated in figure 2.8 below, can bring about major disruption and turmoil, but the advantage is that it creates new conditions and leads to the desired process of change.

Figure 2.8: Breakpoint decision
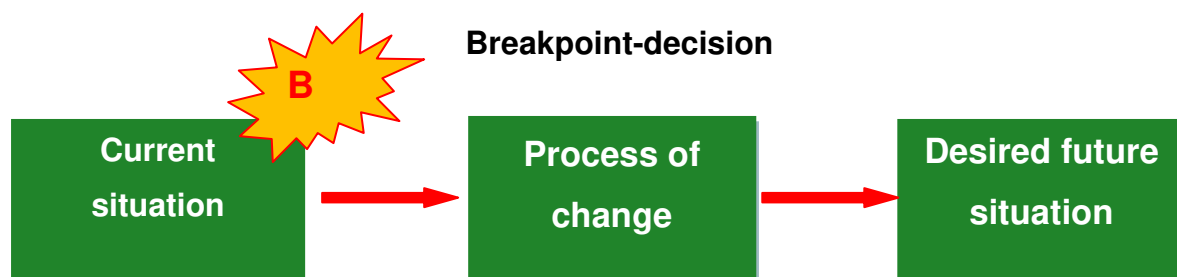
(Source: Partridge, 2007:12).

2.5.3 Gradual change

Gradual change is argued to be about evolution. It is used to make small adjustments in order to improve a product or service, to cut cost or improve efficiency. Gradual change can have a significant impact over the long term as changes are often integrated into routine activities, such as reviewing and addressing gaps between current practice and ideal or desired practice (Partridge, 2007:12).

2.5.4 Top-down and bottom-up change

Top-down change, as the name suggests, is usually imposed by people in power. Within an organisation, for example, change will be initiated, planned and led by a senior management team while the implementation of the plans is carried out at all levels of the organisation. Its effects are felt throughout. Top-down change is also

believed to be radical, especially when leaders of an organisation feel that they have to create a clear break with the past to achieve its aims. Unlike the radical change discussed earlier, top-down change does not have to be rapid. In other words, a development programme initiated by senior management can take time to be implemented (Partridge, 2007:12). Anderson (2010:np) adds that these two approaches are ineffective by themselves. Breakthrough improvements in performance can only be achieved by blending these two. It's a question of how you blend them. Top-down direction setting creates focus and the conditions for performance improvement. It then needs to be blended with a broad-based, bottom-up performance improvement to get people at all levels to take a fresh approach to solving problems and improving performance.

Bottom-up change is often gradual - involving small incremental changes. It is planned and led by the people who carry it out. These people understand their part of the organisation and know their customers need, and so are best positioned to find ways to make improvements. Generally speaking, knowing the different types of change is important as they impact on the levels of control, risks experienced, the skills and techniques to be used to manage changes.

2.6 Theories and models of change management

The concept of change management is used in various fields. In the field of human resource (the field from which this study is undertaken), it is believed to be pioneered by Dave Ulrich with "Ulrich's HR role model" (HR advice, 2008).

2.6.1 Ulrich's HR role model

2.6.1.1 Description

In his model, Ulrich identifies four major roles that are essential for the success of the whole Human Resource (HR) Management function. These roles are:
- strategic partner
- employee champion
- administrative expert
- change agent.

Just to emphasise the last role, Ulrich (1997:np) argues that line managers are the owners of the change, while HR can be seen as its architect, facilitator and designer (www.slideshare.net). In fact, nobody ever said that only HR manages change. Thus, the role of HR as change agent is about supporting the change and transition of the business in the area of the human capital. In other words, it is to support change activities and efforts, and ensure the human capacity to conduct the changes. See figure 2.9 below:

Figure 2.9: Ulrich's HR role model

(Source: HR Advice, 2008 - www.hrmadvice.com)

2.6.1.2 Critics

Ulrich's model is not without criticisms. Some critics are of the opinion that the model is taking focus away from the employee (Acerta, 2013:np). Others believe that the model never resulted in strategic thinking, but it was rather a mere change of title (www.thepensters, 2010). A survey conducted by the research firm Roffey Park also revealed that less than 50% of managers believed that the model has been successful in their organisation (www.Personneltoday, 2013).

In response to the above critics, Ulrich is of the opinion that "poor implementation had let the model down". He also believed that individuals apply his earlier work to today's problems, while the model and its theory are continually being adjusted. Ulrich insists that HR should stick with the model as it works (Acerta, 2013:np).

Although Ulrich's model initiated the concept of change management in the HR field, this however does not assist much in addressing change needs. The following are methods and theories developed and mostly used in addressing organisational change needs.

These theories are Kurt Lewin's force field analysis, Lewin's three-step models, John Kotter's eight-steps model, and action research. These methods are so crucial that they deserve to be looked at profoundly.

2.6.2 Lewin's force field analysis

2.6.2.1 Description

The force field analysis model (figure 2.10 below) is a management technique developed by Kurt Lewin for diagnosing change situations. The model assumes that there are forces driving change and other forces restraining any change that may occur (www.purpleapples.co.za). The driving forces are those forces made up of situations that are pushing in a particular direction and tend to initiate a change and keeps it going. Improving productivity in a work group, pressure from a supervisor, incentive earnings, and competition are examples of driving forces. The restraining forces are forces acting to restrain or decrease the driving forces. Apathy, hostility, and poor maintenance of equipment are examples of restraining forces against increased production (www.accel-team.com).

Figure 2.10: Lewin's force field analysis model
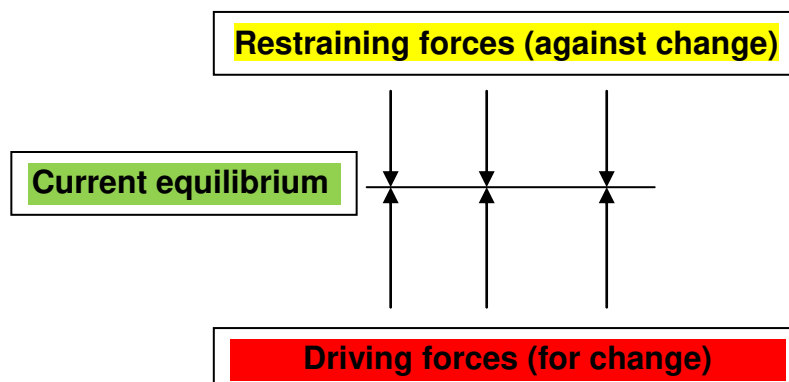
(Source: www.hull.ac.uk.)

The force field analysis model argues that where there is equilibrium between the two sets of forces, there will be no change. However, in order for change to occur, the driving force must exceed the restraining force. Lewin suggested that change will be easier and last longer if the forces against the change were reduced, rather than the forces for change being increased. He also adds that modifying the forces that maintain the status quo may be easier than increasing the forces for change (www.hull.ac.uk).

2.6.2.2 How does Lewin's force field analysis model work?

Several steps are advised when using this model (www.purpleapples.co.za), Connelly (2012:np). Such steps include:

1. Defining the change outcomes or vision: It requires outlining the goal or vision of the future desired state.

2. Brainstorming or mapping the driving and restraining forces: This step involves identifying circumstances that are favourable and those that may be unfavourable to the change, and record them on the force field diagram.

3. Evaluating the driving and restraining forces: At this stage, change facilitators are expected to rate each force (on each side); preferably from one to five, with one being weak and five being strong. Scores are then totalled for decision purposes.

4. Reviewing of the forces: This step entails identifying forces that have some flexibility for change or can be influenced.

5. Strategising: This step is about creating a strategy to strengthen the driving forces and/or weaken the restraining forces.

6. Prioritising: In this step, change facilitators are to prioritise their strategy and preferably select those susceptible to provide the greatest impact. The step also entails identifying the resources needed and deciding how to implement the devised strategy.

2.6.2.3 Critics

This model also has its critics. The force field analysis is often criticised on the subjective nature of attributing scores to the driving and restraining forces, of being too simplistic and mechanistic for a world where organisational change is a continuous and open-ended process, and based on the fact that the model applies within limited settings and that there are situations outside of these settings in which it may be less applicable (Connelly, 2012:np).

These criticisms appear to derive from a misconception of how Lewin perceived stability and change. Lewin argues that one should view the present situation/status quo as being maintained by certain conditions or forces. For instance, the food habits of a certain group of individuals are not a static affair in a district with good groceries and restaurants or in an area of poor and irregular food supply. Somehow all these factors affect food habits at any given time. Lewin views change not as a predictable and planned move from one stable state to another, but as a complex and iterative learning process, where stability was at best quasi-stationary and always fluid, and where, given the complex forces involved, outcomes cannot be predicted but emerge on a trial and error basis (Burnes, 2004:np).

The force field analysis is backed by Lewin's three-step change management model and has, over time, developed credibility as a professional change management tool.

2.6.3 Lewin's three-steps model

2.6.3.1 Description

Amongst the change management approaches, one of the most interesting and also most criticised is the model developed by Kurt Lewin in the late 1940s. Some accused the model of being "quaintly linear and static", "wildly inappropriate" and more in general "simplistic". However, Lewin's approach is still considered by a relevant number of authors and practitioners as extremely relevant (Kanter et al., 1992, quoted in Longo, 2011:np). Although many things have changed since 1947 when the model was presented, and the environment in which businesses operate is evolving at a faster and faster pace, many of the change management models developed in more recent times

have clearly been devised on the basis of the Lewin approach (Longo, 2011:np). Lewin argues in his model that successful change inside an organisation happens by following three steps that he named unfreezing, movement, and refreezing (Robbins Werner, 2007:651).

Figure 2.11: Lewin's three-steps model

(Source: Cummings et al., 2009:95)

The first phase is about 'unfreezing' the status quo. This stage of change involves preparing the organisation to accept that change is necessary, which involves breaking down the existing status quo before building up a new way of operating (Mind Tools, 2006). Unfreezing entails helping people in the organisation see that change is needed, as the existing situation is no longer satisfactory (Robbins & Judge, 2007:651).

The unfreezing phase is concerned with getting the organisation ready for change, including foreseeing or becoming aware of environmental changes that are likely to impact on the organisation. In doing so, it also evaluates the organisation's ability to deal with these changes while creating the motivation for change. At this phase the organisation is to determine where it wants to be in comparison with its situation at that time (Cummings et al., 2009:95).

Unfreezing is necessary and it involves change efforts used to overcome the pressure created by both individual resistance and group conformity. During this phase, existing attitudes and behaviours are addressed, affected and need to be altered so as to minimise the resistance to change. This can be done by communicating how change will positively affect the organisation or department. This could include the increase of productivity; ameliorate the work process and the decrease of down time. The objective here is to sell the process to a certain degree so that people who are likely to be affected by the change and are less likely to resist it, may increase their willingness to participate and make it a success (Robbins & Hunsaker, 2006:209).

The second phase focuses on the 'movement' to the desired state. After the uncertainty created in the unfreeze stage, the change stage is where people begin to resolve their uncertainty and look for new ways to do things. People start to believe and act in ways that support the new direction (Mind Tools, 2006). Movement is about moving towards the desired state or implementing the actual change process that will transform the organisation from the status quo to the desired state (Robbins & Judge, 2007:651). At this stage people affected by the change will be required to let go of the old ways of doing things, and to develop and embrace the new ones.

The challenge in this phase is high as people will be required to move from their comfort zone, stop their familiar way of doing things, and learn new ways. In doing so, they might be required to learn new behaviour, work with new people, and complete tasks with new and complex technology or equipment (www.strategies-for-managing-change.com). Movement for both employees and manager would imply implementing the strategic plans and developing a new attitude (Cummings et al., 2009:95).

The third phase is about 'refreezing', also rephrased as 'consolidation', of the new so that it becomes the culture of the moment (Maw, 2008:np). In other words, refreezing involves reinforcing the changes made so that the new behaviours, processes, culture or technology become second nature or the new norm. The argument here is, if people perceive that the new changes are working for them, external reinforcement such as coercion will not be needed. This of course excludes small rewards.

Refreezing is very much concerned with ascertaining that people accept and support the change in order to maintain it and avoid that individuals go back to the old method of doing things (Longo, 2011). Refreezing is about reinforcing the new *modus operandi* – stabilising the organisation into the new way of doing things (Werner, 2006:377). The desired behaviours are encouraged and relapses are quickly identified and addressed. The most important aspect to remember about this phase is its goal, which is to cause the desired state to sink in and become a natural self-reinforcing.

2.6.3.2 Critics

The third stage of the model, refreezing, has provoked criticisms of Lewin's model. More in particular, it is argued that the modern business world is changing at a pace which gives no time to settle, and consequently to refreeze, after a change process has been implemented. This criticism implies that the final stage of the process should not end on a rigid, hard state, but that it should, instead, leave the organisation in a sort of soft/jelly-like state which could be constantly shaped and moulded accordingly (Longo, 2011:np). In response to this criticism, Lewin believes that refreezing shouldn't be seen as being permanent, since it may be very short term. But it's important to do it in order to bring some kind of stability to the organisation (www.hull.ac.uk).

2.6.4 Kotter's eight-steps model

2.6.4.1 Description

Kotter is recognised as a change expert. He introduced the eight-step change process in 1995 in his book titled "Leading Change". These eight steps are: (i) create a sense of urgency, (ii) form a powerful coalition, (iii) create a vision for change, (iv) communicate the vision, (v) remove obstacles, (vi) reward short-term wins, (vii) consolidate improvements, and (viii) anchor the changes in the corporate culture (Mind Tools, 1995-2010).

The below model argues that changes, especially the major ones, do not happen easily. The process goes through stages which are important and require a considerable amount of time. And, although these stages overlap each other, mismanaging any one of these stages can undermine an otherwise well-conceived vision (National Resource Centre). Figure 2.12 on the following page presents the eight-steps, which are explained in more detail below:

Step one: Create a sense of urgency

The first step is about establishing convincing reasons why change is needed (www.kotterinternational.com). In this step, leaders or change facilitators unfreeze people by establishing why change is needed. In doing so they identify potential threats and develop potential scenarios showing what could happen in the future (Deane, 2010: np). However, it is not simply a matter of showing people poor sales statistics or talking

about increased competition. It entails sharing in an honest manner and convincing them about what is happening in the marketplace, within the organisation and with competitors.

Creating a sense of urgency around the need for change may help the organisation to spark the initial motivation to get things moving. In fact, it is better if the whole company really wants it. Kotter suggests that for change to be successful, 75% or more of the company's management needs to 'buy into' the change. Thus making this step so crucial that one should not rush through it. What can be done is to:

- Identify potential threats and develop scenarios showing what could happen in the future.
- Examine opportunities that should be, or could be, exploited.
- Start honest discussions and give dynamic and convincing reasons to get people talking and thinking.
- Request support from customers, outside stakeholders and industry people to strengthen the arguments.

(Mind Tools, 2010)

Figure 2.12: Kotter's eight-steps change model
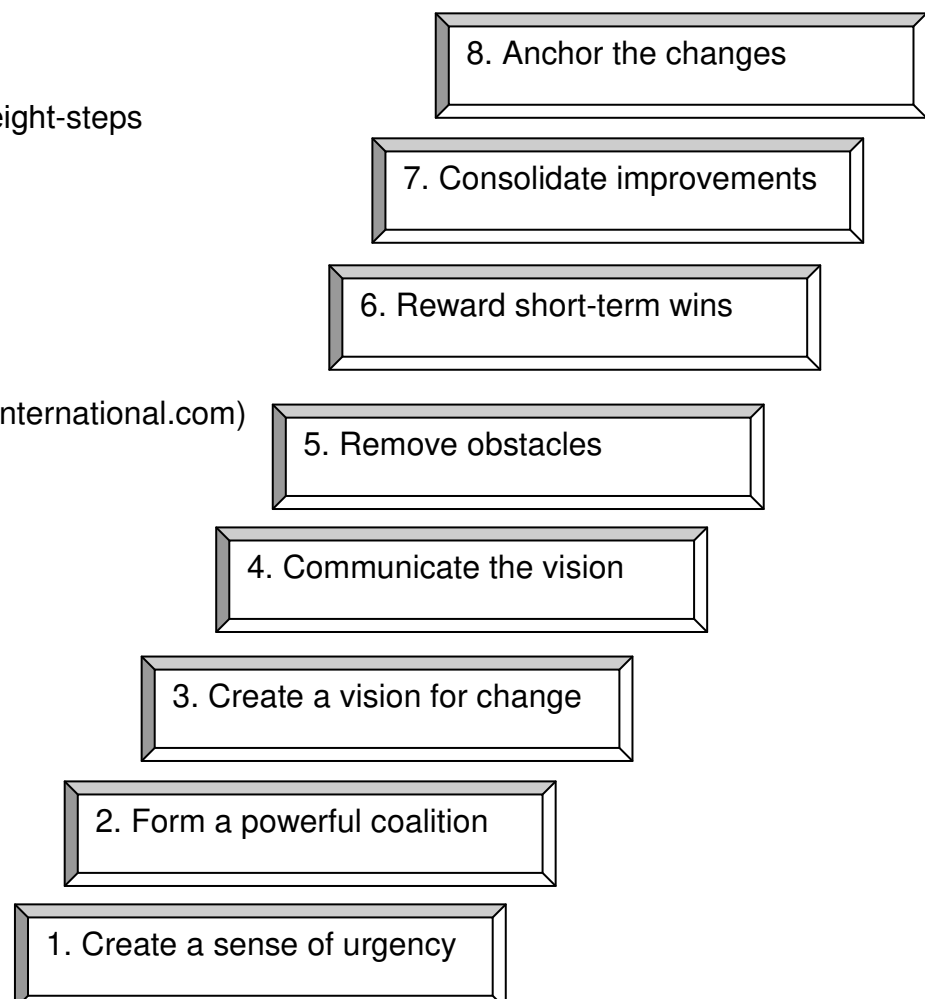
(Source: www.kotterinternational.com)

8. Anchor the changes

7. Consolidate improvements

6. Reward short-term wins

5. Remove obstacles

4. Communicate the vision

3. Create a vision for change

2. Form a powerful coalition

1. Create a sense of urgency

Step two: Form a powerful coalition

This step is about forming a coalition team with enough power to lead the change (Webster, 2011:np). The critical aspect of this team is to develop a shared commitment and a mechanism that get people together in order to mutually assess the problems and find out how to approach them (Cameron & Green, 2009:126). Managing change isn't enough - one has to lead it. This therefore requires strong leadership and visible support from key people within the organisation.

To lead the change process one needs to bring together a coalition or team of influential people whose power comes from a variety of sources. This includes job title, status, expertise and political affiliation. Once formed, the 'change coalition' needs to work as a team, continuing to build urgency and momentum around the need for change.

What can be done here is to:
• Identify true leaders in the organisation.
• Ask for an emotional commitment from these key people.
• Work on team building within the change coalition.
• Check weak areas of the team, and ensure that a good mix of people is obtained from different departments and different levels within the organisation

(Mind Tools, 2010)

Step three: Create a vision for change

At this stage change leaders need to formulate a clear and gripping vision that people will aspire to and will guide the change effort. The argument is that effective visions create a drive in followers to accomplish specific goals, since they can visualise their contribution to a cause they believe in. Leaders also need to develop the strategy for achieving that goal (www.kotterinternational.com). The argument behind this step is that a clear vision can help everyone understand why they are being asked to do something.

When people see for themselves what leaders are trying to achieve, the directives they're given tend to make more sense. What can be done is to:
• Determine the values that are central to the change.

- Develop a short summary (one or two sentences) that captures the 'perceived' future of the organisation.
- Create a strategy to execute that vision.
- Ensure that the change coalition can describe the vision in five minutes or less.
- Practice the company 'vision speech' as often as possible.

Step four: Communicate the vision

Transformation is unlikely to succeed unless the majority of the people in the organisation are involved and willing to help (www.strategies-for-managing-change.com). Leaders therefore need to use every means possible to communicate the vision to all parties involved and affected by the changes process. This should not be done just by calling special meetings to communicate the vision. Instead, the change coalition should talk about it every time it gets a chance to do so. Their message will probably have strong competition from other day-to-day communication within the organisation, so it needs to be communicated frequently and powerfully. The belief is when the message is kept fresh on everyone's mind; they will remember and respond to it (Melnyk & Fineout-Overholt, 2010:282).

It is also important to 'walk the talk' by translating theory into practice. What one *does* is far more important - and believable - than what is *said*. Managers in the change coalition should therefore model and demonstrate the new behaviours needed from the rest of employees. It is advisable, when communicating the vision, to:
- Talk often about the change vision.
- Openly and honestly address peoples' concerns and anxieties.
- Apply the vision to all aspects of operations - from training to performance reviews, and tie everything back to the vision.
- Lead by example.

Step five: Remove obstacles

When this stage is reached, the assumption is that the vision has been communicated, and buy-in from relevant stakeholders has been obtained. The objective is now to remove all obstacles and empower all parties with the knowledge, resources and direction needed to make things happen (www.change-management-blog.com). One needs to remove obstacles to empower people to execute the vision, so this should

take into consideration and encourage risk taking and creative problem solving (Deane, 2010:np). The argument is therefore that structures for change should be put in place and the coalition team should continually check for barriers to it.

Removing obstacles is believed to empower the people that are needed to execute the vision, and helps change to move ahead (Biech, 2007:28). What can be done includes:

- Identifying or hiring change leaders whose main task is to deliver the change.
- Looking at the organisational structure, job descriptions, performance and compensation systems to ensure they are in line with the vision.
- Recognising and rewarding people for making change happen.
- Identifying people who are resisting the change, and helping them see what is needed
- Taking action to quickly remove barriers - human or otherwise.

Step six: Reward short-term wins
Kotter (2001:np) argues that a leader should plan for visible performance improvement, allow them to happen, and then celebrate them with employees that have been able to make it, as nothing motivates better than success. Since major changes happen to take time, transformation effort may lose the momentum if no short-terms wins are accomplished, recognised and celebrated. Without these wins, critics and negative thinkers might hurt the progress. So as momentum builds people try to fulfil the vision, while fewer and fewer would resist change. Thus the change coalition team will have to work hard to come up with these targets; win them so as to further motivate the entire staff (Webster, 2011:np). This can be achieved by:

- Looking for guaranteed projects that can be implemented without help from any strong critics of the change.
- Not choosing early targets that are expensive.
- Thoroughly analysing the potential pros and cons of the targets - if the team does not succeed with an early goal, it can hurt the entire change initiative.
- Rewarding the people who help to meet the targets.

(Cameron & Green, 2009:126)

Step seven: Consolidate improvements

This stage is built upon the short-terms win. The credibility gained help to consolidate the improvement, tackle bigger problems and create confidence on bigger challenges. Kotter (2001), however, warns that victory declared too early may fail the process as real change runs deep, and quick wins are only the beginning of what needs to be done to achieve long-term change (Warrilow, 2009:90). A typical example is launching a new product using a new system, which is great. But if one can launch 10 products using the same system, this means the new system is working. What is important to remember about this step is that each success provides an opportunity to build on what went right and identify what can be improved.

Step eight: Anchor the changes

The objective of this stage is to demonstrate the relationship between the new behaviours and the organisation's success. It is about making changes stick and become part of the core of value of the organisation. John (2010:np) shares that organisations tend to have long memories, and if the leadership changes or the initiative is called into question, there will be many who offer the 'old way' as an alternative solution to all the change. That is why bringing the culture forward to align with the change is critical. So although change has successfully happened, it is important that leaders of the organisation continue to support the change. This includes existing staff and leaders who are newly hired.

If one loses the support of these people, the organisation might just end up back where it started. What can be done in such instance is to:

- Talk about progress and success stories of the change process when an opportunity is given.
- Include the change ideals and values when hiring and training new staff.
- Publicly recognise key members of the original change coalition, and make sure the rest of the staff - new and old - remembers their contributions.
- Create plans to replace key leaders of change as they move on - this will help ensure that their legacy is not lost or forgotten.

According to Lunenburg (2010:2), Kotter's eight-steps model is believed to have been built upon Lewin's three-steps model by providing a more detailed approach for

managing change. His first four steps elaborate on the 'unfreezing' stage of Lewin. Steps five to seven represents the 'movement' stage. Finally, step eight represents the 'refreezing' stage.

2.6.4.2 Critics

Criticism of this model include the linearity of the model, which allegedly can lead to wrong assumptions, and that the model is top-down and gives no room for co-creation or other forms of true participation (Nauheimer, 2009:np). The process Kotter describes shouldn't really be considered as a management approach, per se. Instead, it should be viewed as a process for leading, not managing, change as leadership approaches focus on stimulating other people to take action. Kotter's process is a method of energising others around a goal. Hence, once a need for change is established via the first stage, developing and communicating a vision and empowering others to act on the vision become crucial (Management at work, 2013:np).

This study subscribes to the combination of the abovementioned two models, which in fact constitutes the point of departure for this current study.

Thus far it has emanated from the discussion above that change management is a process, it is evident, it is bound to time, and has a role to play in organisations as well as individuals' lives, and should be managed properly. This therefore ultimately leads to the issue or question of who should manage the organisational change process.

2.7 Who should be responsible for managing the change?

The management of the change process is often attributed to any managers, irrespective of the number of people they are responsible for (whether they manage two or one hundred people). If the changes are extensive, reaching the entire organisation, and the organisation is big enough, it may assign or designate a person to such a role on a full-time basis. It makes this person a *change agent* (Potts & Lamarsh, 2004:31).

Prior to discussing the roles and responsibilities of the change, it appears crucial to first identify the various role players in the change management process. There are four actors in the change. These are senior leaders, managers and supervisors, project

team, and employees (Prosci, 2011:np). According to Potts and Lamarsh (2004:62), these actors can be grouped in three categories of 'role players', which are the **sponsor(s)**. These are usually senior managers or leaders within an organisation, who have the authority to decide that something should change and to allocate resources to support the change. Secondly there are **change agents**. These are the people within the organisation who are assigned with the task of planning and implementing the changes requested or identified by the sponsor. Change agents can also be sponsors. Thirdly, there is the **target**, the people who have to change.

Although these roles may appear as being in a hierarchy, they are however dependent of each other. For example, if the sponsors do not take the decision to change or provide the resources needed for the change, the change agents will have no change to work on and the targets are the targets of nothing. Or if the change agents do not plan and manage the change process, there is a risk that changes will not happen and that efforts of the sponsors and the targets will go wasted. Similarly, if the target does not change, the work of the sponsors and change agents will be in vain. This therefore requires knowing the role of each of the 'role players'.

2.7.1 The sponsors

As indicated earlier by Potts and Lamarsh, sponsors are individuals who have the authority to decide that something should change and to allocate resources to support the change. But before going any further it is important to mention that the sponsors cannot just authorise a change, appoint a change agent, and then simply walk away. Their role goes beyond that and includes the following:

- Understanding the change - understanding the desired state and the impact it will have on the workforce.
- Managing and overseeing the change - keeping a relationship with the target because sometimes the target wants to deal directly with the sponsor, and hear about the why, what, and/or how, directly from the sponsor.
- Dealing with the people affected by the change - in some cases the target wants to see the face of the person who is asking them to change. This is to see the sincerity, understanding, support and encouragement behind the picture of the desired state.
- Authorising the change to happen.

- Providing and allocating resources needed for the change to happen.

(Prosci, 2011:np)

2.7.2 The change agents

The term *change agent* is used in broad sense because a change agent can be managers or non-managers, employees or an outside consultant (Nameer, 2008:np). Such a view is also shared by Hillman (2011:48), who argues that change agents can be any person – a manager or non-manager, newly hired employee or outside consultant. In some instances, managers within an organisation hire the services of outside consultants to provide advice and assistance on major change efforts. General belief is, since they are 'outside', their perspectives will be objective.

According to Pandit (2008:10), a change agent is any person who possesses enough knowledge and power to guide the change effort. His/her role is to assist management in identifying the gap between the situation of an organisation at the time, and the desired situation with the aim to develop and implement suitable intervention programmes. Other terms used to refer to change agents are change and development practitioner or change consultants.

The main roles and functions of change agents are to:
- Understand the change at strategic level.
- Probe top management's commitment to change.
- Initiate, stimulate and facilitate the change process.
- Deliver the change fast and cost effective.
- Explain all about the change to the target in a way they can understand.
- Facilitate full participation of all members in the organisation.
- Plan and implement the change.
- Not be emotionally attached to the change.
- Identify and deal with resistance to change.
- Identify and measure the impact of the change on the structure, process, people and culture (Paton & McCalman, 2008:242).

In order to accomplish such a task, change agents will need the following leadership involvements:

- Influencing and persuading stakeholders.
- Supporting and encouraging all role players.
- Building motivation.
- Facilitating and enabling the change team.
- Involving the rest of employees.

(Partridge, 2007:18)

The change agent is recommended to form a team called a coalition team, if the changes needed affect people across a number of operations within the organisation. Large scale change requires a team of change agents who should be selected from various departments, fields and backgrounds (Pandit, 2008:52). The responsibility and function of the team will be nearly the same as those of the change agent.

2.7.3 The targets

A target is anyone who is part of the organisation system and has to change. It is more than merely a small group of people on whom the change will have the biggest impact, as it may include employees and clients outside the organisation. The target should be granted the right to complain, especially when the change has been imposed on them without participation. However, if the sponsor and the change agent adopt a conducive attitude toward the targets and try to involve them by means of consultation, complaints are less likely to occur (Prosci, 2011:np).

The role of the targets is subsequently to:
- Understand the change.
- Seek additional information needed to fully grasp the reasons for changing including personal impact of the change.
- Work *with* the sponsor and the change agent, not *against* them.
- Make up their mind, preferably to support the change, but can also be resistant.
- Provide feedback and reaction to the change and the change management efforts.
- Take control of the personal transition.

2.8 Why should organisations apply the principles of change?

Potts and Lamarsh (2004:18) point out that there are people who do not believe that managing change in a well thought-out and structured way is necessary. The sad part is that such people are usually senior management who hold power to decide how the change is managed. Their philosophy is argued to be "let's make it up as we go along". Such philosophy is discouraged by Nel (2005:2), who warns that the greatest causes of failure that bedevils change initiatives are the naive belief that "change occurs spontaneously and should be allowed to flourish in the warm glow of human intentions". Werner (2007:380) concurs with such a point of view and believes that organisational development and change should not be undertaken in a hazardous way, but in a well-planned and executed manner. Prosci (2013:np) adds that a well-executed plan alone is not enough; nor believing that a great solution plus effective project management equalled project success, is accurate. The author argues that the missing piece of this equation is change management.

This chapter has thus far demonstrated that change is a process that almost all organisations face or go through in order to ensure their survival. The chapter has also demonstrated that managing change can be a lengthy and strenuous process. Thus it needs to be managed properly in order to guarantee its success.

Like in any management process, change coalition teams or agents need to have a plan and methods to tackle their change initiatives. Although applying the principles and theories of change management discussed earlier do not guarantee that organisations will succeed in their endeavour, they do however provide scientific methods on how to approach, manage and lead the change process.

Other benefits attached to using principles of change include identifying the need for change, including the potential for resistance to change, assessing such need to change, and developing the action plan to implement the change, including ways to reduce or eliminate the resistance to the change (Sutton, 2010:656).

2.9 Planning and identifying the need to change

This section elaborates on methods and tools that organisations can use to go about identifying the sources and/or the need for change as well as planning such a process. Such tools are the SWOT analysis technique and action research. These tools are said to help managers within an organisation to answer the questions, what is changing and why is it changing?

2.9.1 SWOT analysis

The SWOT analysis method is one of the best known tools for doing an environmental analysis. The process can be used to scrutinise an organisation's current environment (both internal and external) and identify what needs to change. It is said to be suitable for every type and size of organisation, and can even be used at an individual level (Yuece, 2012:4). SWOT is an acronym for strengths, weaknesses, opportunities and threats. The first two elements of the SWOT (strengths and weaknesses) represent the internal factors. The last two (opportunities and threats) represent the external factors. Figure 2.13 below provides an illustration.

Figure 2.13: SWOT analysis chart
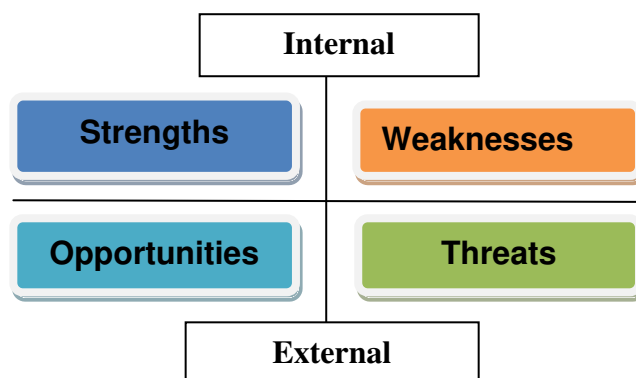
Strengths and weaknesses

Both strengths and weaknesses are internal resources of an organisation that will determine its ability to respond to change challenges (Ehlers & Lazenby, 2007:81-83); (Chapman, 2013:np). The strengths are its capabilities and resources that clearly give it a competitive advantage. The weaknesses refer to the lack or deficiency in resources that represents a relative disadvantage for the organisation.

Opportunities and threats

Both opportunities and threats constitute the external forces that pressurise an organisation into change (http://www.netmba.com/strategy/swot). Opportunities represent favourable situations that are available for the organisation in the external environment and can be exploited. Threats, on the other hand, are unfavourable situations that exist in the external environment of an organisation, of which the effects can be detrimental to such an organisation.

With a SWOT analysis managers can identify the imminent pressures for change in the external environment then link these with the resources and capabilities at their disposal, enabling them to prioritise the changes they need to make (Yuece, 2012:4).

It is important to mention that when listing and allocating the various situations into the four categories of the SWOT, some of them can be inter-linked to some degree. A situation in the external environment can both be an opportunity or a threat, depending on how the organisation views it. The same applies for the internal factors, where a situation can be both a weakness and strength. For example, a bureaucratic management style tends to mean that the organisation is not flexible and able to respond quickly to new customer demands. In this situation the management style is viewed as a weakness. However, a bureaucratic management style may also mean that the organisation is able to introduce new methods and policies in a systematic manner. In this case the management style counts as strength.

A SWOT analysis provides a structured approach to think and identify what needs to change. It is, however, a matter of judgement based on subjective assessment of a situation (http://www.netmba.com/strategy/swot). Thus, personal perceptions of raters or evaluators are likely to differ from one person to another. It is therefore suggested to conduct such an analysis with the view of the change coalition team.

The following interpretation may be used to determine whether or not there are change opportunities:

1. A large number of strengths and few weaknesses indicate a good position for the organisation to respond to opportunity and threats. The need for change is mild and not urgent.

2. A large number of weaknesses and few strengths indicate that change needs to be made internally first in order to respond to the opportunities or threats.

The SWOT analysis technique however must not be seen as exclusive. It only supplies a holistic view of the organisation and provides an informed understanding of its current environment (http://forlearn.jrc.ec.europa.eu/guide). Once the need for change is identified using the SWOT, such needs need to be probed to determine whether it is worthwhile to make the changes. A useful tool to probe such findings is action research.

2.9.2 Action research

Another change management theory that is less known, but deserves to be mentioned, is action research. Action research refers to a change process based on the systematic collection of data that is used to decide on the change action based on the outcomes of the analysis. The importance of this process arguably lies in the scientific methodology it provides in managing planned change. The process of action research consists of five steps: (i) diagnosis, (ii) analysis, (iii) feedback, (iv) action and (v) evaluation. A closer look at these principles seems important for a deeper understanding of the process.

Diagnosis

The diagnosis process in action research is in fact similar to the one used by a physician when trying to determine what is actually 'wrong' with their patients. In this process the change agent investigates the matter by asking questions and/or interviewing employees, reviewing records, and listening to concerns of employees. This is then followed by an analysis (Robbins & Judge, 2007:654).

Analysis

In the analysis process the change agent summarises the information obtained during the diagnosis process and categorise them into primary concerns, problem areas, and possible action. In this process the change agent includes all people who will be involved in the change programme in order to actively participate in determining the problem and subsequently devising the solution (Stringer, 2007:48).

Feedback

Feedback refers to sharing information with employees about what has been found from the previous two steps. With the help of the change agent, employees develop an action plan to bring about the change needed. At this point, the action part is activated (Koshy, 2010:78).

Action

When the action part is activated, the change agent carries out the specific action identified and agreed upon to address and correct the discrepancies.

Evaluation

This is the final stage. It consists of evaluating the efficacy of the action plan using the initial data gathered as a benchmark. Any changes between the initial state and the desired state are compared and evaluated.

The primary benefit of using action research theory for the organisation is that it is problem-oriented. The change agent seeks problems and such problems will determine the type of change action needed. The problem is that most changes are actually solution-oriented. Secondly, since employees are heavily involved in the process, this reduces the resistance to change (Koshy, 2010:37).

2.10 Identifying and planning the change process

This section discusses how managers or change agents can go about managing and identifying the need for change, via planning and communicating such a need to the rest of the organisation. Although Kotter and Lewin's models discussed previously in this chapter are the basis for this study, there is however some planning activities that need to be considered and discussed before implementing the two models. These planning activities may in a small scale be compared to steps two, three and four of Kotter's model, i.e. allocating accountability for the change, identifying the forces and reasons behind the change, and starting initial consultation with relevant stakeholders around the change.

2.10.1 Why is it important to have planning activities?

The choice of this approach is motivated by two main reasons. The primary reason is based on the fact that it is impossible to talk about change unless the organisation understands its starting point (Partridge, 2007:42). The secondary reason is that organisational change, which in essence is a component of transformation, is by definition bedevilled by the question of what organisations are transforming to, and by what criteria they regard the place that they are going to, will be superior to where they have come from (Schuitema, 2009:1). It is therefore true to say that in order to successfully achieve their endeavours, organisations need to properly investigate their intentions and suitably plan them.

2.10.2 Planning the change

The first activity in planning the change is to allocate or identify the person or people who will be accountable for the change (Holmberg, 2009:np). Nel (2002:4) is also of the opinion that one will agree with the argument that every stakeholder and individual in the organisation must form part of the drive to create a competitive and committed workforce, including change initiatives. But, the change has to begin somewhere. Practically, change initially needs to enjoy the focused attention of a relatively smaller group of people who will be accountable for initiating the change process. Obviously, the roles and responsibility of each group member will vary at each stage of the change process and according to their area of expertise.

The role of this group or individual (depending on the size and nature of the change) will be to conduct primary research on the change and to generate some valuable data that will provide an overview of what needs to change and why.

2.10.3 Identifying the need to change

One cannot emphasise enough that the need for change exists in every organisation. Other than irrational change solely for the sake of change, every corporation must change to survive. If an organisation doesn't innovate and change in accordance with market driven needs and demands, it will fail (Myatt, 2012:np). According to Firth (2000:46), change does not really start with the intention or idea, nor the leadership style. It starts beyond the organisation.

Causes of change can be attributed to various motives. Take the automobile industry for example. Personal greed causes people to be more demanding about the type of cars they drive. So irrespective of how good car manufacturing companies are doing, at some point, they have to stop doing things the way they were. They certainly have to stop designing and making cars like they used to do. They also have to stop thinking about cars the way they used to. They even have to reconfigure their conception about customer care, or customers in general. They have to move a long-established and obstinate organisational system, from simply manufacturing cars to service-oriented organisations. Such is; extended warranty, free car service, guaranteed trade-in after a certain number of years, and many more. This is, in essence, where change is believed to begin.

The sponsor (as discussed above) or managers are likely to have an idea of what needs to change in their organisation when dealing with small changes or those influenced by internal forces of change. Such information can easily be obtained from the organisation sales records, performance score cards, production schedules and/or HR records (absenteeism, resignations, and tardiness). This however does not seem to be the case when dealing with changes that are influenced by external forces. The complexity of the latter type of change remains in the fact that organisations have to react or anticipate events or a chain of events that are happening outside their spheres of influence, but yet can impact on them. They in fact have to respond to a national or global situation and tailor it to their specific industry or organisation. Thus requires a careful assessment of their environment. Two useful tools that can be used to go about identifying the need for change are action research and a SWOT analysis, which were discussed earlier.

2.10.4 Consultation with relevant stakeholders

Once the needs and the forces behind the change were identified, the next logical step – the third activity – is the consultation process, which means presenting the first draft of the change plan. The draft allows the change leader or driving team to identify what needs to change, where major efforts will be needed and anticipate where possible resistance to change is likely to occur.

Change should not be too widely dispersed (Nel, 2005:4). However, in great leadership, employees like to be involved in decision-making that affect their jobs (Myatt, 2012:np). So the next logical step is to start talking about the change and to 'get the ball rolling'. The information sharing ought to be done in a controlled manner and guided by the change plan. Not much information should be shared at this stage to avoid creating a rumble. The objective of this stage should only be to allow employees to talk about the change, thereby creating expectations which will later be used to introduce the sense of urgency, if any.

2.10.5 The change project plan

Hornstein (2012:np) is of the opinion that project management processes must also consider how to engage employees from inception to enable them to see any initiative as their own, and not simply as something to be done because they have been told to do so. Aligned to the aforementioned statement, the completion of the consultation process should ultimately lead to the compilation of a change management project plan. This plan allows management or the change agent to have a holistic view of the change at hand and initiate further investigation if required. Note that the findings of the action research and/or the SWOT analysis (if opted for this method) have allowed management at this point to know the organisation's current environments (both internal and external), identify the issues to be addressed, and who are likely to be affected by the change. The next step for managers should be to gear up and address those issues. In doing so, they should be aware of and prepare to tackle certain areas of concern. Such areas are the resistance to change, timing, and the way in which employees are engaged and have access to information needed.

2.10.6 Resistance to change

While the human response unleashed by the change should be welcomed as an indication that transformation is taking place, the bad news is that the process can be totally unruly and unpleasant for everyone, and sometimes unmanageable due to human resistance to change (Nel & Beudeker, 2009:166). As shown earlier in figure 2.3, the troll who represents the critical voice in every individual's mind, will warn them as to why they should not attempt to change.

Why? The answer is simple. Irrespective of how privileged or unprivileged individuals are, they all have the very same autonomic nervous system. This system was built to ensure their survival - warning them against danger and any other unpleasant situations that come their way. However, this system often negatively impacts their actions and reactions as the warning messages often translate into fear, guilt, and anger (The Village of Leaders, 2010:slide 3). After all, it makes sense for those individuals since they love their comfort zone and the security provided by routine familiarity. Therefore, when something comes along which threatens the status quo it will unleash a set of responses, which at first glance will look negative. Once individuals feel the disturbance or attractors signs, what normally should happen is that they should adopt an attitude of curiosity rather than only fear and subsequently resistance.

So another important factor associated with change management is overcoming this resistance to change. One of the most generally agreed findings in the study of change management is that organisations and their members would resist change. As stated earlier, many organisations choose to make frequent changes in order to survive in this ever-increasing competitive marketplace (Myatt, 2012:np). Although changes are initiated with the intention to obtain a positive outcome, it does not exclude obstacles.

One of the most common obstacles to successful change is human resistance. Robbins and Judge (2007:647) argue that this resistance provides a degree of stability and resistance to behaviour. For example, resistance to a re-organisation plan or change in a product line can stimulate a healthy debate over the merit of the idea and result in a better decision. Rick (2011:np) adds that although it is not possible to be aware of all sources of resistance to change, expecting that resistance will occur and being prepared to manage it, is a proactive step. Because at the end of the day, all sources of resistance to change need to be acknowledged and people's emotions validated.

2.10.7 Dealing with resistance to change

Dealing with the resistance to change is not an easy process, as such resistance does not always surface in a standardised way. Robbins and Judge (2007:648) differentiate between an overt, implicit, immediate and deferred resistance. The first two types are argued to be relatively easy to deal with, because employees quickly respond to it by voicing their complaints or disapprovals, engaging in a work slowdown, threatening to

go on strike and/or alike. The challenge with resistance that is implicit or deferred is the fact that they are inside the individual's mind, and resistance can surface weeks, months or even years later.

However, when dealing with resistance to change, Potts and Lamarsh (2004) suggest a three-steps process. Step one identifies who among those who will be impacted by the change are likely to resist. Step two assesses the source, type and degree of resistance which may be encountered. Step three designs the effective strategies to reduce resistance.

The benefits of applying these steps in a change management programme, according to Potts and Lamarsh (2004:17), are firstly to predict the amount of resistance that may occur and the money required to deal with this resistance. Secondly, it allows the people who have to implement the change, to assess vital factors such as whether the change is worth making and how successful it will be.

Although many authors agree that managing human response to change is a bit of a challenge as one cannot anticipate how and when people will react to major change, the good news, according to Nel and Budekers (2009:166) and Kubler-Ross (1969, quoted in Firth, 2000:117), is that the 'how' is quite easy to identify as there are recognisable levels or stages of response to change, which are evident in almost all organisations confronted with major transformation. These stages of change are:
1. old contentment
2. denial
3. fight, flight or freeze
4. testing
5. acceptance
6. pro-action.

2.10.8 ESP of change
The ESP of change - Empathy, Space and Pressure (Nel, 2005:1-3) is a set of methods that can be applied to any situation discussed earlier. When applied in the change process, the ESP of change provides at least the following opportunities:
- Time to digest information regarding change.

- Time to interact with others to debate the change.

- The opportunity to question the stakeholder(s) who are driving or proposing the change.

- Freedom to voice concerns and cynicism.

- The opportunity to hear answers to questions and concerns 'from the horse's mouth' - i.e. directly from the drivers or proponents of change.

- The opportunity to interact directly with the drivers or proponents of change instead of hearing the entire message through second parties (e.g. to also interact with senior management and not only with HR or training and development specialists).

2.10.9 What does the ESP infer?

Empathy

There are two universal realities that people in the workplace should acknowledge. First are the '**we**' and '**they**' human responses to change. Meaning: 'we' should not project their discomforts onto 'they'. Or, when 'they' appear to be reacting negatively and seem to be blaming 'we', it is probably because of how 'we' are processing the change.

Second, when 'we' initiate change it is essential to respect the fact that 'they' will experience discomfort and will respond in some way. 'We' need to also give 'they' the opportunity to experience and work through their normal and necessary human responses to change. The point here is that it is normal, healthy and even essential for people to experience certain human responses to change. So there has to be a presence of empathy.

Space

During the earlier stages of introducing change it is important for people to be given the time and opportunity to digest and internalise the reasons and implications of change. This, in turn, enables a growing number of people to come to terms with and prepare themselves for the change.

Pressure

It is inspired from an old saying which states that: "people will only change when their current state of joy is surpassed by a far greater state of sorrow!" This in fact implies that empathy and space help people to question their old habits and traditions, but pressure makes them behave differently. Pressure methods turn on the screws. They make it increasingly uncomfortable for people to persist with their old behaviours, while making it more essential for them to adopt and entrench the requirements of the future.

Once this process is completed, not rashly but enough time was allocated to complete the process, the organisation should now have a clear understanding of what needs to change, why it should change and how it should be changed. The next logical step is then to implement the change initiatives, obviously by following a certain model of change management (Nel, 2005:1-3).

So far one has seen that change is a normal part of individuals and business life, and it should therefore not be something that has to be done only when things are going wrong (Grates et al., 2006:2). In fact, it is believed that even the best performing companies still have to manage change. Robbins and Judge (2007:646) share a similar view that change is an intentional and goal-oriented activity, and that change activities should be proactive and purposeful. As a result, the next section discusses how organisation can go about implementing change.

2.11 Implementing and managing the change

This section elaborates on how organisations can go about implementing and managing change initiatives using the combined change management models of Lewin and Kotter as presented in table 2.1 on page 64. The discussion looks at the three phases – unfreezing, movement and refreezing, in parallel with the eight steps:

- Creating a sense of urgency
- Forming a powerful coalition
- Creating a vision for change
- Communicating the vision
- Removing obstacles
- Rewarding short-term wins

- Consolidating the improvements
- Anchoring the changes

PART 1 – UNFREEZING

2.11.1 Creating a sense of urgency

Creating a sense of urgency is about establishing convincing reasons why change is needed. This involves extensive internal dialogue regarding the market and competitor environments. The process can involve a full SWOT analysis, scenario planning and full deployment of all the strategic planning tools (www.strategies-for-managing-change.com).

In this first step alone it is believed that pushing up the level of urgency may take months in a complacent organisation of any size (www.TheLeadershipHub.com). Creating a sense of urgency actually presents two phases. The first phase is addressed in the need analysis process when the organisation has to respond to the question "what will happen if we change or do not change"? In that first phase the organisation gathers all relevant information and data needed to substantiate its call for change. The second phase focuses on communicating those findings to the rest of the stakeholders (which could be employees, shareholders, suppliers and/or distributers) and convince them why change is necessary (Mind Tools, 2010).

It is important to emphasise that this process is not simply a matter of showing poor revenue records or statistics figures to people, nor just telling them about the need for change. It is about:
- Honestly sharing and convincing them with compelling arguments about what is happening within the organisation and the rest of the industry.
- Whenever possible, showing them the need for change using something they can actually see, touch or feel.
- Showing valid and dramatic evidence from outside the organisation that demonstrates very clearly that change is needed.

Table 2.1: Implementation model - a combination of Lewin and Kotter's change management models

Lewin's three-steps model	Kotter's eight-steps model
Part one – Unfreezing	Create a sense of urgency Form a powerful coalition Create a vision for change Communicate the vision
Part two – Movement	Remove obstacles Reward short-term wins Consolidate improvements
Part three – Refreezing	Anchor the changes in the corporate culture

(Source: This model was inspired by Lunenburg, 2010:2)

2.11.2 Form a powerful coalition

Forming a powerful coalition is about gathering people within the organisation who have enough power to lead the change. Such a team comprises people from various departments with various job titles, status and expertise. The main objective of this team is to guide others through the change process, influence them to accept the change, and most importantly to really work as a team, continuing to build urgency and momentum around the need for change throughout the organisation (www.globalliteracy.org).

2.11.3 Creating a vision for change

The objective in this step is for the coalition/steering team to formulate the vision for change, dismantle the need for change identified within the organisation and turn it into an action plan. Thus, the vision should offer a general direction for the change, paint a picture or offer a road map of the change, and provide all relevant role players with the starting points, the step-by-step project implementation plan, as well as short-terms wins, including the criterion to assess all activities in order to determine whether tasks were successfully completed (Coutts, 2010:np). The vision should cover four major aspects - the why, the picture, the tension and the communication.

2.11.4 Communicating the vision

Communicating the vision is not a once-off activity, and a clear vision should help everyone understand why the organisation is asking them to do something (Jensen, 2011:np). Information should continually be repeated and shared every time an occasion is provided. The argument is that people who are undergoing change are anxious, self-absorbed and stressed. Therefore, they need to repeatedly hear the change message before it really sinks in their mind. The following guidelines can be used to ensure proper communication of the vision:

1. Telling the truth at all times, even if it sounds like bad news.
2. Addressing earlier fears and anxiety about the change, especially in area where the true impact could not have been predicted with exactitude.
3. Building and communicating a change road map that is:
   a. brief
   b. logical
   c. clear
   d. articulate
   e. jargon free
   f. prepared with facts
   g. consisting of qualitative and quantitative data.
4. Appropriately tuning the message for different stakeholder groups.
5. Openly communicating what is ahead in order to address possible resistance to change before it manifests.
6. Creating a two-way communication by providing others with the opportunity to react, ask questions and give feedback.
7. Constantly repeating the message as often as needed to avoid it being lost in the day-to-day work focus.
8. Requesting the coalition team members to 'walk the talk' and demonstrate behaviours that are consistent and in support of the vision.
9. Using all appropriate communication channels (memos, newsletter, email, and internal meetings) to bring the message across.

(Pricewaterhousecoopers Change integration Team, Better change quoted in Human technology, 1999)

PART 2 - MOVEMENT

2.11.5 Removing obstacles

As discussed earlier, although changes are initiated with the intention to obtain positive outcomes, it does not exclude obstacles. And one of the most common obstacles to successful change is human resistance. According to Firth (2000:xvii) and Yılmaz et al. (2013:16), human resistance is mostly due to stress created by the fear of the unknown. In other words, fear of the future. Because when one thing changes, everything changes - all futures shift and the human's need to control the future is mocked. Subsequently, they tend to resist the change.

Secondly, the following five-stage model of Kubler-Ross (1969, quoted in Firth, 2000:117) and also echoed by Nel and Budekers (2009:166), is assumed to be the pattern or stage through which people will go through as they come to terms with the new changes. These stages are:

1. Stage one: denial and possible isolation or withdrawal
2. Stage two: anger
3. Stage three: bargaining
4. Stage four: depression
5. Stage five: acceptance

So the objective was therefore to move individuals who are resisting the changes, as easily and swiftly as possible towards accepting them.

2.11.6 Rewarding short-term wins

Major change takes time and therefore waiting until the end of the programme, before rewarding individuals or groups can drop the level of urgency created. Creating short-term win on the other hand keeps the urgency level up and can help with clarifying or revising the vision (Andriopoulos & Dawson, 2009:201). Short-term wins or early success also allows everyone to test, see and appreciate the progress made toward the vision at a certain stage of the change process.

2.11.7 Consolidating the improvements

At this stage the change should have progressed and short-term wins achieved. Thus the objective here is to make continuous efforts to ensure that the change is seen in every aspect of the organisation. This can be done by:

- Measuring success towards the results.
- Answering the question whether the organisation is moving toward its goals, and if not, where it falls short and why.
- Being consistent with how employees are held accountable for performance (Andriopoulos & Dawson, 2009: 201).

PART 3 - REFREEZING

2.11.8 Anchor the changes

Anchoring the change is about making the new behaviour stick and become part of the core value of the organisation. At this stage, change has successfully happened, the old is gone and no longer part of the talk in boardroom discussions. However, to avoid any 'relapse' - undo what took considerable time and effort - the following are some directives that management of all companies should be aware of:

1. New changes must form part of the succession planning and recruitment process, including top executives and the CEO.
2. The recent success should be used to create new paradigms and constantly remind individuals that change is the new norm.
3. The status quo should be viewed as only a temporary landing place in a world of constant changes where there will always be new and different ways to do things.
4. Senior manager have to believe it and personify the change.
5. Talk about it as a success story and publish it where possible (Jensen, 2011:np).

2.12 Previous or related work done on the topic of change management in the non-profit sector

In her article titled 'change management for non-profits', Schar (2009:np) shares her profound understanding of the NPO sector, which historically adopted a less formal approach to change. Though one may wish to consider a more structured approach to

organisational management (making allusion to the change methods and theories discussed earlier in this chapter), Schar (2009:np) is of the opinion that, unlike their corporate counterparts, NPOs benefit from the commitment of their employees and other stakeholders to their vision and mission. For this reason, it can be argued that structured change is more important for non-profits, because of the level of emotion created by those involved in and affected by the change.

Previous research and theoretical contributions in the domain of change management in the non-profit sector are scarce and almost non-existent. Having conducted a comprehensive research on this topic using various search methods and engines, the author of this current research found no consistent work on change management in the non-profit sector. Most of the work done, which deals with this topic, did not provide any concrete and scientific evidences to sustain their declarations or simply elaborated on the topic of change per se but did not link it back to the NPO sector. This lack of contributions shifted the attention to investigate any related work done on this topic in the NPO industry. The closest that the research could get was from strategic and financial management in NPOs.

Ehlers and Lazenby (2007:301-302) share that many strategic management concepts and techniques initially developed for profit seeking organisations can be adapted for NPOs. The term adapted is used because they believe that some of the concepts cannot be applied in the same way as to profit-seeking organisations. The reason behind this is that one of the important concepts in strategy, namely competition, has a different meaning for the two categories or organisations. In addition, profit-seeking and NPO organisations have a major factor in common – a concern over finance. Their argument in this issue is that profit seeking organisation activities focus on profit, while NPO organisations seek a stable and healthy cash-flow position. Charity organisations can only spend what they have on a good cause, thus making income generation a crucial component of their activities.

Helmig, Jegers and Lapsley (2004:4-5) have a slightly different opinion on the strategic management aspect of not-for-profit organisations. They question the integrity of not-for-profit strategic management given the fact that there is no body of economic theory underpinning NPO strategic choices. They however partially agree with Ehlers and

Lazenby on the financial aspect, during which they argue that the techniques of financial management in NPOs do not fundamentally differ from those in profit-oriented organisations, but there are some peculiarities documented by the economic literature. Such peculiarities pertain to the specific way NPOs are funded, and more specifically the diversity of sources of equity.

2.13 Conclusion

The chapter discussed change management from the point of view of structural approach and process during which the changes of a system are implemented in a controlled manner by following a predefined framework or model with, to some extent, reasonable modifications.

The development of the approach and theories of organisational change is attributed to Kurt Lewin, with the three-steps model, and John Kotter, with the eight-steps model. Kotter's eight-steps model is in fact believed to have been built upon Lewin's three-steps model. Kotter's first four steps elaborate on the 'unfreezing' stage of Lewin. Steps five to seven represent the 'movement' stage. And, finally, step eight refers to the 'refreezing' stage.

Managing change is often attributed to any managers, but can also be done by a change agent or a coalition team. Therefore, chapters 3, 4 and 5 starts with assessing the assumption that the principles and techniques of change management developed for profit seeking organisations can be adapted to NPOs. They further determine the degree of variation attached to the implementation of such techniques.

Chapter 3:
Research methodology and data collection

Chapter 3: Research methodology and data collection

3.1 Introduction

The theories and methods of change management were reviewed in chapter 2. It was argued by Werner (2007:374) that change is a normal part of business life and should not only be done when things are going wrong. Thus, organisations should recognise change as a proactive and purposeful process occurring in a calculated and structured way. The chapter also argued that change can take various forms – developmental, transitional, and transformational (Tucker, 2007:np). So, knowing which type of change one wants, helps in retaining the scope and perspective during the complexities and frustrations created in the process of change.

What should mostly be remembered about change is that it is a certainty and may happen irrespective of the performance of the company at that particular time. Therefore change should be planned, led and managed properly.

The objective of this chapter is to elaborate on the research methodologies used in this study, as well as the research tools and the reasons for choosing such tools. Unlike the previous two chapters, this third chapter only focuses on the research methods and tools used to probe ways in which the organisation that participated in this study, went about managing its change process - identifying the sources and/or the need for change, planning the change process, implementing, and evaluating the outcomes.

In order to reach such an endeavour, the chapter elaborates on the:

- Two main research methods/designs used for this study.
- Data collection tools.
- Reasons for using the research methods and data collection tools.
- Research process.

3.2 Research methodologies or designs

In this study, the qualitative research method was used to gather information. This research approach was selected due to its suitability to the objective of the research, which is to investigate how change management models, initially developed for

profit/business organisations, can effectively be applied in NPOs. It is clear from the objective that the endeavour of this research is not to quantify the most used model or the volume of organisations using the change models described in chapter 2. The objective rather seeks to identify how suitable or useful these models are in a specific environment, hence the 'qualitative method' approach that in its nature assists in producing observations and descriptions of behaviour (www.aiuniv.edu). Whilst it is true that qualitative research is concerned with words rather than numbers, this does not mean that it is devoid of measurement (Pope & May, 2006:3).

To supplement the qualitative research method, two types of research designs were also used in this study. The first research design is deemed to be non-empirical and it is the '*literature review*' method. The second research design on the other hand is empirical and it is a combination of two types of '*evaluation research*'. An outline of each design, followed by the reasons for choosing each method, is discussed below.

3.2.1 Literature review/design

The literature review method is, according to Mouton (2001:179), a method that provides an overview of study materials of a certain discipline, and the analysis of trends and debates. Taylor (2008) sees literature review as an account of ideas and arguments that have been published by accredited scholars and researchers of which the purpose is to convey knowledge and ideas to readers about what has been established on a topic, and what their strengths and weaknesses are. Babbie (2008: 472) sees literature review as an extension of what has been learned about a particular topic, as well as a way in which individuals learn about what is already known and not known. In this study, the author of this work sees literature review as a body of text of which the ultimate goal is to bring readers up to date with current literatures on specific topics, while discussing critical points of current knowledge and presenting substantive findings.

In essence, literature review is not just a descriptive list of material available, or a set of summaries, but a piece of writing that is defined and guided by concepts such as research objectives, problem or issues being discussed, or argumentative thesis (Taylor, 2008). Not only did this research method allow one to access information on

what has been said about the topic of change, but it also enabled the researcher to identify which areas existing theories address, and what those theories actually say.

3.2.2 Reasons for choosing literature review as a research design

The reason for choosing the literature review as a research method was primarily motivated by the fact that every research report should contain a review of the literature (Silverman, 2006:340). Secondly, for its purpose – as discussed earlier, and thirdly based on the view that it is an essential tool in inductive reasoning when one works from a 'sample' of texts in order to come to a proper understanding of a specific domain. This description was found to be in line with the objective and aim of this study, which was to either confirm or refute the usage of certain change management models initially developed for a specific environment (business), and assess their suitability for another environment which, in this case, is the non-profit sector.

Other reasons for choosing the literature review as a research method come from the fact that firstly it is appropriate for conceptual and theoretical questions, and secondly, a comprehensive and well integrated literature review is applicable to any study as it provides the researcher with a good understanding of the issue and debates in the area that he/she is working on.

This research method however was found to have its limitations and errors. Possible errors, according to Mouton (2001:79), are that the selection of resources can open room for unfair treatment of authors, misunderstanding of the sources or selecting interpretations that suit one's viewpoint. Some of the limitations are that, it is generally agreed that literature review is a secondary source and as such, does not report any new or original experimental work. Such a view is shared by Taylor (2008), who declares that it at best can only summarise already existing materials, and cannot produce new or validate existing empirical study. This means that although literature review often leads to theoretical insights, one still needs to undertake an empirical study to test the new insight. In essence, this justified the choice of a second and empirical research method, which in this case was a combination of two types of 'evaluation research method'.

3.2.3 Evaluation research

Evaluation research is one specific form of social research (Trochim, 2006:np). There are three types of evaluation research according to Mouton (2001:158). The first one is the implementation (process) evaluation. The second is experimental and quasi-experimental outcome studies, where the aim is to provide answers on whether an intervention has been successful or effective. The third research method is qualitative (naturalistic) and empowerment evaluation. In this study, only the first and third evaluation methods were used, namely: the 'implementation process evaluation' and the 'qualitative or naturalistic and empowerment evaluation'.

The aim of the implementation process evaluation was to answer the question on whether an intervention (programme, therapy, policy or strategy) was properly implemented, thus the term *process evaluation.* It is also to evaluate whether the target population was adequately covered, and whether the intervention was implemented as designed. The qualitative or naturalistic and empowerment evaluation on the other hand aims to evaluate the performance of programmes in their natural settings. This approach mainly involves the use of qualitative research methods to describe and evaluate the performance of programmes while focussing on the process of implementation rather than on quantifiable outcomes (Mouton, 2001:158-164).

3.2.4 Reasons for choosing the evaluation research

The choice of the naturalistic evaluation research design was motivated by several elements that are as follow: firstly, the two naturalistic evaluation methods complement the literature review methods in that they are empirical, but yet qualitative. Their findings can be used to foster improvement and offer scientific reliability. This declaration derives from the fact that; firstly the *implementation process evaluation* is a form of applied research aimed at assessing whether interventions were well conceptualised and properly implemented. Secondly, the *qualitative or naturalistic and empowerment evaluation* establishes a rapport of trust with research subjects which in turn provide insider perspective, high construct validity and credibility (Mouton, 2001:158-164). Although these two methods use some form of hybrid data, they however provide medium control over the research and allows the use of descriptive and evaluative techniques and/or tools.

The evaluation research method, like the literature review, has its own errors and limitations. Some of its limitations are that the access and coverage of the implementation sites, timing of the study, and the emphasis on naturalistic forms of inquiry make it difficult to evaluate the outcomes of programmes systematically and rigorously. Its errors on the other hand are those typically associated with naturalistic studies, which can be subject effects, researcher effects, and interviewer bias, as well as lack of rigorous control, no-control group, or random selection of subjects/participants.

In order to curve the limitations and errors of this second research method, the author of this study relied firstly on the strength of facilitation tools used for the entire research process, and secondly on the data collection tools used to gather information. Such tools are survey questionnaires, focus group discussions, and observations, which are believed to meet and adhere to the requirements of scientific evidence. The next section discusses these tools and their selection criteria.

3.3 Data collection tools

There are two principal data collection tools used in this study. These tools are survey questionnaires, which were used as a measurement instrument, and the focus group discussion method using pre-identified facilitation tools. However, given the fact that the author of this study was involved in the overall change process, direct observation became, by default, another data tool.

3.3.1 Questionnaires

A questionnaire as a research instrument consists of a series or group of questions used for the purpose of gathering information from respondents (Terre Blanche et al., 2006:484). Questionnaires may be used to obtain information such as biographical details, opinion, beliefs and convictions about an issue, typical behaviour of a certain category of respondent, or attitude toward something, just to mention a few (Wellman et al., 2006:152).

Questionnaires do however have some advantages and disadvantages. The advantages of questionnaires over other types of surveys are that they are less

expensive, do not require much effort from the questioner as opposed to verbal or telephone surveys, and often have standardised answers that make it simple to compile data. The disadvantages of questionnaires on the other hand are that they are limited by the fact that respondents must be able to read the questions and respond to them, open-ended questions are difficult to analyse using statistical methods, and if one opts for close-ended questions, categories should be exhaustive or should include a section for others (Wellman et al., 2006:153-174).

3.3.1.1 Motivation for using questionnaires

The main methods employed in qualitative research are observation, interviews, questionnaires and the analysis of documentary (Woods, 2006:np). In addition to being a recommended tool, questionnaires were also used in this study to complete the empirical process and provide some quantifiable data.

Two types of questionnaires were used in this study, both before and after the change implementation process. The objective here was to evaluate the organisation prior to and post the change intervention. The first questionnaire named 'change readiness' (see annexure A) was designed with the objective to assess the change 'readiness' level of staff members (who were invited to take part in the change management focus group discussions) at the selected organisation. The aim of this first questionnaire was to assess the degree to which employees were predisposed to support, ignore or resist the change initiatives. The second questionnaire named 'VISA strategy execution' (see annexure B) was administered to explore how strategies were effectively carried out in the selected organisation both prior and after the change intervention. This information in turn was aimed to assist in determining the change efforts needed to plan and ensure a successful implementation of the change initiatives. The findings of these questionnaires are presented in chapter 4 that deals with the analysis of results, and are discussed in chapter 5. Below are the constructs used in each questionnaire.

3.3.2 Constructs of the questionnaires

3.3.2.1 Change readiness questionnaire

In this first questionnaire, five constructs were used, namely: the need for change, the attitude to change, communication, leadership and management, and finally the preparation for change.

- The **need for change** assessed whether the organisations had properly investigated their intention to change, identified such needs and suitably planned them.

- The **attitude to change** measured the degree to which staff members were receptive to the change initiatives proposed.

- The **communication** construct probed whether the intention to change was effectively conveyed to the rest of employees within the organisation, and the communication methods used until such time was efficient.

- The **leadership and management** construct firstly evaluated the level of trust that staff members had toward their respective managers, and secondly the degree to which managers were open to discuss change issues.

- The **preparation for change** assessed the readiness level of the organisation concerning their human capital as well as the skill and competency level of their human resources.

3.3.2.2 Validity and reliability of the change readiness questionnaires

Questionnaires were sent to all recipients via email. Hard copies were also made available at the reception area of the organisation. A sealed box with a small opening on top was provided and was located at the same reception area. This was to allow completed questionnaires to be dropped at a convenient time and preserve the anonymity of respondents. The management of the organisation were only provided with the overall scores, and not individual responses. This was to avoid any form of intimidation or victimisation.

A summary of the Chronbach results and the constructs used in these questionnaires are as shown below. Refer to annexure C for the detailed results.

Scale:	Time	Cronbach's Alpha
Need for change	Prior	.748
	Post	.818
Attitude to change	Prior	.823
	Post	.774
Leadership and management	Prior	.570
	Post	.480
Preparation for change	Prior	.511
	Post	.016

3.3.2.3 VISA strategy questionnaire

This instrument was developed by Nel and Beudeker (2009:257-256), and its objective is to explore or assess how strategies have effectively been carried out within a specific environment. The instrument however does not measure the *quality* of the content of a strategy, but it instead assesses the *process* used to execute it. The questionnaire consists of four sections which form its name (VISA). This name stands for, **V** - vision, **I** - interdependence, **S** - structure, and **A** - action.

- **Vision** refers to the understanding of the organisation's total competitive environment and positioning it in the present so that it is appropriately placed three to five or even more years from its current time.
- **Interdependence** refers to the process of identifying, balancing, integrating and aligning all external and internal variables, including people that are likely to have an impact on the organisation's capacity to fulfil its strategic leadership. This includes the identification of trends, patterns and possible reactions that may be caused by the activation of the strategic leadership.
- **Structure** refers to establishing replicable standards, approaches and methods which minimise the need for duplication and enhance the capacity to deliver uniform or required quality. It is also about identifying critical competencies such as skills, knowledge and attitude that are needed to ensure the achievement of optimum outputs.

- **Action** is about taking the necessary steps and activities to ensure the delivery of products and services which meet the needs of both internal and external customers in a way that continuously serve to create, delight and keep more customers.

3.3.3 Focus group

Focus group was initially introduced or used in market research for testing new commercial and political products, including advertising (Gomm, 2008:226). According to the author, the method has now become popular in mainstream social research. Focus group as a data collection method consists of a group discussion focused on topics provided by the researcher. Henn et al. (2009:186) concur with such a view and sees focus group or group discussion as one of the two types of in-depth qualitative interviews which are designed to allow a researcher to observe how people interact in discussing a topic, and in some cases how they react to disagreements. Flick (2009:195) also sees focus group interviews as an interview that happens with a small group of people on a specific topic. Such a group of people (often six to eight) are put together to participate in the discussion for a limited amount of time (one-half to two hours).

Focus group is known to have several advantages. Some of the advantages according to Gray (2009:233) are that the method allows for a sample of respondents to be interviewed and re-interviewed so that attitudes and behaviours can be studied over a period of time; it also allows for a variety of views to emerge, while the group dynamic can often allow the stimulation of new perspectives.

This method however has its limitations. Such limitations according to Flick (2009:203) include the difference in the dynamics of the group, the difficulties of comparing the groups, and of identifying the opinions and views of the individual group members within the dynamics.

In order to ensure success of their focus group endeavours, Henn et al. (2009:186) suggest that researchers may make use of additional stimulus material such as a problem scenario for participants to discuss, or videos for them to comment on.

To ensure a usage of focus group interview for this study, the researcher and facilitator of the discussion used a specific facilitation method and interviewing techniques.

3.3.3.1 Facilitation method used to conduct the focus group

The facilitation method used to conduct the focus group discussions is called 'Café' conversation method. The Café conversation method was created by The World Café (www.theworldcafe.com) and it is a provocative metaphor that enables individuals to see new ways to make a difference in their lives and work, by creating a living network of collaborative dialogue around questions that matter in the real world of work. Organising a Café conversation requires the imagination and creativity of its host. In order to honour the tradition of community and hospitality, beverage and snacks should be also be served. After all, a Café is not complete without food and refreshments!

Most Café conversations are based on the principles and format developed by The World Café, but they may be named in many ways to meet specific goals. These include: Knowledge Cafés, Strategy Cafés, Leadership Cafés, Marketing Cafés, and Product Development Cafés. Thus the Café organised for this study was named "Citizenship Café". The name was chosen to suit the main objective of the focus group, which was to have staff members adopting a citizenship-like mentality in order to embrace and own the proposed changes.

The procedure for organising a Café conversation normally consists of the following:

- Participants sit in a group of *four or five people at small Café-style tables* or in conversation clusters.
- A set of progressive (usually three) rounds of conversation of approximately 20 to 30 minutes each is set up. The length of each conversation however may be set according to what is needed to be achieved and the amount of time that one has at his/her disposal.
- During the conversation, participants are engaged on questions or issues that *genuinely matter* and/or pertain to their life, work or direct community.
- Upon completing the initial round of conversation, one person (the table host) remains at the table to receive other members (travellers) to induct them on what was discussed earlier with the previous travellers. The rest of the travellers, who

serve as *'ambassadors of meaning',* are requested to carry their key ideas, themes and questions into their new conversations.

- Both the table hosts and members are encouraged to *write, doodle and draw key ideas* on their tablecloths or to note key ideas on large index cards and place them in the centre of the group.

The reason for choosing the Café as a method to facilitate the focus group discussion was motivated by their similarities. Both methods are designed for group discussion, used to generate qualitative data, and rely on powerful questions in order to instigate participants to move from their comfort zone.

These are the guidelines for a successful Café conversation:

- **Clarify the purpose -** The reasons for bringing people together.
- **Create a hospitable space -** Emphasise the power and importance of creating a hospitable space—one that feels safe and inviting.
- **Explore questions that matter -** Finding and framing questions that matter to those who are participating in the Café.
- **Encourage everyone's contribution -** As most people don't only want to participate, they want to actively contribute to making a difference.
- **Connect diverse perspectives -** As participants carry key ideas or themes to new tables, they exchange perspectives, greatly enriching the possibility for surprising new insights.
- **Listen for insights and share discoveries -** After several rounds of conversation it is helpful to engage in a whole group conversation.

Given the importance of powerful question(s) that one chooses to ask in the Café conversation method or those that participants discover during the proceedings, the researcher made use of a facilitation tool named "me, we, work, world" to ensure that such aspects of the focus group is well covered.

3.3.3.2 Me, we, work, world

Me, we, work, world as a facilitation tool was developed by consultants of The Village Leadership Consulting (www.villageofleaders.co.za). It is one of their unpublished

intellectual properties, but permission was duly obtained to use and quote the tool in this study. Me, we, work, world tool covers the following areas:

Me – Represents the individual listening skills, verbal skills and abilities, leadership style, learning abilities, past and present experience, religious beliefs and pressure on personal time, among others.

We – Represents relationships with co-workers, managers, team work, pressure on relationships, communication mode (email/mobile phones social media), power and rank, among others.

Work - Staff engagement, level of entrepreneurship (how new ideas flow or are accepted), absenteeism, long term thinking, staff turnover, technology advances and demands increased competition, less differentiation (good at everything), increased complexity of doing business, right sizing and retrenchment, smaller markets (pressure on business viability) and levels of work (compression), among others.

World – Natural disasters, crime, interest and inflation rate, sustainability, ecological, energy, food security, changing global dynamics and systems and changing human value systems (need for inclusion), among others.

Me, we, work, world as a facilitation tool was found to be most appropriate for this section of the Café workshop, as it offers the possibility to gather information using the principles of powerful questions techniques. Such questions according to Vogt et al. (2003:4) should:

- be simple and clear
- be thought provoking
- generate energy
- be inquiry focused
- surface unconscious assumptions
- open new possibilities.

Figure 3.1 below provides an overview of the 'me, we, work, world' facilitation tool.

Figure 3.1: Me, we, work, world

Me	We
1. Work / life balance	1. Work / life balance
2. Pressure on personal time	2. Pressure on relationships
3. Not feeling validated	3. Power and rank
4. Individuals skills not being fully utilised.	4. Perceive ceiling-no opportunities available
5. Feeling privileged/ marginalised	5. colleagues, supervisor relationship
Work	**World**
1. Technology advances and demands	1. Smaller markets–pressure on business viability
2. Increased competition	2. Crime
3. Work complexity	3. Financial Markets
4. Retrenchment and EE Turnover	4. Sustainability, ecological, energy, food security
5. Levels of work–compression	5. Changing human value systems–need for inclusion
6. Restricted	

(Source: Used with the authorisation of The Village of Leaders, 2011)

3.3.4 Observation

Observation, according to O'Leary (2006:10), consists or involves the recognition and recording of facts, situations and occurrences. The observational study attempts to document what people actually do, rather than what they say they will do. So it relies on the actual behaviour. Bickman and Rog (2009:21) add that the observational procedure becomes necessary when events, actions or circumstances are the major form of data. However, how natural those behaviours are, can depend on the role of the observer. In summary, conducting observation research can be from removed to immersed.

The observation method also has its pitfalls, but to maximise the results and minimise the researcher bias, the observed data or evidence should be presented as neutral and as factual as possible, and should follow a systematic format. In this study, the observational tool was used throughout the change process. Data was collected in each stage of the process following the pre-identified change models discussed in chapter 2. The results of such data are presented in chapter 4, and then discussed in chapter 5.

3.4 Target audience

The target audience was NPOs operating in the Western Cape province. The sample unit was social enterprises operating in the abovementioned province. The samples size was 17 staff members working for a social enterprise.

3.4.1 How has the sample and unit size been selected?

Initially, two social enterprises were selected to participate in the research, of which one served as the observed group and the second as the control group. These organisations had to be operating with a business model – a process put in place to ensure sustainability, have a management structure in place and rely on both their income generating processes as well as public or private donations to support their activities. The sample size on the other hand consisted of all managers in these two organisations. Half way through the research process, the organisation serving as control group opted-out. The study was subsequently completed with the observed group only, which is described below.

3.4.2 Sample unit

The sample unit in this study was Learn to Earn - a section 21 company and non-profit skills development organisation based in Khayelitsha, Claremont and Hermanus in the Western Cape province in South Africa. Learn to Earn has approximately 25 full-time and permanent staff members, and works with individuals from socially and economically disadvantaged backgrounds. The main interaction between the researcher and the organisation during the study was with a representative size (approximately 17 staff) of employees who were mostly located at the Khayelitsha branch. These staff members include the Director, General Manager, branch managers, heads of departments and non-managerial employees.

The next section discusses the research process. It provides step-by-step details on how the abovementioned tools were used in the study and how the two change management models identified in chapter two were applied.

3.5 Research process (empirical process)

In accordance with Werner's (2007:380) statement, this study followed a well-planned and executed change management intervention and was undertaken in a manner that adhered to existing and pre-agreed change management models.

The research design followed in this study to go about putting the change management interventions plan at Learn to Earn (the organisation that took part in this study and served as the experimental ground) is deemed to be empirical. It was also the principal data collection method. This method was a combination of two types of the evaluation research methods discussed earlier.

This section of the study provides an insight of the empirical process and describes step by step the entire process followed from the conception phase via its execution, until the assessment of the change outcomes. At this point readers are once again reminded that Kotter's three-steps model and Lewin's eight-steps model discussed in chapter 2 served as platforms for this empirical process, and that the objective of the study was to apply these two models into a NPO and assess the extent to which they can be applied into such an environment.

Additionally, readers should also be reminded that it was established in chapter 2 that Kotter's eight-steps model is believed to have been built upon Lewin's three-steps model (Lunenburg, 2010:2), and that his first four steps represent the 'unfreezing' stage of Lewin, steps five to seven represent the 'movement' stage, and finally step eight represents the 'refreezing' stage. As a result of this symbiosis, and in order to implement the models successfully, the implementation process was divided into four stages. **Stage one** - the consultation stage, **stage two -** the unfreezing stage, **stage three** - the movement stage, and finally **stage four** - the refreezing stage.

On the following page is a flow chart that provides a summary of the empirical method.

Symbols

○ = Start point

◇ = Decision

▭ = Process

→ = Connector

▭ = Finish point

Figure 3.2: Change flow chart

Start

Need for change is known

Ye[s]

N[o]

Compile a SWOT Analysis

Use action research to probe the change

SWOT shows need for change

Yes

No

Changes are concrete

No

Terminate the change process

Terminate or re-evaluate the need analysis process

Yes

Determine the vision for change: current vs. desired state

Implement the changes

Consultation

Create a sense of urgency

Unfreezing

Form a powerful coalition

Create a vision for change

Communicate the vision

This flow chart is an adaptation of Mager and Pipe's need analysis model.
(Source: Mager & Pipe, 1984:np)

Remove obstacles

Movement

Reward short-term wins

Consolidate improvements

Evaluate and complete the change

Refreezing

Anchor the changes

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3.5.1 Explanation of the flow chart

The process starts with determining whether there is a need for change (Potts & Lamarsh, 2004:31-62). If so, one would have to probe such a need. Once the need has been found to be evident, the ultimate step would be to compile a vision for the change by consulting with all relevant stakeholders and gathering primary views (consultation phase).

Once the consultation process is deemed completed and a change project plan has been compiled, the next step is to present such a plan to the rest of staff, discuss it and compile an implementation plan which will ultimately lead to the implementation of the change initiatives (unfreezing phase). Often the plan has to be adjusted due to unforeseen circumstances or due to human resistance; the next step would be to deal with such obstacles (movement phase). Finally, in order to evaluate the progress that the organisation has made at a particular or pre-agreed time during the change process, and to assess whether new behaviours have sunk in, the next step would be to freeze the process and evaluate the current situation with the set desired outcomes (refreezing phase).

In the event of continual change, organisations may, after the 'refreezing phase' in their change activities re-plan, 'unfreeze' and carry on with the transformation process (Tucker, 2007). The organisation may restart the process at any point of the flow chart where it believes that it has drifted or at the stage where discrepancies have emerged or not provided satisfactory outcomes.

The table on the following page provides detailed explanation of processes and steps taken in each of the four stages of the implementation (from the conception phase until the assessment of the outcomes).

Table 3.1: A summary of the empirical process - this is a combination of Lewin and Kotter's change management models

Part one - Consultation phase	Current state
	Implication
	Desired state
	Benefits
Lewin's three-steps model	**Kotter's eight-steps model**
Part two - Unfreezing	Create a sense of urgency
	Form a powerful coalition
	Create a vision for change
	Communicate the vision
Part three - Movement	Remove obstacles
	Reward short-term wins
	Consolidate improvements
Part four - Refreezing	Anchor the changes in the corporate culture

(Source: This model was inspired by Lunenburg, 2010:2)

3.5.2 Stage one: The consultation stage

The consultation process was the initial stage of the study. Although it is not part of the Kotter and Lewin models, it was introduced based on the fact that no change agent may implement change unless he/she has taken cognisance of what is expected of him/her (Potts & Lamarsh, 2004:31-62). So, as discussed in the previous chapter, the idea and the decision to change something within an organisation firstly comes from the sponsor(s) (the person who has the authority to give the go ahead). Secondly, there are people who are assigned the task of planning the change, who are commonly referred to as the change agents. However, the sponsors are not the only people who can come up with good ideas for the change. Anyone in the organisation can do it. In this case they are referred to as change advocates. Thus in order to have a common understanding and grasp the idea of the change, the change agents, advocates, and/or the sponsors need to come together and/or consult with one another. This process is what is referred to here as the consultation process or phase.

The consultation process refers to all preliminary discussions held between the sponsor and the change agent, and between the change agent and key staff members at Learn to Earn. The main purpose or aim of this consultation process was to establish whether there were change implications, and, if any, to create a preliminary view of the change by answering the following questions:

1. What is changing?
2. Why is it changing?
3. What are the benefits of changing?
4. What are the desired outcomes?
5. What will happen if each situation remained unchanged?

During this consultation process certain research tools were used. The research data collection tools used consisted of:

- Discussion meetings (one-on-one)
- Focus group discussion meetings
- The Café conversation method

3.5.2.1 Part one: Discussion meetings (one-on-one)

During the initial stage of the consultation phase, several discussion meetings were held between the change management agent and the sponsor including keys staff. These meetings were held one-on-one. The first two meetings were held between the sponsors and the change facilitator. During these meetings, the two parties outlined the situation of the organisation at the time and its future or desired state. Table 3.2 below is an overview of how information was recorded.

Table 3.2: A representation of how change information was recorded in the first meeting

Department	Current state	Desired state
(Where discrepancies were noticed and interventions were needed)	(How is the organisation now?)	(Where does the organisation want to be?)

The information obtained was categorised per department (where discrepancies were noticed and the interventions were needed). The sponsors were asked to identify what

they perceived to be an issue in each department and such issue became the current state (how the organisation was at that time). Finally, they were asked if they had to change these issues or situations, and what they wanted them to be. This became the desired state (where the organisation wants to be).

During the second meeting, both parties elaborated on the foreseen benefits that the change initiatives would have on the organisation and their implications if such identified situations remained unchanged. Table 3.3 below shows how information was recorded.

Table 3.3: A representation of how information was gathered at the second meeting

Department		Implication		Benefits
		(What will happen if the organisation does not change?)		(What will the organisation benefits from the change?)

The two questions used to gather information during the second meeting are summarised as implication and benefits. Implication implied what would happen if the identified issues or situations remained unchanged. Benefit on the other hand represents what the organisation would gain should it reach its desired state.

Once completed, the full table offered the following picture:

Department	Current state	Implication	Desired state	Benefits
	(How is the organisation now?)	(What will happen if the organisation does not change?)	(Where does the organisation wants to be?)	(What will the organisation benefits from the change?)

At this stage of the consultation process, the sponsors had identified the components for change - situations that needed change, and with the assistance of the change agent, developed the overall change picture that later served to compile the change 'map'.

Other meeting sessions were also conducted with some key staff members in each department that were foreseen to be directly impacted by the proposed changes. In these meetings, data collected during the first two meetings with the sponsor were presented to each staff member on a one-on-one basis for comments. All staff members concurred with what was identified as being issues in their respective departments without really questioning them further, or showing any sense of resistance. This type of behaviour triggered a 'warning' in the mind of the change agent (the author of this study), who felt at that stage that if staff members were all concurring so easily it was probably because the information obtained were just 'the tip of the iceberg', as discussed in chapter 2, and not the actual underlining of the issues. This subsequently caused the quest for more information that could be resting underneath the surface and that was still untapped. Determined to reach the bottom of all unspoken issues, the change agent used a different approach to have such key staff speaking. Such a method was focus group discussions.

3.5.2.2 Part two: Focus group discussion meetings

The method used in the second part of the consultation process was focus group discussions, during which all key staff members were invited to attend and participate. In total 17 people attended the focus group discussion meetings. The departments which these staff members belong to and the number of representatives for each department were as follows:

Departments/ job titles	Job function and number of representatives
General Manager	General Manager (1)
Branch Manager	Branch Manager (1) (Khayelitsha branch)
Training and development department	Trainers (3) and Head of department (1)
Administration and support staff	Administrators (3)
Business Resource Centre (BRC)	Officers (3) and Head of department (1)
TFG	Officers (2) and Head of department (1)
Enterprise Enabling Environment (E3)	Head of department (1)

Reasons for choosing these people/informants

The aforementioned individuals were selected and invited to participate in the focus group discussions because, firstly, they were those who were expected to be directly affected by the change initiative and would potentially be involved in the implementation process thereafter. Secondly, they were selected as part of the consultation process between management and the rest of staff since they formed part of the key staff members in the organisation.

The focus group meeting took place at a venue located in the organisation's premises. The setup of the venue was workshop. It contained four separated tables and at each table four people were seated using the Café method setup discussed earlier in this chapter. The seating requirements were as follows:

- Not more than two people from the same department at the same table.
- Not more than one department head per table.
- Each table should contain people from both genders.
- Each table should at least have one person from each race.

The discussions lasted for three hours (09:00 – 12:00) in the morning and during such a meeting participants were:

- Provided with the objective of the meeting including expected outcome.
- Provided with explanations regarding the proceeding of the meeting.
- Offered with a video projection titled "Who move my cheese?".
- Then introduced to the "me, we, work, world" exercise.

The primary objective of the workshop was to have all participants speaking about the underlining and unspoken issues in the organisation (what everyone says when there is no one around). The second objective of the workshop was to have people volunteering to be part of the change implementation committee that would later ensure that all change initiatives are accomplished. In order to reach these objectives, the Café conversation method was used for the focus group.

The Café conversation method

The Café method was chosen for this study due to its very essence of being provocative and yet getting people talking around issues that matter. In this process

participants were required to evaluate the organisation individually using the "Me, We, Work, World" format, then discuss their opinions in their table, and finally each table had to nominate spokespersons who would speak on behalf of that particular table and share their discussions with the rest of the audience. When these guidelines are properly applied and used *in combination,* the Café is deemed to foster collaborative dialogue, active engagement and constructive possibilities for action. So, the facilitation tool that was used to generate powerful questions and get people talking around issues that matter was the "Me, We, Work, World" method.

Me, We, Work, World

Me, we, work, world, as discussed earlier, is a facilitation tool that was found to be most appropriate for this section of the Café workshop, as it offered the possibility to gather information using the principles of powerful questions techniques. In this tool, all participants received self-adhesive notes of the same colour in which they were required to evaluate the organisation using "Me, We, Work, World" format (see figure 3.1). The format consisted of providing personal experience uncounted with the organisation using one or all elements provided in each of the four constructs. They were in fact told not to write their names on the notes, as the exercise was anonymous to avoid any victimisation, intimidation or fingers pointing. Another instruction was that each note should contain experiences from the same construct. Meaning, one or two notes for all 'Me', one or two notes for all 'We', and so forth.

On the wall in the venue were four flip chart posters bearing the names of each of the four constructs. Once completed, participants were required to paste their notes on each respective poster. When all participants had finished posting their comments, members of each table were required to take one poster and re-write those comments on the poster with big characters using a marker. They were also required not to omit any single comment. The comments that were repeated could be marked with an X followed by the number of times such a comment was made. For example, if 10 people made the same comment or named the same issue, it will be comment X10.

Once all comments were fully written on the posters, such posters were then pasted on the walls again to be viewed and read by all. Participants were then forbidden to defend or ague any comments, but were instead required to offers practical advises and/or

solutions on how to address, tackle or resolve such issues. This concluded the consultation process, and the suggestions thereof assisted to compile the organisation change project plan.

3.5.3 Stage two: The unfreezing stage

It is in this phase that the implementation process had begun. Prior to the implementation process the change readiness survey was administered to assess the change readiness level of the organisation. In line with Kotter's model that requires creating a sense of urgency, forming a powerful coalition, creating a vision for change and communicating the vision for this phase, two committees were created within the organisation to take charge of the change process and ownership of its initiatives. Such committees were the steering committee and the implementation committee.

3.5.3.1 The steering committee

The steering committee comprises of all heads of departments that were directly or indirectly affected by the change initiatives. The role of this committee was to provide strategic leadership for the change management, such as linking the change initiatives with the organisation goals. Other roles were to set change target and deadlines, identify the key performance indicators (KPI) of change initiatives, allocate responsibility or ownership of change initiatives and sit as a panel (reporting structure) on a quarterly basis to decide whether such initiatives have successfully been accomplished. Such information was then used to create the change implementation plan.

3.5.3.2 The implementation committee

The implementation committee comprises individuals who were assigned with the responsibility to execute the change initiatives (initiative owners) and representatives from each department (initiative driver) that were affected by the change. The role of this committee was to provide a platform that would allow initiative owners and initiative drivers to discuss methods in which initiatives should be implemented, revise deadlines set by the steering committee, and/or suggest new ones (where applicable), and insure that initiatives are carried out and accomplished as per the steering committee requirements.

Although the implementation process was predominantly left to the implementation committee to execute it, the communication part was not. Members of both committees used every platform at their disposal to communicate the change initiatives. These included company retreat, weekly meetings, morning devotional and motivation meetings.

The ultimate outcomes of all elements discussed above (the two committees, the implementation plan and the communication), including meeting between the two committees and the change facilitator (the author of this study), was to form powerful coalition team(s), create a vision for change, communicate such a vision, and subsequently create a sense of urgency in the mind of all staff members at Learn to Earn.

3.5.4 Stage three: The movement stage

The main focuses in this stage, according to Kotter's model, are to remove obstacles, reward short-term wins, and consolidate improvements. Some of the obstacles encountered in this phase were:

1. The constitution of the implementation committee.
2. The communication channels between the two change committees (steering and implementation) and between the implementation committee members (initiative drivers) and the initiative owners.
3. To identify the responsibilities of the various stakeholders (initiative drivers and the initiative owners).
4. Applying the implementation plan.

These challenges were raised by the implementation committee and discussed during meetings with the change facilitator. Suggestions were brought forward and sent to the steering committee as recommendations. The outcomes of these meetings and the response of the steering committee are discussed in chapter 5.

Concerning the short-term wins and consolidating improvements, the short-term wins were identified and specifically targeted first. This was to allow visible performance improvement, gain credibility and to maintain the momentum.

3.5.4 Stage four: The refreezing stage

This phase was not totally accomplished, due to the completion dates of certain initiatives that were scheduled to take place in three years' time from the planning date. However, as stated by Tucker (2007), the organisation had to freeze at a certain point to evaluate its progress. One of the changes anchoring method used at that point to build and re-enforce the new behaviours, was to incorporate such expected behaviours in the performance evaluation of each staff member.

3.6 Conclusion

This chapter elaborated on the research methodologies and tools used in this study, including the reasons for choosing those tools. It stated that the research methods or designs used were both empirical and non-empirical. The non-empirical method was literature reviews and the empirical method was a combination of two types of evaluation research. The two principal data collection tools on the other hand were survey questionnaires, which were used as a measurement instrument, and the focus group, using the Café method and Me, We, Work, World facilitation tools.

The implementation process was based upon Kotter's three-steps model and Lewin's eight-steps model. As a result of this symbiosis, and in order to implement the models successfully, the implementation process was divided into four stages. With stage one representing the consultation stage, stage two the unfreezing stage, stage three the movement stage, and finally stage four the refreezing stage.

Chapter 4:
Analysis of results

Chapter 4: Analysis of results

4.1 Introduction

The previous chapter dealt with the research methodology used in this study, the research tools and the reasons for choosing such tools. The chapter also explained that two types of research methods or designs were used. The first method is deemed to be non-empirical and it is the '*literature reviews*'. The second method is deemed empirical and it is a blend of two types of '*evaluation research*'.

The decision to use these two types of research methods was founded on the fact that literature review as a secondary source does not report any new or original experimental work as such. It at best can only summarise already existing materials and cannot produce new, or validate existing empirical study. This meant that although literature review often leads to theoretical insights, one still needed to undertake an empirical study to test such new insights, hence the insertion of the evaluation research that was used to supplement the literature review. However, only two of the three evaluation methods were used in this study and these were: the 'implementation process evaluation' and the 'qualitative or naturalistic and empowerment evaluation'.

The evaluation research, like the literature review, had its own errors and limitations. Thus, in order to curve such limitations and errors, the study partly relied on the strength of the data collection tools used to gather information. One of the tools used was survey, using questionnaires. In this study, two types of questionnaires were used and were administered both before and after the implementation process had begun. The objective was to evaluate the organisation prior to and post the change intervention.

The objective of this fourth chapter is to elaborate on the statistical techniques applied to analyse the results of the change readiness questionnaire. The chapter also presents the results obtained from the two sets of questionnaires administered before and after the implementation process, as well as the results of the observations instruments made throughout the change management intervention.

With regards to the questionnaire instruments, the first questionnaire was named 'change readiness' and in it informants were required to respond to statements using a five-point scale (1 - Strongly disagree, 2 - Disagree, 3 - Undecided, 4 - Agree, 5 - Strongly agree). In the second questionnaire named 'VISA strategy', informants were also required to respond to statements, but using a different five-point scale (0 - Not true, 1 - Seldom true, 2- Sometimes true, 3 - True most of the time, 4 - Definitely true).

In order to achieve the objective stated above, this chapter elaborates on:

- Statistical techniques applied to analyse the results of the questionnaires.
- Section one: Results of the VISA strategy questionnaire.
- Section two: Results of the change readiness questionnaire.
- Section three: Outcomes of the observations instrument.

Reflections on the findings are conducted in the next chapter, which deals with discussions of the results.

4.2 Statistical techniques applied

The resulting data sets of the change readiness questionnaire were imported and analysed using the Statistical Package for the Social Sciences (SPSS). The Pearson Chi-square test was use to determine if there was a change from pre to post change intervention. The sample size was the rational guiding the choice of this test and necessitated the usage of the Exact Test (2-sided) p-value. The VISA strategy survey on the other hand was analysed using a pre-determined formula as demonstrated further in this study. The 'mode' (the most popular values) was used to determine the appropriate values to be used in this instrument.

4.3 Section one: Results of the VISA strategy questionnaire

4.3.1 Coded data

Twenty questionnaires were distributed at Learn to Earn, while 17 and 13 questionnaires were received and recorded prior and post the implementation process respectively. From the above figures, two out of the 17 responses were from senior

managers. This implies that only 15 and 13 responses respectively were from the rest of the employees.

Responses were recorded and coded using a standard statistic method which consists of reconciling the variables with their associated data values. The variable here refers to the questionnaire's statements, while the data values are the numerical responses to each question deriving from the pre-determined five-point scale. As alluded earlier, the 'mode' was used to analyse the data obtained from the VISA strategy survey. Such results are presented below. Furthermore, table 4.1 below only contains results obtained from the questionnaires handed by all staff members, excluding the two senior managers.

4.3.2 Results from the employees' questionnaires prior and post implementation
The below results of the strategy execution kit shows that prior to the implementation process the organisation scored 2.3 for its vision, 2.6 for interdependence, 2.5 for its structure, and 3 for action. During the post-implementation process, it scored 2.7 for its vision, 2.8 for interdependence, 2.6 for its structure, and 3 for action. In the ideal scenario each of the VISA elements must be integrated into the company strategic thinking on an equal footing in what is called a threshold or equilibrium. Failure to reach the equilibrium will result in the threshold being dragged down to the lowest common denominator. Based on the above results, the organisation threshold is 2.3 prior and 2.6 post the implementation process. Responses obtained from the strategy execution kit are analysed as follows:

- **1 -** Inadequate and cause of problems.
- **2** - Average and requires improvement.
- **3** - Very good.
- **4 -** Superior.

Based on the above interpretation, Learn to Earn falls under the '*average*' strategy bracket and needs improvement. The encouraging part is that such improvement was noticed post the implementation process. Its threshold moved from 2.3 to 2.6. The charts on the following page provide graphic representations of the results obtained by Learn to Earn from the employees' perspectives on the strategy execution kit, both before and after the implementation process.

Table 4.1: Results of the VISA kit from employees' perspective

Constructs	Questions	Before implementation		Post implementation	
		Mode	Score	Mode	Score
Vision (V)	1	2		2	
	2	2		2	
	3	3		3	
	4	2		4	
	5	3		4	
	6	3		3	
	7	2		2	
	8	2		2	
	9	2		3	
	10	2		2	
	Total	**23**	**2.3**	**27**	**2.7**
Interdependence (I)	11	3		3	
	12	2		2	
	13	2		3	
	14	3		3	
	15	3		3	
	16	3		3	
	17	3		3	
	18	2		2	
	19	2		2	
	20	3		4	
	Total	**26**	**2.6**	**28**	**2.8**
Structure (S)	21	3		3	
	22	2		2	
	23	2		2	
	24	3		3	
	25	2		2	
	26	2		2	
	27	2		3	
	28	3		3	
	29	4		4	
	30	2		2	
	Total	**25**	**2.5**	**26**	**2.6**
Action (A)	31	4		4	
	32	3		3	
	33	4		4	
	34	2		2	
	35	4		4	
	36	2		2	
	37	3		3	
	38	2		2	
	39	4		4	
	40	2		2	
	Total	**30**	**3**	**30**	**3**

4.3.3 Graphic representation of the strategy execution at Learn to Earn

Figure 4.1: Representation of the VISA kit from employees' perspective prior to the implementation process
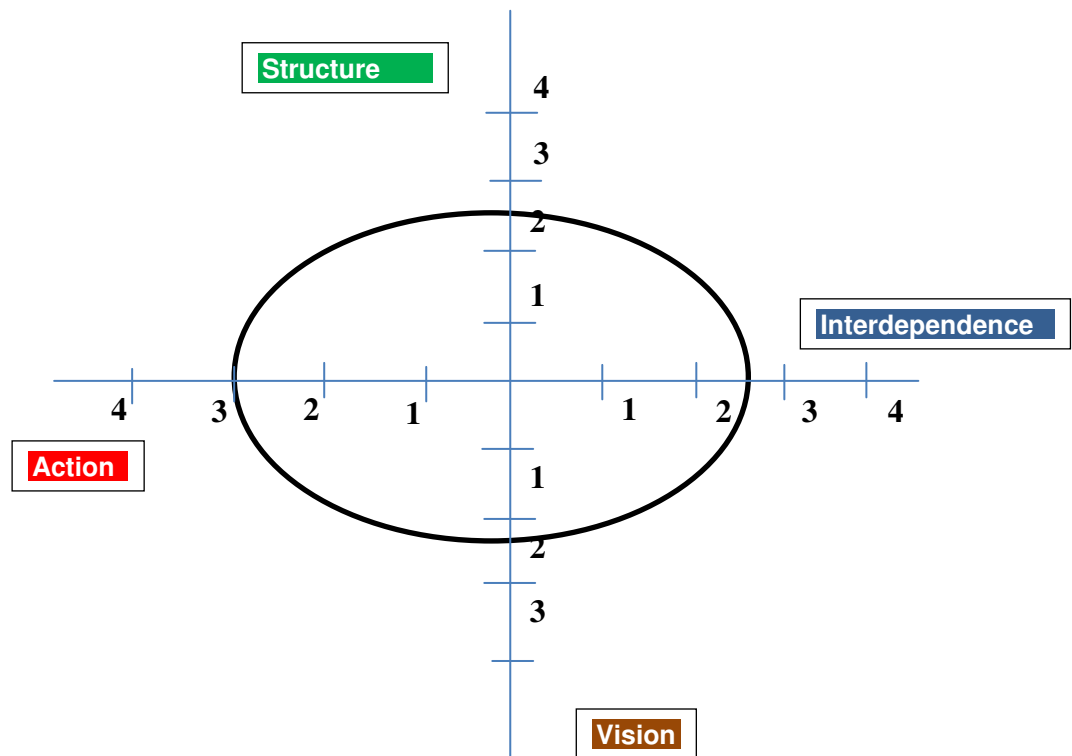
From the chart one could see that the organisation is very good in its action strategy, but average in its vision. This implied that the organisation has a reputation to do what it intends, but needs to communicate its vision a little more.

Figure 4.2: Representation of the VISA kit from employees' perspective after the implementation process
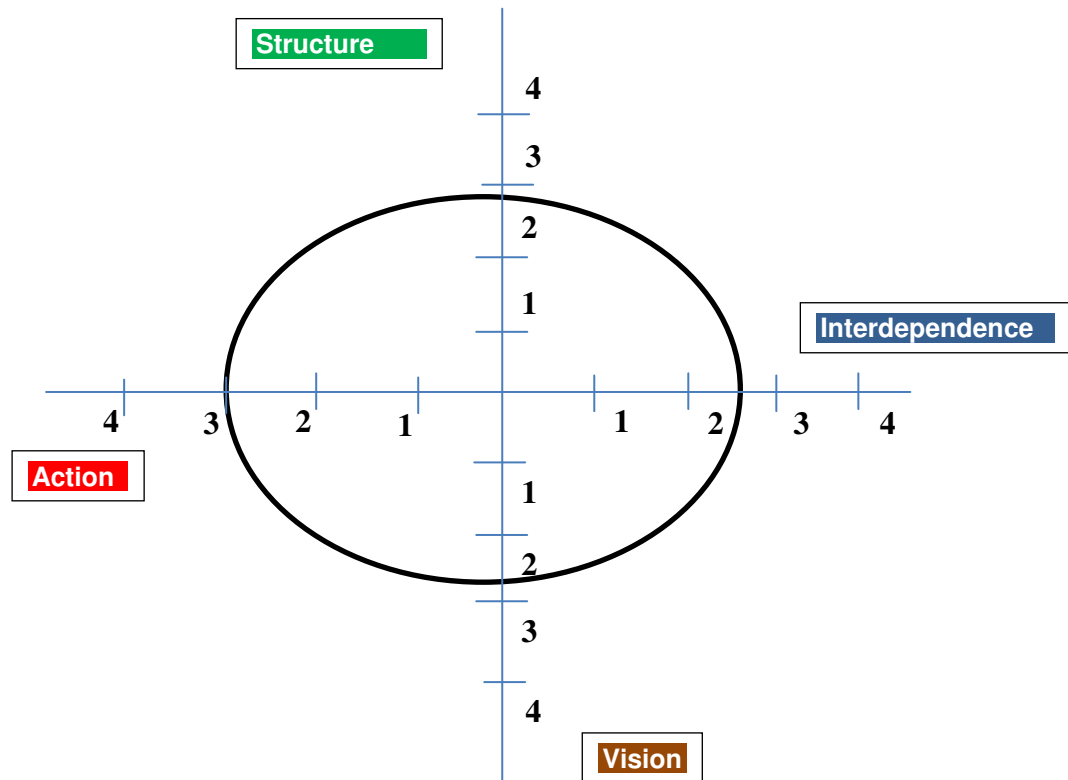
The chart above shows that the organisation made some improvement in its vision from 2.3 to 2.8, and in its structure from 2.5 to 2.6. The results for action however remain unchanged. Hence, one may conclude that the organisation is action oriented. There are implications of being over influenced by one of the four elements. Such implications are discussed in the next chapter.

Two top managers also took the test prior to the implementation process and their responses were analysed separately. On the following page is a discussion of the strategy execution from management perspective.

4.3.4 Results of the strategy execution from management perspective

Table 4.2: Results of the VISA kit from top managers' perspective

Constructs	Questions	Mode	Score
Vision (V)	1	2	
	2	2	
	3	3	
	4	3	
	5	4	
	6	3	
	7	3	
	8	3	
	9	3	
	10	3	
	Total	**29**	**2.9**
Interdependence (I)	11	2	
	12	2	
	13	3	
	14	0	
	15	3	
	16	3	
	17	3	
	18	3	
	19	3	
	20	4	
	Total	**26**	**2.6**
Structure (S)	21	3	
	22	3	
	23	3	
	24	3	
	25	3	
	26	3	
	27	3	
	28	3	
	29	2	
	30	3	
	Total	**29**	**2.9**
Action (A)	31	4	
	32	3	
	33	3	
	34	2	
	35	3	
	36	4	
	37	3	
	38	2	
	39	2	
	40	2	
	Total	**28**	**2.8**

The above results reveal that the senior managers scored higher than the rest of the employees in areas of vision at 2.9, compared to employees at 2.3, and structure at 2.9 compared to employees at 2.5. The managers shared the same opinion with the rest of the employees in the area of interdependence at 2.6, but scored lower than employees in the area of action. A plausible explanation for this contrast could come from the fact that one can expect senior managers to be more involved in compiling the vision, but less involved in the execution process that often takes place at a lower level and subsequently where actions are happening, hence they scored lower in action and higher in vision.

Figure 4.3: Representation of the VISA kit from managers' perspective
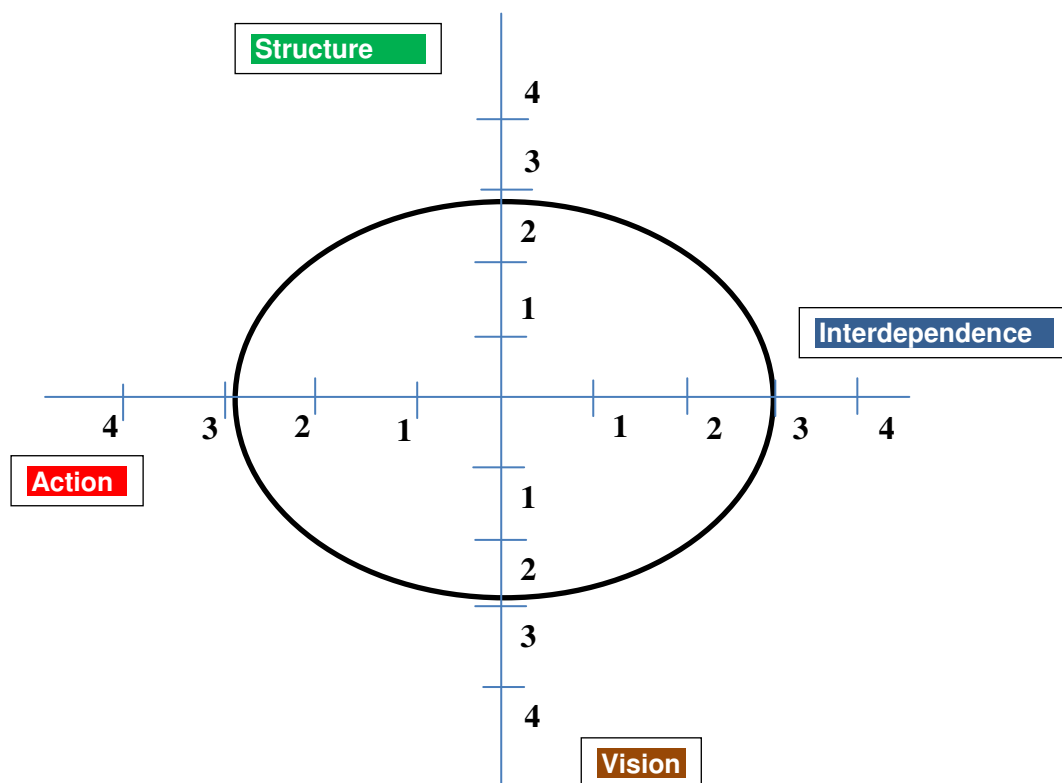
The chart shows that managers actually reached the equilibrium in that the VISA elements were integrated more or less on an equal footing.

4.4 Section two: Results of the change readiness survey questionnaire

4.4.1 Coded data

Table 4.3: Data recorded prior to the implementation of the change initiatives

Respondent	Question 1	Question 2	Question 3	Question 4	Question 5	Question 6	Question 7	Question 8	Question 9	Question 10	Question 11	Question 12	Question 13	Question 14	Question 15	Question 16	Question 17	Question 18	Question 19	Question 20
1	4	5	3	4	4	5	4	3	4	4	4	4	5	4	4	5	5	3	3	4
2	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
3	4	5	4	3	4	5	4	4	4	3	3	4	4	4	4	4	4	4	3	3
4	5	5	5	5	3	5	4	4	4	4	4	4	4	4	4	5	5	4	3	3
5	5	5	5	3	4	5	4	4	5	2	4	4	5	4	3	5	5	2	4	4
6	4	4	3	3	3	4	3	3	4	3	3	4	4	3	4	3	4	3	3	3
7	4	4	4	4	5	5	4	5	5	4	4	4	4	4	4	4	5	5	5	5
8	4	5	4	3	5	5	4	3	3	3	4	4	4	4	4	4	4	4	3	4
10	4	4	4	4	5	5	4	5	3	3	3	3	4	3	3	2	4	3	3	3
11	1	3	4	3	3	2	4	2	2	1	1	3	4	3	2	3	2	2	4	4
12	4	4	4	4	4	4	4	4	4	4	4	3	5	5	4	4	4	4	4	4
13	5	5	5	5	3	5	4	4	4	4	3	4	5	4	4	3	5	4	4	4
14	4	4	4	3	4	4	4	4	4	3	3	4	4	4	4	4	2	3	4	4
15	4	5	5	4	4	4	4	5	3	3	3	3	5	4	3	2	5	4	4	4
16	4	4	4	3	5	5	4	5	5	3	4	4	3	3	4	4	5	3	4	4
17	4	4	4	4	4	5	5	4	3	3	3	3	5	4	3	4	3	4	4	4

Table 4.4: Data recorded post the implementation of the change initiatives

Respondents	Question 1	Question 2	Question 3	Question 4	Question 5	Question 6	Question 7	Question 8	Question 9	Question 10	Question 11	Question 12	Question 13	Question 14	Question 15	Question 16	Question 17	Question 18	Question 19	Question 20
1	5	5	5	4	4	5	4	5	3	4	4	4	5	4	4	5	5	5	3	4
2	5	4	5	5	4	5	4	4	5	5	4	5	4	4	5	5	4	5	5	5
3	5	5	4	5	4	5	4	4	4	5	5	4	5	5	4	4	5	4	4	5
4	5	4	5	5	5	5	4	4	4	4	4	4	4	4	4	5	5	3	5	4
5	5	5	5	4	5	5	4	4	5	4	4	4	5	4	5	5	5	5	4	5
6	4	4	5	5	5	4	5	5	4	5	3	5	4	5	4	4	4	5	5	4
7	4	4	4	4	5	5	4	5	5	4	4	4	4	4	4	4	5	5	5	5
8	4	5	4	3	5	5	4	5	5	4	4	5	4	4	4	3	4	5	4	4
9	5	4	4	4	5	5	5	5	4	5	3	3	4	5	5	5	4	4	5	5
10	4	3	4	3	3	2	4	4	4	4	4	4	4	5	5	5	5	5	4	4
11	5	4	4	4	4	4	4	4	4	4	4	3	5	4	4	4	5	4	5	4
12	4	4	4	4	4	4	5	5	4	5	4	5	4	5	4	5	4	5	4	5
13	5	5	5	5	3	5	4	4	5	4	5	4	5	4	5	5	5	4	5	4

Twenty questionnaires were also handed out prior and post the implementation process; 16 and 13 responses respectively were received and recorded. This constituted an 85% and 65% response rate respectively. Responses were also recorded and coded using a standard statistic method, which consists of reconciling the variables with their associated data values. The variable here refers to the questionnaire' statements, while the data values are the numerical responses to each question deriving from the pre-determined five-point scale. The results of this survey are presented here after.

4.4.2 Analysis of the five questionnaires constructs

Chi-square statistic tests were conducted on the 20 constructs used to evaluate the organisation change initiative. The objective was to assess whether there was a difference between the data obtained prior and those obtained after. The results of these tests are presented below.

Claim and counter claim:

A claim and counter claim were brought forward to guide the discussion of the results. These two indicators are as follows:

- The claim **(H$_o$)** states that there is no difference between the data obtained before and those obtained after the change initiative was implemented.
- The counter claim **(H$_1$)** states that there is at least one construct that is different.

Chi-square limit and degree of freedom

The Chi-square limit and degree of freedom are provided in each construct.

The decision rule

The decision rule is subsequently as follows:

- One will reject the claim **H$_o$** if the probability level is ≤ 0.05
- One will accept the claim **H$_o$** if the probability level is > 0.05

4.4.3 Cross tabulation results

The section on the following page presents the results obtained from the change readiness survey both before and after the implementation process had begun. The section is divided into five subsections consisting of the following five constructs – need for change, change attitude, communication, leadership, and lastly change preparation.

4.4.3.1 Division one: Need for change

Table 4.5: Counts of question one

Counts section			
Q1: I know what the vision for the change looks like.			
	Time		**Total**
	Post	**Prior**	
Strongly disagree	0	1	1
Agree	5	12	17
Strongly agree	8	3	11
Total	**13**	**16**	**29**

Chi-square statistics section

Chi-square	5.908
Degrees of freedom	2
Probability level	0.052

Results:

Since the probability level is < 0.05, one will reject H_o. This means that there is a difference between the data obtained prior and those obtained after.

Graph 4.1: Question one counts result
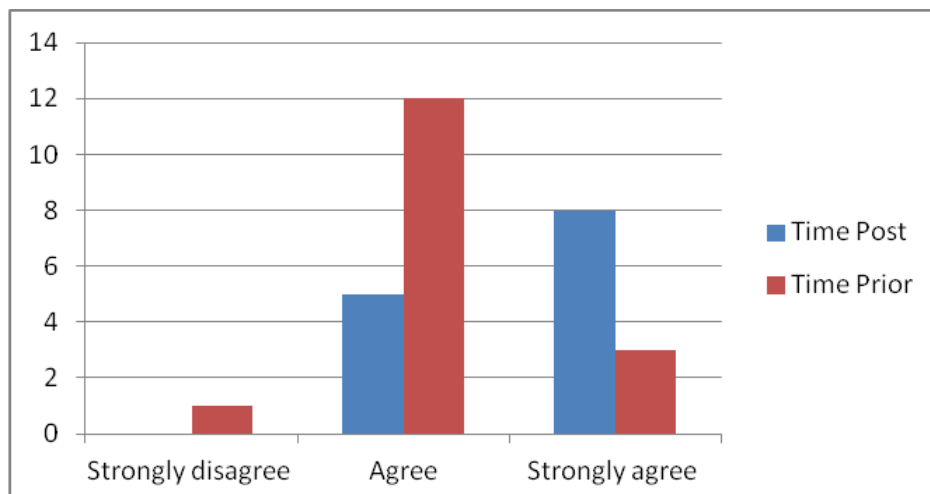
Table 4.6: Counts of question two

Counts section			
Q2: I am aware of the reasons why change is needed.			
	Time		**Total**
	Post	**Prior**	
Undecided	1	1	2
Agree	7	8	15
Strongly agree	5	7	12
Total	**13**	**16**	**29**

Chi-square statistics section
Chi-square   0.091
Degrees of freedom   2
Probability level   0.956

Results:

Since the probability level is > 0.05, one will accept H_o. This means that there is no difference between the data obtained prior and those obtained after.

Graph 4.2: Question two counts result

110
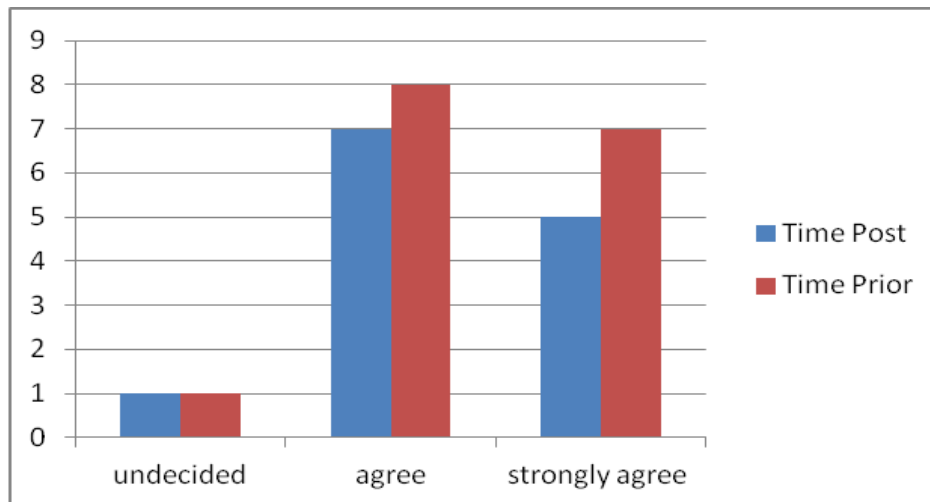
Table 4.7: Counts of question three

Counts section			
Q3: The reasons for making this change have been made clear.			
	Time		**Total**
	Post	**Prior**	
Undecided	0	2	2
Agree	7	10	17
Strongly agree	6	4	10
Total	**13**	**16**	**29**

Chi-square statistics section

Chi-square	2.647
Degrees of freedom	2
Probability level	0.266

Results:

Since the probability level is > 0.05, one will accept H_o. This means that there is no difference between the data obtained prior and those obtained after.

Graph 4.3: Question three counts result
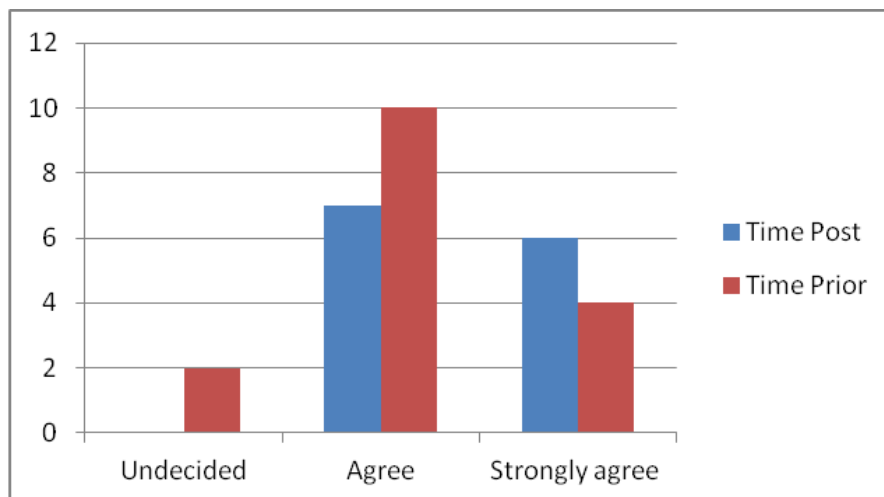
Table 4.8: Counts of question four

Counts section			
Q4: So most people think that the organisation change was necessary.			
	Time		**Total**
	Post	**Prior**	
Undecided	2	7	9
Agree	6	7	13
Strongly agree	5	2	7
Total	**13**	**16**	**29**

Chi-square statistics section

Chi-square	3.872
Degrees of freedom	2
Probability level	0.144

Results:

Since the probability level is > 0.05, one will accept H_o. This means that there is no difference between the data obtained prior and those obtained after.

Graph 4.4: Question four counts result
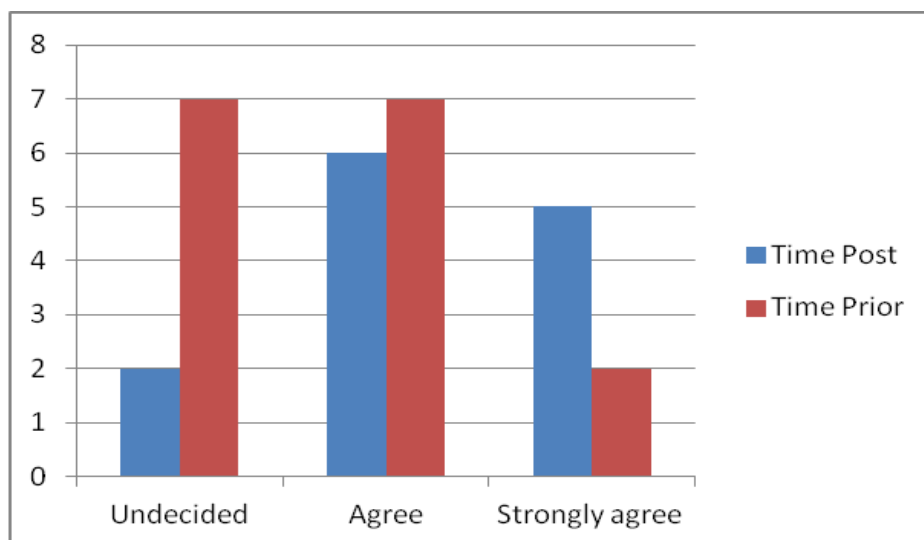
4.4.3.2 Division two: Change attitude

Table 4.9: Counts of question five

Counts section			
Q5: I think that the change will be beneficial for me.			
	Time		**Total**
	Post	**Prior**	
Undecided	2	4	6
Agree	5	8	13
Strongly agree	6	4	10
Total	**13**	**16**	**29**

Chi-square statistics section

Chi-square	1.464
Degrees of freedom	2
Probability level	0.481

Results:

Since the probability level is > 0.05, one will accept H_o. This means that there is no difference between the data obtained prior and those obtained after.

Graph 4.5: Question five counts result

113
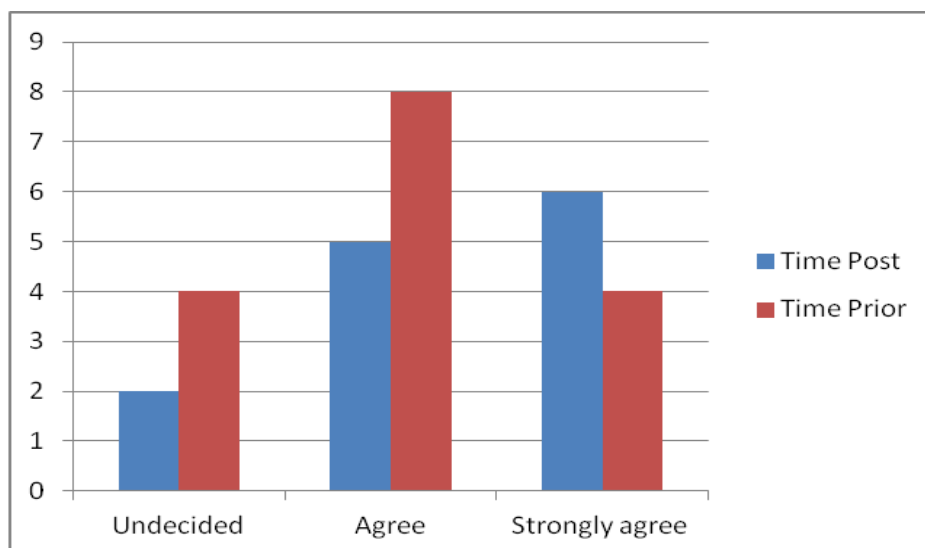
Table 4.10: Counts of question six

Counts section			
Q6: I believe that the change will benefit the organisation.			
	Time		**Total**
	Post	**Prior**	
Disagree	1	1	2
Agree	3	5	8
Strongly agree	9	10	19
Total	**13**	**16**	**29**

Chi-square statistics section

Chi-square	0.245
Degrees of freedom	2
Probability level	0.885

Results:

Since the probability level is > 0.05, one will accept H_o. This means that there is no difference between the data obtained prior and those obtained after.

Graph 4.6: Question six counts result
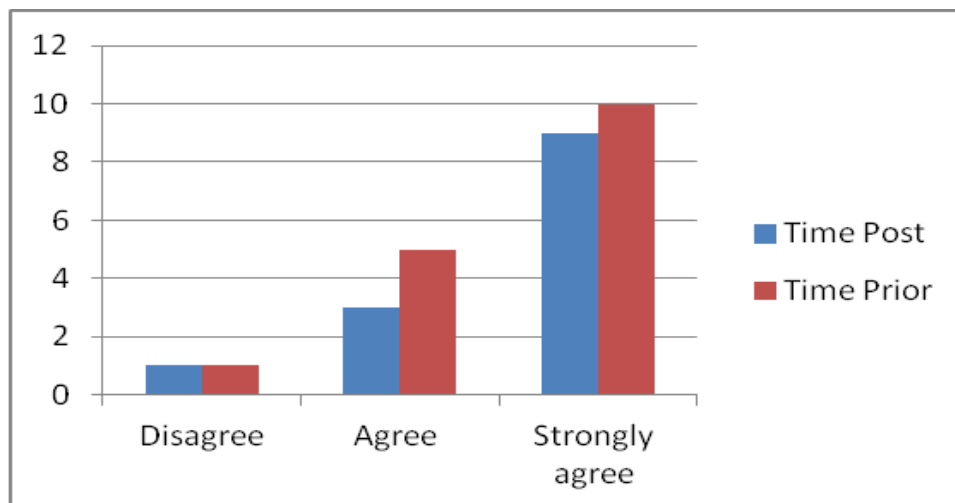
Table 4.11: Counts of question seven

Counts section			
Q7: The scope of the change is appropriate and achievable.			
	Time		**Total**
	Post	**Prior**	
Undecided	0	1	1
Agree	10	14	24
Strongly agree	3	1	4
Total	**13**	**16**	**29**

Chi-square statistics section

Chi-square	2.382
Degrees of freedom	2
Probability level	0.304

Results:

Since the probability level is > 0.05, one will accept H_o. This means that there is no difference between the data obtained prior and those obtained after.

**Graph 4.7:** Question seven counts result
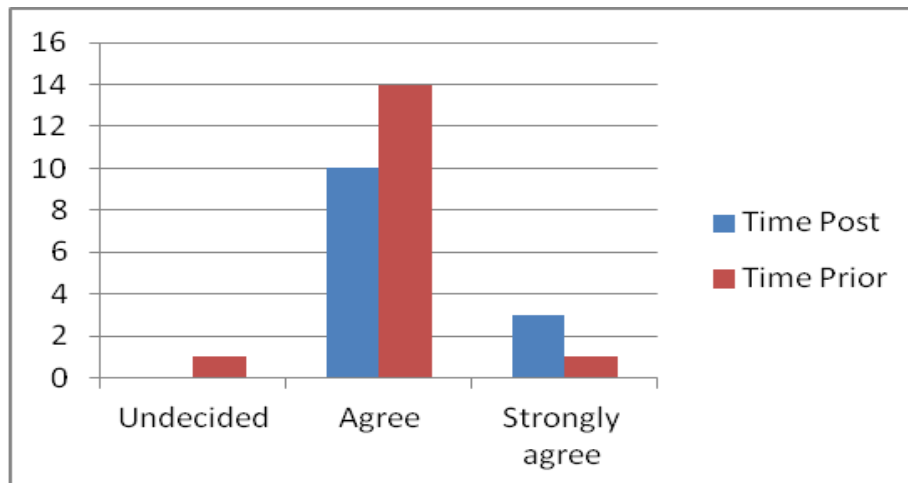
Table 4.12: Counts of question eight

Counts section			
Q 8: People in my work unit will be receptive to supporting the change.			
	Time		**Total**
	Post	**Prior**	
Disagree	0	1	1
Undecided	0	3	3
Agree	7	8	15
Strongly agree	6	4	10
Total	**13**	**16**	**29**

Chi-square statistics section

Chi-square	4.201
Degrees of freedom	3
Probability level	0.241

Results:

Since the probability level is > 0.05, one will accept **H$_o$**. This means that there is no difference between the data obtained prior and those obtained after.

Graph 4.8: Question eight counts result
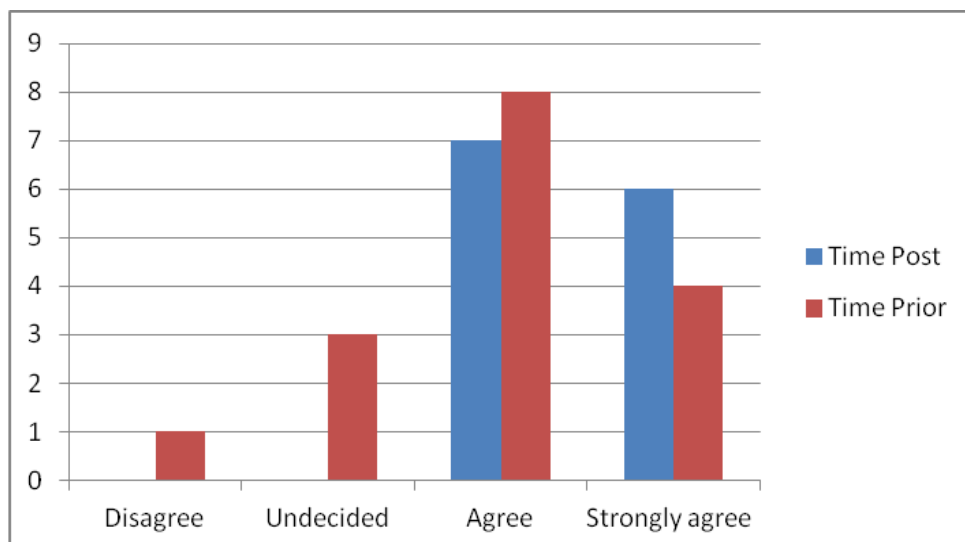
4.4.3.3 Division three: Communication

Table 4.13: Counts of question nine

Counts section			
Q 9: The communication I received so far about the change has been useful.			
	Time		**Total**
	Post	**Prior**	
Disagree	0	1	1
Undecided	1	4	5
Agree	7	8	15
Strongly agree	5	3	8
Total	**13**	**16**	**29**

Chi-square statistics section

Chi-square	3.089
Degrees of freedom	3
Probability level	0.378

Results:

Since the probability level is > 0.05, one will accept H_o. This means that there is no difference between the data obtained prior and those obtained after.

Graph 4.9: Question nine counts result
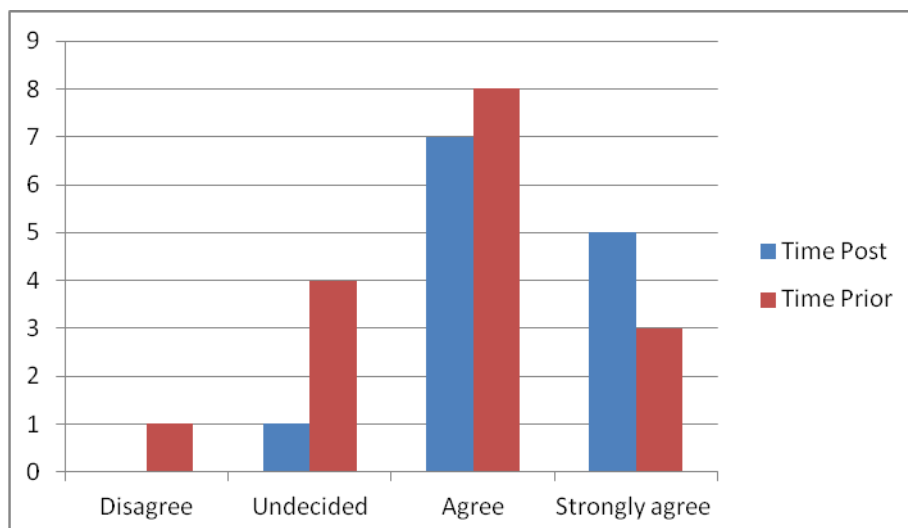
Table 4.14: Counts of question 10

Counts section			
Q10: The communication I received so far about the change has been well timed.			
	Time		**Total**
	Post	**Prior**	
Strongly disagree	0	1	1
Disagree	0	1	1
Undecided	0	8	8
Agree	8	6	14
Strongly agree	5	0	5
Total	**13**	**16**	**29**

Chi-square statistics section

Chi-square	15.137
Degrees of freedom	4
Probability level	0.0044

Results:

Since the probability level is < 0.05, one will reject H_o. This means that there is a difference between the data obtained prior and those obtained after.

Graph 4.10: Question 10 counts result
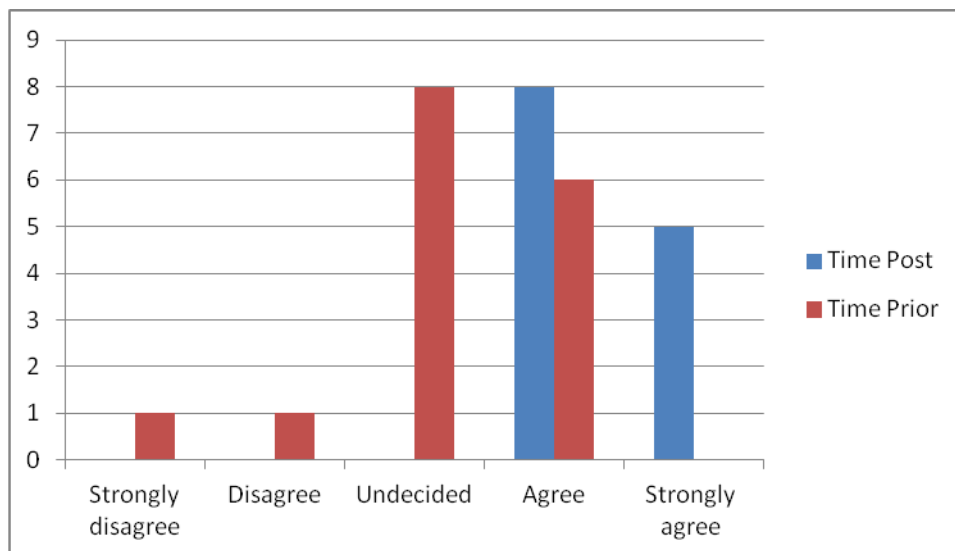
Table 4.15: Counts of question 11

Counts section			
Q11: The details of the change are being communicated to those who will be affected as quickly as it is practical to do so.			
	Time		**Total**
	Post	**Prior**	
Strongly disagree	0	1	1
Undecided	2	7	9
Agree	9	8	17
Strongly agree	2	0	2
Total	**13**	**16**	**29**

Chi-square statistics section

Chi-square	5.586
Degrees of freedom	3
Probability level	0.1336

Results:

Since the probability level is > 0.05, one will accept H_o. This means that there is no difference between the data obtained prior and those obtained after.

**Graph 4.11:** Question 11 counts result
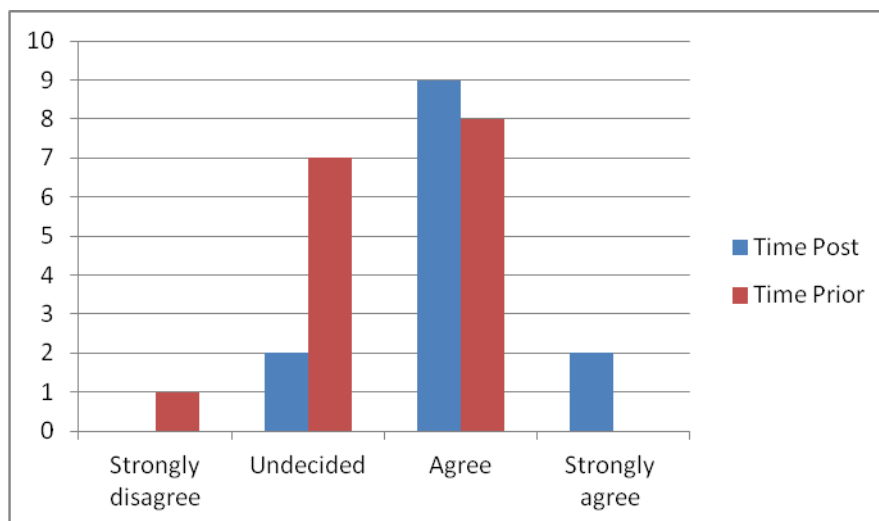
Table 4.16: Counts of question 12

Counts section			
Q12: Concerns and questions have, thus far, been responded to in a pretty honest and timely way.			
	Time		**Total**
	Post	**Prior**	
Undecided	2	5	7
Agree	7	11	18
Strongly agree	4	0	4
Total	**13**	**16**	**29**

Chi-square statistics section

Chi-square	5.9277
Degrees of freedom	2
Probability level	0.0516

Results:

Since the probability level is < 0.05, one will reject H_o. This means that there is a difference between the data obtained prior and those obtained after.

Graph 4.12: Question 12 counts result
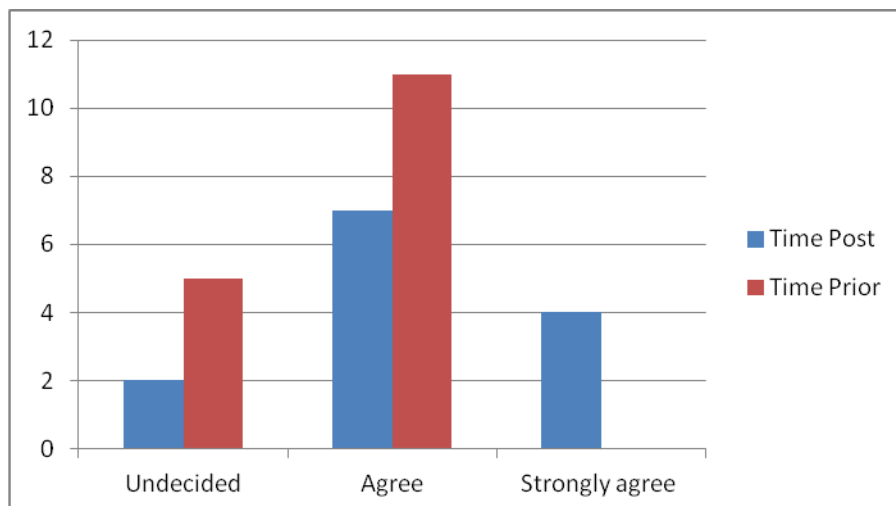
4.4.3.4 Division four: Leadership

Table 4.17: Counts of question 13

Counts section			
Q13: The senior managers are committed to the change.			
	Time		**Total**
	Post	**Prior**	
Undecided	0	1	1
Agree	8	9	17
Strongly agree	5	6	11
Total	**13**	**16**	**29**

Chi-square statistics section

Chi-square	0.8485
Degrees of freedom	2
Probability level	0.6543

Results:

Since the probability level is > 0.05, one will accept H_o. This means that there is no difference between the data obtained prior and those obtained after.

**Graph 4.13:** Question 13 counts result
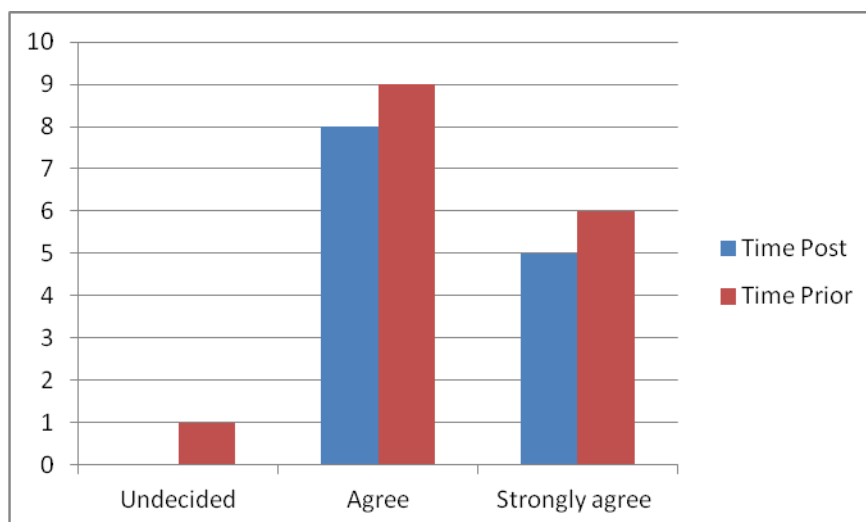
Table 4.18: Counts of question 14

Counts section			
Q14: There is visible leadership of the change from managers.			
	Time		**Total**
	Post	**Prior**	
Undecided	0	4	4
Agree	8	11	19
Strongly agree	5	1	6
Total	**13**	**16**	**29**

Chi-square statistics section

Chi-square	6.9039
Degrees of freedom	2
Probability level	0.0317

Results:

Since the probability level is < 0.05, one will reject H_o. This means that there is a difference between the data obtained prior and those obtained after.

Graph 4.14: Question 14 counts result

122
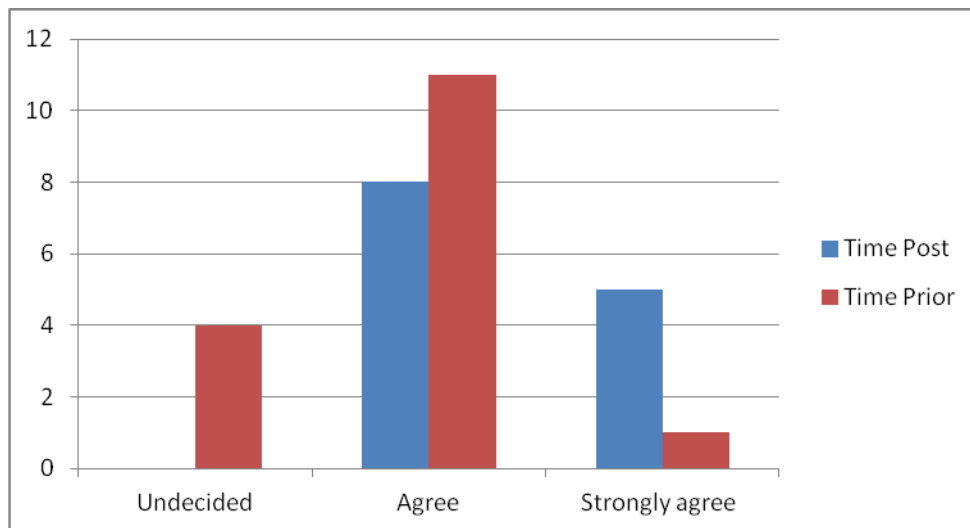
Table 4.19: Counts of question 15

Counts section			
Q15: I have the opportunity to discuss the change with my line manager.			
	Time		**Total**
	Post	**Prior**	
Disagree	0	1	1
Undecided	0	4	4
Agree	8	11	19
Strongly agree	5	0	5
Total	**13**	**16**	**29**

Chi-square statistics section

Chi-square   10.273
Degrees of freedom   3
Probability level   0.0164

Results:

Since the probability level is < 0.05, one will reject H_o. This means that there is a difference between the data obtained prior and those obtained after.

Graph 4.15: Question 15 counts result
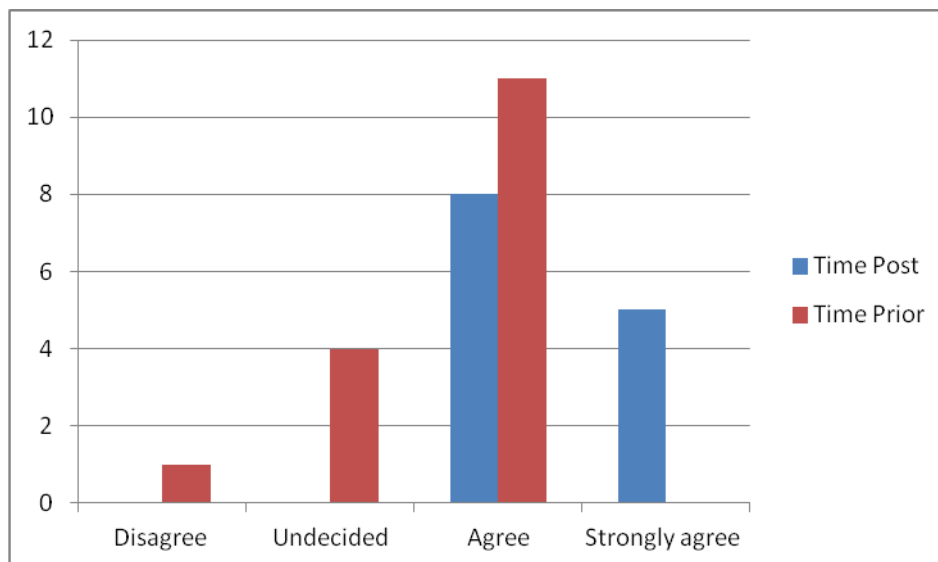
Table 4.20: Counts of question 16

Counts section			
Q16: The organisation's leadership has a history of doing what it says it will do.			
	Time		**Total**
	Post	**Prior**	
Disagree	0	2	2
Undecided	1	3	4
Agree	4	8	12
Strongly agree	8	3	11
Total	**13**	**16**	**29**

Chi-square statistics section

Chi-square	6.3638
Degrees of freedom	3
Probability level	0.0952

Results:

Since the probability level is > 0.05, one will accept H_o. This means that there is no difference between the data obtained prior and those obtained after.

Graph 4.16: Question 16 counts result

4.4.3.5 Division five: Change preparation

Table 4.21: Counts of question 17

Counts section			
Q17: There is a pretty widely understood vision of what the organisation is seeking to become and to accomplish.			
	Time		**Total**
	Post	**Prior**	
Disagree	0	2	2
Undecided	0	1	1
Agree	5	6	11
Strongly agree	8	7	15
Total	**13**	**16**	**29**

Chi-square statistics section

Chi-square   2.878
Degrees of freedom   3
Probability level   0.4108

Results:

Since the probability level is > 0.05, one will accept **H$_o$**. This means that there is no difference between the data obtained prior and those obtained after.

Graph 4.17: Question 17 counts result
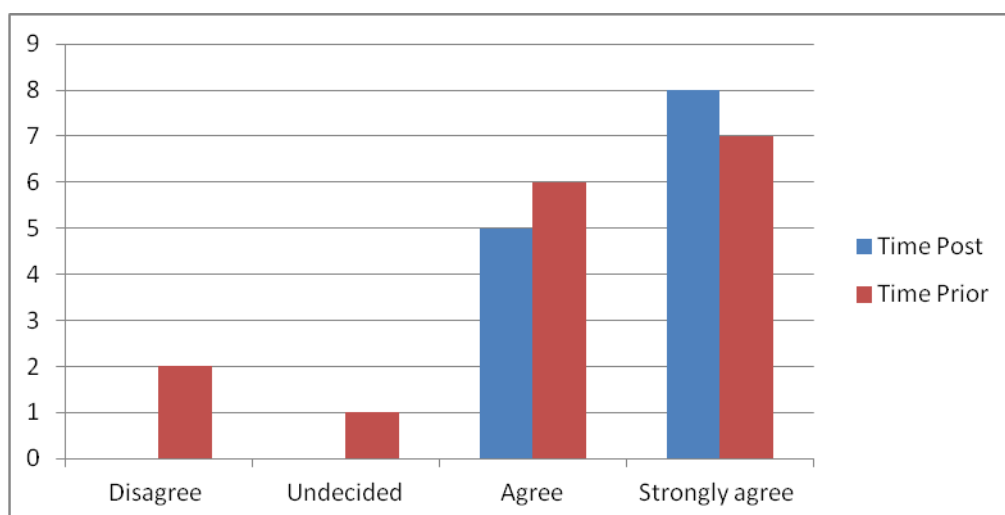
Table 4.22: Counts of question 18

Counts Section			
Q18: The staff at the organisation generally has the skills required for this change and will be able to build on these.			
	Time		**Total**
	Post	**Prior**	
Disagree	0	2	2
Undecided	1	5	6
Agree	4	8	12
Strongly agree	8	1	9
Total	**13**	**16**	**29**

Chi-square statistics section

Chi-square   11.255
Degrees of freedom   3
Probability level   0.0104

Results:

Since the probability level is < 0.05, one will reject **H$_o$**. This means that there is a difference between the data obtained prior and those obtained after.

Graph 4.18: Question 18 counts result
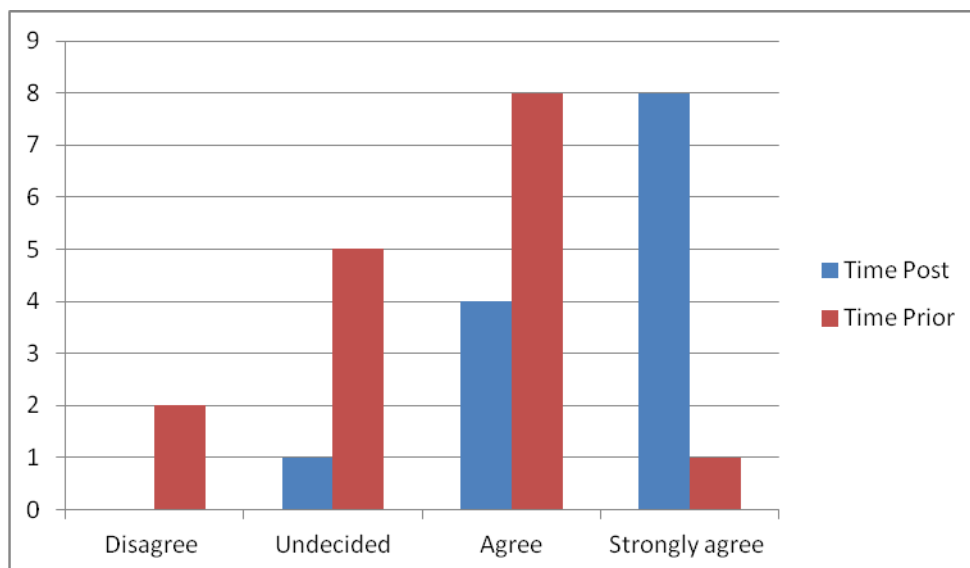
Table 4.23: Counts of question 19

Counts section			
Q19: People in my work unit have the knowledge/skills necessary to achieve our work unit's change-related goals.			
	Time		**Total**
	Post	**Prior**	
Undecided	1	6	7
Agree	5	9	14
Strongly agree	7	1	8
Total	**13**	**16**	**29**

Chi-square statistics section

Chi-square   9.0003
Degrees of freedom   2
Probability level   0.0111

Results:

Since the probability level is < 0.05, one will reject H_o. This means that there is a difference between the data obtained prior and those obtained after.

Graph 4.19: Question 19 counts result

127
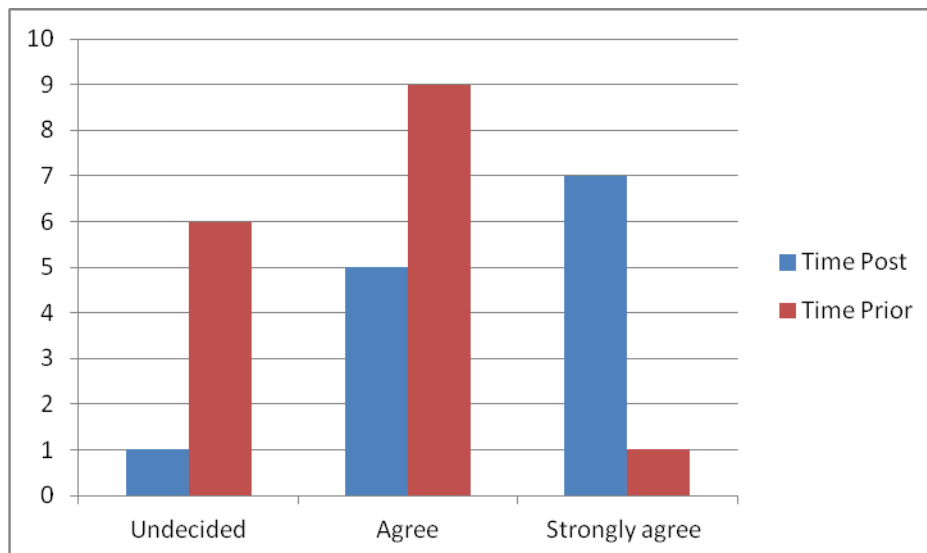
Table 4.24: Counts of question 20

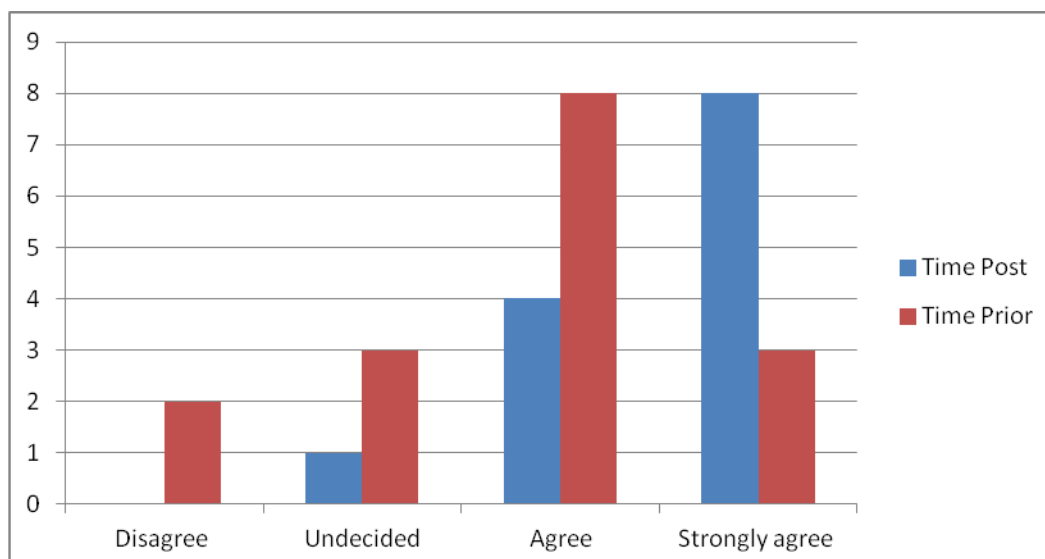| Counts section			
Q20: I have the knowledge/skills necessary to do my part in achieving my work unit's change-related goals.			
	Time		**Total**
	Post	**Prior**	
Undecided	0	4	4
Agree	7	11	18
Strongly agree	6	1	7
Total	**13**	**16**	**29**

Chi-square statistics section
Chi-square   8.2381
Degrees of freedom   2
Probability level   0.0163

Results:

Since the probability level is < 0.05, one will reject H_o. This means that there is a difference between the data obtained prior and those obtained after.

**Graph 4.20:** Question 20 counts result
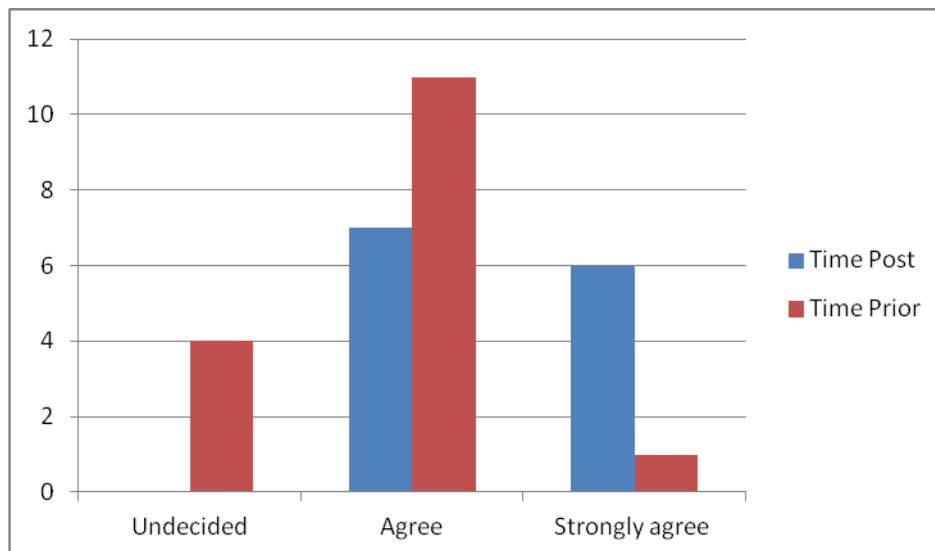
4.5 Section three: Outcomes of the observations instrument

As indicated in chapter 2 and re-echoed in chapter 3, Kotter and Lewin's models were the foundation for this study, whose overall change intervention consisted of applying these two selected models within the chosen organisation. So, the following are observations made throughout the entire change management intervention using Kotter's eight-steps model as a point of reference.

4.5.1 Creating a sense of urgency

During the change intervention it was observed firstly that the sense of urgency was built or created after the change vision was compiled and communicated to the rest of staff members. Secondly, during the focus group meeting staff members reacted better when the term '*important*' was used rather than the term 'vital'. This means that they did not show much enthusiasm when they were told that the failure to achieve a core initiative could lead to the complete shutdown of a department or of the activities that are linked to such a particular initiative. They however reacted positively when they were told for example that the achievement of a particular initiative would lead to easing their work and/or assist in providing better services.

Such observation was also made at Heart global (another social enterprise in which the author of this study had worked previously as a change facilitator). At Heart global, one had observed that certain employees who were working in departments affected by the change and in which 'vital' decisions for change were needed, would have preferred resigning from their job rather than to face the required change and the uncertainty therewith.

4.5.2 Forming a powerful coalition

During the change intervention it was observed that most of the individuals invested with the responsibility to make the change happen, were heads of departments. Thus, creating a coalition team that comprises non-managerial employees or heads of department presented the following discrepancies:

1. It would have not been feasible for a head of a department to report on progress to his/her staff member (subordinate). This could have created an organisation dynamic discrepancy.

2. Should the team only comprise the head of department, such a team would have been both the jury and the executant.

As a result, in this change intervention the term committee was used and two committees were put in place to lead the change initiative. Such committees were the steering committee and the implementation committee.

The steering committee comprises of heads of departments and was led by one of the two top managers. The role of the steering committee was to provide the link between the change initiative and the organisation's goals, and also to set key performance indicators as well as to serve as a panel (reporting structure) to decide on whether an initiative had successfully been accomplished.

The implementation committee on the other hand comprises of various staff members from all departments affected by the change. The role of implementation committee was to provide a platform that would allow 'initiative owners' (*individual invested with the responsibility to make the change happen in a specific area*) and 'initiative drivers' (*individuals invested with the responsibility to provide initiative owners with information from employees' perspectives*) to discuss methods in which:

- Change initiatives should be implemented.
- Deadlines set by the steering committee could have been revised, and/or suggest new ones where applicable.
- Change initiatives had to be carried out or accomplished as per the steering committee requirements.

4.5.3 Creating a vision for change

During the change intervention it was observed that creating one plan and then presenting it to the rest of the organisation could have the following discrepancies:

1. The rest of the employees could feel that management had made up their minds about the change to be implemented without consulting them.
2. The plan limited certain employees to identify additional elements to be included in the change vision.

To overcome these discrepancies, two plans were created in this change intervention. Such plans were the project plan containing suggestions of both management and non-managerial employees, and the change implementation plan compiled by the steering committee that contains information such as key performance indicators, milestones, deadlines, names of initiative owners and initiative drivers.

4.5.4 Communicating the vision

Communicating the vision was about continually and repeatedly sharing change related information every time an occasion was provided. During the change intervention it was observed that although management and the two committees used every opportunity that was made available, the delay in realising key information coupled with the postponement of certain change-related meetings limited the positive effect that this step could have produced.

4.5.5 Removing obstacles

Removing obstacles was about assisting individuals who are resisting the changes to move as easily and swiftly as possible towards accepting them. Despite the fact that the organisation scored more than 27 (using the mode value) on the overall results of change readiness survey, which indicates a high level of change readiness and a low resistance to the initiative, staff members were nevertheless constantly provided with opportunities to discuss any uncertainties. This in essence provided enough opportunities to identify, deal with and/or remove any obstacles.

4.5.6 Rewarding short-term wins

Creating short-term wins was about setting early success which will allow everyone to test, see and appreciate the progress made toward the vision at a certain stage of the change process. In this study it was observed that short-term wins were purposely identified and inserted in the change implementation plan. Examples of early wins were the recruitment of a placement officer, and the acquisition of a new database system.

4.5.7 Consolidating the improvements and anchoring the changes

These two last steps were not measured in this study due to the fact that certain deadlines fell out of the time frame set for the study.

4.6 Conclusion

The objective of this fourth chapter was to present the analysis of results obtained from the two sets of questionnaires and from the observation instruments. The results of the VISA strategy questionnaire show an improvement between those obtained before and after. For instance, the organisation threshold in the strategy execution kit improved from 2.3 obtained before to 2.6 obtained after. The Chi-square tests results on the other hand revealed that eight of the 20 constructs used to evaluate the change initiatives show a significant difference between the impression of staff members before and after the change initiative was implemented.

The next chapter discusses these results and deliberates on what they actually mean for this study. The chapter also uses these results to answer the research question formulated and presented in the first chapter.

Chapter 5:
Discussion of results

Chapter 5: Discussion of results

5.1 Introduction

The previous chapter presented the analysis of the results obtained from the two questionnaires used as research tools and from the observation instrument. The questionnaires were the VISA strategy execution kit and the change readiness survey. These questionnaires were administered both before and after the implementation process had begun and the overall results of these surveys show the following:

- The VISA strategy execution kit shows that the organisation threshold in the strategy execution kit improved from 2.3 obtained before to 2.6 obtained after.
- The results of the change readiness revealed that eight of the 20 constructs show a significant difference between the impression of staff members before and after the change initiative was implemented.

The objective of this fifth chapter is to discuss those results and deliberate on what they actually mean. Subsequently, the chapter answers the research questions formulated in the first chapter.

In order to achieve these objectives, the chapter elaborates on the:

- Results of the VISA strategy execution kit.
- Results of the change readiness survey.
- Findings vis-à-vis to the research question formulated and presented in chapter 1

5.2 Discussion on the strategy execution results

This section discusses the results obtained from the VISA strategy execution kit. The section focuses on what the finding means in day-to-day running of the organisation and on the process used to analyse the data. The recommendations for possible improvement for both the organisation and this study are presented in chapter 6.

5.2.1 Method used to analyse the data

The mode (most popular value) was used to determine the chosen value and subsequently analyse the data. The mode was found to be the most suitable method in

this scenario because it is applicable to qualitative data and yet revealed the closest opinion of informants. This means that if, for example, five people had responded to a statement as follows: 1, 3, 3, 4, 3 respectively, 3 will then be chosen as the most suitable response as it is the most common, popular or dominant response.

5.2.2 Discussion of the VISA findings

Having scored 2.3 for its vision prior to the implementation process and subsequently its threshold, meant for Learn to Earn that strategy execution was still mainly and largely viewed as a senior management responsibility or accountability, with limited involvement from people at operational levels. This could explain why management scored 2.9 (highest) in vision, whereas the rest of the staff scored 2.3 (the lowest). This result also indicates that people may have had a general understanding of the organisation strategy at the time, but strategy was yet the core driver of work priorities and/or the focus of the organisation and its people.

The strategy execution kit required every organisation to first reach the threshold, also known as the equilibrium. Once the equilibrium state is reached, the ideal scenario is for every organisation to obtain a score in the early threes (3s) in each discipline to indicate sustainable competitiveness. Some organisations, however, may become superior in one or two areas. Should such a case occur where one or two elements dominate the rest, it will result in the strategy being skewed. This means that the organisation tends to rely too much on one or two of the four disciplines. When a strategy is skewed, it will result in breakdown at some point or level. In the case of Learn to Earn and from the staff point of view, 'action' was the most dominant element with a score of three. The possible breakdown scenario for Learn to Earn could be 'action dominance', also called 'busy bankruptcy'.

Action dominance will often lead the organisation to momentous crisis where there is little time to think, no one is quite sure of what is going on, and will develop a spirit of 'we are going to die trying to put out the fire'. There will be lots of adrenaline, and crisis management might dominate the management style, where there will be no time to 'waste' on thinking through processes and strategy. This could explain why the organisation scored 2.3 for its vision.

The consequences of an action-oriented company, especially with short terms delivery, will mostly look like a hub of productive activity from the outside, but in reality people on the inside will mostly be occupied with fighting fires that they most probably have lit in the first place, due to inadequate planning and/or strategising. As a result, the company will be caught in a downward spiral of activity for activity's sake.

In summary, the results implied the following:
- That the organisation was either overdoing certain things for the sake of doing them.
- That it was doing more than it had planned and/or strategised, or strategies did not reach the operational level.
- That in the case where strategies reached the operational level, the message did probably not reach as much people as it should, or reached the operational level as a fuzzy message. This, once again, could justify the disparity in number between management and the rest of the staff (29 vs. 23) respectively.

5.2.3 Probable reasons for improvement noticed from the VISA strategy

Post the implementation process and at the time when the second evaluation was conducted, the organisation showed a considerable improvement in its vision from 2.3 before to 2.8 after. This, in essence, brought the rest of staff closer to management at 2.9. An improvement was also noticed in scores across all VISA elements, which were in the upper 20s showing a sign of converging toward the equilibrium state (when all elements are on equal footing).

Such improvements could partially be attributed to the communication process established during the change management process that saw the creation of two change committees. One of them was the implementation committees, whose main role was to serve as a platform that would allow both the initiatives owners (individuals invested with the responsibility to make certain aspects of change happen) and the departmental representatives (individuals invested with the responsibility to facilitate and assist initiative owners in accessing information in their respective departments) to discuss change matters identified in the change management plan and those that could have arisen after the plan was drafted.

5.3 Discussion on the change readiness climate results

This section discusses the findings of each statement made on the change readiness questionnaires. This section also discusses what these findings mean in the day-to-day running of the organisation, and the overall reliability of this research tool. The recommendations for possible improvement for both the organisation and this research study are presented in chapter 6.

5.3.1 Comments on the results of question one

The analysis of this question revealed that there was an increase in the number of respondents who knew the organisation change visions after the implementation process. One could attribute such an improvement to actual change process in which several meetings took place between management and the rest of staff, and between the author of this work and the staff members. Another possible explanation could be the opportunities offered to staff members to raise their concerns during meetings and to request for clarity on the vision for change if it was not clear enough.

5.3.2 Comments on the results of question two

The analysis of this question revealed that there was no major difference between the perception of respondents prior and post the implementation process. Given the fact that several meetings took place between management and the rest of staff, and in those meetings staff members were constantly granted the opportunity to raise their concerns and ask for clarity, one can surely conclude that the staff members were indeed aware of the reasons as to why the organisation needed to embark on the change journey. Thus, the following could explain the findings:

- Staff members were already informed of the changes prior to the implementation process and the extreme majority had already agreed with the statement, subsequently leaving little room to improve the figure.
- The respondents who remained undecided were also aware of the reasons for the change, but personal feelings of doubt and/or denial distort their perception on the matter.

5.3.3 Comments on the results of question three

The analysis of this question revealed that the strict majority of respondents, both prior and post the implementation process, agreed that the reasons for making the change

were made clear. Although a remnant of informants prior the implementation process disagreed and believed that clarity was needed, such was not the case post the implementation process. With the strict majority agreeing on the statement, one can conclude that the vision was indeed well communicated and reinforced throughout the implementation process. Therefore the size of the sample appears as the only logical explanation as to why the Chi-square test results show no difference between the data obtained before and after.

5.2.4 Comments on the results of question four

The analysis of this question revealed that the majority of respondents post the implementation process believed that the change was necessary, and such majority was greater than the one prior to the implementation process. The increase in numbers could serve as proof to sustain a claim that staff members were constantly shown and reminded about the benefits of the change initiatives throughout the implementation process, and most probably had seen results. Therefore the sample size once again could be the explanation behind the Chi-square test results, which show no deference in data obtained prior and post the change.

5.2.5 Comments on the results of question five

The analysis of this question revealed that post the implementation process the majority of respondents agreed that the organisation change will benefit them and such number is greater than the one prior to the implementation process. The increase of figures post the implementation process can be attributed to the fact that respondents had enough opportunities to probe, analyse, process and understand the change initiative, hence they were in a better position to really conclude that the change was indeed beneficial for them. However, due to the sample size the Chi-square test could not be conclusive.

5.2.6 Comments on the results of question six

The analysis of this question revealed that the majority of respondents, both prior and post the implementation process, agreed that the change will benefit the organisation. These figures clearly indicate that informants had already grasped the change initiative prior the implementation process, leaving little room to improve the figures after.

5.2.7 Comments on the results of question seven

The analysis of this question revealed that the majority of informants - both before and after the implementation process - declared that the change was appropriate and achievable. The figures also indicate that informants had grasped this construct from the beginning, leaving little room for improvement after the implementation process.

5.2.8 Comments on the results of question eight

The analysis of this question revealed that the majority of respondents - both before and after the implementation process - agreed that people in their respective units will be receptive to supporting the change. The increase in numbers could be attributed to the fact that prior to the implementation process, respondents had completed the survey based on the project plan and agreed in principle to the change initiative. Once the implementation process started and expectations were met, individuals who were undecided could confidently confirm their positions. The size of the sample could once again explain why the Chi-square test results could not be conclusive.

5.2.9 Comments on the results of question nine

This construct revealed that the majority of respondents before and after the implementation process agreed that the communication received about the change had been useful. Furthermore, the percentage of those who were undecided after the implementation process was lower compared to the one before. This increase of figures can certainly and partially be attributed to change mechanisms put in place, such as the reporting structures, implementation plan, and implementation committee discussed in chapters 3 and 4. Such increase was however sufficient to be conclusive on the Chi-square test certainly due to the sample size.

5.2.10 Comments on the results of question 10

The analysis of this question revealed that before the implementation process, the majority of informants were undecided, whereas post the implementation process such majority agreed that the communication received was well timed. This finding is confirmed by the Chi-square test result, which shows a clear difference between the before and the after. A logical explanation for such improvement can be found in the description presented on the following page.

The author of this study, having observed the unfolding of the implementation process, can concur with the findings in that the release of information was indeed not well timed at the beginning. The majority of the meetings or dates set aside for the release of information were postponed, mostly due to hierarchical delay. It was in fact agreed that prior to the release of information or agreements, such information should have first been discussed with and approved by one or two of the top managers. Given their limited availability, such process caused further delay. The process was amended and provided a little more authority to the steering committee to release certain important information without necessarily having to wait for top management's approval.

5.2.11 Comments on the results of question 11

The analysis of this question revealed that prior the implementation process, a relative majority of respondents disagreed with the statement – meaning that the details of the change were not communicated to those who were affected as quickly, and as it was practical to do so. Although such figures had changed and increased after the implementation process, the Chi-square test could however not be conclusive due to the relatedness of both figures (before and after).

5.2.12 Comments on the results of question 12

The analysis of this question revealed that the majority of respondents - both before and after the implementation process - agreed that concerns and questions were addressed in a pretty honest and timely way. Additionally, the percentage of those who were undecided after the implementation process was relatively lower compared to the one before. This increase of figures post the implementation process could be attributed to change structures put in place, such as the steering committee and the relatively decentralised process of information sharing.

5.2.13 Comments on the results of question 13

The analysis of this question revealed that the majority of respondents - both prior and post the implementation process - agreed that senior managers were indeed committed to the change process. Such fact remained almost unaltered during the implementation process and was felt stronger by staff members every day. This logically explains the result of the Chi-square test.

This finding should also be viewed as a positive aspect of the change because, as discussed in chapter 2, the sponsors should not just authorise a change initiative, appoint a change agent, and then simply walk away. On the contrary, the sponsor should also be involved in the process and to a certain extent show sincerity and commitment towards the desired state.

5.2.14 Comments on the results of question 14

The analysis of this question revealed that prior to the implementation process, the absolute majority of informants agreed that there was a visible leadership of the change from managers, but a considerable minority was undecided. The figures were different after the implementation process and implied that post the implementation process, senior managers displayed clear leadership. Such can be confirmed by the Chi-square test, and vindicates the statement made earlier in question 14 arguing that management presence in the change process was felt stronger by the day as the organisation was progressing in the implementation process.

5.2.15 Comments on the results of question 15

The analysis of this question revealed that the majority of respondents - both before and after the implementation process - agreed that they were granted the opportunity to discuss the change with their respective line managers. The major change however comes from figures of informants who were undecided post the implementation process, in that all agreed to have been granted the opportunity to discuss the change with their respective managers after the implementation process had begun. The increase of figures could be attributed to the following factors:

- The implementation plan offered middle management with the full view and bigger pictures of the change initiative.
- Management grew stronger in the knowledge of their roles once provided with the full implementation plan.
- They could in turn confidently provide information to their staff members and address queries.

5.2.16 Comments on the results of question 16

The analysis of this question revealed that there was no relative change before and after the implementation process. The logical explanation could be the fact that the

organisation's leadership had a track record of accomplishing what it says it will do. Such confidence in the leadership both boosted and affected employee morale in that the company will always do what it says it will do. The finding is ambiguous and employees may view or interpret this statement as 'the organisation does whatever it says it will do despite their opinion'. The positive aspect on the other hand is the fact that all respondents agreed that the organisation had a track record of achievement. This in turn boosts the morale and confidence of staff toward the organisation's capabilities.

5.2.17 Comments on the results of question 17

The analysis of this question revealed that the absolute majority of informants prior and post the implementation process agreed that the vision of what the organisation is seeking to become and accomplish was widely understood. This implied that the vision was clearly communicated from the beginning, leaving little room for improving the figures.

5.2.18 Comments on the results of question 18

The analysis of this question revealed that a relative majority of informants were undecided prior the implementation process and this was not the case after. The Chi-square test results concurred and indicate that there was a difference between the employees' confidence in their skills before and after the implementation process.

Such increase can be attributed to the fact that visions or plans may seem a little bit easier on paper, but become a different story when one has to actually implement them. Prior the implementation process the respondents had an apparent view of the task at hand. However, they realised that they needed more skills to accomplish the required work when offered with the actual and real impression of the work to be done post the implementation process.

5.2.19 Comments on the results of question 19

The analysis of this question revealed that prior the implementation process a considerable minority was undecided about having the knowledge or skills necessary to achieve their change-related goals. Such was not the case post the implementation process where the great majority agreed with the statements.

Based on the comments brought forward in question 18, arguing that visions or plans on paper often appeared easier than when one has to actually implement them, this increase of figures can be attributed to short wins accumulated by departments along the way. This subsequently could be acknowledged as proof that the change process was indeed assisting the organisation to reach its desired state.

5.2.20 Comments on the results of question 20

The analysis of this question revealed that although prior the implementation process the absolute majority of respondents agreed that they had the knowledge or skills necessary to play their respective part in achieving their unit's change-related goals, there was however a remnant who were undecided. Post the implementation process it is the upright majority who agreed with the statement. A logical explanation for the increase of figures could be the same as provided in question 18 and 19, arguing that employees' confidence was boosted after short wins.

5.3 Discussion of the finding from the observation instrument

One of the observations made in chapter 4 indicated that staff members reacted better when the term 'important' was used rather than the term 'vital'. This subsequently was interpreted to mean that staff members were keen to achieve results when they were told that achieving a particular initiative would ease their work burdens and/or assist in providing better services.

The first possible explanation comes from Peter Shrimpton (CEO of Heart), who once shared the view that most individuals join NPOs for the philanthropic aspects. They seek jobs with higher emotional return rather than financial return. Shrimpton later added that most philanthropists preferred to be involved in activities at grass-roots level, such as caring for the neediest rather than being involved in income-generation activities, such as fundraising and selling products or services. This includes activities that are linked therewith, the likes of advertising, engaging with funders and/or prospective clients.

A second plausible explanation that could shed light is the fact that NPOs tackled issues that were judged or found to be non-viable for business by profit organisations.

Hence, telling staff members that their current activity could lead to dead-ends is not new information as such, and subsequently could not constitute a condition stimulus to create a sense of urgency.

5.4 Responses to the research questions

This section reviews and provides answers to the research questions formulated in chapter 1.

5.4.1 Research question one

Are change management processes developed for profit organisations suitable for NPOs, or will certain adaptations be needed?

Response:

- The results of the strategy execution kit show an improvement between the scores obtained before and after the implementation process had begun.
- The organisation also improved its vision score from 2.3 before to 2.8 after. This in essence brought the rest of staff closer to management opinion at 2.9, and subsequently reduced the disparity of views.
- The overall scores of its strategy execution obtained after were in the upper 20s, showing a sign of converging toward the equilibrium state.
- The Chi-square test results of eight constructs out of 20 show conclusive data that indicate there is a difference between the staff perception of the change before and after the implementation process.
- The remaining constructs in which the Chi-square test results were not conclusive still show an increase in numbers of respondents agreeing with statements made.

Based on the above provided elements, one will argue that change management principles developed for profit organisations are also suitable for NPOs. However, given the outcomes of the observation instrument, one noted the following:

- The urgency was actually built or created after the change vision was compiled and communicated to the rest of staff members.
- Two change committees were created instead of one in order to avoid affecting the organisation dynamic.
- Staff members reacted better when the term 'important' was used.

It can be concluded that although change management principles developed for profit organisations are suitable for NPOs, they cannot be applied verbatim in the non-profit industry. This means that certain adaptations are needed to ensure successful implementation of change initiatives. Such adaptations are discussed in the next chapter, which deals with recommendations.

5.4.2 Research question two
Will a well-implemented change management initiative be able to assist any grassroots NGO to evolve into a social enterprise?

Response:
Based on the findings discussed in question one above, which argued that change management principles developed for profit organisations are suitable for NPOs, one can infer that well implemented change management principles are able to assist any NGO to transform from a grassroots level to a social enterprise.

Readers should note that the above finding is valid only from a procedural point of view. This is mainly due to the fact that the present study did not assess the sustainability factors of NGOs. These include operating models and the type of services rendered, which are other key factors influencing any NGOs success. The above finding should therefore be interpreted as 'change principles elaborated in this study are procedurally able to assist any NGO in their transformation process provided that such an NGO has a vision, operating model, plan and strategy on how it intends to evolve from its current state to the desired state'.

5.4.3 Research question three
Can any unstructured NGO succeed in its transformation process with the help of a change management facilitator, or must other factors first be put in place?

With reference to the findings presented in question two above, which argued that change management principles that were initially developed for business organisations are procedurally able to assist any NGO in their transformation process, one can conclude that any unstructured NGO should indeed be able to succeed in its

transformation process with the help of a qualified and experienced change management facilitator.

The aim here is not to give too much credit to change facilitators, but it is to acknowledge the important role played by these individuals. Change management is first and for most about facilitating human transitions, it is process driven, requires sufficient human interactions and is knowledge based. This means that like many other humans driven process, the right skills, mind-set and knowledge should be in place to ensure success. The opposite should therefore be true; that the absence of a knowledgeable facilitator may hamper the success of the change efforts.

It is worthy to note that change facilitators alone would not be enough. Other factors such as vision, plan, strategy, sustainability models, expertise or know-how of services to be offered, feasibility study, social impact measurement instruments, and return-on-investment (ROI) study among others, should also be in place in the organisation in order to ensure success.

5.4.4 Research question four
What are the prerequisites that NGOs should have in place or be aware of prior to embarking on any transformation processes to become a social enterprise?

Given the various forms that social enterprises can take and the industries in which they operate, one would argue that there is no 'one-size-fit-all' specific prerequisites. However, the generic prerequisites that a social enterprise should consider are:
- its legal form (trust, cooperative and Section 21 company)
- its reasons for trading (social return)
- its financial dimension (financial return, ROI)
- the individuals or communities which it aims to benefit from its trade.

Other requirements that should be included in NGO transformation agendas are:
- its continuity (main production activities and/or sale of goods and services)
- level of autonomy (would it depend on its income generation only, or include grant and donations?)
- economic risk (ensuring adequate financial resources and financial viability)

- community benefits (paid vs. free goods and/or service).
- labour force (the usage of paid employees and/or volunteers).

5.4.5 Research question five
At which stage of an organisation's life cycle should an NGO embark on the change process to become a social enterprise?

The term 'life cycle' refers to the growth stages in which business ventures go through during their existence, starting from their insertion or creation. The number and names of these stages vary from one author or text book to another. However, four stages are generally considered and such stages are start-up and infancy, breakthrough, maturity, and decline stage.

It was argued in chapter 2 that even if an organisation does not change, the market in which it operates does. So, an organisation should therefore be innovative about its products and/or services constantly. Taking into consideration that this study does not emphasise on strategic management or business life cycle, and that the organisation that was used in this study has been in existence already for a number of years, one would conclude at this point that there is no specific stage of the life cycle in which an NGO should embark on its transformation process. However, given the fact that the decline stage refers to the dying process of a venture, it would therefore be advisable for NGOs to embark on their transformation process before such a stage is reached.

5.5 Discussion on the stated objective of the study

The objective of this study, as stated in chapter one, was to investigate how change management models initially developed for profit/business organisations could be applied in NPOs. Depending on the finding, the ultimate objective was to provide a possible change management model that would be tailored to the NGO sector and which can successfully assist in managing change initiatives.

In light of the findings presented in question one above, which indicated that change management principles developed for profit organisations are suitable for NPOs but should not be applied verbatim as certain adaptations would be needed, a revised

model has been developed and is provided in chapter six, which deals with recommendations. The model is specific to NGOs and deemed user-friendly.

5.6 Conclusion

This fifth chapter discussed the results that were analysed in chapter 4 and deliberated on what the author/researcher found. The chapter also answered the research questions formulated in chapter 1 and found that:

- Change management principles developed for profit organisations are also suitable for NPOs, but certain adaptations are needed to ensure successful implementation of change initiatives.
- Well-implemented change management principles are able to assist any NGO to transform itself from a grassroots level to a social enterprise.
- Any unstructured NGO is indeed able to succeed in its transformation process with the help of a qualified and experienced change management facilitator.
- There is no specific stage of the life cycle in which an NGO should embark on its transformation process, but should however undertake its transformation process before the decline stage is reached.
- An NGO custom model should be provided.

The next chapter (chapter 6) provides a summary of this study and also offers recommendations for improvement where needed or deemed necessary.

Chapter 6:
Summary and recommendations

Chapter 6: Summary and recommendations

6.1 Introduction

Chapter 6 provides a summary of all discussions that took place and presents some recommendations to the organisation that participated in this study. It also provides suggestions for future research study.

The study started with an overview of the contemporary socio-economic issues that the world is facing. It argued that although being more than 10 years into the new millennium, the human species still cannot escape being confronted with pictures depicting the emotional drama caused by war, terrorism, hunger, diseases and natural catastrophes that often caught victims unprepared. The challenge was therefore to take important decisions on how to address these socio-economic issues at both a domestic and global level.

In an attempt to make a significant contribution, various public and private benefactors have increased their donations to humanitarian and emergency relief organisations to combat these ever-growing phenomena. However, despite these significant donations, the world's social problems seemed endless. In fact, it was argued that giving money to charity will not solve these crises or spare South Africa and the rest of the world from unprecedented catastrophes, nor will it produce sustainable solutions to social problems. In addition, hand-outs to charities will only be a temporary reprieve for cash-strapped charities struggling for survival. As a result, the solution proposed by social entrepreneurs was to make a complete change from traditional NGOs (unstructured, unorganised and unprofessional) to social enterprises (organised, professional, not solely reliant on donations, and generates own income).

The dilemma with this solution was that currently existing change management models, methods and processes were developed for profit/business organisations. Therefore, should NGOs/NPOs decide to embark on the road of transition from traditional NGOs to social enterprises, they will have no other alternatives but to use the same models as those of profit organisations. This latest dilemma therefore required investigation of how

change management models initially developed for profit/ business organisations could effectively be applied in NPOs.

6. 2 Objectives of the research and research questions

The primary objective of this study was to investigate how change management models initially developed for profit/business organisations could be effectively applied in NPOs and ensure successful turnaround. The secondary objective (depending on the finding of the primary objective) was to determine a possible change management model that is tailored to the NGO sector.

In order to achieve this objective, the following research questions were raised:

- Are change management models and processes initially developed for profit organisations suitable for NPOs, or will certain adaptations be needed?
- Will well implemented change management initiatives be able to assist any grassroots NGO to evolve into a social enterprise?
- Can any unstructured NGO succeed in its transformation process with the help of a change management facilitator, or must other factors first be put in place?
- What are the pre-requisites that NGOs should have in place or be aware of prior to embarking on any transformation processes to become a social enterprise?
- At which stage of its life cycle should an NGO embark on the change process to become a social enterprise?

In order to fully answer the above questions and provide reliable evidences thereafter, this study reviewed currently available literatures and applied qualitative research methods. These methods included surveys using questionnaires and observation conducted at a NPO named Learn to Earn. The next sections provide a brief review of these research methods.

6.3 Research methodology

As alluded earlier, a qualitative research method was used to gather information and this method was selected due to its suitability to the objective of the research as discussed in chapter 3. To supplement the qualitative research method, two types of

research designs were used. The first research design was deemed to be non-empirical and it is the 'literature review' method. The second research design on the other hand is empirical, and it is a combination of two types of 'evaluation research'.

6.3.1 Literature review

The study of the literature reveals that the two common types of NPOs consist of traditional NGOs and social enterprises. These two organisation types are however referred to as Section 21 companies and have some similarities and differences.

Both exist to:

- meet needs in particular communities
- address social and humanitarian issues that are inadequately served by government institutions and/or private organisations, or are purposely left unattended due to financial constrain, low return on investment, and low profit margin, among others.

On the other hand, these two types of organisation diverge on the following issues:

- **Income generation:** Both SEs and NGOs receive donations to achieve their objectives, sustain their organisations and fund their activities. Traditional NGOs, however, rely primarily and in most cases only on philanthropic and government support for their subsistence. Whereas social enterprises rely predominantly on their income generated via trade using business methods.

- **Employment/labour:** NGOs and social enterprises make use of both volunteers and full-time personnel to carry out their activities. Traditional NGOs, however, predominantly rely on volunteers whereas social enterprise primarily rely on their full-time personal who are often remunerated at a market value and in some cases, salaries are broadly competitive with the public and businesses sector.

- **Profit/surplus:** Lastly, traditional NGOs rarely have a surplus in their income as their often operate on a break even principle. Social enterprises on the other hand provide socially important goods or services that were not, in their judgment, adequately provided by public agencies or private markets, and from which derive a substantial portion of their income. The profit or surplus is then reinvested in the fulfilment of their missions.

6.3.2 Data collection tools and research process

Three data collection instruments were used in the study, namely observation, survey using questionnaires and focus group using pre-identified facilitation tools. The research process on the other hand followed the flow chart provided in chapter 3 (see figure 3.2) and was guided by Kotter's and Lewin's models discussed in chapter 2.

The process started with determining whether there was a need for change and then probed such a need. Once the need was identified, the ultimate step was to compile a vision for the change by consulting with all relevant stakeholders and gathering primary views. This was known as the '*consultation phase'*. Once the consultation process was deemed completed and a change project plan was compiled, the next step was to present such a plan to the rest of staff, discuss it and compile an implementation plan, which ultimately would be used as a guide during the implementation process. This was known as the *'unfreezing phase'*. Often, the implementation plan had to be adjusted due to unforeseen circumstances or human resistance. At such a level, the goal was then to deal with obstacles or resistance as their surface. This was known as the *'movement phase'*. Finally, and in order to evaluate progress made at a particular pre-agreed time, the organisation had to assess whether new behaviours had sunk in and had moved from the status-quo. This was known as the *'refreezing phase'*.

6.4 Results of the analysis and findings of the study

The results of the VISA strategy questionnaire shows an improvement between the data obtained before and after the change implementation process had begun. Learn To Earn, the organisation who participated in the study, made some improvement in its vision from 2.3 to 2.8, and in its structure from 2.5 to 2.6. The overall organisation threshold improved from 2.3 obtains before, to 2.6 after. In addition, the results of the chi-square tests conducted on the change readiness questionnaire revealed that eight of the 20 constructs used to evaluate the change initiatives show a significant difference between the impression of staff members before and after the change initiative was implemented.

Based on the aforementioned, the study found the following:

- Change management principles developed for profit organisations are also suitable for NPOs; however certain adaptations are needed to ensure successful implementation of change initiatives.
- Well-implemented change management principles are able to assist any NGO to transform itself from a grassroots level to a social enterprise.
- Any unstructured NGO is indeed able to succeed in its transformation process with the help of a qualified and experienced change management facilitator.
- There is no specific stage of the life cycle in which an NGO should embark on its transformation process, but should however undertake its transformation process before the decline stage is reached.

6.5 Recommendations

The below sections provide some recommendations to Learn to Earn, the organisation that participated in this study.

6.5.1 Recommendation based on the strategy execution kit

Given the results of the analysis that indicated a low score in vision, Learn to Earn should extensively scrutinise their industry more robustly in order to identify trends and paradigm shift in beneficiaries' needs. The organisation should also introduce flexibility in their operation processes in order to cater for industry changes and/or trends. In addition, top managers of this organisation should repeatedly communicate the vision of the organisation more than they have currently done and align their conduct with the vision related to change.

6.5.2 Recommendation based on the findings

Given the results of the analysis that indicate the sense of urgency was actually built or created after the change vision was compiled and communicated to the rest of staff members, one would recommend the following:

For medium to large NGO (50 - 100 employees)

If the organisation is a medium to large NGO, has a board of directors or a management committee, and the change initiatives are actually requested by such a

board or committee, the organisation can apply steps one to eight of Kotter's model in the chronological order provided by the author. Meaning that the organisation would:

1. Create a sense of urgency using the board or committee requirements.
2. Form a change coalition team to lead the change (while taking into consideration the organisation dynamic, deciding on the number of teams needed to lead the changes and the selection criterion use to nominate their respective members).
3. Create the vision for change.
4. Communicate such a vision to the rest of the organisation until reaching the stage at which changes are anchored.

For small NGOs (Less than 50 employees)

However, if the organisation is a small NGO and has a flat or simple management structure, which was the case for Learn to Earn, one would recommend a different chronological order. Such order would be as follows:

1. Create the vision for change.
2. Communicate such a vision to the rest of the organisation.
3. Create a sense of urgency.
4. Form a change coalition team to lead the change (while taking in consideration the organisation dynamic, deciding on the number of teams needed to lead the changes and the selection criterion used to nominate their respective members).
5. Remove or deal with obstacles.
6. Reward short-term wins.
7. Consolidate improvements.
8. Anchor the changes in the corporate culture.

The reasons for suggesting these two sets of approaches are based on the following:
Firstly, in larger organisations, the management committee or board of directors initiating the change would come up with a proposed vision and plan, which will then simply be presented to the organisation and then follow its change progression. However, in smaller organisations the change would often be suggested by one or two people who will first have to come up with a vision plan. Hence, it will make perfect sense for the organisation to first start with step three of Kotter's model (creating the change vision), then gain input from key staff members, and finally follow the change progression.

Secondly, it is impossible to talk about change unless the organisation understands its starting point, which in this case is the vision for the change. When talking about the vision, one is referring to the components of change which by definition answer the questions of what the organisation is changing to, and what makes the desired states superior to the current state?

6.5.3 Recommendation based on the primary and secondary objectives

As indicated earlier, the primary objective of this study was to assess whether currently existing change models were suitable for NGOs. The secondary objective was (depending on the finding on the primary objective) to suggest a possible change model that is tailored to the NGO sector.

Based on findings of the primary objective, which revealed that certain adaptations have to be done on currently existing change management models in order to ensure successful implementation of change initiatives, this study hereby proposed the below model that contains such adaptations and is tailored made for NGOs that wish to embark on the change journey.

6.5.3.1 Explanation of the above model

The model on the following page indicates that change management information should be guided by industry trends, changes in the world economics and shifts in beneficiaries' needs. Depending on the size and the management structure of the organisation, change facilitators may apply Kotter's model in sequence as discussed above. After deciding on the sequence, change initiatives should be aligned to the organisation objectives and vision, via the steering committee, and through the initiative owners until reaching the rest of the staff member.

The model suggests that all change management initiatives should be linked to the organisation goals in order to allow each department and members of the steering committee to align their change activities with the overall company objectives. The advantages of this process are to clarify the significance of each task and activity, and to assist in creating and maintaining a sense of urgency.

Figure 6.1: NGO change management specific model
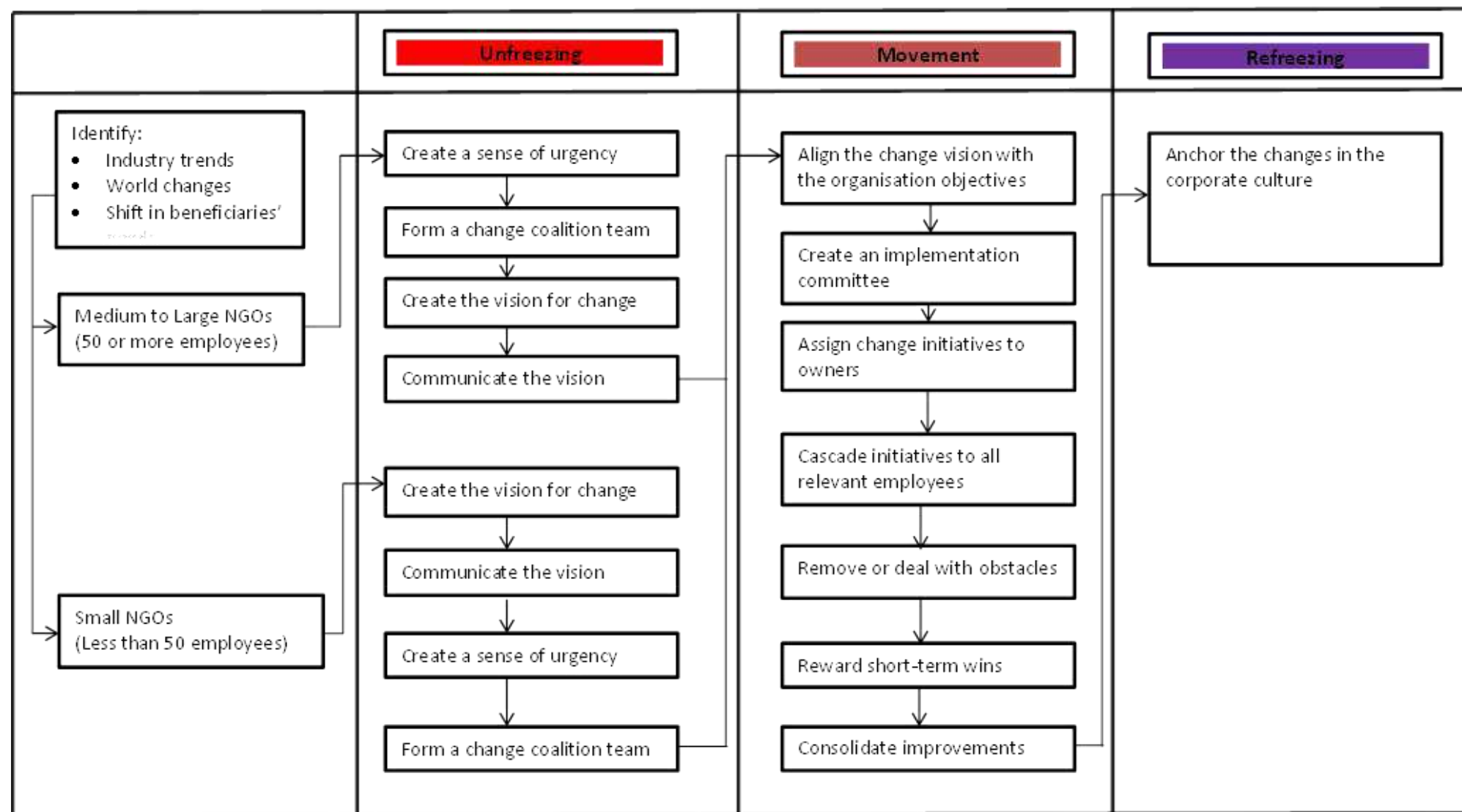
6.6 Limitations of the study

The following are some of the limitations of this study:

6.6.1 NGO/NPO sustainability

The study did not investigate sustainability models. In other words, it did not explore models or ways NGOs/NPOs could use to become sustainable, and/or measure the impact of their activities within the communities they operate.

6.6.2 Content versus processes

This study was undertaken from a process perspective and not from a content perspective. In other words, it focused on how (change can be done) and not what (from an NGO perspective) can be done to transform into a social enterprise.

6.6.3 Veracity of Lewin and Kotter's models

The study also did not test the validity of the two models used. The study simply applied the two well-known and successful models (Lewin and Kotter) initially developed for profit-seeking organisations into a different environment. Such environment in this case was the non-profit industry.

6.6.4 Sample size

The sample size - both the number of organisations and respondents - used in this study was relatively small. This affected the outcome of the study to the extent that certain cases or issues noted could have been specific only to the organisation that participated in the study.

6.7 Recommendations for future research study

The following are some recommendations for future research to be conducted on this topic:

6.7.1 Inclusion of impact assessment tools

Future research could be done to assess NPOs/NGOs change efforts using results of the social impact they have on their respective communities. In other words, researchers could include impact assessment tools to measure the organisational

change not only based on their processes, but also on the impact they create within their respective communities.

6.7.2 Transitional change

Another area that could be explored for future research is assessing the actual transformation process of NGOs into social enterprises. What this statement implies is assessing whether any NGO can become a social enterprise. If so, what would be needed? A typical end results would be a blue print to be replicated.

6.8 Conclusion

The chapter provided a summary of the results and offered some recommendations to both Learn to Earn and the NGO community at large. It also discussed the limitations of this study and offered suggestions for future research.

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Annexure A: Change readiness survey

Annexure B:
Strategy execution survey

Annexure C:
Chronbach results
Change readiness questionnaires