

Planning for Change in Educational NGOs: Three Case Studies.

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**A research report submitted to the Faculty of Management,
University of the Witwatersrand, in partial fulfilment of the
requirements for the degree of Master of Management (in the field of
Public and Development Management**

February 1995

Abstract

In South Africa's rapidly shifting socio-economic and political environment, many non-governmental organisations are in crisis, with donors, clients and government demanding that they change to meet the new development agenda. Although this requires careful planning and strategy-making, the three cases studied have shown that planning for change leads to tensions between need to retain the democratic and participatory ethos of the organisation, and the need to become more management and product oriented. In addition, the change planning in these organisations is often vague and unfocused, with many different ideas and approaches for dealing with change, but few realistic plans to implement it.

The research outlines an approach to planning that encompasses both of the NGO ideals by separating planning from strategy-making. As part of a learning environment, planning and strategy-making are participative activities that enable strategy to emerge at all levels of the organisation, while the planning process becomes action-focused and operational.

Declaration

I declare that this research report is my own, unaided work. It is submitted in partial fulfilment of the requirements of the degree of Master of Management (in the field of Public and Development Management) in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in any other University.

Sarah Jane Ward

A handwritten signature in dark ink, appearing to read 'S. Ward', with a horizontal line drawn underneath the name.

2 February 1995

Acknowledgements

I am grateful to :

**My supervisor, Professor Mark Orkin for his guidance and support
throughout the research process;**

**To the three organisation studied, for their interest, enthusiasm and
co-operation both during and after the data collection process;**

**To my friends and family for their continued support and
encouragement;**

Without their assistance, this research would not have been possible.

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LIST OF ABBREVIATIONS AND GLOSSARY OF TERMS

DET	Department of Education and Training. Black education department under the apartheid regime
IDT	Independent Development Trust. A quasi-government funding organisation.
INSET	In Service Education and Training. Ongoing programmes which allow teachers to upgrade while they continue to teach.
JET	Joint Education Trust. A funding organisation for education projects and programmes
NECC	National Education Co-ordinating Committee
NEPI	National Education Policy Initiative
NGO	Non-Governmental Organisation. In the broadest sense these organisations are non-profit groups organised by communities or individuals to respond to basic needs which are not met by either government or the market. It covers a wide variety of organisational forms and activities.
R.D.P.	Reconstruction and Development Programme - ANC
SADTU	South African Democratic Teacher's Union
T.E.D.	Transvaal Education Department. White education - provincial administration under the apartheid regime.
U.F.	The Urban Foundation. A large NGO particularly associated with urban development.

CHAPTER ONE

1. NON GOVERNMENTAL ORGANISATIONS IN CRISIS

1.1 NGOs under threat

South African non-governmental organisations (NGOs) are currently in crisis, facing problems both internally and externally. In the context of the new Government of National Unity and a shifting social and political environment, questions are being asked as to the role of NGOs in the unfolding development agenda and the Reconstruction and Development Programme (RDP). With the political changes have come changes in donor funding, bringing about a slowing down of funds from local donors who are redefining their "...role and scope.." (Bernstein, 1994); and international agencies who "...will want to support the new government in its difficult tasks" (Bernstein, 1994). Eric Mohlobi of the Kagiso Trust believes that NGOs have never felt so threatened:

"Government has changed, and the new ministers now work from the bottom up. Funding won't stop, but the donors...are making NGOs aware of the need to do things with impact...NGOs will do themselves a favour if they don't see this as dictatorship by donors. Poverty cannot be addressed piecemeal. If one wants to survive one has to hook on to the flagship of the RDP" (Finance Week, June 1994)

Internally, NGOs face other problems. Meintjies believes that the most pressing of these are a lack of direction in the movement from the "mobilising" framework" of the past, to one based on "service delivery and capacity building." With these come organisational weaknesses such as "strategy, long term planning, focusing and prioritising, policy formulation and advocacy skills and the building of financial sustainability..." (Weekly Mail and Guardian, 1993) Another major issue is the lack of human resource development in NGOs, who

have suffered a loss of skills and leadership to the new public service, and who at the same time have very few blacks and women in decision-making positions. Because NGO work demands a number of personal qualities and professional skills, "NGOs...face great difficulty in finding personnel who can cope effectively with these (complex) demands" and so "finding and developing skilled human resources for management is particularly crucial" (Harding, D. 1994, p.31). In addition, NGOs which usually raise funds for poor grassroots communities are being accused of not doing enough to pass on resources and power to the intended beneficiaries" (Meintjies, F. Weekly Mail and Guardian, 1993)

Many of these problems are rooted in the past and the fact that NGOs do not know how to make the changes that are necessary. John Allwood, Director of World Vision South Africa, believes that the "environment in which non-governmental organisations have been functioning has been one dominated by the society's preoccupation with apartheid" (undated paper, p.1). This has meant that to some extent the objectives and the functions of NGOs have been determined by a pressure to fulfil certain political criteria such as the mobilisation of communities to voice protest against apartheid structures. The demands to provide basic human needs have sometimes played a secondary role. Hylton Appelbaum, head of the Liberty Life Foundation found that "NGO and donor organisations often sat back content with being politically correct - and often fundamentally useless." (Finance Week, June 1994)

The legitimacy, fundraising and marketing strategies of NGOs have therefore often been determined by the degree to which the organisation resisted apartheid. "NGOs most lucrative fundraising and promotion occurred off an anti-apartheid base. The determinant for recognition became a matter of how strongly the organisation resisted apartheid, more than how well it served their welfare cause and objectives" (Allwood, undated paper, p.1). NGOs have thus paid a certain amount of lip-service to their commitment to remove the symptoms of poverty (unemployment, lack of education, housing, health and welfare), while the *real*

struggle has been the removal of its prime cause - apartheid. This has resulted in institutions that have a high legitimacy, but a low productivity.

The scramble for limited donor funds has meant that NGOs have had to become operationally astute so as to gain a competitive advantage. Sectoral NGOs have had to protect their territory in order to sustain themselves financially, and so they have cut themselves off from competing organisations, protecting their methodologies, information, monitoring and evaluation procedures. This has resulted in "...confused objectives for NGOs" (Allwood, undated paper, p.2), and a duplication of aims, goals and activities. "In the process we have created a huge number of organisations with a huge number of beneficiaries and high expectations." (Appelbaum, H., Finance Week, June 1994)

1.2 The NGO sector

Because there have been few attempts to quantify the size of the NGO sector, factual information around it is sparse. The Development Resource Centre who have made an attempt to do this on a comprehensive basis estimate that "South Africa has some 54 000 non-governmental organisations, operating in areas ranging from non-formal education, to community development projects, to feeding schemes, to medical and scientific research institutes." (Bernstein, 1994, p. 58) In addition to the fact that this figure includes religious organisations involved in social activities, it may well be exaggerated. It does however, serve to illustrate the size of the sector which can further be broken down into: organisations of a developmental nature (twenty thousand), civic organisations (two thousand), educational agencies (seven thousand), intermediary NGOs (one thousand) and other community based groups. This breakdown is just one of the "...different and confusing attempts to define and separate different types of Southern NGOs..." (Harding, 1994, p.1) Tom Carroll (Harding, 1994, p.1) further distinguishes between "Grassroots Support Organisations (GSOs), Membership Support Organisations (MSOs)... and Primary Grassroots

Organisations (PGOs)" These categories serve not only to highlight the size of the sector, but its diversity, and thus the difficulty of defining exactly what an NGO is (Bernstein, 1994, p. 58). In an attempt to narrow the category down, while taking cognisance of its size and diversity, the discussion will focus (as it did above) on those organisations which emerged in the 1970s and the 1980s as a response to apartheid, that is, those "service organisations that have helped to define, support and maintain political opposition in one form or another. (Bernstein, 1994, p.59)

1.3 The future of NGOs

With the establishment of the Government of National Unity in April 1994, the *raison d'être* of many operations has been removed, and with it a logical shift in the development culture in South Africa. "The new situation no longer judges organisations by their political correctness and ability to mobilise resistance. Rather, organisations are presently judged by their ability to develop people. Formerly, sustainability was not a serious...consideration, now it is primary" (Brews, 1994, p 3). While political and development agendas may have shifted, the changes are unlikely to make much difference to the lives of the very poor in the short and the intermediate terms. This situation brings to the fore some important questions as to the future of NGOs, and the role that they will play in meeting basic needs at the grassroots level:

- Where will NGOs fit into the unfolding agenda of development?
- What will be the relationship between the state and the NGO sector with the implementation of the Reconstruction and Development Programme? Can there really be a productive and creative relationship given the "...past history, conflicting power bases, different economic perspectives, different accountability and mandating procedures" (Allwood, undated paper, p.4).
- Will NGOs be able to ensure their long-term viability by making the change from agents of the struggle to agents of development by rapidly increasing their capacity to assist the poor in projects that have a measurable impact?

1.4 . The need for NGOs

The fact that South Africa now has a democratically elected system of government has raised expectations that "basic social needs can and will be met" (Fitzgerald, 1991, p.3), and it would be presumed that a representative and effective civil service at local, regional and national levels would be the "...best vehicle(s) for service delivery and meeting legitimate community needs" (Bernstein, 1994, p.61). Given that "centuries of racial oppression and conflict have left deep and painful cleavages which gape down to the bedrock of our society" (Weekly Mail and Guardian, 1994), an enormous amount needs to be done to start the healing process, and the state is very likely to experience severe constraints in regard to its direct development capacity. These include amongst others, a tension between the allocation of state resources for productive purposes as against social welfare purposes; and a civil service that is not representative, legitimate or developmentally oriented. (Fitzgerald, P. 1991, p.3)

Du Toit further suggests that an overburdened and inexperienced state bureaucracy that has to battle alone to meet the "consolutions promised by the RDP" is a situation to be feared, and that international experience has shown that "NGOs can provide a vital auxiliary service within newly democratised societies..." (Weekly Mail and Guardian, 1994). Bernstein (Business Day, 1994) also believes that NGOs have an important role, bringing a wealth of experience and information to the development process. She puts forward a number of reasons for the support and expansion of NGOs to assist with the state provision of basic services:

quality: it will be difficult for the state to provide social services and to ensure that these are of a high standard. NGOs may be able to play a critical role by filling gaps that cannot be filled by the state.

capacity: state services are unlikely to be able to respond to the enormous demand for services in the rapidly growing urban areas. NGOs may be able to mobilise the communities and individuals to build the necessary infrastructure and facilities

poverty: cumbersome government bureaucracies are often inflexible, and do not have the resources to meet all the needs of the poor. NGOs can be more innovative and flexible allowing them to tackle problems that government cannot resolve.

democracy: NGOs can provide citizens with a protective mechanism against the power of the state, and can promote democracy through their programmes and projects.

1.5 . The NGO/State relationship

This relationship between the state and NGOs must not result in a "situation wherein government relegates its duties to NGOs, but where a dynamic partnership between government and NGOs is established." (Dangor, Z., 1994)

In his opening speech at the NGO Summit on the Role of NGOs in the RDP, the Minister in charge of the RDP, Jay Naidoo, stated that "NGOs have a highly privileged position in the implementation of the RDP." He quoted from the original RDP to underline the "...status - and the responsibility - that...government is now conferring upon NGOs" (Naidoo, J. 1994):

- "The RDP has been drawn up by the ANC-led Alliance in consultation with other key mass organisations. A wide range of NGOs and research organisations assisted in the process."
- "There should be no restriction on the right of organisations to function effectively. Measures should be introduced to create an enabling environment for social movements, CBOs and NGOs in close consultation with those bodies and to promote donations to the non-profit sector."
- "Many NGOs play an important capacity-building role in regard to CBOs and the development process. NGOs are also engaged in service delivery, mobilisation, advocacy, planning, lobbying and financing. Thus NGOs have an important future role in the democratisation of our society."

- "However, NGOs must also adopt transparent processes, and operate in a manner that responds, with accountability and democracy, to the communities they serve." (ANC, RDP, 1994)

While Minister Naidoo and the RDP make the commitment to NGO involvement in development, the reality of the relationship between the state and the government is likely to be far more complex. Because many NGOs emerge from an anti-apartheid constituency, they may "...see the state as, if not an enemy, then at least a distinctly hostile entity" (Cross, 1994). Tandon, quoted in Clark (1993, p.5), points out that the distrust is mutual, and "appears to be deep rooted", while Fowler believes that governments fear that NGOs will erode their political power, and NGOs mistrust the motivation of the government and its officials. (Clark, 1993, p.5)

Clark believes that a "healthy relationship" is only conceivable when both parties share common objectives...where the government has a positive social agenda...and where NGOs are effective...", and that the relationship must be "...based on mutual respect, acceptance of autonomy, independence and pluralism of NGO opinions and positions" (Clark, 1993, pp. 4 and 5). While all these attributes may be present in South Africa (or are being worked on), Minister Naidoo points out that NGOs will have to meet specific criteria in order to access RDP funds (Naidoo, pp. 5 and 6, 1994):

1. Programmes will have to deliver quickly
2. Programmes will not create a long-term drain on the fiscus
3. Programmes should not require major public sector restructuring.

It is clear that all NGOs will need to "re-assess and re-define themselves" (Bernstein, 1994, p.59) if they are going to meet the challenges of the RDP and the shifting development arena. To overcome some of the major stumbling blocks will necessitate some definitive changes:

- NGOs will have to take the initiative and use their own strength and momentum to ensure that they emerge as important role players in the development partnership. This means shaping what they want to look like at the end of the line. (Sheppey, 1994)
- NGOs will have to focus on performance: either large-scale, mass delivery by organisation into large collectives; or by developing a small, niche market for themselves. (Sheppey, 1994)
- NGOs will have to develop an appropriate planning and management capacity at top and middle management levels, and will have to develop their human resources so as to build the capacity for efficient and effective service delivery and to ensure legitimacy and accountability to their constituencies.
- NGOs cannot afford to remain fragmented in the face of pressures and challenges. To be effective they will need to co-ordinate and co-operate in broad strategic alliances. (Harding, D. 1994, p 37) This may mean the closure of some institutions and the merging of others.

Most NGOs will have to work very hard to make the changes, and many NGOs may not live up to the challenge. In the long run however, the process of adaption, innovation and integration may be to their own benefit, as it will enable them to take advantage of a "wealth of new opportunities".(Naidoo, 1994, p.3)

If the NGO-State alliance is to benefit all the players in the development game, the development agenda for the NGO sector will have to be about how to define, plan and implement the processes that will be necessary for their future, for it is upon these that the effectiveness of their service delivery, and ultimately their sustainability, depends.

1.6 . The education crisis and non-governmental organisations

It is generally agreed that apartheid schooling spawned a crisis in education that left an indelible mark on the majority of South African people. The draft white

paper: Education and Training in a Democratic South Africa (September 1994), states that "New policies are needed to reverse the trends which dominated the troubled history of education and training under White minority rule governments, especially in the apartheid era" (1994, p.1)

Organised in a complex hierarchy of separate racial departments and services, education was in the control of white decision-makers who allocated funds in the favour of white education. Access to education and training was limited, and little provision was made for early childhood development and special needs. In line with this, governance was top-down and management and control was mostly in male hands. Black teachers especially, operated under the constraints of limited textbooks and materials, confined to a curriculum which was manipulated for ideological purposes and which favoured the memorisation of data, and an authoritarian, teacher-centred approach. This resulted in undertrained and demotivated teachers. Teachers who lacked initiative and critical thinking skills, a lack of skilled educational managers, overcrowded and under-resourced classrooms and - as a result of schools and colleges becoming an arena for political education and action - constant violence and work stoppages.

In response to the enormous demand to raise the standards of African education, educational NGOs became one of the larger sub-categories of those service organisations that were earlier described as having in the past tried to "define, support and maintain political opposition in one form or another" (Bernstein, 1994, p.59)

The Minister of Education, Professor S. Bengu recognise that "Education and training is one of the central activities of our society..." Reconstruction and development "...compels everyone in education and training to face up to the challenge of creating a system which cultivates and liberates the talents of all our people..." He calls upon the "commitment and wisdom of all roleplayers and stakeholders in the system" to do this. (Introduction to the White Paper,

September 1994) As stakeholders in education, many NGOs have had access to developing communities, and have built up insight, information and methodologies appropriate to their needs. So as to build a literate and skilled society that will generate a growing economy, all sectors in education will have to work together to pool their knowledge and resources. If the state, as the "ultimate arbiter and determinant of the wider political changes upon which development depends..." (Edwards and Hulme, 1992, p.77) is going to cope with the enormous physical and social backlog in education then there will have to develop a deeper and richer conception of development. A concept which recognises that educational NGOs are important sources of information, important generators of new and innovative ideas, and a means by which inevitable gaps in the provision of education can be filled.

1.7 . Planning in educational non-governmental organisations

The environment in which NGOs, are currently functioning is one in which many factors are in flux. "- the end of apartheid and a new government, evolution of funding relationships, rapid shifts in personnel and renewed commitments to affirmative action, and a wealth of new opportunities - probably every one of you is going through some sort of strategic planning to assess where you are and where you should be going" (Naidoo, 1994, p 3).

It is debatable whether there is any single way in which NGOs can gain a hold over such a turbulent environment, yet it is imperative that they try and find a direction so that they can innovate, develop and change. Drucker suggests that organisations learn to "look out the window" - after which they must "look inside...and search for the most important clue pointing to change" (Drucker, 1990, p.67). Given the wide range of possible futures for educational NGOs, they must make a disciplined effort to make the fundamental decisions that will shape what the organisation is and what it will become. As Minister Naidoo suggested,

one of the ways in which they can do this is through a process of careful and consistent planning.

Based upon this premise, the research report has used the case study methodology to look at the planning processes of three different educational NGOs in six areas of organisational activity. These three organisations confront the current development crisis at different levels of internal development. They range from a large organisation with a national focus to a small, part-time organisation with a local focus. They also operate at various levels of funding and (associated) operational risk, with the larger organisations operating in a more constant funding environment than the smallest institution.

In an attempt to identify approaches to planning that may assist educational NGOs to innovate and change in line with the pressures that are being placed upon them, the research has drawn links between the three organisations, it has defined the similarities and differences in their ways of planning, and has identified patterns that emerged. Using current literature and the research outcomes as a base, an approach to planning which recognises the unique characteristics of educational NGOs has been established. It is hoped that similar organisations will find this approach useful as they develop planning methods that are flexible and relevant to their own needs.

1.8 . The limitations of planning in educational NGOs

The report has approached planning as a vital process for dealing with change, and an approach to "managing the organisation's future" (Mintzberg, 1994, p. 15). There are many different reasons why an organisation plans. Given the many unknowns in their environment, educational NGOs need to plan in order to deal with some of the following:

- the rational utilisation and development of human and financial resources
- the identification of problems and the means by which to solve them

- the prioritisation and ordering of needs and the sequencing of their implementation
 - the selection of the most effective courses of action from the various alternatives
 - projecting the future more effectively
 - the organisation, monitoring and evaluation of activities and operations
- (I.F.E.D., p6)

From this it is clear that NGO planning encompasses an extremely wide range of issues which correspond roughly to the many and various activities with which NGOs are involved: "working in development is a tough task. The objective odds are stacked against you, the terrain conflictive. The nature of the task is in itself very personally demanding...small may indeed be beautiful but it is not simple" (Harding, D., 1994, p.30). While planning may be constrained by this organisational complexity, it may further be limited by the fact that very often NGO activities are carried out within a very small human resource framework. While staff usually have a high level of commitment, they often have to negotiate an enormous amount of content in their daily activities, extending themselves across the technical, economic and social arenas. All this pressure means that the daily routine is allowed to drive out planning in general, and long-term planning in particular. (March and Simon in Mintzberg, p. 18)

1.9 The limits to planning and their consequences for the research

The research has recognised that certain issues that are characteristic of NGOs may affect their planning and explain why NGOs may not thus far have been able to develop the far-sighted and creative decision-making skills necessary for their sustainable growth and development. It has also recognised the importance of these in the development of an approach to planning that may be more appropriate for NGOs than those that are currently being used.

1.10 . The objectives of the research

Given the problems and constraints that face educational NGOs at a time of change and uncertainty, the objectives of this research report were:

- To use the case study methodology to explore the methods being used different by educational NGOs to plan (or not to plan) for change.
- To determine a flexible and relevant approach to planning that can be used by educational NGOs to assist them in planning for change

CHAPTER TWO

2. LITERATURE REVIEW

2.1 Development as a response to social needs: the rise of non-governmental organisations

With its newly democratic status, South Africa has moved from isolation into the world community. It is also poised at the cusp of a new development agenda which realises the failures of the past "...Development has been presided over by state bureaucrats...it has been developer-driven and often carefully organised to disempower communities. The result is that development has failed, not only in our terms but in theirs as well" (SANCO, 1994). South Africa already shares many of the problems that face other developing nations: urbanisation, poverty and unemployment. Our new agenda *has* to work "The price of failure to deliver will be too high in social terms: instability, economic collapse, and the end of the transition process to democracy" (Harding, T., 1994 (a) p.1) We don't have time to waste if we are going to meet the needs of the majority of South Africans and "establish a common sustainable future" (Covenant on Phillipine Development). To ensure this sustainable future we must learn from our past and from other developing countries so that we can formulate development plans that are achievable and which are congruent with current development thinking. In this way we can ensure that as much "foreign assistance as possible directly benefits the majority of people" (Covenant on Phillipine Development).

In an attempt to redefine what he calls the "global social crisis", David Korten points out that after almost fifty years of development effort that focused on accelerating the growth of monetised economies, "unemployment, poverty and inequality continue to increase, the social fabric of family and community is

disintegrating, and the ability of the ecosystem to support human life is being destroyed..." (Korten, 1994(a), p.1).

As the world emerged from the decade of the 1980s, there was a growing recognition that the problems described by Korten were a worldwide phenomena. There was also an increasing awareness that the "leadership needed to deal with the underlying causes of human tragedy was not being provided by governments" (Korten, 1990, p.6). Governments themselves, together with international aid agencies saw the gap, recognising that development as defined by the official development agencies, just "isn't working" (Clark, 1991, p.3). A result of this has been a "striking upsurge...around the globe in organised voluntary activity...people are forming associations, foundations and similar institutions to deliver human services, promote grass-roots economic development, prevent environmental degradation, protect civil rights and pursue a thousand other objectives formerly unattended or left to the state" (Salamon, p109)

The rise of what Salamon referred to as the "third sector" (Salamon, p.110) was seen by Clark (1991, p. 12) to be a result of a hunger for "popular power", but Salamon believes that it springs from a variety of sources which include the people, "...outside institutions and governments themselves" (Salamon, p110). People have begun to acknowledge that NGOs can sometimes provide what the state cannot - "to get a range of essential goods and services to the poor" (Korten, 1990, p.6). Non-governmental organisations have in fact "...frequently demonstrated their ability to help those most in need who have been missed by official aid programmes" (Clark, 1991, p.3). In addition, by initiating their programmes from the side of civil society rather than from the side of the state, NGOs "seek to reach down to the poor or disadvantaged people, and attempt to build and increase the capacity of the people to lift themselves out of poverty and misery" (Vilakazi, 1994, p.51).

While their contribution has become more accepted, growing numbers of NGOs have begun to realise that their efforts to meet increasing needs are on too small a scale. In addition, NGO efforts fail to meet long-term development needs because they are too often focused on the *consequences* of system failure - the failure of the market system to meet the needs of all citizens - rather than on the underlying *causes* of that failure (Korten, 1990, p.6). In relation to human need, the financial resources of NGOs have been negligible, and their ways of working sometimes irrelevant to the real issues. Clark believes that it is not enough just to be "carers of the poor." If the work of NGOs is to be effective, it must address the root causes of suffering and not just the symptoms. This means taking sides with the poor and supporting them in their grassroots struggles (Clark, 1991. P. 16).

The global trend of third sector growth has been paralleled in South Africa,¹ though the driving forces that spawned these institutions were those of apartheid. While these organisations may have been the "irrational and undemocratic products of apartheid" (SANCO, 1994), they played an important role in stimulating a culture of self organisation, self help, public interest and accountability. In addition, many NGOs proved effective in the delivery of basic goods and services and in the promotion of democratic and participatory development. While in other countries the resources channelled through NGOs may be small, in South Africa this has not been the case. Donors have channelled large amounts of aid into the country through NGOs, preventing government monitoring and control in an effort to bypass the state and to undermine apartheid (SANCO, 1994). Unlike their international counterparts, South African NGOs *have* fought apartheid as the cause of the problem - sometimes to the detriment of their service delivery.²

¹Refer to chapter one for the estimated size of this sector and its breakdown into subunits.

²Refer to chapter one for an expanded discussion of this issue.

With the establishment of the Government of National Unity, there has been an acknowledgement by the government of the important role which the NGO sector can play in the facilitation of socio-economic development and the road to a new democratic order (RDP, 1.4.20, p 11). The government states that it does not want to "lay down the line, but wants to develop a relationship that can take the shape of a partnership with rights and responsibilities, determined by the need for efficient delivery of services, which necessitates an organised NGO sector" (Harding, T. 1994, (a) p.1). Given the size of the sector, the way that this will be done remains unclear, though a division into sectors with a national council to work with government seems a possibility.

2.2 A new approach: the global transformation of development

Nationally and internationally, NGOs are at a crossroads (Clark, 1991, p.150).

They have never before been either so potentially powerful, or so credible - especially given their vital role in the South African struggle and the acknowledgement by the government that they will play an important part in development: "our Government of National unity intends to take advantage of the gains you have made. We want to learn from you about the most efficient forms of people-driven development...and we want to become an ally in your work" (Naidoo, 1994, p.1). In addition, their practical experience makes them uniquely qualified to comment on issues such as how macro-policy affects the lives of the poor, what communities need; and how a range of services can be provided in innovative and creative ways: "NGOs are less subject to the straitjacket of development orthodoxy...their staff normally have greater flexibility to experiment, adapt and attempt new approaches" (Clark, 1991, p.51). While they may potentially be in a good position, if they are to take advantage of these opportunities, then NGOs, together with clients and donors will have to rethink their position on development policy.

Part of the success of NGOs internationally has resulted from the persistent failure of top-down development projects that aimed only to spur economic

growth "...economic growth *per se* is not the end of development..." (Le Grange, in Harding, T., 1994, p.1). NGOs are generally small, locally based and committed to a participatory approach in the design and delivery of development programmes. Because of this they were able to respond to calls for a *new* kind of development that recognised that in order to be effective, development had to draw from and work "...much more closely with, the needs, knowledge and wishes of the poor communities and households supposed to be the beneficiaries" (Harding, D. 1994, p.4). This new approach sees that the crucial issue is not only growth, but that growth must be viewed holistically and accompanied by transformation. "The endless expansion of economic output can no longer be viewed as a panacea for what ails human society. Growth is an answer only to the extent that it is preceded by a fundamental transformation of structures and values to ensure that it will be a just, sustainable and inclusive growth"(Korten, 1990, p. 34). This transformational growth means a change in "institutions, technology, values and behaviour consistent with ecological and *social realities*"(Korten, 1990, pg 4, my italics). This means a change in three different spheres:

1. Change in the international economic order;
2. Change at the national level in public policies and behaviour;
3. Change in the political economy of the country

(Fowler, 1994, p27)

If social realities are to be the bottom line, then a new approach must be developed through *real* consultation and active client participation. This means acknowledging that there is a difference between participation and consultation, and finding creative and innovative ways to ensure bottom-up participation that works in practise. Harding acknowledges that this may be very difficult to do, given the traditional relationship between clients and professional service organisations. He believes that it is possible to break the conventional mould, and to "...build a more mutual, negotiated approach to problem defining and strategising, that recognises and validates the different and complementary

knowledge and experience that both sides bring to the table, and accepts a joint negotiated control of the process" (Harding, . 1994, p.11).

The new approach, called the "people-centred approach" by Korten, is committed to economic and political decentralisation and the right of people to "organise, to control their own lives, to participate in the decisions that affect their lives, and to have a means of livelihood" (Korten, (b) p.2). It also recognises that government and civil society have essential roles to play, and it insists that in the end the *people and their interests* (my italics) must take precedence over those of the state or the economy. In this way, a co-operative and trusting relationship between government, the private sector, development agencies and civil society can be built.

"Consistent with the most advanced thinking on development across the world..."the RDP has as its "guiding principles: a people-centred and people-driven process; sustainable and equitable growth, integrated development; nation-building; and democratisation and good governance" (Naidoo, 1994, p.2).

Although in the past NGOs have, to a certain extent made use of the participatory framework, they will now have to demonstrate that they can "maintain open structures that can accommodate community participation in the definition, design and *implementation* (my italics) of development interventions" (Harding, T. 1994, (a) p 4). This will be vital if NGOs are to meet RDP and donor funding requirements. This is likely to necessitate changes for many NGOs - in the way they think and plan, the way they work, and the way they relate to their clients and their stakeholders.

Wider developmental changes will mean that NGOs will have to realise that they cannot work towards transformation and work in isolation. Instead they will have to position themselves as "pioneers or catalysts for...action" (Clark, 1991, p.10) within the broader/macro arena of development decision making. This means balancing their micro-level actions with their macro-level concerns. It will mean

choosing a position and implementing their own complex strategies, not simply those adopted from others (Fowler, 1994, p.32). Unless they can do this, they may succeed in helping people, but they will not solve the real problems. The pivotal challenge to NGOs in the 1990s then, will be to build up alliances and networks both nationally and internationally to ensure that their voices are heard and to allow them to learn from one another (Clark, 1991, p.86). Only this broad strategic collaboration will provide the foundation for real change so that grassroots priorities can be met in terms of a wider vision of effective national (and international) development.

For NGOs to play an important enough part to guarantee their future, they will have to renew their vision of who they are and the role that they wish to play in the new development arena. This means planning for change on an ongoing basis. Not just on an individual basis at the local level, but in terms of creating collective power on a national level, as well as in meeting the global challenges of transformational development.

2.3 "New tools for new rules"³: competition in the development arena

The goalposts of the unfolding development agenda have changed, and NGOs need to make "dramatic paradigm shifts" (Salie, 1994, p.12). NGOs now have to show how their activities meet "...socio-economic needs, as well as contribute to sustainable economic development to get funding" (Harding, T. 1994 (a) p.1). Harding believes that this means competing aggressively and creatively in the development marketplace, which many NGOs are reluctant to do (Harding, T. 1994 (a). This may be in part because NGOs historically have worked as "centres of resistance to formal power" (Salie, 1994, p.12) with an idealistic, democratic and responsive ethos. They have therefore distanced themselves from anything that smacks of business or management practice. Clarke believes that NGOs may

³Harding, T. 1994. O.D. Debate. Issues and Challenges facing Organisations. Volume 1 number 2. March 1994. NGO Management in Transition. New Tools for New Rules.

even the "anti-management" as "staff tend to be de-motivated by, and resentful of, hierarchy and bureaucracy in their own organisation"(Clarke, 1991, p84). In South African NGOs, management has been perceived as "...one of the sources of oppression and exploitation in apartheid society and, in fact as the antithesis of democracy and empowerment" (Harding, 1994, p.3).

The participatory democracy to which NGOs have subscribed, emphasises collective decision-making and the maximum participation of the maximum number of people in the organisation. The problem with collective decision-making is that decisions take a long time to be made, leading to a delayed product and service delivery. Without strong management the "organisation is likely to drift and underachieve"(Clarke, 1991, p84), leading ultimately to an organisation that *cannot* compete in the marketplace.

To change successfully, NGOs need to recognise that the new environment brings with it new challenges. One of these is how to maintain the organisation successfully so that it can compete and innovate in the "industrial marketplace" of development in which "management competence, access to critical resources, information and interpretative skills have become a commodity" (Harding, T. 1994 (a) p. 3). While a management focus may ensure the survival of NGOs as non-profit development agencies able to exploit their competitive advantage, it may bring about conflict within the organisation. Because it is such a radical break from the past, there may well be a tension between competition on the one hand and participatory management on the other (Harding, T., 1994 (a), p.3). This tension will need to be creatively explored and exploited for the benefit of the institution and all its members. It may also prove to be one of the most difficult tasks for managers - to facilitate a change of culture in an organisation which feels strongly that "there is an inherent conflict between community service and income generation" (Harding, T., 1994 (a) p.3).

The agenda of the development industry then, is not necessarily about the optimal use of development dollars but about how NGOs are able to manage the development process - to define, plan and implement their activities. This will bring them the power to mediate between the state and the communities which they represent. The success of this agenda will depend on the extent to which NGOs can build their capacity to mediate around issues such as development principles, methods, policies, goals and activities in such a way that all sectors can work together in a situation of high trust and high energy so that creative solutions can be found to fill the needed gaps and create a "win-win" situation for all the parties concerned (Harding, 1994 (c)).

2.4 Human resources: a vital tool

The changing development environment has brought with it a loss of NGO professionals both to the new government and to the burgeoning development industry. The loss of these human resources has come at a critical time for NGOs, a time when they need the skills of experienced staff to help build the capacity of the organisation.

While good people are important for most organisations, they are particularly vital for "labour-intensive, professionally dominated ones" such as NGOs (McLaughlin, 1986, p. 405). Drucker supports this saying that "people decisions are the ultimate - perhaps the only control of an organisation..." (Drucker, 1990, p.45). This may be so, but NGOs globally "face great difficulty in finding personnel who can cope effectively with work demands" (Harding, D. 1994, p.31). This may be because NGO staff have to deal with a wide range of issues at different levels, which they have to be able to see as part of a wider picture while remaining sensitive to local needs and demands (Harding, D. 1994, p. 31). It may also be because NGOs need to select staff with the right type of commitment - people who share organisational values and a belief in the mission of social change that is inherent in their work (Clarke, 1991, p. 53). While one of the great

strengths of the non-profit organisation may be that people don't necessarily work for a living, "they work for a cause" (Drucker, 1980, p.150), it may add to the fact that NGOs do not easily pull in experienced professionals.

If they are to meet the terms of the new development agenda, a committed, skilled and experienced NGO staff will be vital to negotiate change and ensure that the organisation has the capacity to deliver. This means that NGOs will have to find ways of attracting the right type of high quality staff. On one hand this involves the implementation of effective human-resource control systems: the offering of competitive salaries, career prospects, performance appraisal and rewards. On the other hand, the internal development of staff is another important "path of response" (Harding, D., 1994, p.31). Developing committed people creates "tremendous responsibility for the institution" (Drucker, 1990, p 150), and yet the effective non-profit manager must try and get more out of his/her staff because it is the "yield from the human resource (that) really determines the organisation's performance" (Drucker, 1990, p.145).

Drucker believes that an organisation *has* to develop its people. It "either helps them grow or it stunts them"(Drucker, 1990, p147). He believes that an organisation has to develop the strengths of its staff as well as take a long-term view of staff development that is both for a career and for life. This view is supported by O'Brian who says that a "manager's fundamental task...is providing the enabling conditions for people to lead the most enriching lives they can" (Senge, 1990, p.140). While training may be one way to develop staff, it is not enough, faced with the demands that an NGO makes on its staff. Instead, there "...needs to be a commitment by the whole organisation to *sustained learning, through work and in work* (my italics). Formal training has an important role here but needs to have continuing daily support and opportunities to build on it"(Harding, D., 1994, p.31).

Senge believes that the right kind of learning is about more than just collecting information, but is about "expanding the ability to produce the results we truly want in life...it is lifelong generative learning". He calls this type of growth and learning "personal mastery" (Senge, 1990, p 141). People with personal mastery have a sense of purpose which lies behind their goals. In addition they are able to juxtapose what they want (their vision) with their current reality (what they have). This enables them to "perceive and work with forces of change rather than resist these forces". People with personal mastery are important to the organisation because "they are more committed. They take more initiative. They have a broader and deeper sense of responsibility...they learn faster" (Senge, 1990, p.143). If NGOs are going to attract, develop and keep the right kind of people, then they will have to commit themselves to the fostering of a learning organisation that will encourage personal growth among their employees. This is important because the total development of people is essential to achieve excellence (O'Brian, in Senge, 1990, p.143), and will ultimately "make the organisation stronger"(Senge, 1990, p.143).

2.5 Marketing: an integral component of success

Mc Laughlin (1986, p.183) defines marketing as involving the "planned approach to exchange relationships with constituencies. It should not be confused with just selling. The organisation first identifies its key external relationships and then plans an efficient and effective response to each of these relationships." Because the non-profit organisation is delivering a service that attempts to transform the user into a *doer*, it attempts to become a "part of the recipient rather than merely a supplier. Until this has happened, the non-profit institution has had no results, it has only good intentions" (Drucker, 1990, p. 53). Because of this interaction between the service provider and the client in the exchange of the goods, the marketing of the organisation cannot be separated from the total management of the organisation. Marketing is therefore built into everything the organisation does - it is built into the "design of the service" (Drucker, 1990, p. 54).

Because the interaction between the service provider and the client is so important to the perception of the service itself, marketing for the non-profit organisation is linked directly to its human resource capability (Mc Laughlin, 1986, p. 184). To ensure the quality of the interactions, it is vital that the non-profit organisation attracts, trains and develops a high-quality cadre of staff who are able to promote and sell the service to the client both directly and indirectly.

The second important aspect of marketing for non-profits is to develop a "fund development strategy" (Drucker, 1990, p. 56). Because funds are central to the sustainability of the organisation, this strategy is vital. Fund developing (as opposed to fund raising) means creating a supportive constituency because the organisation deserves it. It means developing a membership that participates in the organisation through its donations. It means appealing to both the hearts and the heads of funders (Drucker, 1990, p. 58). The board of the non-profit organisation is an integral part of this process, and a board that is merely "in sympathy" with the organisation is no longer enough. Instead, board members should take an active lead in funding (Drucker 1990, p. 57). Along with all their other responsibilities in the organisation, this is a tall order for most board members, who tend to serve the organisation with no financial compensation and in addition to their own activities.

Developing funds through marketing means first of all that the organisation needs to develop the right marketing strategy. This entails market research to segment the market, to target the groups it wishes to serve, to position itself; and then to create a service which meets market needs. Developing a marketing strategy means considering the market as a whole: donors and clients alike. It also entails educating and informing the market about the services it provides, it means realising that donors and clients do not automatically understand what the organisation is trying to do (Drucker, 1990, p. 58).

Because of increased competition for revenues and for clients, the organisation which markets itself well is more likely to succeed. In addition, the rising expectations among consumers of the service means that it is important for non-profits to improve the dialogue between the client and the service provider in order that the relationship between the two can be better managed and evaluated (Mc Laughlin, 1986, p. 184).

2.6 Planning, strategy and strategic planning in non-governmental organisations

While the R.D.P. has recognised that NGOs can play an important capacity-building and transformation role with regard to the South African development process; it has also pointed out in order to do this, NGOs will have to develop transparent processes and operate with accountability to the communities that they serve (1994, 5.2.8, pg 121). Having not always met these requirements in the past, NGOs must develop plans and strategies that enable them to define their position in the changing environment, and at the same time look for ways in which they can develop transparent and streamlined organisational processes that will assist them with innovative and creative service delivery. Naidoo, in his address to the NGO Summit (August 1994) suggested that strategic planning might be a way in which NGOs can prepare themselves for the future (Naidoo, 1994, p.1). In addition, certain donors make strategic planning one of the conditions attached to funding, as they believe that strategic planning assists the NGO not only in planning for the future, but in making it happen (Lee, 1992, p.25).

In terms of the discussion above, it is clear that the plans and strategies of South African NGOs will need to be based on what has worked in the past: the delivery of a responsive service developed through the old-style participative/grassroots processes, balanced with new-style development delivery that is concerned with efficiency and effectiveness (Harding, T., 1994, p.3). While these *approaches*

may be the key to ensuring that NGOs are able to play by the rules of the new development game, it is the way that the approaches are *planned* and *actioned* which will really determine how well they are able to adapt and integrate themselves into the development process.

If organisations are to plan and strategise successfully, then they need to be aware of what planning is, what it incorporates, how it is linked to strategy and strategic planning, who should be planning, and the best planning approach for their organisation to take.

2.7 What is planning?

Planning encompasses a range of different aspects, and definitions range from broad concepts to more bounded definitions. In broad terms, planning encompasses the future and future thinking. It comprises decision-making and the determination of different courses of action in order to accomplish purposes. A more bounded definition would be that planning is a set of interdependent decisions, or integrated decision making (Mintzberg, 1994, pp. 5-12). Having recognised these different conceptions of planning, Mintzberg goes on to say that the key to understanding planning is the extent to which it is formalised.

“Planning is a formalised procedure to produce an articulated result, in the form of an integrated system of decisions”(Mintzberg, 1994, p12). Formalisation in these terms means the decomposition, articulation and rationalisation of the process by which decisions are made and integrated into the organisation.

Planning therefore becomes a rational and logical process, a way of defining objectives and how these will be achieved (Denning, 1973, in Mintzberg, 1994, p.13). I.R.E.D. (p.8) supports this formality, seeing planning as the “process of forming a detailed scheme or method for attaining an objective...the components are having an objective, defining activities, selecting methods of development and implementation, and an inter-relation between the ideas and making those ideas function.” Much of planning then, involves achieving ends, making ideas

work and meeting objectives. Planning is therefore action-oriented and involves making ideas and approaches *operational*.

2.8 Who plans?

In many organisations both planning and strategising are assumed to be the responsibility of the director or chief executive. In most organisations, formal planning is removed from the operations staff and becomes the job of managers without line (operating) responsibilities. The idea is that they have the time to “worry about the future of the organisation that employs them” (Mintzberg, 1994, p.32). The I.R.E.D. (p.10) becomes more action-focused, saying that for “optimal efficiency, planning should be performed by a multi-disciplinary group consisting of the director, staff members, experts in the field and members of the organisation.” An even more operational view comes from Pennington who calls for organisations to “involve the doers in planning...involve the top management at key points only” (Pennington, 1972, p.3 in Mintzberg, 1994, p 31).

NGOs tend to be different from corporate institutions in that they are likely to have flatter structures, a democratic and participative ethos and a small staff who carry out many different tasks and activities. With the need to become more product oriented and transformational, it is likely to be very shortsighted to leave all planning and strategy making to the director and/or top management. If planning is to be the way that new approaches are actioned, then the involvement of the “doers” as suggested by Pennington above, may well be vital.

Another advantage to involving all or as many of the staff as possible in the planning process is that it will allow different *kinds* of planners to make their inputs. Mintzberg suggests that “right handed planners” are useful to formalise and analyse the “intuition” that emerges in the planning process. While these planners are necessary, a second type of planner, the “left handed planner”, who is a more creative and divergent thinker is important for finding strategies “in

strange places" and "scrutinising" them rather than merely formalising them (Mintzberg, 1994, pp. 393-394). This type of planner is more inclined to intuitive processes and may stimulate offbeat approaches to issues. In the changing environment, NGOs will need both the creative strategists and the formal operationalists in order to innovate and to find ways of analysing and implementing plans. Given the creative and dynamic people who are often involved in NGO work, it is unlikely that there will be a shortage of left handed planners. Involving all staff in planning may well be a way in which NGOs can ensure that plans are creative and flexible, yet find the balance between innovation and implementation.

2.9 What is strategy?

Planning in organisations is often linked to strategy and strategy-making, and while the two may be closely related, they can also be seen as two separate entities. The I.R.E.D. take a very simplistic view of strategy, seeing it as a response, a way of solving problems and achieving goals (I.R.E.D., p.8). Mc Laughlin also believes that strategy is a reaction - the organisation's reaction to the question of what business they are in and what business they should be in (Mc Laughlin, 1986, p.161). Drucker believes that strategies are action-focused, and something that the organisation works towards. "They convert what you do into accomplishments...they convert intentions into action...they tell you what you need to have by way of resources and people to get the results" (Drucker, 1990, p.59).

Mintzberg looks at the different facets of strategy, linking strategy back to planning. He says that strategy is both a "plan...a direction or course of action", and a "pattern - a consistency of behaviour over time" (Mintzberg, 1994, p.23). He elaborates on this making the distinction between types of strategy: *intended* strategy, *realised* strategy and *emergent* strategy. Intended strategy is planned strategy, while realised strategy is the pattern of behaviour that evolved from the

intended strategy. There is often a gap between the strategy that was planned and the strategy that was realised. This is where a realised strategy was not actually intended, but a pattern emerged nonetheless. Mintzberg calls this strategy "emergent strategy". He believes that most strategies are a mixture of intended and emergent strategy, an attempt to "control what the organisation does without stopping its learning process" (Mintzberg, 1994, p.25). The idea of emergent strategy is an important one for NGOs, as it enables them to plan within the context of a changing environment while allowing them the flexibility to react to unexpected events. In addition, by allowing the space for strategy to emerge, the organisation is recognising that strategy-making is an ongoing process by which the organisation can learn.

Given the links between strategy and planning then, what exactly is strategic planning, and what is its role for the non-profit organisation?

2.10 What is strategic planning?

Mintzberg recognises that most planning literature sees effective strategy-making a "deliberate process, to the virtual exclusion of emergent elements" (Mintzberg, 1994, p.25). With this in mind, he gives a definition of strategic planning.

Strategic planning is a (formal) set of systems for planning and control. These systems create a shared pattern of thoughts which focus on the pattern rather than on the content, and they generalise knowledge and insights that are then codified so that they can be changed and refined. In this way strategic planning frees managers from pre-operations to consider strategy and policy. By doing this it separates strategy formation from its implementation and strategic planning becomes not only a planning exercise, but a planning exercise with a view to making strategy (Mintzberg, 1994, pp.21 and 25). Bryson gives a somewhat less formal view saying that strategic planning is a set of systems, a "set of concepts, procedures and tools" to be used by organisations (Bryson, 1988, p. 9). Seen this way, strategic planning identifies and resolves issues, it emphasises the external and internal environment of the organisation and calls forth an idealised vision

which often represents a shift in direction. Unlike Mintzberg, Bryson believes that strategic plans are action focused and usually consider a range of possible futures and the implications of present decisions and actions in relation to that range (Bryson, 1988, p9). Mc Laughlin (1986, p.160) pulls these views together, defining strategic planning as a less rigid process which is "continuous and changing, one that produces goals and objectives based on a thorough analysis of the organisation and its environment, develops the organisational structure and the will to acquire and manage the necessary resources, provides the necessary control systems to monitor and feed back the performance results, and leads to a renewal of that cycle on an ongoing basis. This process has to develop and maintain a strategy consistent with the objectives, values, and participation needs of ...staff, resource providers, and those being served. It must be consistent with resources available, with environmental conditions...and professional values, ...above all it must be doable"

Strategic planning then, can be a tool to help make plans work. If allowed to be, it can be rigid and inflexible. On the other hand it can be a continuous and dynamic process which focuses upon the actions of the organisation. Strategic planning is usually the way in which organisational strategy is formulated and is often associated with organisational change.

2.11 Strategic planning in NGOs

Bryson's thinking around strategic planning is congruent with the idea of the development game. He describes it as a game in which the player keeps close to the action by thinking and acting strategically at every moment. These moves are informed by a simple game plan - the strategic plan - that has been worked out in advance. (Bryson, 1988,pg 47)

Many NGOs are unaware that their long-term planning is *not* strategic planning, and the two are often used synonymously (Bryson, 1988, p.7). While both types

of planning focus on the organisation and what it should do to improve its performance in the future, strategic planning relies more on identifying and resolving issues, while long term planning focuses more on specifying goals and objectives and translating them into current budgets and work programmes. A strategic approach to planning is generally most useful where the environment is politicised and highly charged (Bryson, 1988, p7), which makes it particularly relevant in the current environment.

Strategic planning originated in the business sector, and while the non-profit organisation can make use of certain elements that were developed, it must be understood that the corporate focus is on the *organisation*, and not on the community or the function of the organisation; as it is in the non-profit sector. This means that the structures and frameworks should be applied only where they can be useful, and changed and developed where necessary (Bryson, 1988, p.23). Goodstein, Nolan and Pfeiffer (1992, p.1) suggest that to be successful, a strategic plan should "provide the criteria for making day-to-day decisions and should provide a template against which all such decisions can be evaluated". This makes the strategic plan a guide, a set of concepts that help leaders to make important decisions and take important actions. It is not an end in itself (Bryson, 1988, p. 46). Lee (1992, p.27) describes strategic planning simply as "...organised common sense that is written down. You write it down so that you can refer to it and see that you are making progress." Furthermore, strategic planning can only be a worthwhile process, if it gets the organisation *thinking* and *acting* strategically. To this end strategic planning provides a direction for the organisation, and the energy to begin moving in that direction. The actual model or approach taken is thus not the most important factor, but the actions and the outcomes that result are the crucial test (Bryson, 1988, p.46).

2.12 The structure of a strategic plan

A strategic plan usually includes the following components:

1. **Subjects** to be included in the plans. These can be broken down into financial planning (budgeting), human resource planning and activity planning (which would include short-term operations, marketing the organisation and donor planning).
 2. **Purposes** for the planning - ultimately the reason why the institution exists.
 3. **Timeframes** - a realistic assessment of how long it will take to realise the short, medium and long-term plans of the organisation.
- Goals** - the strategic plan will involve a number of related actions. It is important that these actions be prioritised and ordered so that it is clear how the short-term goals and the long term goals affect and integrate with each other (I.R.E D. p.11).

While approaches to strategic planning may differ, there are usually three steps in the process:

- **setting the stage for planning:** this involves helping participants understand the planning process. It could include phases such as getting initial agreement for planning, identifying and analysing stakeholders, clarifying organisational mandates and formulating the organisation's mission in terms of the organisation's values.
- **setting strategic directions:** this includes scanning the external environment to identify the political, economic, social and technological forces and trends, and the competitive and collaborative forces facing the organisation. These are then seen in terms of threats and opportunities for the organisation. Scanning the internal environment would identify the organisation's resources, its strategies and its performance in terms of its strengths and its weaknesses. Ultimately these forces and trends inform issues that are central to the organisation's functioning. It is from these strategic issues that strategies - or ways to solve problems and achieve goals - are identified.
- **implementation of strategic plans:** in this final stage, action plans and contingency plans are integrated, practical alternatives are planned, major proposals are put forward and work programmes are formulated. It is vital for

the organisation that the implementation of plans is relevant to all members of the organisation, as this will ensure that staff have both the skills and the commitment to put plans into action.

(Goodstein, Nolan and Pfeiffer, 1992, p. 13)

2.13 The benefits and concerns of strategic planning

Many organisations find that strategic planning is not without its problems. Firstly, the process involves a considerable expenditure in terms of time and energy. If strategic planning is to be effective, then the organisation has to be ready for it (Goodstein, Nolan and Pfeiffer, 1992, p.18). This readiness needs to be assessed in terms of a variety of factors: the organisation's viability, the vitality of its products and services, its culture and values and how thinly its human and other resources are spread. Bryson (1988, p.12) says that "strategic planning may not be the best first step for an organisation whose roof has fallen...if the organisation lacks the skills, resources, or commitment of key decision makers to produce a good plan, strategic planning will be a waste of time." Echoing Bryson, Goodstein, Nolan and Pfeiffer believe that probably the single most important readiness factor is the director/leader's interest in and commitment to the strategic planning process, and his/her ability to sell it to the strategic planning team and other members of the organisation. Under these circumstances, strategic planning should probably be a limited effort to develop the necessary skills, resources and commitments (Bryson, 1988, p. 12). In addition, Mc Laughlin (1986, p166) suggests that for very small organisations, a highly developed planning process may not be appropriate. Instead a "conference table approach" may be used, together with a problem solving approach to strategy making.

One of the major benefits of the strategic planning process is that it can enable the organisation to achieve what it set out to do, therefore enabling it to perform better. It is a way of helping organisations and communities to deal with

changing circumstances as it can help them to formulate and resolve the most important issues they face. At the same time it helps them to build upon and use their strengths and take advantage of any opportunities that are facing them, while they overcome or minimise weaknesses (Bryson, 1988, p.21). Although strategic planning *can* bring about some of these benefits, there are no guarantees that it will. Strategic planning is *only* a set of tools and concepts, and these should be applied with caution as they may not always be the most appropriate mechanisms for bringing about organisational effectiveness (Bryson, 1988, p.13).

By planning strategically, NGOs should be more able to decide exactly the skills and resources they will need to succeed in the changing environment. It should also help to build capacity in the organisation for strategising, developing leadership capacity, management capacity and other skills that will help to sustain the organisation in the long term (Lee, 1992, p.31). In addition, funders generally prefer to support organisations that have a strategic plan. A strategic plan shows that the institution is organised, has concrete objectives and has thought about how to meet those objectives. It also allows the organisation and the funder to assess the degree to which goals have been achieved (Lee, 1992, p.25).

One of the concerns about strategic planning is that the development of a fixed plan might prevent the organisation from being flexible. Furthermore, the creation of unrealistic expectations in the organisation might invite failure. In reality, the plan developed should be firm, but not rigid. It should also allow for possible crises, unpredictable events and contingencies. Strategic plans should be reviewed on a regular basis, and changed (where necessary) to ensure that they are still relevant (Lee, 1992, p.33). Because the strategic planning process includes an assessment of organisational strengths and weaknesses, it should enable the organisation to assess itself. An awareness of these strengths and weaknesses should also allow the organisation to plan realistically - either to better utilise existing skills or to develop (or import) the capacity necessary to achieve its goals.

Strategic planning is meant to be an ongoing process. In most organisations it should involve an annual planning cycle in which decision makers re-examine both the envisioned state, and the current state of the organisation (Goodstein, Nolan and Pfeiffer, 1992, p.57). This ensures that the strategic process continues to be the source of direction for the organisation.

While certain strategic planning methods appear to be linear processes, this is not true for all techniques. Because of the varied activities undertaken by NGOs, and because of particularly turbulent internal and external environments, a more effective approach would be circular and iterative in nature. This approach should allow the institution to remain flexible and responsive, at the same time providing the goals and vision necessary for long-term success. This does not mean that a specific planning structure has to be followed (though it may be useful as a guide) but it does mean that throughout the process constant reassessment, realignment and evaluation are fed back so that organisations can make plans that can realistically be achieved.

2.14 A new approach to planning and strategy making

While the concerns about strategic planning that were outlined above are fairly general, Mintzberg, in his book "The Rise and Fall of Strategic Planning" (1994), makes some very specific criticisms of planning in general and strategy-making in particular. This appraisal is important because it raises issues that are particularly relevant for NGOs and the way they plan.

Mintzberg believes that planning is generally a rigid process, and as such is one which may undermine creativity, strategic thinking and new ideas. Planning itself may therefore generate resistance to strategic change. The formal nature of planning may also limit the extent to which plans are properly integrated into the organisation and its activities (Mintzberg, 1994, p. 158). As a result, other ways

of formulating and implementing strategy may be superior to conventional strategic planning (Mintzberg, 1994, p.160). A further problem with formal planning is that it may discourage commitment. Planning tends to detach staff with its so-called "objective calculations" whereas commitment tends to flourish when staff feel free to participate in, and own a programme (Mintzberg, 1994, p.176).

Mintzberg believes that planning works best when the broad outlines of a strategy are already in place, and not when strategic changes are required from the planning process. He believes that *planning*, a *visionary approach*, and a *learning approach* are all necessary for strategy formulation. While vision sets the broad outline of a strategy, it leaves the specific details to be worked out. While the broad perspective may be deliberate, specific positions are allowed to emerge so that when the unexpected happens, the organisation learns (Mintzberg, 1994, p.210). Too much emphasis on planning drives away the vision and the learning.

Because strategic planning identifies only certain people as strategists, it forces a separation between the planners and the implementors in the organisation. This may result in resistance from the implementors who know the limits of the strategy that is being imposed on them. In reality it often happens that the limits of intended strategy are only discovered when actions are taken (Mintzberg, 1994, p. 282). Formal planning therefore allows little recognition of input from staff at lower levels who might suggest a "...strategic thrust, improve a strategy or change it fundamentally" (Mintzberg, 1994, p.286). Strategic initiatives may originate anywhere in the organisation, though they tend to do so at lower levels where the detailed knowledge of products and markets resides. Mintzberg believes that strategies take root in all kinds of places: "virtually anywhere that people have the capacity to learn and the resources to support that capacity" (Mintzberg, 1994, p.288).

The need for strategies to emerge, together with the relationship between vision and learning that was described above, emphasises the importance of building a "learning organisation" (Senge, 1990). At all levels of the organisation staff with "personal mastery" (Senge, 1990, p141) are necessary so that their vision and insights can inform and formulate strategy and actions. Emergent strategies tend to pervade an organisation particularly in times of change, and managing the process successfully means recognising emerging strategies and intervening where appropriate. This means creating a climate in which a wide variety of strategies can grow. This can be done by establishing flexible structures, developing appropriate processes, encouraging supporting cultures and defining "umbrella strategies" to guide the emergent ideas (Mintzberg, 1994, p.289). These ideas mean that strategy formulation may precede its implementation through the planning process, which is contrary to the more usual strategic planning methods. Even when formulation does precede implementation, the implementation of strategy has to evolve, as prior thought and planning can never really specify what subsequent action will be (Mintzberg, 1994, p.289).

In times of difficult change when new strategies have to be worked out through a learning process, Mintzberg (1994) believes that strategy making has to be tilted more towards the emergent side. The dichotomy between the formulation and the implementation of strategy has to collapse, either the formulators have to implement in a more centralised and formal way, or the implementors have to formulate in a more decentralised, grassroots manner. Whatever way it is done, thinking has to become directly reconnected to acting. This is because the whole nature of strategymaking compels managers to favour intuition as it is "dynamic, irregular, discontinuous, calling for groping, interactive processes with an emphasis on learning and synthesis". Strategies that are "novel and compelling", tend to be the product of creative brains which can synthesise a vision. The key to strategy-making would therefore seem to be integration and holistic images rather than decomposition and linear words (Mintzberg, 1994, p. 319).

Organisations should therefore engage in formal planning not to *create* strategies, but to programme the strategies that they already have and to formally elaborate and operationalise their consequences. Strategy therefore becomes not the consequence of planning, but its starting point. In this way planning helps to translate *intended* strategies into *realised* ones by taking the first step leading to effective implementation. In the “complex, decentralised learning organisation”, strategy must be allowed to “bubble up” from below, as it is here that patterns that may prove to be strategic tend to “form and reform continuously in all kinds of...ways” (Mintzberg, 1994, p.364).

A crucial aspect of the strategy process then, is to find emerging patterns which can then be scrutinised for the benefit of the organisation at large. In that way, appropriate emergent strategies can be “rendered deliberate, and obscure ones pervasive, or, at the very least, the inconsistencies that tend to arise in emergent strategies can be cleared up”(Sarrazin, 1975, p.137; in Mintzberg, 1994, p.364)

2.15 Conclusion

Because conditions in NGOs can be so complex and can change so rapidly, it is likely that planning will have to be done on a regular basis. While this planning may be formalised, it can be used as a way to involve a wide variety of staff in organisational decision-making. As a dynamic and iterative process, planning is likely to disperse authority and may therefore become one of the ways in which the organisation communicates. This type of planning may well become conflictual, but if it is allowed to become a means to organisational learning, then it is likely to enable the emergence of new strategies and become the way in which emergent strategies become operational.

In NGOs, strategy is likely to be a “most complex and non-traditional process” (Mintzberg, 1994, p. 409). Under these circumstances the “left-handed” or

unconventional planners have an important role to play both as catalysts, and in the role of finding the strategies as they emerge. Strategies should therefore be programmed - "translated into action patterns for implementation" (Ansoff, 1967, in Mintzberg, 1994, p.334) - in a fairly loose form so that "broad targets and a set of milestones" (Mintzberg, 1994, p.409) are outlined, leaving lots of flexibility to adapt to the discoveries and dead ends of a "largely uncharted route". In this way, plans look "more like general performance controls than specific action programs, or perhaps more fairly, something in between" (Mintzberg, 1994, p.409)

If NGOs are going to remain important players in the development game, then they will have to learn how to think, plan and act strategically in terms of the new transformational development thinking, and in terms of their year to year, month to month and day to day issues management. Mintzberg's approach to planning allows for the emergence of these strategies in a participatory and a democratic way. Planning therefore becomes a creative learning process which allows the organisation the flexibility to respond to needs and issues as they arise, while looking towards the future and the uncertainty that it is sure to bring.

CHAPTER THREE

3. RESEARCH QUESTIONS AND METHODOLOGY

3.1 Research Questions

Planning can be seen as a set of integrated and interrelated decisions. It encompasses the future and thinking around that future, and it determines the different courses of action that are chosen to accomplish specified purposes. Planning is therefore an activity that is fundamental to the performance of organisations, and is central to all organisational activity.

Non-governmental organisations are currently operating in an uncertain and rapidly changing economic and socio-political environment.. Their ability to adapt to the needs of this new environment and therefore their long term sustainability, may well be determined by the extent to which they can plan successfully to make the necessary changes.

In the context of the above, this research project sets out to investigate the ways that three different educational non-governmental organisations are planning (or are not planning) to adapt to the new development climate. It looks at planning across a wide range of organisational activities and tries to build a holistic picture of planning processes. It therefore sets out to answer the following questions:

Research question one

What are the ways in which educational NGOs plan? Do they plan formally in a regular and systematic fashion, both for the long-term and for the short-term, or do they plan only when they need to, mostly on an ad-hoc basis? Is there an interrelationship between long-term and short-term planning, and are plans for the different organisational activities integrated?

Research question two

What is the relationship between plans and the outcomes of those plans? Are plans realistic, action-focused and implementable?

Research question three

Who plans? Is planning a management activity that is focused on long term and strategic thinking while administrative and operations staff make short-term and action plans, or are all staff involved in the entire planning process? Does the planning process disperse authority, empower staff and build long term capacity in the organisation, or does it centralise authority and disempower employees?

Research question four

Are NGOs thinking and planning strategically for change? What is the relationship between strategy and planning in NGOs? Are planning processes appropriate for organisational needs in the changing environment or could more useful and appropriate processes be developed?

3.2 Research Methodology

3.2.1 The case study method

The case study design used in this report was central to the research, as it provided the logic that linked the data collected in the interview process to the initial study questions, and ultimately to the conclusions that were drawn.. In this way the research design became the "action plan" (Yin,1984, p.28) for the investigation, and the way in which it proceeded from the initial research questions to the conclusions of the study.

The case study research design made use of multiple cases to explore the ways that educational non-governmental organisations planned in the context of a

shifting and dynamic environment. The design therefore informed and determined the way that data was collected as well as the instruments that were used to obtain the data. The methodology was believed to be appropriate for the research for a number of reasons, and as such should be motivated.

Educational NGOs are complex and dynamic organisations. In the context of a changing socio-political and economic environment, their planning interventions were believed to be influenced by many variables. It was therefore unlikely that the research would yield a single set of outcomes. Given that a case study is "...an empirical enquiry that investigates a contemporary phenomenon within its real life context when the boundaries between the phenomenon and the context are not clearly evident..." (Yin, 1984, p.23), it was felt that the case study methodology was an effective tool with which to study both the context and the complexities of the three organisations.

There were a number of advantages in using the case study methodology to research the planning approaches of educational NGOs. Firstly it allowed the research data to be presented in an accessible form so that other NGOs could have easy access to it. It also allowed data from a variety of sources to be used: semi-structured interviews, documentation, informal discussion with staff members. The fact that the case study design was flexible and dynamic allowed the boundaries to change as the researcher got to know the cases better, and realised that the original definitions and objectives were not as relevant to the study as the new information was. It also meant that the case studies were informed by what the researcher wanted to know as well as by any unexpected information that turned out to be relevant.

The case study research design is particularly appropriate when a research topic - such as that of educational non-governmental organisations - is deeply contextualised and is therefore not amenable to fleeting observations. This context is likely to bring up variables of interest that will outnumber the data

points to be analysed. Case studies therefore call for intensive amounts of data about the unit (or units) of analysis. They are particularly useful when there is little knowledge about a problem or an issue, as they may provide new insights into as yet undocumented management (or other) processes that take place in complex organisations. These insights may then be used to build new theories around the problem.

As qualitative research, the case study method aimed to find out what was important to the individuals in the organisations, and their interpretation of the environments in which they worked. It tried to elicit how the respondents thought and felt about the planning processes of the three organisations, which meant minimising the degree to which they were constrained, leading to the use of the semi-structured interview as a research tool. The interview schedules used were therefore derived from the relevant literature and structured to produce an open and flexible set of themes and questions that allowed the researcher to depart from the questions when interesting issues emerged.

The multiple-case study design was chosen for because it was believed that the evidence from multiple cases would be "more compelling" and the overall study "...would therefore be more robust" (Yin, 1984, p. 46). Secondly, the research wanted to explore the differences between planning interventions in relation to size, organisational development and sustainability. This meant the collection of extensive data from a number of organisations.

Case studies, both single and multiple, can be either holistic or embedded. In a holistic case study, the investigator chooses to examine the "global nature" of the case (Yin, 1989, p. 44), or else the case may not exhibit any "logical subunits" (Yin, 1984, p.44). In an embedded case study, either a subunit or a number of subunits are considered. This allows the investigator to examine the different units of analysis in operational detail, and therefore provides a rich and diverse range of data. Four different research designs are therefore possible: multiple-

holistic, multiple-embedded, single-holistic and single-embedded. Because this study wished to investigate how NGOs planned across the different activity areas, it chose to make use of a multiple-case, holistic design.

Central to the research design was the careful selection of the cases to be studied. It used what Yin terms a "replication logic" to do this, considering the "multiple cases as one would consider multiple experiments" (Yin, 1984, pp. 43-52). This logic meant that each case had to demonstrate - before its final selection - "...exemplary outcomes...strong, positive examples of the phenomenon of interest" (Yin, 1993, p. 12). Thus the three cases were selected so that they anticipated different results, but for expected reasons. (Size, organisational development, degree of sustainability)

Rather than generalising the results of the case studies to a universe or a population, the outcomes were related to the theoretical base that was described in the literature review. The theory therefore served as a vehicle for generalising the results of the case studies and expanded an understanding of this theory in situations where context was important and where events could not be manipulated. Once the results had been generalised, they were used to inform a new approach to planning for educational NGOs which would help them to prepare more successfully for an uncertain future.

3.2.2 The Research Population

The objectives of the research limited the research population to educational non-governmental organisations which were taken to be independent, non-profit organisations (either Trusts or Section 21 companies) involved with the non-formal support of the formal education system. In this context they were therefore organisations that worked either with teachers or students (or both) within the formal education/school system.

Because the study was limited by time, access and funding, the three organisations were situated in the Johannesburg area. While Organisation A had a national focus, its head office was in Braamfontein. Organisation B had a regional focus and was also based in Braamfontein. Organisation C had a local focus and was located in a rural area north of Johannesburg.

3.2.3 Basis for selection

Within the framework described above, the three cases were selected according to where their position on a theoretical continuum of categories. Their position on this continuum was determined by their size, their organisational development and the degree to which they were at risk either of losing their funding, or of not being able to raise the funds to sustain themselves.

In terms of the replication logic described above, cases had to be selected so that they replicated either the same or different conditions. Because the study was interested in the *differences* in NGO planning, the cases were selected according to their differences. Since planning varies according to the circumstances in which it takes place, it was important to identify organisations that differed from one another substantially enough to ensure differences in their planning processes. While there are a number of factors that might determine NGO functions, both funding, size and structure were believed to be fundamental enough to impact on organisational activity. Differences in these variables would therefore be likely to effect differences in planning.

3.2.4 Means of classification

Just as NGOs differ in their activities, so they vary greatly in size and structure. This diversity made it difficult to categorise the organisations exactly, and the three organisations did not fit exactly onto the continuum that was used to classify them. This continuum had two axes, and the three organisations were placed at the top, the middle or the bottom of each axis so that they corresponded

roughly to the positions high, medium or low according to the characteristics that were used to define them.

The first axis

This axis showed the different stages of organisational development.

Organisational development being based upon the following criteria:

1. Size of the organisation.

Non-governmental organisations tend to be small. For this reason a large organisation was taken to be greater than twenty people. A medium-sized organisation was classified as having around ten staff members, while a small organisation was classed as having five or fewer full-time staff members.

2. Internal organisation

This was based on the premise that the size of the organisation would correspond roughly to its internal organisational structure. By internal organisation was meant the way that the organisation was formally divided into management, administrative, operational and advisory structures and functions. It was also believed that internal structure would correlate approximately to the national, regional or local focus of the organisation's activities. This was based on the premise that nationally based organisations would be more highly structured than Regionally based organisations and that these in turn would be more structured than locally based organisations.

The second axis

This was based upon the risk factors of the NGO. These risk factors were determined by its funding base - ie. whether it had a broad base of local and bilateral donors (low risk), whether it was reliant upon a number of local donors (medium risk), or whether it was dependent on one or two donors only (high risk).

This risk classification was based on the premise that NGOs which are reliant on only one or two funding sources, or that are at direct risk of losing their funding, are at a higher risk of having to close than those which have a broader donor base.

The three organisations selected were placed on the continuum and classified in the following way:

- high development - low risk (Organisation A)
- medium development - medium risk (Organisation B)
- low development - high risk (Organisation C)

Based on the continuum above, the research was established upon the premise that high risk non-governmental organisations would plan more carefully, while more developed NGOs would plan in more sophisticated ways.

Once the categories of the continuum had been determined, suitable organisations were identified by a process of elimination which began by targeting potential organisations using a directory of educational non-government organisations. The list was then refined by talking to people with a good knowledge of educational NGOs, and who were able to suggest organisations that might fit into the continuum. Once two or three organisations in each category had been identified, they were approached in order to find out more about them and to find out whether they would be willing to participate in the research. The three organisations that were finally selected fitted into the continuum and showed an interest in and a willingness to participate in the research.

3.2.5 The Three Organisations

Organisation A:

Organisation A was selected as a high-development, low-risk organisation. It is a large organisation that works nationally with a staff of approximately fifty people. Internally it is fairly developed, being formally divided into units of central management, administration, regional management and field workers

/implementors) The organisation is involved with the in-service education and training of science teachers in the primary school. It has a number of long-term local funders and a bilateral funder, it therefore has a fairly stable funding base.

Organisation B

Organisation B was selected as a medium-development, medium-risk organisation. With a full time staff of ten, it works on a regional level in the Witwatersrand. It works from a central office and staff are divided simply into the administrative unit, the resource centre staff and the operations/working group. Its funding base is local, and is relatively secure for about another year, but is uncertain thereafter.

Organisation C

Organisation C was selected as a low-development, high-risk organisation. While it did not fit onto the continuum exactly in terms of staff size (it has ten part-time staff members), it only employs one staff member (the principal) on a full-time basis. It is a locally based organisation that shares premises with its parent school and is at present totally dependent upon this school for its funding. It is not clear as to how long this funding will continue.

3.2.6 Methods of data collection

The case study research design allowed the researcher to use multiple sources of evidence. This was seen to be a major strength as it allowed access to a broad range of facts, ideas, attitudes, opinions and observations. These multiple sources allowed data to be cross referenced and validated, they allowed correlations to be made and they enabled similarities, differences, patterns, themes, difficulties and tensions to be observed, noted and explored. This provided a rich and varied data base which gave a holistic view of the institution by acknowledging the problems, difficulties, irritations and influences that impacted upon

organisational planning. As a result it was able to yield more accurate and convincing results.

3.2.7 Organisation of the data

Non-governmental organisations are involved in a wide variety of activities that need to be planned. So as to accommodate the scope of activities and allow a broadly-based picture to emerge the data had to be logically organised. This was done by collecting data under broad categories that corresponded to what were believed to be the important areas of organisational activity.

- budgeting
- marketing
- donor funding
- human resources
- short-term planning (daily/weekly)
- strategic planning (where applicable)

The data was collected through a series of semi-structured interviews that were constructed around the categories. These were conducted with staff members who had a particular knowledge about or interest in the different areas of activity. They were generally top managers, middle managers or the directors of the organisations. Following the interviews, documentation that corresponded to the six different categories was collected.⁴ This was used to cross-reference, supplement and enrich the interview data. While the researcher was in the organisations she also participated in a number of informal discussions with members of the staff. This allowed for greater insight and a cross-fertilization of ideas that further informed the data collection and analysis.

Once the interviews had been conducted and the case-studies had been written up, the organisations were asked to read the case studies and validate the information which they contained.

⁴ Refer to the appendix for the list of documents that were requested from the organisations.

3.2.8 Documentation⁵

The documents collected revealed important supplementary data. Because documentation was compiled with a variety of objectives (for example to inform or to raise funds), it helped to point the researcher to issues and sub-issues that were not always evident, or which were only suggested in the interview process. Documents were collected under the following six categories:

1. Budgeting

Budgeting documents revealed figures for the past two years (ie. 1993 and 1994). They included annual financial statements, programme and project budgets, proposed budgets and any sundry documents that might have been relevant.

2. Marketing

Documents for the 1993 - 1994 period were collected. These included: market research records, brochures, annual reports, marketing plans, and any sundry documents that might have been relevant.

3. Donor-funding

Although some of the budgeting and marketing documentation overlapped with the donor-funding documentation, general records for the 1993-1994 period were collected along with donor histories, proposals and any relevant administrative documentation. Together with sundry documentation these helped to inform the relationships between past, present and future plans.

4. Human resources

Documentation included job descriptions, human resource projections, organisational policies concerning evaluation, leave, disciplinary procedures and other human resource processes.

5. Short-term and strategic planning

⁵It should be noted that much of the material collected was of a sensitive nature. For this reason the information was recorded in a general way to protect the identity of those organisations who wished to remain anonymous.

Documents covering short-term planning included daily/weekly planning schedules, memos, agendas and reports as well as relevant sundry documentation. Documents covering strategic planning/long term planning included documentation of the process, reports, mission-deriving documents and any other appropriate sundry documents.

3.2.9 Interviews

The semi-structured interview was chosen to be the central source of case study data. The interview schedule was derived from the literature and consisted of a series of checkpoint questions that enabled the investigator to cover all the important issues while allowing her to deviate from the schedule as interesting themes emerged, questions arose in the course of the interview.

Planning as an activity is central to organisations and affects everyone involved. This makes it very much a human activity, and one that is prone to subjective assessment. The data collection instruments were specifically chosen to allow for the emergence of important subjective themes and the the semi-structured interview was chosen because it allowed for a "two-person conversation initiated by the interviewer..." (Cohen & Manion, 1989, pg 307). Since it allowed for organisational planning processes to be reported through the eyes of those directly involved in the process, the interviews were able to provide a wide range of data that included facts, values, preferences, opinions, attitudes and beliefs.

The interviews were conducted informally in a relaxed manner to allow the interviewee greater freedom and flexibility in answering the questions, and to allow the interviewer to probe further into areas that were not clarified by the respondent, or which appeared to be important. Open-ended questions served as basic checkpoints to inform the research questions, and allowed the interviewee

to be an informant rather than merely a respondent. The interviews were broadly structured under each of the six categories that were described above⁶. In each interview the focus was upon planning for innovation and change. In any ensuing informal discussion the researcher tried to probe the links that emerged between the different activity areas.

The strategic planning interview was only conducted in the two larger organisations as strategic planning was not done in Organisation C, the smallest organisation. In Organisation B, the interview data was supplemented by an informal discussion with a member of the operations staff who was particularly interested in the planning process. This added insight into the benefits and problems associated with the strategic planning process and allowed for wider discussion around a particularly emotive issue.

3.2.10 Data analysis

Within the framework of the research questions and the theory base, the research followed a sequence in which

1. The data was collected from a series of semi-structured interviews and documents.
2. The documentation was used to cross-reference and enrich the interview data
3. The data was collated in the form of three case studies; each structured around the six different areas of organisational activity
4. The case studies were compared, similarities and differences between the cases were identified and themes, issues, concerns and tensions emerged.
5. Inferences were drawn between the cases and conclusions and recommendations were made.

The objective of this sequence was firstly to look at the individual planning processes of each organisation in terms of its history, its background and its

⁶ See 4.4. Organisation of data

organisational structures. As the data was put together into the case studies it became clear that there were a number of issues and themes that were common either to all three, or to two out of the three institutions. There were also issues that were repeated throughout the individual cases and which did not emerge in the other two. In addition, the subjective observations and opinions of the interview respondents highlighted tensions between the more static organisational structures (management, board, donors) and the dynamic planning processes in all three organisations.

These themes and patterns running through and between the organisations emerged both as contingencies - that is "one thing consistently coexisting with another" (for example the tensions continuously associated with decentralisation) and as a "repeated sequence of action" (Stake, 1988, p. 259). (For example the need to employ a certain NGO-type of person.)

The data analysis made use of the evidence that had emerged from the cases and the documents. It analysed the data by examining it, organising it, combining the patterns, categorising the patterns and then recombining the evidence in such a way that the initial study questions were addressed. Although the case study methodology allowed very few fixed formulae for analysis, it did allow the researcher the freedom to use her own style of rigorous thinking so that she was able to consider the emerging patterns and themes along with any possible alternatives. Although it was difficult for the researcher to avoid personal bias, the data was very carefully manipulated to try and avoid this as far as possible.

Because one of the objectives of the study was to determine a relevant model for change-planning, the analysis of the data was particularly concerned with the identification of actions that pointed to a flexibility of planning, as well as planning which showed a particular relevance to the changing internal and external environments of the organisation in relation to the theory base. Once

identified, these approaches were used to inform the approach to planning that was recommended in the conclusions of the report.

3.2.11 Analytic strategy and techniques

Because the three cases yielded an enormously wide range of information, ways had to be found to analyse the data within a framework that was relevant enough to separate the important information from that which was not so important. Since the research questions reflected the theory base upon which the research was grounded, and since the research was trying to identify answers to these questions, the theory provided the direction and the natural boundaries for the analysis of the data.

Within this framework the themes and patterns were identified on two levels:

- Those themes and patterns that ran through the individual cases, across the six different areas of organisational activity
- Those themes and patterns that emerged either in all three cases, or in two of the three case studies. These themes were usually common in parallel areas of organisational activity (for example in the human resource planning of all three organisations)

Before the evidence was analysed, it had to be ordered in ways that allowed the similarities, differences, patterns and exceptions to be identified so as to allow the pictures to emerge from the case study data. Although there were no fixed formulae for case study analysis, the researcher used a number of techniques both to identify the patterns and themes and to link these to one another logically. Once this had been done, explanations were built up around the phenomena that had emerged. The ordering of data was done in the following ways:

a. Creating data displays

Taking each area of organisational activity in each case study, the investigator identified the methods of planning used by the organisation. Beneath this were listed any themes or tensions that seemed to be important in this sphere. The planning methods with their sub-themes were then listed in three columns - or for each organisation. This allowed the themes to be compared and contrasted between the three organisations as well as between the six activity areas. Where similarities or differences emerged, arrows were drawn. The researcher then made rough notes on the data display giving her ideas as to why these particular patterns had emerged.

The table below gives an idea of how this was done. it uses the example of performance appraisal as a part of the larger human resource function. The arrows show the relationship between the different organisations in their plans to evaluate staff performance.

Organisation A	Organisation B	Organisation C
<u>Human Resources</u>	<u>Human Resources</u>	<u>Human Resources</u>
PERFORMANCE APPRAISAL	PERFORMANCE APPRAISAL	PERFORMANCE APPRAISAL
• Process to be started in 1995	• Policy currently being written by director. Currently no performance appraisal	• Currently no performance appraisal being done.
• Resistance among staff. No reason given.	• Resistance among staff - seen as DET policy - threatening	• difficulties of P. A. recognised by principal
• Recognition of the	• Recognition of the	• may need to

importance of evaluation.	importance of evaluation for staff and for the organisation.	evaluate staff in the future.
• Need for neutral evaluators	• Neutral evaluators - possibly the board and others	• No plans to formalise performance evaluation
• Some managers already evaluate informally	•	• Principal knows what happens in the classroom

b. Flow charts

Once the data displays had been made, flow charts were used to trace the relationships between planning in different areas of the organisation. This was done individually for each case study.

c. Snowball sampling

This was done by highlighting incidents that looked interesting and searching for repeated examples of the incident. This helped to confirm the patterns within the individual cases and across all the cases.

d. Searching for exceptions

Exceptions in the data helped to delineate separate groups and identify patterns that led to alternative conclusions being drawn from the data.

Explanation Building

Once the data had been organised using the analytic techniques, explanations had to be built around the themes, patterns and relationships that had been identified. This was done by stipulating a set of causal links around the patterns, and then trying to find reasons for these links, in part by relating them back to the research questions and the theory base. The final explanation was reached through a series of iterations that were processed in the following way:

1. A theoretical statement was made. eg. Educational NGOs need a planning approach that is relevant to their organisational structure and their resources.
2. The findings of the cases were compared with the initial statement. eg. NGOs tend to use formal strategic planning processes to create strategy and to plan for the long term.
3. The statement was revised. eg. Educational NGOs need to separate strategy making from planning so that all staff can strategise. The implementors must be involved with planning, which should be action-focused.
4. Other details of the cases were compared to the revised statement. eg. NGOs need to make use of, and value the insights of their many creative and dedicated staff.
5. The statement was revised again.

3.2.12 Limitations of the Research

The research into the planning processes of educational NGOs was limited by time, access and funding, among other things. Because the data collection, the cases, their analysis and the conclusions had to be completed in four months, the number of cases researched had to be restricted to three. The outcomes and conclusions of the research must therefore be viewed within the framework of a relatively limited scope of enquiry.

Although access was not limited in the sense that the organisations gave freely of their time, opinions and insights, the time that the researcher spent in the organisations was limited to a few visits which meant that the opportunity to observe and to participate in broad discussion and observation was confined.

Because costs were borne by the researcher, the investigations had to be conducted in the Johannesburg region and the organisations had to be quickly and easily accessed by car. This may have restricted access to organisations that could have provided a richer data base, or which may have fitted better into the continuum of categories from which the NGOs were chosen.

Originally it was hoped to run a focus-group interview around strategic planning issues. This would have provided insights by staff who worked at all the different levels of the organisations. Given the difficult time of the year (staff were busy with planning, budgeting and trying to meet objectives before the end of the school year), it was simply not possible to convene these interviews. This meant that data was only collected from the interviews which were conducted with the managers, and therefore reflect in the main, a management point-of-view. In addition, most of the information on the different issue areas resided with only one or two of the management staff, which may further have restricted the viewpoints that were presented.

Finally, the collection of documents was limited to those that were selected as relevant by the organisations themselves. Although this may have restricted documentary evidence somewhat, it did make for ease of collection and all the institutions assured the researcher that full access to all files was available should it be necessary.

CHAPTER FOUR

4. THE THREE CASE STUDIES

4.1 Organisation A. Case Study One

4.1.1 Background and mission statement

Organisation A was founded in the Western Cape in 1983 by the Urban Foundation. With a view to making relevant inputs in the area of primary science teaching, it aimed to provide in-service support for black primary science teachers. Its central concerns were that very few primary teachers train as science teachers, and those that do are usually poorly prepared for the job. In addition, the texts and the teaching styles used predispose teachers to a classical teacher-centred approach. As a response to these apartheid-rooted problems, the organisation takes a holistic, activity-based view of science teaching within the primary curriculum. This assumes that language and learning are interdependent, and that children explore newly developed concepts through language.

Organisation A grew steadily from its inception until 1989/1990 when the Urban Foundation commissioned an evaluation of their work and recommended that the five loosely associated projects (on a regional basis) be integrated into a national programme independent of its founder. The independent trust came into being in July 1993, and is currently reorganising itself along the lines of the new provincial boundaries.

In terms of the above, the organisation has articulated its mission as follows:

To improve the quality of science teaching and learning in South Africa through the development of a cadre of competent and professional primary school teachers, and to transform science education from the classical

curriculum so that the teachers know the interrelationships between ideas and concepts. This mission is informed by the principles of:

- critical reflection
- the empowerment of teachers within a collaborative learning environment, building on the teachers' knowledge and experience
- the institutionalisation of sustainable teaching, learning and management processes
- stakeholder participation in decision-making
- accountability
- developing a scientific culture to enhance life skills, vocational opportunities and a responsibility for the environment

4.1.2 Structure of the organisation

The organisation currently employs fifty full-time and part-time staff in its five regions. This includes managers, administrators and implementors (field workers), most of whom are on secondment from the various education departments. The trust is controlled by a board of trustees consisting of two trustees per region, three from the wider business community and three from the Urban Foundation. In addition, the regional managers form a Management Committee which attends board meetings. Each region has its own Principal Regional Committee that consists of stakeholder representatives, and it is from this committee that the two trustee representatives are chosen. (At least one of whom must be a practising teacher)

Since its amalgamation, the organisation has been centralised at national level, with strong, managerially autonomous regional bases. Relationships between the national and the regional organisation take place at a curricular, policy, budgetary and human resource level, to ensure that the programme is successfully co-ordinated. This centralisation tends to highlight issues of money and authority, and raises questions such as whether the philosophy and approach to

organisational development should be consistent throughout the programme. The fact that the regions have unique histories, contexts and people is recognised as a strength, and therefore attempts to unify them could be problematic. Because some regions have been more participatory in their management approach than others, the national director has to deal with different management styles, which also presents difficulties for a director who is relatively new.

The U.F. originally set up the independent organisation with funding from the IDT, JET and other corporate funders, though some of this funding has now terminated. The structural transformation has brought with it certain innovations, and a participative curriculum development process (involving teachers and field workers) is taking place, alongside the development function of the organisation. Amongst other changes, moves have been made to increase classroom visits in an attempt to bridge the gap between teacher workshops and the classroom. A programme development manager has been appointed to manage the expansion of the organisation into new regions, and to co-ordinate the development of the INSET curriculum and its implementation.

4.1.3 External Influences

The organisation believes that it "fits well within the agenda of the RDP.. and has found its philosophical home..." (National Director, PSP), but it does not believe that educational organisations outside adult basic education will be able to get much funding directly from the RDP. Instead, it is more likely that the organisation will be able to tender for provincial government contracts which will come through the Ministry of Education. (An example of this may be the Thousand Schools Project in which many different NGOs are employed to work together in specified schools.)

Because teachers are central to the INSET process, they are seen to be the primary stakeholders in the organisation, and they have a direct voice through the

Principal Regional Committees (one per region). The stakeholders of the organisation who do not have a direct voice are the pupils, the parents, the donors and the wider teaching community of the unions, the educational bureaucracy and the principals.

Organisation A believes its output to be the workshop, in which a group of teachers come together to extend learning beyond texts, to develop better teaching methods and broaden educational links. As they advance, they proceed to elevated workshop levels. While the organisation sees this as an efficient way of doing INSET, it acknowledges the importance of setting up the right type of relationships with the teachers, so that their outcomes are of a high standard. Curriculum development, while not an output, has highlighted the need to achieve a balance between a quantifiable growth in school numbers and a quality of outcomes, something which the organisation believes cannot be compromised.

When the organisation became independent, regional planning had already been done, and this went on as before. What changed was that budgeting and planning became centralised. (Budget being merely a manipulation of plans in financial terms.) These changes meant that the Financial Manager had to sit with the regional managers and talk about putting together realistic plans for changes in delivery. This forced managers both to put numbers to their plans and to consider the capacity of the organisation to produce its product.

Apart from changes in the structure of the organisation, the other major influence has been provincialisation. While previously Organisation A had only to deal with the DET, it now has to deal with nine sets of different provincial authorities, a situation which requires a different form of negotiation. Another change is that the organisation is moving towards a vision of the school as a whole, and within this vision it will have to work with other NGOs. This points to further strategic change.

The organisation believes that its legitimacy is higher in some regions than in others. In the Western Cape for example, legitimacy would be high, as the organisation is the sole provider of the service. Because it provides a popular and needed product, and because it does more than merely provide a paper qualification, but actually helps teachers to do their job as well as they can, Organisation A believes that it is generally legitimate with the people and the community. This is further enhanced by the staff they employ and the way the organisation is structured for maximum stakeholder input.

4.1.4 Budgeting

The organisation runs its budget from a zero-base, which encourages staff to look at the operational plans for the year to come, and to put figures to the plans. The only reference to the previous year would therefore be the unit costs. The budget cycle starts in July when memos are sent to the regions, who are asked to begin considering plans for the coming year. The regions are given budgetary guidelines in terms of inflation, and a detailed line item budget from the national office. The actual budget package begins in September, when operational budgets that tie in with strategic plans are put together. These budgets are linked to the organisation's strategic plans.

When regional plans have been completed, the regional and the central management meet. The regional manager gives a broad picture of the manpower/workshops and line items needed to run the operations, as well as all the costs associated with the different cost centres. (Manpower and human resources, subsistence, travel and transport, capacity building, administrative costs, national office costs, maintenance and depreciation) The central managers then go through the budgets, with the regional managers, suggesting cuts. The regional manager is then given the opportunity to defend his/her budget. If this budget ties in with the overall figures of the organisation then it will be accepted.

The regional budgets are then consolidated into a national budget, which all managers discuss, and are given the opportunity to make further representations. From here the budget is taken to the board where it is invariably endorsed. The budgeting process therefore works the opposite way to business, forcing the organisation to prioritise, working what they want to do in with what they have. This takes them back once again to their vision and the mission.

There is a certain amount of flexibility within the broad budget of eight million rand. While the major decisions are made at national level, if there is a need for more money in a certain area, and if that will bring certain benefits, then the money will be found. Because the money is pooled nationally and then released, it means that the regions aren't necessarily entitled to all the money that they budgeted for. If the money is not being used, it can be released to other regions that require it. In terms of donors, there may or may not be flexibility. Certain donors may specify certain cost centres that they wish to fund, for example JET, who budgeted two million for workshops this year. Donors shift the focus of of the organisation's activity, firstly because the budget has to be presented in terms of the interest of the donors. (For example, it would have to budget for *all* the cost aspects of the activity which the donor plans to fund) Secondly, when a donor funds a specific area, it changes the importance of that area for the organisation. When USAID chose to fund programme and curriculum development, these activities moved from being less important to the organisation, to being fundamentally important areas.

The budget process is seen as having certain strengths and weaknesses. It matches resources with needs and demands, it measures activity and success, and it forces accountability and highlights variances. It also helps to highlight problems in specific areas, and calls for action in those areas. Budgeting however, 'merely a "...translation of activity into figures, it doesn't show the alternatives, these are outside the budgeting processes and are management processes. There is therefore the need for other qualitative evaluation which is not

based on the budget.” (Financial Manager, Organisation A.) While quantities and figures may underlie quality, they are not all that significant by themselves, and this aspect of programme quality therefore needs to be thought through very carefully.

The organisation holds a long-term financial vision which is congruent with its long term development plans. These include assessing present and future needs and demands, and planning for contingencies and responsiveness in a changing environment. Development plans emphasise sustainability in terms of funds, and include plans for networking, extending the donor base, accreditation and institutionalisation of the programme as a part of the education system. The changing environment has forced the organisation to put itself into a position where it can be responsive enough to make a contribution to change. Long term plans reflect this, being national in character, but reflecting the fact that the centre is divided regionally. Strategic planning in the regions is therefore an attempt to develop capacity in all parts of the organisation.

4.1.5 Marketing

The organisation’s target market is the disadvantaged, poorly educated and poorly qualified primary school teacher, while its secondary market is the pupils in the schools. The extent to which the organisation is able to cover this market varies from region to region, from about fifty percent of schools (Highveld) to one hundred percent of schools in the Western Cape. At present, market coverage is constrained by a lack of resources, violence/disruptions and a lack of knowledge about the organisation and how it works.

In order to develop the programme, the target market was tested with an analysis of high school science pupils. It was found that these children had problems because they had a disadvantaged scientific background, which was the real cause of the problem. The organisation therefore directed its efforts to the source of the

problem in the primary school, recognising the need for teachers who both loved the subject, and who were well equipped to teach it.

The organisation believes that selling to the market is built on two issues: providing a needed product and building a relationship of trust with the teachers. They believe that what they provide is very much in line with teacher needs, as the service is individualised according to the area and the school. (For example, in the Western Cape each lesson and workshop is planned and replanned with the teacher. Continual input and checking the relevancy of the product is a part of the dynamic process) The fact that their product stands out in the market, is borne out by the fact that the level of programme participation is so high, even though there is no official accreditation of the course. Ownership and governance of the programme through committees and other community structures also enhance the position of the product.

In terms of identifying the giving motives of clients, the organisation tries to align its own requirements to the givers' stated objectives (in terms of social responsibility or spending on development programmes). They try to highlight the benefits for the donor who chooses to sponsor their programmes so that the needs of the programme and the funder's goals meet. An example of this could be ESCOM, who give a substantial amount, but who have a vested interest in the development of a literate scientific community. Organisation A therefore uses its knowledge of giving motives to structure proposals so that they address "giving emotions" (Financial Manager, Organisation A) and therefore meet both parties needs. Funding sources are identified through funding data bases, and where appropriate, use is made of quasi-government funding such as the IDT (Independent Development Trust).

Increased competition in the marketplace has changed marketing strategies to focus on the important activities of the organisation. The organisation markets itself positively by reinforcing what they have done in the past. Wherever

possible they use marketing opportunities - by serving on forums, attending exhibitions and generally making their clients aware of their work, while they at the same time become familiar with the needs of their market. Although the marketing strategy is at present informal, it is being formally developed by a task group. This was an outcome of strategic planning, which highlighted the need for short term and long term marketing.

Marketing is recognised as being a dynamic component of the organisation's success, yet there is some question as to whether "...formal plans are the answer..." The financial manager believes that marketing should also be built into every employee of the organisation. This feeling comes from the corporate background, which came to realise that the human element is important for marketing success, and it is closely linked to the cause that the employee is working for. This means making all employees aware of the mission, and the importance of the individual contribution to the success of the organisation. Perhaps this is not only a corporate necessity, but needs to be carried out in the NGO world as well.

4.1.6 Human Resource Planning

Because the organisation is a development organisation that empowers teachers, its main target group for employment (especially field workers) is the primary science teachers themselves - who act as a role model. Because many of the organisation's staff are teachers, the INSET teachers develop a sense of programme ownership - it is their programme and they have the right and the opportunity to participate in it fully.

The organisation ensures that the staff believe in the cause underlying the work that they do by giving staff full participation in the decision-making processes. In addition, the staff selected are those dedicated to education, who believe in what the organisation is doing, and who really sell it. Most of the teachers who are employed have already been through the workshop/class support training, and are

drawn from the "leader teacher" group, who have already been chosen to lead their colleagues in the programme at a school level. In addition, the teacher-community infrastructure from which they are drawn promotes ownership of the programme by taking responsibility for the co-ordination of the organisation's community structures.

Once staff have been employed, they are developed using intensive training programmes to sharpen content and skill. Staff are encouraged to be flexible and innovative, and to exercise their own discretion within the curriculum. They are also given the opportunity to attend conferences and seminars, and the organisation encourages self-study by providing loans and grants for studies that will benefit the programme. Staff development is not limited to professional staff, but includes administrative staff as well.

Staff development includes team development at regional levels. Staff attend residential development workshops where they present together as teams. Curriculum working groups have also been formed, and the person who attends from a region is responsible for disseminating information back to the region. Cross-regional visits are also encouraged, so that staff can see how the programme operates throughout the country. The ability to work as a team member is a criterion for employment, particularly for field workers. In addition, workers should be leaders who have an empathy for the people with whom they are working. They should also be aware of the problems involved with science teaching. While qualifications are an advantage, the *potential* of new staff is more important, as 90% of science teachers don't have science qualifications.

A new implementer is usually coupled with, and mentored by an older field worker with whom he/she co-presents and visits the schools. New managers are assisted by the programme development manager, and attend management programmes in order to develop their management skills.

Performance appraisal is a new concept in the organisation, and will take place from 1995. The idea of staff evaluation has been received with some resistance, but it is clear that evaluation needs to be undertaken to build upon staff strengths and to highlight areas of need. In addition, the organisation needs to find ways to determine whether goals have been achieved and to monitor change.

Performance criteria that are both general and specific will be used to appraise staff, and evaluation will probably be done by neutral evaluators, regional managers and peers. The Regional Manager in the Free State has already moved towards performance appraisal by talking through performance and problems with his staff. He believes that appraisal should be a two-way process, and that staff also need to be given the space to comment on the manager's performance.

Staff members are trained for empowerment and development so that they acquire as many skills as possible while they are within the programme. This is important for the institutionalisation process, as most of the field staff will return to their education departments when their three year contract with the programme is over.

The organisation tries to assist staff in carving a career path for themselves but as the organisation does not function hierarchically, promotion within the organisation is fairly limited. One of the strengths of a small organisation is that management are more able to identify the abilities of their staff, and make use of these. This is also a benefit of the regional structure, and it is the responsibility of the regional manager to best utilise staff. This is however an informal practice, and it is not clear to what extent managers actually do employ their staff optimally to challenge them in their careers. It is possible that only or two managers formally discuss career pathing with their staff.

At present the organisation uses the Urban Foundation salaries as a starting point for its salary structure. While staff performance and salary are not linked at

present, this could be the case in the future. At present most of the implementers are on secondment from the DET and other education departments (About 95% of field workers). They come with their departmental salary which they pay back to their department, though they retain the benefits of working for that department. Extras that they gain from the organisation include a car allowance, a 14th cheque and holiday pay. They also accumulate departmental leave while at the same time they are entitled to leave from the organisation. Because this package is so generous it sometimes causes problems among those who have not been seconded, as they feel that they are not receiving as much for the same amount of work.

4.1.7 Planning for Donor Funding

The organisation is wholly financed by donors, and does not generate funding in any area. The funding presently functions on a contract/agreement basis between the donor and the organisation; that the organisation will deliver certain services in return for which the donor provides funds. Agreements are usually based on a three year period (for example the IDT funding), though certain donors such as JET fund on a yearly basis.

The organisation does not have individual donors, but is funded by local corporations including ESCOM, the Argus group, Sasol, Fluor S.A., the Crown Cork Group and other smaller donors. Apart from corporate donors they also approach the larger foundations such as Liberty Life, Southern and the different President's Funds. Their only bilateral donor is USAID, whose grant includes a capacity-building function, which provides programme staff with study visits to the U.S.A.

The organisation sees itself as donor-driven only to the extent that donor conditionalities meet the objectives of the organisation. If the donor conditions were to conflict with organisational objectives, if the organisation did not have

the capacity to carry out pre-specified projects, or if the "...synergy between the mission statement and what the donors wanted was not there..." (Financial Manager, Organisation A), then the organisation would be obliged to turn down the funds.

Reporting to donors takes place on a quarterly basis, along with an annual report. These reports cover financial information, programme progress, and report on the annual audit of the financial accounts. Most of the information for the quarterly and the annual reports comes from the monthly reports that are "religiously compiled..." (Financial Manager, Organisation A) by the field workers and regional managers. Extracts from these monthly reports are then put into the donor reports.

Changes in the political climate have not really influenced the organisation yet, and it believes that donors feel that the government is not necessarily the most efficient delivery system for scarce resources. It seems that there is a wait and see attitude among donors who would at present prefer to fund an NGO which has already proved itself, as this may ultimately be a more efficient delivery system.

Organisation A is constantly thinking of ways to increase, innovate and diversify funding. The National Director has already been to the United Kingdom to sound out the possibility of British universities adopting the organisation for three year period. The question surrounding funding innovation however, is how operational it can be. It is possible that certain areas of the organisation could be specifically funded, but this would have to be in line with the organisation's mission statement. One idea is to take a particular area of the programme's work and to sell this to donors. A possibility could be to develop a general fund for rural development to which donors could give specifically. Other ideas are for smaller sponsors to fund certain areas of interest, for example a science competition or olympiad. As a means of generating funds, the organisation has

considered a policy of charging for consultancy services. This may be possible because the Education Ministry may well out-source its work, and this would give the organisation the opportunity to tender out its services.

Organisation A believes that it is attractive for donors, as it is the only NGO working in primary science. This is important in a developing country where there is a great need to create a science literate population in order to become a competitive nation. The programme is additionally attractive because it ties in with the RDP. In order to retain its attractiveness, the institution will have to ensure that science learning is a relevant part of a broadly based education.

The organisation believes that it is important to balance accountability to clients with accountability to donors, a process that requires synchronisation and agreement as to how needs are identified and met. This requires total clarity as to what has been received and what has been given, between those who fund and those who receive the benefit of funding.

4.1.8 Short-Term Planning

Much of the short-term planning is centred around the year plan, which effectively evolves down to the monthly and the weekly activities. Almost all daily activities are broadly related to the long-term framework, and may impact upon it either directly or indirectly. An example of this breakdown of work can be seen in the preparation of the Management Committee meeting held each quarter. Reports have to be in by a certain date, and finances are then planned around these reports. On the operations side, the implementer draws out the highlights/important points after each workshop. On Fridays s/he writes up the reports on the weeks activities. These are then consolidated and sent to the regional offices where they are used to put together the quarterly and the annual reports.

Planning is generally regular and scheduled. Routine planning activities (such as planning/accounting for workshops) are fixed, while non-routine activities are planned more on an ad-hoc basis, which allows the flexibility to meet needs as they arise. Responsibility for planning is carried by regional managers (on the operations side), together with the field workers. The financial manager plans the finances, and on the development side, planning is done by the National Director, the Programme Manager and the Curriculum Manager. Everyone in the organisation is involved in planning, which builds the staff capacity - though the teachers employed generally have good planning and organisational skills.

There is an acknowledgement that an awareness of the continuity between the long-term and the short-term plans of the organisation is probably limited to certain levels of staff. The Financial Manager believes that the organisation falls down on drawing together these relationships: "The staff do not hear as to how their contribution makes a difference in the long term...this may be how the culture (of the new organisation) has to develop. ." (Financial Manager, Organisation A)

Planning methods in the organisation are changing with the changing needs of the institution. This has become particularly important with a perception amongst staff that decisions are being made centrally, and in a top down manner. This has caused problems for central management who acknowledge that while there needs to be a participatory and transparent decision-making process, "...staff forget that hard decisions have to be made around the allocation of scarce resources." (Financial Manager, Organisation A). At the same time, questions are being asked about the perceived humanness of the organisation as against its operational structure. For example, cutting costs has meant that workshop budgets can no longer include a full lunch for participants. While management feel that this is reasonable, field workers believe that it is an important part of the service provided. There is therefore a tension created between operations staff and administrative staff members. Because of such issues, management are

being pressurised to share planning more openly with staff members. The need to implement such changes has been influenced at the macro-level by political changes that have forced the organisation to open up the planning process for wider scrutiny. While these changes may be congruent with the value statements that guide the strategic planning process, management feels that they are in fact idealistic and though it is "good to have ideals, how to achieve those ideals is the question." (Financial Manager, Organisation A)

The effectiveness of short-term planning is measured by whether the organisation's short-term goals are met. To that end it seems that a lot has been achieved, even though much of the evaluation is subjective, and no formal organisational evaluation has yet been undertaken. The organisation believes that in some areas a fairly objective evaluation is possible, in that what they set out to achieve either has or has not been done. As regards subjective evaluation, much of this may well be successful, especially given the nature of the programme. True evaluation however, can only be achieved by building success-indicators into plans.

4.1.9 Strategic Planning

Having been autonomous since 1993, and having experienced some major changes, the organisation felt that it needed to look at itself to see where it fitted into the bigger picture of education in the context of a changing environment. At the same time, management recognised that there was a need not only for long-term planning, but for a continuity of plans and operations. While the organisation had no problems in running, the burden of long-term planning was very much at the national office level, and the National Director was expected to do the "...strategic things as well as the operations..." The organisation chose to address these concerns through a process of strategic planning (as oppose to long-term planning) that would involve a large number of staff and stakeholders, and

which would adequately account for the fluid and dynamic environment within which the organisation functions.

In May 1994, a professional consultant was brought in to start the planning process as the organisation lacked the capacity to do it. This capacity has had to be quickly built up in the form of a continuity group which now drives the strategic planning process. The first strategic planning session took place at the Board Meeting, and proceeded for two days. Because it was felt that strategic planning had to be as inclusive as possible, it was attended by the regional managers, the chairperson of the Principal Regional Committee (the regional stakeholder body), another member from each region and the founding trustees (Urban Foundation). At this meeting participants looked at what gave rise to the organisation, and its past driving forces. They evaluated the future (0-5 years), and considered an appropriate approach to strategic planning. They also reviewed the organisation's current values. A VISA exercise/approach was then taken. This looked at the four elements necessary for long-term organisational achievement:

- **Vision:** Where does the organisation see itself in five years time and beyond?
- **Interdependencies:** Which organisations and people impact on the organisation, and what influence have they had? (Education departments, government, NGOs, teacher-organisations, student-bodies and educational institutions such as universities)
- **Systems:** Which systems need to be in place to ensure that there is optimum use of resources in terms of finances, management and operations?
- **Actions:** What actions need to be taken to operationalise plans?

The visa strategy was an unfolding, or process strategy that was used to extract fourteen key focus areas or issues which the organisation felt that it needed to consider. These areas included funding, marketing, accreditation, networking, lobbying, curriculum and communication.

After the initial meeting, a continuity group (made up of the National Director, the Financial Director and the Programme Development Manager) was formed to drive the planning process and take it into the regions. The idea behind this was that the consultant should withdraw, allowing organisational capacity to develop. The VISA approach and the fourteen key focus areas were then taken to the regions. Each region added to the strategic planning by identifying those focus areas that affected them. The region then set up a steering group of five or six members, and established a task- action-group to develop quality requirements around the focus areas. These quality requirements are actually a checklist to enable the planning team to see that the systems are in place to put strategic plans into action. While the checklist does not spell out in detail, it covers the broad issues that affect plans. In addition, plans around the key focus areas have to comply with other criteria such as timeousness, accuracy, relevance and verifiability.

The organisation is currently part-way into the strategic planning process. It has not been completed in the regions, where there has been a major resistance, particularly from those regions that had been with the Urban Foundation for a long time. (Some, such as the Western Cape, since the inception of the programme.) These regions felt that they *had* been planning strategically and successfully. The continuity group pointed out to them that if their planning had been as successful as they believed it had, then their key focus areas would have emerged in proposal form. Nothing like this had been forthcoming however. In addition, the regions felt that the National Office was using strategic planning to update itself as to what was happening in the regions, which made it a threatening process.

The initial planning process was followed up on a monthly basis initially, and then it was taken out to the regions. Although every attempt was made to keep it as democratic as possible, not all staff were able to be included. Decisions made

by the planning team were fed back to the organisation by means of a regional report, and through verbal feedback at board meetings. Managers and chairmen informed their staff and committee members. It was acknowledged that this process needed refining because it had not been very successful and information had been selectively filtered to recipients.

While strategic planning did help to identify all the stakeholders in the organisation, it did not help to identify the ways that they could become more satisfied with the service provided. According to the Financial Manager, this is because the product is not at a stage where it can be easily and objectively measured. He believes that the need for evaluation could be a key focus to be added to the organisation's list of focus areas, as this would ensure that the organisation considered all aspects of evaluation - from the organisational point of view - to the end-user's needs.

Strategic planning was particularly useful in that it helped the planners to see the bigger picture and the organisation's relevancy in terms of social and political needs, roles and contributions. The scanning of the environment was also useful, as it enabled the organisation to identify the driving forces of the past and to see these in relation to the future. At its current stage, the value of strategic planning lay in the fact that it brought out areas of opportunity that needed attention, and it got people talking about them. Because the planning was still in the inception/conception phase, concrete strategies and action plans has not been formulated, but there was a recognition on the part of the staff that the process was action-oriented, and that it will go full-circle.

4.2 Case Study Two - Organisation B.

4.2.1 Background and mission statement

Organisation B was founded in 1976 by a group of teachers from within the broad democratic movement. This was in response to student calls for supplementary

tuition for township scholars; and in recognition of the fact that alternative education provision was necessary. From 1990, the part-time/Saturday tutors (who were teachers in PWV schools) began attending two intensive three-day workshops and monthly workshops to improve their teaching methods.

These workshops produced many revitalised and reoriented teachers who were capable of innovative teaching despite desultory and ineffectual schooling conditions. In 1992 the organisation began to encourage workshop participation for *any* interested teachers. Gradually they realised that financial and material resources could be more efficiently utilised by running in-service teacher-training programmes, than by running relatively small groups of pupils. Furthermore, they recognised that Saturday tuition was merely an ameliorative "band-aid" solution (Organisation B, Business Plan, 1994) that could not address the more fundamental aspects of the education crisis. At around the same time, NEPI (National Education Policy Initiative) and other research identified improvement in the quality of teachers as the major task facing the reconstruction of education. As a result, Organisation B decided to enter the field of teacher in-service training.

In 1993, a full-time teacher-development worker was employed to research international and local teacher in-service practices, and to pilot an in-service programme in Mamelodi. The outcome of this was the Matlafalang Programme, a school-based, consultative approach to INSET which incorporates the whole school and its context. At its heart lies the process of school change. The Saturday tuition programmes continued until July 1993, after which they were gradually phased out, and the staff involved were used to help develop the teacher in-service programme.

The Matlafalang Pilot Programme began in Mamelodi in 1993, and will be completed at the end of 1994. Because schooling disruption made the systematic implementation of the programme nearly impossible during 1993, schools in

Soshanguve and Middleburg were also targeted for intervention. As the organisation moves into the next phase in 1995, the first community bases will be developed in Katlehong and Soshanguve. The resources centres in Braamfontein, Katlehong, Mamelodi and Sebokeng will continue to function as a part of the Matlafalang Programme, and as an Organisation B presence where schools cannot be directly engaged.

Given this background, the mission statement of the organisation, (as taken from its 1994 Annual report) is as follows: **Organisation B is an education trust committed to the reconstruction of education in South Africa. We provide school-based, teacher-centred INSET within the holistic framework of the school, in the framework of an integrated change process. During recent strategic planning however, the mission of the organisation was redefined, and the following agreed upon: The purpose of Organisation B is to achieve whole school change through teacher centred in-service and school governance support work, which is student and teacher-driven, and is school and community based. The organisation integrates resources into learning and teaching, and supports participatory management within the school system.**

4.2.2 Structure of the organisation

The organisation comprises ten full-time and three part-time staff members. Staff numbers increased in 1994, and although planned growth should be gradual, it is envisaged that with decentralisation/replication of the pilot programme to (ultimately) four bases in the townships, the staff complement should grow to approximately twenty-one, and then to twenty-eight.

Because the old collective-style management was not ideal, and as a result of the reorientation and restructuring of the organisation, there exists at present two different management styles. The shift has been made towards a participatory democracy approach with a more structured line-management in the

administrative area of the organisation. This reflects a greater systematisation and sharpening of focus organisationally, yet at the same time it gives rise to a continual interplay between those staff who miss the "texture" and the "homely style" (Director, Organisation B) of the old way, and those who favour the new approach. The non-hierarchical, collective method of functioning continues to exist within the Matlafalang Working Group, where each person assumes certain responsibilities in order to fulfil all the necessary management functions of the team.

Organisation B is a trust with seven trustees who meet four times a year, but hold no particular portfolios. While the trustees are committed to the work of the organisation, they are very "strong individually" (Director, Organisation B) holding important and influential jobs (eg. one of the trustees is an MP), which makes them difficult to get together and removes them from the everyday running of the institution. It seems that full-time staff members would like the working relationship with the trustees to be improved, and that there are certain tensions between staff and trustees (Director's Report, staff meeting, 24 October 1994) because organisational decisions tend to be internal-looking rather than inclusive. Trustees, staff feel, should be more actively involved in running the organisation rather than in the rubber stamping of organisational decisions already taken.

The clients and stakeholders of the organisation are seen to be the education/school community and include school management, teachers, students (SRC) and parents. While an advisory body representative of the black education sector exists, it currently needs restructuring as only a handful of participants are active. Ideally this body should guide many of the organisational decisions, but in reality, members are consulted individually. Although not functioning optimally at present, this body is the only systematic way (apart from being receptive to the expressed needs of teachers and students) of ensuring that the programme is really teacher driven. Its restructuring should result in the

technical empowerment of those involved, and an increased student and teacher activity in the organisation.

The outputs of the organisation have changed in response to its new INSET focus, and twelve modules covering teacher-initiated subjects ranging from child psychology to group work and visual aids, have been produced. The Matlafalang focus has been on quality outputs (as opposed to quantity), beginning with the workshops, and expanding into classroom visits and class-based support. This has increased the intensity of the issues raised by the teachers, and has encouraged a climate of participation.

The organisation has structured itself to free the Matlafalang Working Group for operational work. More systemised planning in other areas has made resources, money and equipment more readily available for these operations, which are where the measurable outcomes at school and classroom level are achieved.

4.2.3 External Influences

A number of issues have recently influenced the work of the organisation, including changes in the funding climate and a shift toward the cooperative stance of the State.

In order to improve its long-term sustainability, the organisation has initiated the formation of an association of educational NGOs involved in school INSET, to consider means of accreditation - including ways of being accredited by the RDP. In terms of its whole school policy, an RDP committee system is currently being set up at schools. This committee identifies, prioritises and co-ordinates school needs in relation to those of the wider community.

The organisation believes that it enjoys legitimacy in the teaching community due both to its long-term involvement in the mass democratic movement, and due to its strong community structures and networks. The whole school policy has

allowed it to build up working relationships with the (often fragmented and opposing) parts of the teaching fraternity: the teacher's unions, the teachers and the principals. This legitimacy underscores the role that the organisation sees itself playing in the new dispensation. A new education policy will be dependent upon the way that schools are able to use it, and if it is to assist schools, then the vision and intent of the organisation must be in accord with the principles of the new education policy (which they are.) The development role of Organisation B in the short-term will be to assist the state by feeding information to it through the formulation and implementation of policy, and by representing to it the needs of the people. In the long term however, the organisation will have to change again to reorient itself according to new needs.

4.2.4 Budgeting

The organisation's budgeting system operates on a cost-centre basis, whereby each cost-centre has a different budget. Operational plans are put into place with a lot of input from operations and administrative staff. This ensures a workable base. Many assumptions have to be made in order to arrive at this budget, for example that "The state has the resources to provide only the buildings, textbooks, salaries and basic materials for ten years of free and compulsory education, and therefore other agencies will need to contribute to the further reconstruction of education" (Kagiso Trust Proposal. 1994)

The organisation uses flow projections to control funds, and although current spending *is* within the budget, it is always a struggle to stick to it. It is also difficult to find a balance between *not* spending, and having leftovers (which the law demands must be spent within a specified period). The budget is therefore a control mechanism, and ensures that long term financial planning takes into account all the variables. Although the bottom line of the budget is quite flexible, the overall picture cannot be changed. This is achieved by balancing spending in one area with saving in other areas. The budget also operates as an evaluation of

long term spending. It shows, for example how much is being spent on overheads, as oppose to the more important operations. It also ensures that money is spent on the priorities of the organisation - on achieving the goals that are necessary for sustaining the organisation in the long term.

The changed structure and focus of the organisation have meant that authority and the power base of the organisation have had to be redefined and there has been a new recognition that these are closely linked to financial control. The move from a collective management style to administrative line functions has enabled the financial authority to become more systematic, and the changes of direction have necessitated changes from a one-year budget cycle to a three year budget cycle so that the long-term operational goals of the Matlafalang Programme can be achieved. This long-term budgeting is reviewed every six months to ensure relevancy, but at the same time ensures that the "mission statement remains the mission statement" (Financial Manager, Organisation B). In other words, the function of long term financial planning is to ensure that long-term goals are achievable in line with the mission. This is important for the donors, the clients and the operation of the organisation in terms of its sustainability, its capacity and its legitimacy. In these terms, growth must be a planned and ongoing cycle, with the recognition that growth facilitates growth, and a larger and more sophisticated organisation will have different needs, as will the community which it serves.

Aside from budgeting for the long term, the organisation recognises that it has to start budgeting for changes in the organisation, but this has presented some problems, as these changes aren't yet clear. With the exception of the inclusion of strategic planning costs, it is acknowledged that the only "...constant in the environment at present is that the environment is not constant" (Financial Manager, Organisation B). The possibility of a contingency fund is tricky, as a large contingency fund "looks as though you don't know what you're doing" (Financial Manager, Organisation B), and a small contingency fund is not really

worthwhile. To get around this, the Financial Manager claims certain latitudes in redistributing budgetary resources intelligently so as to achieve a balance between operational needs, the budget and planned resources.

Budgeting for change also means recognising that internal changes need budgetary consideration. In the past for example, it was assumed that the "...NGO person was a certain type, that he/she was innovative and creative enough to carry out many different tasks" (Financial Manager, Organisation B). With the NGO "brain drain" (Harding, T., 1994) - the burgeoning movement of NGO staff into the government and the development industry - NGOs need to start budgeting for staff development, capacity building and materials development. Exactly how to manage these budgets could prove to be problematic.

4.2.5 Marketing

As with most non-governmental organisations, the target market of Organisation B is multi-faceted. The 1994 'Business Plan' describes this market as "teachers in historically disadvantaged communities at the secondary school level, the regional educational administration and universities (in a collaborative relationship)." This was extended by the Financial Manager to include funders, other NGOs, individuals and consultants.

While its market position in each community is different, the organisation believes that it is generally well positioned and "There is a high level of receptivity in the community, and ... a worry about ... capacity to meet (their) expectations" (Financial Manager, Organisation B) This position is upheld by the fact that the organisation is often requested to do work, is asked to lead and be involved in different fora. As it expands to form permanent bases that will give it greater visibility, the organisation believes that its market position will improve.

The organisation believes that it needs to make a greater effort to meet bilateral and local donor requirements. This market should be more defined, with a structured fundraising plan and ways to "consciously cultivate" donors, making the organisation more visible and attractive to fund. In line with this new image consciousness, the organisation has begun to consider promotional aspects which it sees as an intensified way of marketing the work that has already been done.

Increased competition has changed the organisation's marketing strategy, in that it has to both improve the quality of its product and its product impact. This may need to be done through joint ventures and mergers which means continuing existing networks and forging new relationships. To this end the organisation will continue its close liaison with the NECC, the ANC Education Desk and SADTU.

The Matlafalang programme is a niche market in the INSET field, as it takes into account the fact that teachers need more than workshops, they also need in-class support to enable them to deal with everyday issues. While it is believed that clients are happy with their product, Organisation B recognise that work needs to be done to develop the product within the parameters of all the work undertaken. In particular this may entail working at their community support design.

The need to plan for a competitive and expanded market and increased effectiveness creates a continual tension between planned growth, donor planning and available funds. As the organisation plans to move into its replication phase, with the creation of its community bases, there will be an increased need to market the organisation. One of the tasks of the staff at the bases will be to develop links with other schools to identify possible schools for intervention. At the same time the creation of the bases will be dependent upon funding, and the capacity of the organisation to make more interventions will be dependent upon staff capacity. At the same time the ability of the organisation to secure funding

is influenced by its ability to achieve its goals, which will be determined by the effective functioning of its staff.

4.2.6 Human Resources

The long term/strategic planning of the organisation includes incremental human resource plans, which are built into the financial plans, a strategy which automatically places human resources issues in line with the long term vision of the organisation.

The organisation actively seeks to include all its staff in its visioning and management, and there is a conscious drive towards inclusivity and democracy. This makes for a "...fairly unique organisation that is non-bureaucratic." (Administrative Manager, Organisation B). It also builds staff capacity enabling them to function as a team who believe strongly in the cause towards which the organisation is working. It also allows them to associate very closely with the end product, making the work varied and challenging. This management philosophy means that staff have to be carefully selected to fit in as a part of the "family" (Administrative Manager). Appointments are influenced by various criteria that include academic qualifications, experience, knowledge of the field, skills and value systems. The organisation is also sensitive to gender issues, and affirmative action is an important consideration, though not necessarily a policy.

Once staff members have been employed, a number of processes are used to develop them, though these are not necessarily systematised or formalised. The mentoring of new staff has therefore been more a supervisory process in which project members work together with new staff to achieve their goals through "...co-accountability, to ensure a maintenance of focus" (Administrative Manager, Organisation B). As the organisation has changed, so skills development has moved from being a short term process (short training courses etc) towards a long-term career development path that is in line with

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organisational values and needs. In this way training is linked to organisational development and personal development. Where staff undertake studies, the organisation assists with finances, and contractual agreements are entered into to ensure that newly-skilled staff are retained.

While the administrative-staff appraisal process is currently done on a project basis with two reviews a year, staff appraisal in general is not yet systematised. The Director is working on a policy, but there is resistance to appraisal processes as staff perceive them as a DET system, and therefore find them threatening. Once the appraisal system has been implemented, the director will probably carry it out with the help of a committee, or with a representative of the board, which should make it a less threatening process.

As it stands, staff motivation is really in terms of the humanist/philanthropic environment of the organisation, and the staff who work for the organisation are believed to be self-motivated. In terms of this ethos, concern has been expressed that the building of a more functional, production-oriented capacity may damage the inherent value systems of the organisation, thereby damaging staff motivation.

Although there is no formal policy to promote and challenge staff, it is felt that as highly educated and skilled professionals, they are generally challenged by their own goals. In order to match individual strengths to key capacities, work is skills related, and individuals are carefully matched to appropriate job descriptions. Where specific needs are identified, staff with the relevant skills are utilised, and if specific skills are not available, consultants are used.

Staff salaries are market related, and are generally high, as the organisation is product-oriented, and staff have to work hard. Although the salary structure is pitched high, it is not linked to performance, though this may be the case in the future. Because there are presently large gaps between the highest paid member

of staff and the lowest paid, salaries will inevitably have to be rationalised.

While staff are believed to be satisfied with their salaries, the issue of medical-aid is a difficult one. All staff receive a standard R140 subsidy, and belong to a medical aid of their choice. This makes it a "nightmare administratively" (Administrative Manager, Organisation B), but it will be difficult to remove and replace with another scheme which will meet the needs of all staff.

4.2.7 Planning for donor funding

The organisation is presently wholly financed by external funders (trusts, corporations and donors). The fact that funding circumstances and policies are changing, has led Organisation B to consider that one way in which it could decrease its reliance on donors would be to expand its potential to work for the State (ie. to do work on its behalf, for which it is paid). This potential exists because the organisation occupies a niche-market, and has the capacity to (for example) train subject advisors and inspectors for the PWV/Gauteng Region. Once accreditation has been secured, participants will be expected to pay fees for services received, and this will further build financial sustainability.⁷

At present Organisation B has thirteen long-term and short-term funders. These are all local donors, but the possibility of bilateral funding is being considered. Funds are allocated generally, and there is little conditionality applied. There is however a move towards project funding (such as "Adopt-a-School"), which would be more suitable for local donors, and which might make possible a link with the R.D.P. (This is most likely to be realised in Katlehong where enormous development efforts are being made.)

⁷ Since the case study was written, research into the possibility of accreditation has shown that while the RDP states that it will only support accredited organisations, it will not be possible for a whole school development organisation to charge for the services it provides. This leaves many unanswered questions surrounding issues of service charges and fee recovery.

While funds specifically earmarked by donors are not interchangeable, funds are at times used in situations that were not specified by the proposal. Where this happens, reporting is "upfront" and the organisation is "...careful that there are no contradictions..." even though there has "...never been the sense that donors are dogmatic about how the money is spent" (Director, Organisation B). The organisation works off a detailed budget, and if that budget is accepted by the donors then the organisation believes that it is fulfilling conditions. While it sees itself as donor driven in terms of money sources, it is not donor-driven in terms of the programmes it runs. In other words, if donor conditionalities conflicted with the organisation's capacity and values, then funding would have to be refused.

Reporting to donors is done annually and quarterly, and both these reports include financial and narrative information. Where necessary, individual donor reporting takes place, and donors receive reports that are tailored to meet their specific requirements.

Recent political changes have definitely influenced funding, particularly in the area of bilateral funding where funders are tending to demand projects that have a national and provincial impact. Funders also seem to be favouring the funding of fewer major projects rather than many small projects. While the organisation may be provincially based three to five years down the line, it is not at present, which puts it at a disadvantage. The thinking around changes in local funding is not clear at the present stage, and so plans concerning local donors cannot easily be made.

Because of these changes in the funding environment, Organisation B is looking towards a mix of major, medium and small funders with an anchor funder for long-term support. Because there have been internal problems as to who bears fundraising responsibility, it is acknowledged that "...the fundraising programme needs a manager, even to the extent of engaging the services of fund raisers"

(Director, Organisation B). The funding base needs to be broadened and diversified, which could be done by seeking formal accreditation in four ways:⁸

- a. through a college
- b. through the RDP
- c. through a recognised qualification
- d. by being called in by the teaching community to fulfil certain functions.

Because of the intrinsic value of the programme, the organisation believes that it is an attractive option for funders, and that it will remain so. To continue to achieve this they intend to locate themselves in the right (credible) areas of operation, to report openly, and to continue with a representative staffing policy. They will also include advocacy in their work, and will remain active participants in the relevant fora and meetings. The organisation is also aware that a balance has to be found between accountability to donors, accountability to clients, and the organisations' mission and vision. At present the donors seem to be happy, and there is no sense of the organisation having to do things that put strain on internal convictions. Accountability is seen mostly in terms of programme recipients, and staff have formulated six guidelines that guide their direction.⁹ Thus, if there is a congruency between organisational mission, budgets, proposals and operations, then accountability to donors and recipients should follow.

⁸ Please refer to footnote 1 above for further information about accreditation.

⁹ Guidelines from the Kagiso Trust Proposal, page 3

1. All ... staff will contribute directly to the Matlafalang Programme.
2. ...resources centres are an integral part of the Matlafalang Programme.
3. The real influence of ... activities should be located in schools and communities.
4. The highest possible proportion of funds raised should produce tangible benefits for the communities in whose names the funds were sought.
5. Priority will be given to the empowerment of disadvantaged people in employment, in the awarding of contracts and in the selection of areas of focus by ...
6. ... should increase and strengthen its presence as an intrinsic element within the evolution of south Africa's education system.

4.2.8 Short term planning

The administrative unit (consisting of the Director, the Administrative Manager and the Financial Manager) meet on the basis of need, and the Director puts together the duties as agreed in the meetings.

The operations staff of the Matlafalang Working Group use their travel time to discuss their weekly plans, while the Resource Centre holds weekly/fortnightly meetings with its advisory committee to discuss resource centre policy in terms of student and teacher needs. A regular planning meeting is held fortnightly for all staff members, and the "...broad planning policy is interpreted by the Administrative Manager" (Director, Organisation B), who ensures that planning is happening and co-ordinates the submission of reports. All the staff in the three different parts of the organisation (Administrative staff, Resource centre staff and the Matlafalang Working group) are involved in the different levels of planning so that "...everyone learns how to do it..." (Director, Organisation B), and management capacity is built within the organisation.

While the administrative staff believe that daily activities should systematically be linked to the organisation's long-term plans, the Matlafalang Working Group which functions on a communal basis, are not as keen on this. Because "Long term plans determine priorities, not tasks", and because it is more important for long term plans to be made on a systematic basis than for daily activities to be planned on a systematic basis, the director feels that it is important for staff to be drawn back into the original plan; and a "sense of clarity (about the long term vision) is a benefit." This underlines the importance of staff participation in the strategic and long-term planning sessions. While there is at present a continuity between long-term and short-term planning, it may present problems when the organisation is decentralised in 1995.

Although short-term planning seems to be fairly detailed (this could be seen from the reports of the staff meetings) and effective ("...we run into few crises,

ommissions, etc..." Director, Organisation B), the development of the community bases in 1995 might mean that short-term planning needs to be more systemised so that a strong administrative base in Braamfontein can co-ordinate the decentralised operations. It also means that staff capacity for short-term planning in all areas (including the more specialist fields such as budgeting/financial planning) will have to be built. More consideration will also have to be given to the "...least well developed area... of fundraising " (Director, Organisation B)

With the restructuring of the organisation, it has been found that policy is a useful basis for decision making, and there is a constant re-working/re-creation process happening in the organisation. Once again, there is tension between the idea of policy as a basis for organisational decisions, and those who would prefer those decisions to be made communally.

4.2.9 Strategic Planning

The organisation was prompted to undertake a strategic planning process because of the decision to change its focus from student-support to teacher and school-support. In addition, the changing political, social and economic context and pressure to begin the pilot phase of the programme necessitated a long term plan:

"... In 1992 ...we began to encourage the participation of *any* interested teachers. In the process we realised we could utilise our financial and material resources far more effectively by running in-service teacher training and upgrading programmes than by tutoring relatively small groups of pupils. Saturday tuition was ...a band aid...not capable of addressing the more fundamental aspects of the education crisis" (Organisation B, Plans for 1994, p.4)

Because of the fluid nature of the the environment, strategic planning has taken place annually. The first phase of the planning was done in the 1993. In the present year, the mission and the vision have been revisited, the internal and

external environments considered, (analysis of strengths, weaknesses, opportunities and threats) and the immediate and crucial issues for success re-examined. Once the immediate issues and success factors had been identified, an action plan was worked out using the GANTT chart, and the Logical Framework Approach. When this year's sessions have been completed, there will be six-monthly follow-up. The review will be backward-looking and will be run internally.

The strategic process itself was seen to be very technical and repetitive, with little clarity as to the different areas of the process. While the staff saw the "taking stock" (Administrative Manager, Organisation B) as useful, they failed to see the benefit of their participation, and felt that the management could have done it alone. The comment was made that people "don't like to think" (Financial Manager, Organisation B), which is interesting, given the high levels of creative and highly educated staff in the organisation. The use of an external facilitator was valuable in that he brought together all the elements of the process,¹⁰ and it was "... good to begin with a neutral person because strategic planning is sometimes seen ... as a right-wing, management activity" (Financial Manager, Organisation B).

¹⁰The strategic planning programme: PHASE 1

1. summary of key issues and their implications
2. SWOT analysis
3. Prioritising of issues
4. Review of the mission and vision
5. Review of the culture, values and standards.
6. Reconciliation of philosophy and culture with the mission
7. Strategic planning for the critical issues

The Strategic planning process: PHASE 2

1. Finalising the mission statement
 2. Strategic issues
 3. Goals-structure-objectives-outputs-activities
 4. Strategic and action plans
- (Use of the GANTT strategic action plan to translate critical issues into strategic actions.)

Because it is concerned with goals, outputs and results, strategic planning somehow "went against the grain" (Financial Manager, Organisation B) for the organisation. It was seen as a separate process where staff performance would not be judged (which may have added to the fact that some of the staff could not see the importance of their participation). Strategic planning also came at a time when NGOs are being threatened, donors have become more important, and people are talking about impact. Since NGO relations have in the past been concerned with empowering *people*, not management, and it was easy for staff to see the process as "spirit-threatening" (Financial Manager, Organisation B), especially given the creative and dedicated people working for the organisation.

The strategic planning involved all staff, including the three part-time staff members. The trustees, the advisory committee and stakeholders weren't directly involved, though the teachers were represented by the Matlafalang Working Group, and the Vaal regional staff identified community issues. The donors, as stakeholders were not represented. It was acknowledged that this was one of the weak points of the process, and that the stakeholder body needs to be re-assessed to attain a "clearer understanding of the donor-setup, the teacher setup and the community setup." (Financial Manager, Organisation B.) Perhaps part of the reason that the stakeholders were left out of the process was because stakeholder participation raises difficult questions of power, ownership and trust. If, for example, it was acknowledged that the community owned the organisation, it would mean that the community would have to be reflected on the board, which could be threatening to the trustees - who had already questioned whether a new mission statement *needed* to be developed in the planning.¹¹ (A situation which had been foreseen). Power therefore becomes an issue, and the comment was made that the organisation was "in fact owned by whoever had power at the time" (Financial Manager, Organisation B) This echoes the tensions between trustees and staff.

¹¹ The Director of Organisation B believed that even though there may not have been a *need* to develop a new mission, it was important for staff to develop a mission of their own.

The most obvious tensions in the process came about in prioritising needs, and needs application, and again it was between the administrative and the operational staff. The issue was seen to be management needs versus operational needs (responsiveness to the environment). The Matlafalang Working Group felt that they knew the working conditions which were not always able to be concretised in the way demanded by the strategic planning process. They felt that planning was structured by the administration (who also did the internal facilitation for the process), without the necessary input from the Matlafalang Working Group, and because of this the strategic planning didn't really touch the practical dynamics.

The differences in outlook between the different groups on the staff also made the mission-deriving process conflict laden, as the different visions for the organisation were not related. (Though it was reportedly much easier in 1994 than it had been in 1993) This is in part because the organisation is subject to the critical viewpoints of staff whose ideas fall outside central ANC positions and may be more black consciousness oriented. These staff members felt that vision emerged from practice rather than from planning.

While strategic planning didn't change ideas about why the organisation exists, or the way that it fulfils political and social needs, it did give direction to changes and highlighted certain areas of need.

The planning also highlighted a sense of community, and brought out the organisation's weakness in terms of its human resources. A tension emerged between the need to expand activities and consolidate work already done. Capacity was therefore an issue, and yet the process brought out the strengths of the system as it is at present.

The value of the strategising was seen as different for different members of the planning team, and tensions were formed in the different camps. For the administrative staff it was seen as a way of enabling the organisation to change and develop, to help it think in a certain way, and to define an organisation that is more streamlined and proactive. From this viewpoint, external pressures demanded changes such as a more hierarchical structure, a more management-related and product-related focus. Other members of staff felt that strategising would bring about a "colder" organisation with little interface between tasks and personal needs. "Corporate ideas" (Financial Manager, Organisation B) were problematic, because a people-centred NGO should have a good stock of people qualities. A product focus does not consider human relations, people, needs and job satisfaction (concerns which further underline human resource weaknesses).

The strategic process was evaluated by the staff after each session. Given the constant divisions and tensions that the process engendered, it was - surprisingly - considered to be worthwhile. The management of the organisation concluded that the way in which the planning changed in the future would depend upon what the organisation wished to get out of it.

4.3 Case Study Three - Organisation C.

4.3.1 Background and mission statement

Organisation C is a Saturday School which was founded in 1989 by its parent school whose campus and facilities it uses, and to which it remains closely affiliated. The school is situated on the Jukskei River, in a relatively isolated rural environment about fifteen kilometres outside Fourways, Johannesburg. The original focus of the school was to provide Saturday tuition in maths, science and English to children in standards three, four and five from the immediate community. After a year it was found that student numbers had dropped from thirty-nine children to eight children, and so it was decided to change the focus.

In 1990, the organisation began to accept children from the lower-primary and the pre-primary, with the object of developing language and basic mathematical concepts that could be built upon as pupils moved up in the school. The change proved successful, and the school expanded each year so that it now tutors children from Grade 0 to Standard 7. It also employs teachers who are language specialists, who cope better with children who have a diverse set of needs and abilities.

Since the inception of the school there has been a change in terms of the communities from which the children are drawn. Whereas they originally came from the immediate community, the number of pupils coming from the neighbouring townships of Katlehong, Tembisa and Kagiso has increased dramatically.

The school aims to reinforce and consolidate what the children learn during the week. It runs within the DET calendar, and with reference to the DET syllabus. It seeks to meet the individual needs of the children and where possible, provides them with extra stimulation and activities such as talks and outings.

The Saturday School functions within the mission statement of its parent school which is:

"...to bring a dynamic and integrated education to students, crossing the barriers of race, creed, class and gender. The school works in an integrated way with the community by sharing resources and experience..." (Excerpt from funding document, p.1)

The Saturday School recognises that apartheid has disadvantaged many black children, and assists pupils in its surrounding community by offering extra-curricular programmes to uplift the academic, social and emotional levels of the pupils.

Given the above, the objectives of the Saturday school are:

1. To help many more local and township pupils to grasp the necessary maths and English concepts appropriate to their level, and to have a solid cognitive foundation in these vital areas.
2. To help many more pupils to pass through their current level at the end of the year, and to enter mainstream education, thus fulfilling their potential.
3. To help pupils to attain an academic level high enough to enter the existing T.E.D. and private schools, thus resulting in the potential for self advancement.

(Funding document, p. 3)

4.3.2 Structure of the organisation

The school has grown significantly from the original three teachers and a principal, to nine teachers and a principal. The teaching staff are all highly qualified and experienced white teachers, most of whom teach full time in Model C or Model B schools. They therefore have little developmental experience. The Principal manages the Saturday school and reports to the Principal of the parent school. The parent school has a governing body and a board with a parents association for the preparatory school and a foundation for the high school. There is a finance committee which operates for both schools.

The clients and stakeholders of the Saturday School are seen to be the pupils and their parents. There is little awareness of the stakeholder roles which the parent school, the teachers, the surrounding rural schools, the community and the township schools might play. The parent school especially, plays an important stakeholder role as it has provided the funds to keep the Saturday School going for the past year. It is important for the parent school to keep the Saturday School open, as it is in line with their ethos and their mission statement, which includes community involvement. In reality though, the Saturday School does not provide

this, as it attracts only a small number of students from the immediate rural community.

The school seems to be unclear about its outputs, acknowledging that they are difficult to ascertain. It is difficult to evaluate the extent to which Saturday tuition makes a difference to a child's overall education, and no real attempt has been made to achieve this. The question therefore becomes whether helping children to enter high school and model C schools is really an output. If a growth in pupil numbers can be seen as a more measurable outcome, then outcomes have definitely increased as the school began with 30 pupils in 1980, increased to 117 in 1991 and to 180 pupils in 1994. Very little of this growth has been planned, and there has been little planning between the parent school and the Saturday school, and between the Principal and teachers of the school itself. Most of the planning that is done is financial.

4.3.3 External influences

The RDP and education policy changes have had little or no impact on the organisation, and most of the influences that have impacted upon the work of the organisation have been logistical problems such as transport. These were brought about by changes in the pupil intake from local children to township children. This influenced the school in other ways too, as township pupils have more money and attend "relatively good township schools" (Principal, Organisation C). The parents of the township pupils are also "more committed and motivated to educate their children...urban parents want their children to succeed...It is difficult to get the immediate community actively involved in development." (Principal, Organisation C).

The Principal believes that within the urban environment (ie. among the parents of the the children who come from the surrounding townships), the school has a lot of legitimacy (credibility) as the parents have really seen their children

benefit from the opportunities that it provides. This is aided by the fact that because the township schools are relatively good, and the children can build on what they have already learnt, concepts can be readily transferred to the Saturday school. There is however a lack of legitimacy in the immediate rural community, with only 13% of pupils being drawn from the community to which the school is targeted. The Principal acknowledges that if the school is to remedy this situation and is to play a role in the new dispensation then it will have to change and develop. The teachers need to specialise in teaching English as a second language, and find teaching materials that are relevant to the experiences of the pupils. There also needs to be an ongoing identification of the changing needs of the school and the wider community which it serves. "The flexibility and freedom of the programme makes it very difficult to monitor and evaluate its success" (Ex-Principal, Organisation C), and therefore to make the necessary changes. In addition there is a sense of resistance among the teachers (who have taught in the same way for a number of years), to make the changes.

4.3.4 Budgeting

When the school receives funds from donors (which they have not had since 1993), these are controlled by the accountant at the parent school. The Saturday School has a very good idea of what it needs and what it actually spends. Salaries make up the largest amount, with the only other real expenses being rent (which is put into the proposals, but is not actually paid to the parent school), and food for the children. The parent school pays the Saturday School teachers after the Principal has submitted the claims.

The fund allocations set by the proposals have a limited flexibility, as the school does not have funds. When there was funding, and there was money left over, the money could be used flexibly, at the discretion of the Principal and the teacher body. The accountant at the parent school is concerned with making the books balance, and not where the money is spent. Because the parent school is currently

supporting the Saturday School, the school functions literally at its the bottom line. This is seen to be a very difficult situation and is "very limited" (Principal, Organisation C) as it is not clear how long the funding will continue even though the parent school wish the Saturday School to continue operating.

The donors like to know the breakdown of the budget, and they like to have reports so that they can see that the budget and the aims of the school coincide. This is put down to the fact that because they do not easily hand over funds, they want to know what, when and how these will be used. The Saturday School reports to them every four to five months about statistics, finances and results achieved.

The Principal believes that the school has a lot of potential, but the extent to which this can be achieved depends on the available funding (and on how long the parent school will continue to support them) At best the budget restricts the school to the basics, but the basics allow the school to function . This means prioritising in order to keep the school going, and therefore the budget does not serve to identify problems or assist the school in the monitoring or the evaluation of costs, which are fairly fixed.

At present the school plans its budget almost quarterly. It has a good idea of where it is going, and how much money is needed, and the only real increases in the budget are for inflation. On the other hand, the school cannot plan to grow and develop - or even to continue working - as they don't have the income to cover even the basics, at present the parent school is acting as the sinking fund.

4.3.5 Marketing

The primary target market for the school is the immediate community, though in the main it no longer really serves this market. When the school was established, it was felt that the children at the local farm schools were particularly deprived

and it was they who needed the input. This market was not ultimately met however, for no particular reason except that it is seemingly the urban (township) parents who realise the importance of education and are eager for their children to get assistance. This means that the school no longer really has a particular target market, even though the head of the parent school is still keen on meeting the needs of the original target group (as perceived). The Principal of the Saturday School feels that as long as the school remains open, and can be of benefit to pupils - the way they come from - the school is still achieving its objectives. This situation creates a tension between the objectives of the Saturday School, and its parent school which at present supports it financially and which would achieve a greater legitimacy within the local community by having local children accepted into its high school.

The market position of the school in the local community is poor, but in the surrounding townships it is good, which is seen by the fact that the school is always inundated with children on the first day of the year, and by the fact that there are always children on the waiting list. (After a number of weeks of unexplained absence, places are filled by children on the waiting list)

Given this situation, the Principal acknowledges that the local community is the market that the school should be trying to reach, but that this is difficult because there is a language problem, and because the local farm schools do not all have telephones. In addition the perception is that schools tend to see the Saturday School as a threat because they do not really understand what the organisation is trying to do. The Principal admits that they may be approaching the situation wrongly as "...maybe...we're just used to dealing with white schools...there is a huge gap"

Although the school is well positioned in the townships, the Principal plans to see the heads of the schools in Kagiso, as she feels that they are not really aware of the work that the Saturday School does. Most of the information about the school

is passed around by word of mouth - by the parents of the pupils who receive reports and attend the assemblies.

The school identifies appropriate sources of funding as large corporations which "...tend to allocate to smaller projects." (With changes in the funding environment this may no longer be true, however.) At the same time these organisations cannot be counted upon for funds as they often donate one year and do not donate the following year. An example of this would be JCI who gave R11 000 in 1994, but who have warned that "...restructuring could entail significant changes in the nature and volume of our CSI funding ." and advise that "...it may not be possible to continue...support in the future." (Funding Letter, JCI. 7 October 1994)

The organisation is aware that there is increased competition for funding and that donors have to be more careful about who they are allocating to. They have thus begun to structure requests for funding "far more carefully", though it is questionable as to whether this is enough to assure continued funding, given the very tentative and difficult funding environment.

4.3.6 Human Resources Planning

The Saturday School staff have generally worked for the organisation for a long time, and are aware of how and why it works. Because the school operates weekly, most of the human resource functions that take place at the school, do so on a very informal basis. Staff evaluation for example, is done by the principal, who is merely "aware of what happens in the classroom..." (Principal, Organisation C). In addition the staff know their pupils and feed back to the principal how they are doing. The Principal believes that it is quite easy to see whether a staff member is doing his or her job, although "...none of this is written down. it's more just a feeling." She does admit that this may need to become more formalised, and that ultimately there may need to be a staff evaluation form. She does not state why this may need to be done however.

Staff members are employed according to their experience and their enthusiasm. Because this is very different from the usual type of teaching with which they are involved (T.E.D., Johannesburg Northern Suburbs), the staff are motivated on a personal level in terms of the job that they are doing and the cause that they are fulfilling. The rewards of the job provide staff with positive reinforcement, and the principal makes an effort to accommodate their personal needs in terms of time and leave. No formal training is given to the teachers, either in appropriate teaching methods or in the ethos of the school, and training is therefore merely a "learning curve" (Principal, Organisation C). At the same time, staff are highly qualified and specialised, and are able to make use of their different talents in the classroom. Unfortunately the capacity to extend these talents across the school is limited, as time is limited, and because most of the teachers are already using their specialisations which are either in English or in Maths. It is felt that if more funding were available there would be more scope for the school to offer support in other areas such as remediation.

Staff salaries are not linked to performance, although it has been considered. Also under consideration are ways in which staff might be rewarded for "going the extra mile" as many of them do. At the same time the Principal recognises that this situation may cause problems, and brings up questions as to who has the right to evaluate the staff and how they are evaluated. The salary structure itself is set at fifty rand an hour for teaching time only. No holiday or overtime pay is received and only the Principal receives a monthly salary. The Principal believes that the staff are generally satisfied with their salaries, but the tax which they pay is very high at twenty five percent, and there is no way of getting around this.

There is no formal staff performance appraisal, and the only way of ensuring that staff function effectively is through ongoing and open communication between staff and principal, so that the Principal knows what is happening in the

classroom and in the school as a whole. This means working as a team, and assisting one another in an open and communicative manner.

4.3.7 Planning for donor funding

Although the organisation is ostensibly financed by donor funding, the school is at present being carried financially by its parent school. The children pay a nominal fee of forty five rand per year to attend (fifteen rand per term), more to give them a sense of ownership than to assist with the payment of expenses. (This was done at the suggestion of a prominent community leader.)

The Canadian Embassy was originally the school's anchor sponsor, but they stopped funding the organisation after three years because their focus had changed. Since then there have been four major funders (AECL, Johannesburg Consolidated Investments, ESCOM, ABSA Bank and S.A. Breweries) which have funded on a short term basis. In 1994 most of the funding dried up, leaving JCI as the only remaining funder. All funds have been attached to the project as a whole with no conditions, except for a report or organisational information presented in a specific way. The project is therefore donor-driven to the extent that its future hinges on its ability to find funding, at the same time the school could not accept funding that imposed conditions conflicting with the principles governing the teaching and learning process.

While its funding has dried up in recent years, the organisation sees itself as an attractive option for funders, believing that it is successful on two levels (though this success has not been measured):

1. The children get better schooling opportunities as an outcome of the programme
2. The children become more successful in their existing school environment.

4.3.8 Short term planning

All classroom planning is done on an ad-hoc basis by the teachers themselves.

Any other planning is done on a weekly basis during the Saturday morning break.

This planning is clearly informal, and suits the teachers most of whom have been teaching at the school for a long time and do not need more planning time. Each year is more formally planned at its start, but even this is done in a relaxed manner, once again because "...things are up and running and the teachers ...are in the swing of things." (Principal, Organisation C) Important issues for the term are discussed at its beginning. The Principal initiates, and is responsible for the short-term planning process.

The relationship between long-term plans and the short-term planning process is mainly financial: ie. how the organisation can please its donors, and whether it will be able to raise enough funds to continue its work in the future. Other issues such as capacity building, ownership and legitimacy seem to have little impact upon the planning process. According to the Principal, the actual planning methods used by the school have changed so that donor needs can be met. This involves "a constant evaluation of donor needs" (Principal, Organisation C). Other new issues involve ways of making lessons more relevant for second-language speakers, and successfully preparing children for the parent school entrance examination. This issue raises questions as to who decides what skills are necessary for passing the entrance exam, and whether Saturday School is wholly responsible for enabling children to meet these requirements.

CHAPTER FIVE

5. CASE STUDY ANALYSIS

The three case studies were analysed using the methodology prescribed in the previous section. For ease of reading, the analysis has been organised into the same six divisions used in the case studies. These correspond roughly to the important areas of organisational activity, and are therefore areas in which planning is likely to take place.

The analysis will begin with a brief look at the different background, function and mission of the three organisations as these serve to highlight some interesting points about the basis upon which organisational planning took place.

5.1 Background and mission, structure and external influences.

While all the institutions were founded as a response to the inadequate provision of education in the apartheid era, both Organisations A and B focused upon INSET, the in-service education and training of teachers. Organisation C worked directly with the children who have, and still are, suffering the consequences of an inadequate standard of education.

Organisations A and B have operated for a considerably longer period of time than Organisation C, being eleven and eighteen years old, while Organisation C has only operated for five years. A longer period of functioning in a relatively stable environment (ie. apartheid) may have enabled the two older organisations to develop their planning capacities over the years. In addition, Organisations A and B operated on a full-time basis and employed a number of staff which meant

that among other things, a capacity to plan for sustainability, co-ordination and control would have to have been developed.

The mission statements of both Organisations A and B focussed on changing and reconstructing education in its widest sense. They therefore contained, and were informed by transformational principles such as empowerment, participation and accountability. (Refer to case studies One and Two.) It was interesting to note that while Organisation B began as a Saturday school, it gradually recognised that this was merely an ameliorative solution that could not address the more fundamental aspects of the education crisis, a process which brought about fundamental change in the institution. Organisation C however, still functioned as a Saturday school which attempted to "uplift pupils" (Principal, Organisation C) rather than effect long-term changes. It worked within the mission of its parent school, and while this mission spoke of "...working in an integrated way with the community...", the school was not in reality able to provide a service for the local children. As a high risk organisation (in terms of the definition given in Chapter Two) it should have been planning for a changing environment, though this may have been particularly hard to achieve as it was not able to identify, own and fulfil its own mission statement. In addition, its service was not sustainable in the long term as it functioned within the parameters of the old order. (Although this does not mean that it was not providing a service which was both valuable and worthwhile.)

All three organisations underwent fundamental operational changes at different stages of their development. This change took place early in the history of Organisation C, while more recent changes affected the other two institutions. For Organisation A, this change was structural, with the integration of five regional projects into a national programme. Planning therefore tended to involve operational and co-ordination issues as well as (and perhaps more importantly) the philosophical unification of the programme as a whole. For Organisation B, change was fundamental, affecting focus, function and structure and necessitating research which preceded the implementation of the pilot programme. This was in

line with a recognition that if the organisation was to successfully address reconstruction issues and continue to provide a vital service, then strategic change was inevitable. Planning for organisation B thus involved bringing the different areas of activity into line with the mission statement, principles and operational needs of the organisation. Following its original change in focus, the structure and function of Organisation C remained the same, and planning therefore involved mostly operational issues.

5.2 Budgeting

As the largest of the three organisations, Organisation A probably had the most formal and sophisticated budget plan. The organisation had a financial manager and made use of an ongoing budget cycle which included realistic plans and budgets that enabled the organisation to achieve its objectives. Budgeting from the zero-base helped to forge the important links between the planning of the budget as a set of figures, and the operational needs of the organisation. The link between operations and the budget was strengthened by the fact that much of the budgeting was done at regional level by managers who were primarily concerned with the effective functioning of their programme, this meant that budgeting and costing was closely tied to project objectives and activities, which should allow for effective allocation and monitoring of resources.

The fact that regional budgeting had to tie in with the national figures, and the regional managers were given the opportunity by the central managers to "defend his/her budget" begins to hint at some of the tensions that seem to exist between the national office and the regions. In this case they concerned "issues of money and authority." (Refer to Case Study One) These tensions may have been further exacerbated by the fact that National Office carefully controlled the budgetary process by providing regional managers with budgetary guidelines and a detailed

line item budget.¹² While the tight central control may have caused some tension, it was the means by which the organisation co-ordinated, planned and prioritised the allocation of resources in terms of the differing needs of the regions. In this way the ongoing budgeting cycle constantly took them back to their vision, mission, and strategic plans.

This link between financial control of the organisation and its authority and power-base were also highlighted by Organisation B, who attributed this to the change from a collective management style to a more hierarchical system of administrative line functions. While there was a (acknowledged) tension between the administrative staff and the operations staff in this and in other areas of organisational activity, Organisation B put its budget plans together with a lot of input from its operations staff to ensure a workable (operational) base. While the budget was believed to be a control mechanism, it emerged more as a way to control organisational spending and financial planning than an organisational control/co-ordination mechanism. As with Organisation A, budgeting for the organisation was carefully detailed and seemed to be realistic in terms of meeting the needs of the organisation and its objectives. The fact that the organisation was small and operated from one office, meant that the issue of co-ordination was not as important as it was in Organisation A, and meant that the financial manager could personally supervise and motivate operational budgeting and expenditure.

While Organisation A did not see itself as being donor-driven, (refer to case study one - donor funding) it admitted to the fact that donors shifted the focus of the budget, and when donors chose to fund a specific area, this particular area became more important in terms of the budget and more important in terms of organisational activity. This raises questions as to the extent to which an

¹²In informal discussion it was admitted that regional managers had some objections to the central control of the budget process. The more participative process that had been used in the past had been found ineffective, and it was felt that ultimately someone had to be responsible for decisions concerning the allocation of resources.

organisation allows itself to be influenced and conditioned by donors, a theme which is raised again in other areas of activity.

Both organisations recognised that the budget was flexible, and could - within limits - be steered to meet the changing needs of the organisation. They both believed that this could be done in terms of what was specified in their proposals, and was therefore in line with donor requirements and the need for transparency. This was particularly brought out by Organisation B who admitted that they needed to be "careful that there are no contradictions." (Director, Organisation A, case study two - donor planning) This flexibility was achieved in similar ways by both institutions, roughly reflecting the size of their focus. In Organisation A, money was pooled nationally, and the amount of flexibility afforded was determined by the National Office. This meant that money could be re-allocated to a region with a need, from a region with a surplus. Organisation B realised their budget flexibility by balancing spending in one area with saving in another area.

Both Organisation A and Organisation B acknowledged the importance of the relationship between budgeting and the organisation's mission and long-term goals. (Called strategic plans in Organisation A.) In Organisation A, long term financial planning had recently been initiated. (A three year budget cycle from a one year budget cycle.) This ensured that long-term goals were achievable in line with the mission. This long-term planning was reviewed regularly (every six months) to ensure its relevancy. At the same time, the organisation recognised that long-term planning is synonymous with growth, which must necessitate further organisational change leading to budgetary change. Congruent with this insight was the fact that Organisation B had begun to address planning for organisational change by budgeting for strategic planning. It also acknowledged that this was only a start, that they needed to start budgeting for staff development and capacity building. Budgeting for these could prove to be problematic - presumably because they are not easily quantifiable until processes have been

determined and because of the uncertain funding environment and the organisation's need to prioritise operating costs.

In contrast to Organisations A and B, Organisation C had a very simple budget plan with relatively few expenses which were fixed according to the budget stated in the proposals. Budgeting was done annually - for the short-term only, and apart from teacher's salaries, no human resource or organisational development was included. While in theory the budget was controlled at the discretion of the school principal and teachers, the fact that the school had not been able to raise funds and was being supported financially by its parent school meant that the school in fact operated at the discretion of its funder.

This dependency again brings up the themes of power, authority and control related to finance that were raised (though at a different level) in Organisations A and B. They are also closely related to the questions of donor conditionality touched upon above. Because the Saturday School had no funds of its own it was completely dependent upon its parent, and was therefore forced to function on its terms. This meant not only operating on the most basic of budgets, but that the school had to prioritise not only in terms of what the budget set, but in terms of the dictates of its parent. It was therefore unable to plan in terms of its macro environment, but had to plan instead to meet needs as articulated by the immediate/internal environment upon which it was dependent. While the school may have had the potential to grow and develop, it did not have the capacity to plan, which perhaps lay at the base of its own demise.

5.3 Marketing

The marketing strategies of Organisation A and Organisation B were both informal, though Organisation B included a marketing component in its 1994 Business Plan, and marketing for Organisation A was about to be formally developed by a task group. Both organisations were beginning to recognise the importance of marketing as "...a dynamic component of the organisations's

success" (refer to case study one,), and a way of improving the impact of their product (Organisation B).

Both organisations attributed the need to develop a marketing strategy to increased competition in the field, but the focus of marketing in the two organisations was quite different. While Organisation A recognised the importance of the individual in the marketing strategy: "marketing should be built into every employee in the organisation.", Organisation B looked externally to build up networks and relationships. At the same time both organisations believed that it was important to continue their involvement in various fora, exhibitions etc., as this gave them the opportunity to make clients aware of their work and to identify the needs of their market. Both these approaches seemed fairly vague and unfocused, congruent with Drucker's impression that "many non-profit organisations are very clear about the needs they would like to serve, but they often don't understand those needs from the perspective of their customers. They make assumptions based on their own interpretation of the needs out there" (Drucker, 1990, p.75).

Both Organisation A and Organisation B had originally used research as a means of testing the market before they entered into it. Organisation A identified its market with an analysis of high school science pupils. This led them to the need for primary science education. Organisation B used a pilot programme - the Matlafalang Programme, to develop an appropriate service. Both organisations seemed to have identified their market fairly successfully: "...what to sell, to whom to sell and when to sell." (Drucker, 1990, pg 55) as they have both been able to develop a niche market in in-service teacher training. A (subjective) assessment by the organisations reflected the fact that they considered themselves to be generally well positioned in their market, though they both recognised that this position differed from community to community and region to region. While Organisation B measured this position in terms of their relationship with the community and the extent to which they were requested to work and participate in community activities, Organisation A measured their position in terms of the

extent to which it was able to cover the total number of schools in each region. These different measuring tools may have been a result of their differing scope: regional vs national.

The small size of Organisation B has led it to express concerns about whether it had the capacity to meet the expectations of the community. Although the community expectations reflected a high level of receptivity/legitimacy - and therefore a growth potential, they created a tension between the growth as planned by the organisation (which had to be in line with donor funding), and their ability to service the market. In addition the market seemed likely to expand further once the organisation established bases in the community and became more visible. The limited capacity of the organisation seemed somewhat out of balance with its stated intention to actively market itself in the communities through the staff at its bases. Given its multi-faceted target market, (teachers, regional educational administration, universities, funders, other NGOs, individuals and consultants) the organisation also seemed concerned mainly with marketing itself in the community. Given that organisational growth is dependent upon the ability to raise funds, there seemed little consideration of the donors as a target market - apart from recognising the need to have a "structured fundraising plan" and ways to "consciously cultivate" donors. This somewhat vague approach to a vital aspect of the organisation may be attributed to the fact that no one person in the organisation bore the responsibility for fundraising. This was admitted by the Director who has considered engaging the services of fund-raisers. (Refer to case study two, donor planning.)

The need to build up a large donor base by carefully identifying the donor market seemed to have been more carefully considered by Organisation A. Perhaps this is a result of its larger size, and the fact that when the organisation became independent from the Urban Foundation, it had to find ways to expand its donor base. The organisation, for example, consciously tries to align its own requirements to the giver's stated objectives; it highlights the benefits of the programme for the donor, and it structures proposals to address the giving

motives of the donor. It also uses funding data bases to identify appropriate funding sources.

In contrast to the other organisations, Organisation C did not have a specific target market, and the target market which it actually served (children from the surrounding townships) was different to that which was originally intended. (Children from the local community.) Because the organisation was not meeting the needs of its intended market, it was not fulfilling the objectives which its parent school had set for it. This would have ultimately assisted the parent school in attaining its mission of "working in an integrated way with the community by sharing resources and experience..." (Refer to Case Study Three.) Because the parent school supported the Saturday School financially, it put pressure upon the Saturday School to meet its market, even though the intended market was not receptive to the service that was being provided.

Unlike the other two organisations, there was little evidence of Organisation C or its parent school having done any research into the needs of the local community. It seemed in fact, as though the parent school had decided *for* them what they needed, as well as how to fulfil those needs. This was evidenced by the fact that the school had to change its focus very soon after it became operational, as well as by the fact that the structure and functioning of the school were actually more appropriate for a different target market than the one intended.

Further problems with marketing the school to its intended community may be attributed to the fact that all the Saturday School teachers were white and had little development experience, having come from more sophisticated Model C and Model B schools. This meant not only that the school lacked legitimacy in the community, but that there was a language and communication barrier. This seemed to be understood by the principal: "...there is a huge gap...", but she did not seem to know how to approach the situation.

5.4 Human Resource Planning

The strongest theme that came through in the human resource planning interviews, was the careful selection of a certain *type of person* who shared the vision, and who believed in the cause of the organisation. This type of person was seen to be self-motivated and self-challenged, ensuring that staff were able to sell the organisation to clients. Mintzberg (1994, p. 413) suggests that "Organisations with strong cultures, rooted in distinctive histories, tend to elicit strong commitment from their people..." This type of person was described by the Financial Manager of Organisation B as "an NGO person" and was believed to be "...innovative and creative enough to carry out many different tasks." (Refer to case study two)

For Organisation A, operations staff (who make up a large part of the total staff) were usually seconded from their different education departments and then released back to the schools after their period of service with the organisation. These staff were generally primary science teachers who had participated in the programme, and they were usually leader-teachers who were dedicated to education. While Organisation A recruited their staff carefully, their formal training programme encouraged staff to be flexible and innovative and to exercise their own discretion within the curriculum. This ensured that human resource planning fitted in with the organisation's mission to improve the quality of science teaching and to empower science teachers. In addition, dedication, commitment and ownership were encouraged by giving staff full participation in decision-making processes. The regional structure allowed managers to recognise the talents of their staff and to give them the opportunity to realise those talents, though this was an informal process and was probably not practised by all managers.

Organisation B also selected its staff very carefully to fit into the organisation, and appointments were influenced by a variety of factors which included skills, qualifications *and* value systems. Commitment and a sense of ownership was

fostered by including all staff in organisational visioning and management. This was made possible by the fact that the organisation was non-bureaucratic, and consciously sought to be inclusive and democratic. Although staff did not go through a formal training and mentoring process such as was given by Organisation A, new staff were informally mentored in a supervisory process by the other members of the team.

In line with the necessity to employ dedicated staff, was an organisational commitment to staff development. In both organisations, staff development through self-study that would benefit the organisation was encouraged with a system of grants and loans. In Organisation A, career pathing was fairly informal, and there was a recognition that the non-hierarchical structure was not conducive to promotion. In Organisation B, a recognition of the need for career pathing had developed as the organisation changed. Reflecting this, skills development had become a part of a long-term career development path so that organisational development and personal development were linked. This is in line with Senge's idea that the total development of people is essential for organisational strength and excellence. (Senge, 1990, pg 146)

In Organisation C, the commitment and dedication of staff members, and the kind of staff members selected was also highlighted. Staff were selected both for their experience and their enthusiasm, and they were believed to be reinforced and motivated by the type of job that they were doing and the cause that they were fulfilling. Because of the part-time nature of the organisation and its small size, no attention was paid to formal staff development, though the principal did admit that there was a need to look for new ways to meet the needs of the children and the developmental situation in which they worked.

In all three organisations team work was seen to be central to the functioning of the organisation. This may be seen as one of the characteristics of an NGO-type person, and is important because NGOs are usually quite small and people have to work together constantly to get work completed. In Organisation B, team work

was believed to help staff to associate more closely with the end product. This not only made the work challenging and varied, but further developed commitment to, and a belief in the cause. This may have been true for the other organisations as well.

In all three organisations there was an awareness of the need for some means of performance appraisal to build upon staff strengths and to highlight areas of need. Staff appraisal had not been formally practised in any of the organisations, except on an informal basis by one of the regional managers in Organisation A. In this organisation a performance appraisal system was to begin in 1995, while in Organisation B, the director was currently working on a policy for the system. In Organisation C, staff appraisal was completely informal, carried out by the principal who was simply "aware of what is happening in the classroom..." (Refer to Case Study Three - Human Resources)

In all three organisations, staff appraisal was discussed with apprehension, and in Organisations A and B, the interviewees referred openly to staff resistance to the process. Organisation B described it as a "threatening" process (refer to case study two), and one related to the apartheid education system. (In the DET the "merit" system was dependent upon the teacher being appraised on his or her classroom performance. This was done by an inspector, and was often believed to be an unfair and biased process. Salary levels were in part dependent upon the number of "merits" accrued by the teacher.) Both organisations acknowledged that evaluators would have to be neutral, and appraisals would have to be carried out by different people including regional managers, peers and board members. This might make it less threatening. It is possible that the threatening nature of the process may have also been linked to it being something new, a perception that it was a "corporate" tool, and therefore not really applicable to NGO staff who might have believed that their dedication and commitment were more important than their performance.

In terms of their salary structures, all three organisations believed that their salary structures were "fair" to "high". They believed that staff were generally satisfied with their salaries, though each organisation highlighted a tension related to a particular aspect of the pay structure. Both Organisations A and B mentioned that there were some problems with the rationalisation of salaries. In Organisation A this had to do with secondees from the education departments who received a number of perks that other employees did not. In Organisation B, there was a large difference between employees on the highest scale and those on the lowest scale. In Organisation C, the only salary problem was that of tax, about which nothing could be done.

While none of the organisations linked pay to performance, they acknowledged that this might be the case in the future. Once an effective performance evaluation process was in place, it could be linked to an effective merit pay programme which could be used to further motivate employees. While this might increase tensions concerning performance and pay; in a democratic environment with participatory management structures, merit pay could be based on participative goal setting, and the contribution of the individual to overall organisational goals. (Since both Organisations A and B refer to staff involvement in decision-making, and since Organisation B commented particularly on its inclusive and democratic structures, the development of a merit pay structure might prove to be both a challenge and a development issue for the organisations.)

5.5 Planning for donor funding

In their donor planning, it was most apparent that the two larger organisations (high were at a relatively low and a medium risk respectively) had thought carefully about the problems and the possibilities of an uncertain funding environment. The smallest organisation, which was considered to be at the highest risk in terms of funding, while being aware of the problems, had done very little to counter them.

None of the three organisations generated their own funds (with the exception of Organisation C, which charged a token school fee for their services.), and they were therefore completely reliant on donor funding which came mainly from local donors who pledged funds from one to three years. (Only Organisation A had a bilateral donor.) Although their donors were currently large corporations and foundations, both Organisation A and Organisation B were planning to appeal to smaller donors by providing opportunities for project funding and by selling a particular area of interest to donors. They felt that this would attract local donors who wanted to fund projects in their own constituencies, and would give donors greater ownership of the programme. In support of this strategy, Hafner, quoted in Drucker suggests that "...for a non-profit organisation to be really successful, you have to have a lot of people caring about how it does. You want that donor to take ownership in your programme." (Drucker, 1990, pg 86)

Both Organisations A and B had considered the possibility of self funding. Organisation A saw this in terms of charging for consultancy services to the Education ministry. Organisation B seemed to have considered the possibility of becoming self generating far more carefully, with plans to work for the state, by training subject advisors and inspectors, as well as plans to become formally accredited which would give them the wherewithal to charge fees.

It seems that the funding environment is at present extremely ill-defined and uncertain. (For example, Organisation B stated that thinking around changes in local funding were not clear, Organisation A believed that donors felt that the government may not necessarily be the most efficient delivery system for scarce resources, Organisation C believed that large corporations like to fund smaller projects while Organisation B suggested that they prefer to fund projects with a national or provincial impact.) Organisation A recognised that the difficulty with funding innovation was making it operational. This means developing strategies for converting plans and ideas into actions - which neither organisation had been

able to do. While reporting to donors was obviously considered important and was carefully carried out on a regular basis, (where necessary individual reporting takes place - Organisation B, monthly reports are "religiously compiled" - Financial Manager, Organisation A.) there seemed to be little move towards a long term strategy that focussed on the donor and his/her needs as a valued customer of the organisation.

Another important theme that emerged from the case studies, was the commitment of all three organisations to their mission, vision and values, and their unwillingness to compromise these. Although both Organisation A and Organisation B described themselves as "donor driven", this was only in terms of money sources and to the extent that donor conditionalities met the organisation's objectives. All three organisations stated that if these conflicted with their objectives or their capacity to carry out projects, then they would be obliged to turn down funding. The same dedication seemed to pervade when it came to questions of accountability, and both Organisation A and Organisation B believed that there had to be a balance between accountability to donors, clients and the organisation's vision and mission. This could be achieved by creating a congruency between the organisational mission, its budgets, proposals and operations, and by creating a transparency and a clarity between those who fund and those who receive the funding: A "...synergy between the mission statement and what the donors wanted..." (Case Study One)

5.6 Short Term Planning

A comparison of the three organisation's short term planning processes show that there was a large gap between the type of planning done by Organisations A and B, and the planning done by Organisation C. While the two former organisations planned at a number of different levels, (formal, informal, ad-hoc, long-term and short-term) the latter organisation planned on an informal basis for both the short-term and the long-term. It was also very clear that while the two larger

organisations planned for operations, administration and organisational development (for example the need to move towards participatory planning; the need to consider the consequences of decentralisation) the smallest organisation really planned for its operations only, with no attention paid to organisational planning.

Organisation A in particular, had a systematic approach to planning in which the year plan was closely related to the monthly plans and the weekly operations planning. These plans were carried out in detail at all levels of the organisation. In this way, long term planning was carefully related to the short term plans. Given this relationship, and the systematisation of the process, it was interesting to note that the Financial Manager admitted that not all staff (only those at a certain level) were aware of the relationship/continuity between what they did in the short term, and the long term plans of the organisation. Systematisation therefore, may not always be an appropriate way of drawing the relationships together.

Structurally, Organisation A was decentralised with five regions drawn together by a central administration. It seemed that most of the long-term planning (finances, development etc.) was done by the central administration, while the regional structures did most of the short-term planning (operations, non-routine/ad-hoc planning). While this meant that all staff were involved in the planning, it strictly limited participation in long-term and strategic planning to certain individuals (in the central administration) which probably helped to generate the perception that decisions were centrally made in a top-down manner. (Refer to Case Study One) These were the same kind of tensions that emerged with the budgeting process, and while management acknowledged the difficulties, it is unclear just how an organisation which originally consisted of separate, loosely related structures, could be unified into one programme both organisationally and in spirit, especially as a decentralisation of structure had necessitated a centralisation of power and authority. The relationship between centralisation and decentralisation also emerged in Organisation B, but as an

issue which management were aware would probably emerge in the future as the organisation decentralised from the central office to the townships.

Perhaps because it was a much smaller structure, Organisation B seemed more able to accommodate the different planning styles favoured by members/groups of staff. (Although it was acknowledged that there was a tension between these groups - refer to case study two, short term planning.) Although most of the short term planning was done on a formal basis, there was little formal systemisation of plans among the staff, except for a fortnightly staff meeting. This meant that staff worked as teams which carried responsibility for their own planning, rather than having a manager who ultimately bore the responsibility.

As with Organisation A, all the staff in Organisation B were involved with planning for the short-term. Unlike Organisation A however, there was a strong clarity about the relationship between the long term plans and the short-term plans. It seemed that the task of the Director in planning was less that of co-ordinator and ultimate decision-maker, and more that of the person who brought staff back to the organisation's priorities, thereby ensuring a clarity/unity of vision. The fact that all staff were involved in the strategic planning process probably added to this clarity.

Organisation A acknowledged that changing needs were bringing about changes in planning methods. The perception that planning was top-down, and that the organisation had lost its "humanness" had led to a call for more participatory and transparent decision-making processes. (Processes that management saw as problematic, because although they were ideal, they were very difficult to achieve.¹³) While grounded in reality, these perceptions were probably informed both by an awareness of the political/macro environment as well as by the perception that centralised, systematic planning was a threat to the inherent value

¹³ In an informal discussion with the management of Organisation A, it became clear that these problems had recently created major divisions in the organisation that the management were trying hard to reconcile. The previously independent status of the regions, together with a strong cadre of regional managers may have exacerbated the problems.

systems that seem to be so vital to the functioning of NGOs.¹⁴ Mintzberg supports this by suggesting that organisations with a strong culture, history and commitment may not easily accept the “calculative nature of planning” which may seem “...excessively impersonal and technocratic in such ideological organisations, which prefer to rely for coordination on the standardisation of norms through socialisation and indoctrination.” (1994, p413) The question is whether management will be able to deal with these tensions creatively so that they help to unify the organisation, or whether they will ultimately institutionalise polarisation.

While Organisation B was able to operationalise the democratic and participative planning processes that Organisation A believed were “ideal”, it was aware that structural changes in the future might bring a need for systematisation, and centralised co-ordination. They saw this as an opportunity to “build staff capacity” however, (refer to Case Study Two) rather than as a means to centralise control. (This meant that staff would have to be trained to deal with issues of finance and management so that they could administer these successfully in the regional offices.) This shows a different conception of decentralisation to that practised by Organisation A, and while some tension existed between the administrative and the operational sides of the organisation, if this can be checked, decentralisation may successfully allow regional workers the authority to make “...decisions in the execution of central policies” thereby devolving decision-making authority. (Allen, quoted in PLANACT, 1992)

While both Organisation A and Organisation B believed that their short-term planning processes were successful, they both relied on subjective evaluation (“...we run into few crises, omissions, etc...” Director, Organisation B) as neither had undergone a formal evaluation of its administrative processes.¹⁵

¹⁴These were discussed in more detail in the section on human resources.

¹⁵Organisation B has undergone external evaluation of a number of other aspects of the organisation.

Organisation C also believed that its short-term planning was successful:
“...things are up and running and the teachers are in the swing of things.”
(Principal, Organisation C)

In Organisation C the ad-hoc and informal planning approaches may have seemed appropriate for the operational issues, (given the part-time nature of the organisation and the fact that the teachers were expected to prepare themselves), but it meant that the concerns of planning were limited to issues that influenced the organisation externally. (Such as finances, donors, teaching methods and examination requirements.) Planning did not take into account the internal organisational environment and its strengths, weaknesses and capacity for change. Given the very high risk factor that the organisation was facing, the lack of strategic thinking and planning seemed surprising. It may have been that the financial support of the parent school, together with the fact that no-one really owned the school (neither parent school, teachers, pupils nor parents) mitigated its need for change. It is also possible that the capacity to think and plan strategically was lacking, as the principal had no management experience and the relationship between the parent school and the Saturday School were particularly tenuous and complex.

5.7 Strategic Planning

Strategic planning was only undertaken in the two larger organisations, Organisations A and B. Discussion around strategic planning will therefore not include Organisation C. Given the pronounced difference in the size and scope of work between Organisation A (fifty employees, national scope) and Organisation B (ten full time, three part time employees, regional focus), it was interesting that *both* organisations chose to budget for, and commit themselves to a strategic planning process. Strategic planning was not a donor conditionality, but its implementation may be attributed to strong leadership, foresight on the part of

management, and an acknowledgement that long-term sustainability may be dependent upon effective organisational development.

The actual strategic processes used in both organisations were fairly similar, though they made use of different models to achieve the same ends. These included an exploration of the organisation's vision and mission, (ie. its purpose) the interdependencies of the internal and external environment, the systems and structures of the organisation (ie. its subjects) and its strategic and action plans. (Its goals and timeframes)

In both organisations the process was begun by an independent facilitator, but ultimately continued by its management. In Organisation B, the management/administrative function implemented and facilitated the follow-up process. In Organisation A, the decentralised organisational structure necessitated that the strategic planning process be taken into the regions by a contingency group. This consisted of top/head office management, who implemented a similar process. In both cases the capacity for strategic planning was invested in the management cadre, which produced tensions similar to those that emerged in the different areas of organisational activity that were discussed above.

In Organisation A the importance of an inclusive strategic process was stressed, and the initial planning involved trustees (ie. board members), managers (regional and central) and regional stakeholders (members of the Principal Regional Committee.) No donors were involved. In Organisation B which functioned internally along democratic and communal lines, all staff members were involved but the input of trustees and other stakeholders was limited. Harding (1994, pg 10) believes that participation can serve a number of different functions for NGOs: it "can be a vehicle for ...gaining access to local information about a situation...a means by which a local beneficiary community exercises control over such activities, or gains greater insight into their position...in the use and management of resources." Given these diverse and important functions, wider

participation in the strategic planning process (particularly in Organisation B) may well have ensured a richer and more informed outcome. Conversely it could have made the planning process even more difficult as it might have raised issues of power: between the board, the community and probably the management. "Stakeholder participation raises difficult questions of power, ownership and trust." (Refer to case study two - strategic planning.) Harding recognises the complexity of participation, saying that: "At the heart of the ambiguity in participatory development are issues of power and complex ones. What seems crucial in assessing the practice of "participatory development" is not the fact of "participation" per se, but *who* decides the scale, level and terms of participation, and *who controls the framework it takes place in.*" (1994, p. 11)

The difference in the emphasis that the two organisations put upon the strategic planning process was marked. While Organisation A emphasised the *process* and how it was carried out and developed within the national structure; Organisation B emphasised the *product* - the tensions and concerns that emerged from it. In this organisation, the process was seen to be fairly technical and repetitive and staff reportedly failed to understand the necessity of their participation. They believed that strategic planning could have been done by management alone, and saw the process as external to their work. In addition, the process was seen as going "against the grain", threatening the spirit of the "creative and dedicated people working for the organisation. This response to planning again highlights the very strong value base of the organisation, and its reliance upon a certain *type* of staff member.

In Organisation B the strategic planning process generated further tensions between the management cadre and the operations group. The stresses that arose here once again paralleled those that arose in the other areas of organisational activity. They revolved around the product focus of strategic planning and its use as a tool to enable the organisation to change, develop and become more streamlined and proactive. While the administrative unit upheld these values, operations staff felt that strategic planning did not take account of grassroots

working conditions, and therefore was not able to be responsive to the environment. It was believed that this was because the planning was structured and facilitated by the administrative unit without the necessary practical input from the Matlafalang Working Group. In addition, this group believed that the vision of the organisation should emerge from practice rather than from planning. As they were in the other areas of planning, these tensions were openly acknowledged and accommodated by the planning process. Mintzberg suggests that different planners have different values in an organisation. The more creative thinkers are able to open up the strategy making process by providing offbeat approaches to issues, while those which are able to programme strategy and see that it is operationalised are unlikely to ask "searching, radical and ridiculous questions" (Churchman, quoted in Mintzberg, 1994, pg 394). It seems that both conventional and non-conventional planner were present in Organisation B, ensuring that tensions were creatively handled and operationally effective. This may explain the seeming contradiction between the negative responses to the planning process and the final evaluation of strategic planning by the staff as "worthwhile." (Refer to case study two - strategic planning)

While the tensions created in Organisation B may be attributed to different planning styles, resistance to the strategic planning of Organisation A seemed to be that much stronger, again highlighting the stress between the central and regional management, the centralised and decentralised functions. This resistance was clearly acknowledged by management: "The process has not been completed in the regions where there has been a major resistance to the process, particularly from those regions that had been with the Urban foundation for a long time", and from the fact that the communication process needed refining because information about strategic planning was "selectively filtered to recipients." (Refer to case study two, strategic planning)

As a much larger organisation (than Organisation B) with a strong regional management and a history of regional autonomy, the resistance experienced by Organisation A is hardly surprising, and yet such strong differences were unlikely to be absorbed into the long-term functioning of the organisation. The strategic planning process was perceived to be yet another top-down decision-making practice, reflected in the fact that the regions saw the planning as a way for the national office to update itself as to what was happening in the regions. Given that the first strategic planning meeting involved all the regional managers, it is surprising that problems did not emerge here. (It is possible of course that the staff simply did not voice them.) This meeting must have been to some extent a "plan for planning", and a means by which to ensure that the organisation was ready for the strategic planning process. Goodstein, Nolan and Pfeiffer (1992, p.18) say that the most important readiness factor for strategic planning is the leader's interest in, and commitment to the process; and his/her ability to sell it to the strategic planning team and the other members of the organisation. While one does not doubt the commitment of the management (given the time and money that was dedicated to it), it is possible that the regions were *not* completely sold on the process, believing that they had been planning strategically all along.

CHAPTER SIX

6. CONCLUSIONS AND RECOMMENDATIONS

As a set of articulated, integrated and interrelated decisions, planning determines the different courses of action that are chosen to accomplish the specified purposes of an organisation. Planning is thus central to all the activities of an organisation and to its outcomes: the extent to which it does - or does not - achieve its intended results. Planning is not necessarily a formal operation. It is done in many different way, from the formal articulation of long-term plans to the informal, ad-hoc plans that are made on the spot to deal with unexpected eventualities. Planning is therefore the way in which an organisation achieves its ends, makes ideas function, and achieves its objectives. It is the action-oriented way in which ideas and approaches are made to work.

This research has identified and investigated six broad areas of organisational activity as a means to determine how organisations plan. Although only two of these areas (short-term planning and strategic planning), were directly involved with planning functions *per se*, the other four areas of activity were chosen as a means by which to discover (across a broad spectrum) the extent to which organisations were actually formalising and articulating their ideas about change. They were also identified as a means to discover how plans, as a set of integrated decisions, were being acted upon in such a way that the ideas and approaches to change are actually able to work in practice.

The final chapter begins with some observations about the background, mission and structure of the three organisations, as these served as an important base for their planning functions and processes. As was done in the previous chapters, the conclusion uses the six categories of organisational activity (budgeting, marketing, donor planning, human resources, short-term planning and strategic

planning) to order the case study material and make the relevant recommendations. In doing this, it attempts to do the following:

- It takes the observations that were made in the case studies (Chapter Four), and the similarities, differences and themes that emerged in the data analysis (Chapter Five), and it relates these to the theory base that was established in the literature review (Chapter Two).
- It uses the theory as a base from which to assess the extent to which the three organisations plan for change: the kinds of planning they do, the degree to which plans are action-oriented ways of making ideas and approaches work, and the interrelationships between long term and short term plans.
- It makes recommendations as to how the organisations could build upon and improve their planned approaches to change. This has been done both to synthesise the themes and patterns that emerged in the analysis, and to present options that might help these and other educational NGOs to make changes that will enable them to cope proactively with the “largely uncharted route” (Mintzberg, 1994, p. 109) that lies ahead of them.

6.1 Background, mission and structure of the organisations

The two older organisations (Organisations A and B) were formed in the seventies and the eighties as a response to apartheid and therefore formed part of that body of NGOs that “...helped to define, support and maintain political opposition in one form or another” (Bernstein, 1994, p.59). Once apartheid had been removed, so too had a part of their reason for being. The organisations responded to this in the early nineties, while they were both successful, by implementing major change. Drucker believes this strategy to be “...Practically infallible: *Refocus and change when you are successful*” (Drucker, 1990, p. 66). Because both organisations employed full-time staff and ran along interactive and participative lines, they were owned by a variety of stakeholder bodies. Because the sustainability of these organisations was important to these people, they had the energy to motivate and to maintain the changes that needed to be made.

Organisation C was formed in 1989 just before the end of apartheid (February 1990). While the organisation was exposed to the consequences of apartheid, it was somewhat removed from its realities as it operated under the umbrella of its parent school with a body of white teachers. The end of apartheid was therefore not the change catalyst for Organisation C, that it was for Organisations A and B. Because it was protected in part by its parent school, Organisation A operated in a fairly stable and rarefied environment. This environment denied it the *need* to plan. Because the school was neither owned by the community, the parent school, the teachers, the pupils or their parents, the energy to see the the need for change and to drive that change process, was also absent.

For Organisation A the change process involved a structural unification, and with it the philosophical unification that ensures that the entire organisation "exists for the sake of its mission" (Drucker, 1990, p.45). In this organisation the tensions between the regions (which had previously been autonomous) which were managerially very strong, and the centralised national authority, mitigated against this. Because the central leadership appears to be strong however, there is a good chance that planned change will enable the director to "focus group processes" (Bass, 1990 in Van der Merwe, L. 1993, p. 235) so that the organisation can meet new challenges, seize new opportunities and innovate. In so doing, the organisation should develop a greater focus around its mission and vision and become more unified.

For Organisation B, changes affected "focus, function *and* structure" While this affected the management and the operations of the organisation, there was a very strong sense of philosophical unity: "...strategic planning didn't change ideas about why the organisation exists, or the way that it fulfils political and social needs..."; "the staff...function as a team who believe strongly in the cause towards which the organisation is working" (refer to case study two). This philosophical base seemed to unite the organisation even though there were certain tensions relating to the way in which it was managed. Drucker (1990, p. 149) says that

"For all this to come together, the mission has to be clear and simple. It has to be bigger than any one person's capacity. It has to lift up people's vision. It has to be that something that makes each person feel that he or she can make a difference..." In Organisation B it seemed that the shared mission made change much easier to implement. This might be attributed to the fact that the organisation is small and structurally centralised with a strong participatory ethos and a committed leader who continuously draws the organisation back to its mission, vision and long-term plans.¹⁶

6.2 Budgeting

In all three of the organisations, the theme that emerged most strongly around the budgeting process was not the organisation's ability to budget (the budgeting process seemed to be appropriate and relatively efficient and effective in all three organisations), or what it budgeted for, but the link between money, authority and power, both within the organisation and between the organisation and the funder. Because finance is crucial to the sustainability of the non-profit organisation, planning finance becomes a principal activity, and is closely related to issues of accountability, transparency and control. This was highlighted as much by the relationship between the lack of planning and the dependency of Organisation C upon its parent school, as it was by the issues and tensions that arose in Organisations A and B around planning issues.

In Organisation A the budgeting process was centralised and tightly controlled at the centre, while allowing for a certain amount of flexibility (determined by the Financial Manager) in the allocation and expenditure of moneys. The fact that the budget was controlled at the centre may have removed it from the realities of the regional operations and although regional managers assisted with the budget, the realities of everyday operations may have made demands on regional

¹⁶Refer back to Case study two, short term planning: "...it is important for staff to be drawn back into the original plan; ...a sense of clarity (about the long term vision) is a benefit".

management that were out of line with a yearly budget cycle. This may have contributed to the perception of budget as a central control mechanism that evoked strong tensions in the organisation.

Although the decentralised structure warranted some control to ensure the effective use of resources, the budgetary process needed to be less centralised as it was perceived to be a top-down management process. A more negotiated approach to budgeting (and some of the other activities of the organisation) would have helped to validate the complementary knowledge of both the centre and the regions in the budget plan. This would lead to greater transparency, and possibly to a more creative and flexible budget than that being used. (In line with Mintzberg's idea that formal planning drives out creativity (Mintzberg, 1994). It would also be a way to "involve the doers in planning" (Pennington, 1972, p. 3; in Mintzberg, 1994, p.31), so that any problems associated with the implementation of the budget could be pre-empted. Although management were aware of the need to manage more participatively, they highlighted the problems associated with it.¹⁷ Facilitating changes in organisational culture may well be difficult, but at the same time finding ways around these problems may be vital if the structural and philosophical unification of the organisation is to be successful

In Organisation B, budgeting seemed to be a more negotiated, and therefore a more flexible process. (Perhaps because the organisation smaller and was structurally centralised.) It was also appropriately tightly controlled, though in a less formal manner than in Organisation A. While the changed organisational structure had necessitated a changed budget process (from a one year to a three year cycle), it had also changed the management style that controlled budgeting. It therefore seems probable that it was less the *budgeting* process that gave rise to tensions associated with it, than the new, more hierarchical style of *managen* that also brought about tensions in other areas of activity. These tensions are

¹⁷ "...staff forget that hard decisions have to be made around the allocation of scarce resources" Financial Manager, Organisation A.

congruent with the idea that NGO staff are "anti-management" (Clarke, 1991, p.84), and Harding's notion that "management is the antithesis of democracy and empowerment" (1994, p. 3). Tensions around the budgeting process in Organisation B did not appear to be detrimental to its functioning, and the budget appeared to be transparent to the staff and to the donors.

In Organisation C the budget was stable, and changed only with inflation. While the budget itself seemed realistic and closely related to organisational activity, it reflected the lack of change in the entire organisation. It also showed that the organisation operated on priorities only. The fact that no allocation was made for organisational or human resource development showed an inability to plan strategically for the long term. Because the parent school supported the Saturday School financially, it held ultimate power that affected all areas of the organisation. It also meant that the decision to close the school was uncontested.¹⁸

Because Organisations A and B were not reliant on a single donor, but had a fairly broad donor base, they were not as high risk as Organisation C. The dependency of Organisation C upon its donor allowed the donor to become all-powerful, which severely restricted any planning that the organisation *could* undertake. This highlights the importance for NGOs to find innovative ways to create a broad donor base, or to find other ways in which to sustain themselves. While the idea of cost-recovery is felt by some to be inappropriate, it may be vital to ensure long term survival. Organisation C could, for example, have considered charging a minimum fee per child per Saturday, to cover teachers salaries. (Negotiated with the parent body.) This could have been supplemented by funding from a local drive (perhaps run by the parent school) to "sponsor-a-child-a-term", or a similar fund-raising effort..

¹⁸ The decision to close the school prompted strong reactions from the founding principal and the parents of the school and moves are being made to change to school into a self-funding organisation that is supported in-part by the pupils of the parent school. The school will be co-ordinated by a committee of parents, and will be run by one of the mothers.

Budgeting for organisational change had only just begun in Organisations A and B, and had not taken place in Organisation C. While Organisations A and B had budgeted for (and implemented) strategic planning, and Organisation B had mentioned the need to start budgeting for change, in practice little (budgetary) attention was paid to developing the capacity of the organisation. While it is difficult to start budgeting for the unknown, the effective implementation of all plans and activities is dependent upon this capacity. Providing the resources for this is therefore essential. NGOs therefore need to recognise the importance of organisational development, and actively to seek funds for it. They could begin by developing their own capacity-building programmes with any extra resources. Budgeting and costing would then develop with the programmes, and costs could then be realistically written into future proposals.

The other themes that emerged in budget planning were those of transparency and accountability. Both Organisations A and B saw accountability and transparency in terms of their donors, other stakeholders such as staff, clients and communities were not considered. Both organisations believed that the budget could (unless specified by a donor) be used flexibly, while remaining in line with donor requirements and proposals. They also stressed that regular reports included a financial and a narrative update of activities - this allowed accountability in terms of finances, resources and services. Interestingly, none of the organisation mentioned ways in which they were accountable to their *clients*. This may have been because services were present provided free to clients. Given that the RDP says that "NGOs must adopt transparent processes and operate in a manner that responds with accountability and democracy, to the communities they serve"(RDP, 1994); it is recommended that organisations start developing options to improve their accountability to clients. The earlier they begin to develop this capacity, the more it should benefit them. NGOs which have already demonstrated transparency and accountability are likely to gain the credibility

which will assist them should they have to start tendering out their services in terms of RDP funding. The following suggestions may provide some options:

- Make financial statements and accounts available to the client on a regular basis
- Collaborate with the client around the definition of services and agree time and/cost based budgets for the assignment
- Define mechanisms that ensure feedback from the client as to the quality/cost effectiveness of services received
- Define an end point to mark the completion of the project, and develop an exit strategy

(Options derived in part from the Report to the Commission of the E.C. and the Kagiso Trust, October, 1993)

6.3 Marketing

In the context of increased competition, both Organisation A and Organisation B had begun to recognise the importance of marketing. Plans to do this were presently informal, with a view to becoming more formal. Given that marketing involves a "planned approach to exchange relationships with constituencies" (McLaughlin, 1986, p. 183; the formalisation of the marketing process is likely to bring it to the fore and ensure that it becomes more action-focused. Though informal, the marketing approaches of Organisation A seemed more developed than those of Organisation B. While Organisation A recognised the importance of the individual *and* collective networks (fora, exhibitions etc.) in marketing, Organisation B saw marketing in the context of its external constituencies only.

The approaches of both organisations seemed fairly vague and unfocused. This may point to the fact that many non-profit organisations do not actually know what marketing is, and the benefits that it can bring to the organisation. In addition, marketing is often associated with selling and advertising, with the values of the for-profit sector and with "unprofessional or unethical behaviour and ...values" (Mc Laughlin, 1986, p. 184). The fact that Organisation A had

developed a task group to look into the marketing issue should prove to be a positive step in understanding the marketing process.

Given that both organisations felt their position in the market was good, and there were positive indications that this was so¹⁹, it is possible that the organisations marketed their product innately - intuitively building it into the design of their service as Drucker (1990, p.53) recommends. This may be attributed in part to the NGO staff and to their commitment, as staff who believe in their work should be able to sell the organisation to the client through their ongoing dialogue with clients.

Because there was a tension between the growth potential of Organisation B, and its capacity to meet the expectations of the community, there is need for a carefully structured marketing strategy. This strategy should consider the market as a whole, and must try and balance the needs of the donors with the needs of the community. It should also be a part of the total management of the organisation. The organisation is presently concerned mainly with community needs, which while understandable, is out of line with its reliance on donor funding to meet those needs. The organisation admitted that responsibility for fundraising was unclear, an issue which needs to be resolved through the development of an effective marketing strategy.

An effective marketing strategy would help ensure that Organisation B achieves a more sustainable donor constituency. To do this they need to look more closely at their donor base, involve their board in the issue, and try and educate and inform their donors as to their objectives. This should be done by formulating funding requests so that they appeal both to the "hearts" and to the "minds" of donors as Drucker suggests. (1990, p. 58) The development of a marketing

¹⁹ Organisation A worked in all primary schools in the Western Cape; Organisation B was often asked to do more work in the community.

strategy is likely to require a lot of careful thought and planning, and they might consider forming a marketing task group to do this.

Organisation B had originally tested the market before it entered it. This had enabled them to identify their market and develop and fulfil a niche for themselves in the field of in-service education and training. It seemed that no further market research had been done since then, however. Because the macro-environment is changing so fast, and because the organisation had recently undergone changes, they should perhaps consider researching market trends again to develop a broader understanding of trends. This would assist them in segmenting and targeting their markets correctly, and would ensure that the service they provide meets market needs.

The confused objectives of Organisation C, and the lack of clarity about which market it served was likely to have mitigated against its ability to market itself to its clients and donors. Drucker (1990, p. 54) says that successful marketing means "knowing what to sell, to whom to sell, and when to sell". The Saturday School was not clear about any of these issues. A structured approach to marketing would mean revisiting the organisation's vision and objectives. This would probably mean breaking away from the parent school completely. Once the mission and vision had been clarified within the organisation, these would have to be sold to the parent school and its board in order to get their active support. This would have to be an integral part of the change management process, perhaps a part of a flexible and negotiated strategic programming session in which broad goals and objectives were set out in a problem solving framework.

As an independent organisation, the Saturday School could be in a good position to develop a successful marketing strategy. With the support of the principal of the parent school, and with the help of the pupils and their parents, the Saturday School could provide a way for the parent school to fulfil its mission: "...to work in an integrated way with the community by sharing resources and experience..."

(Excerpt from funding document, p.1). In this way they would be appealing to the hearts and the minds of their donors in a *new* kind of donor-client relationship.

To ensure further success, the relationship between the school and its clients should be improved (Once the clients had been clearly identified). Parents, for example, could become involved in the running of the school, and these parents would help to educate others as to the service that was being provided.

6.4 Human Resources

The loss of many experienced staff at a time when NGOs are dealing with the effects of political, social and organisational change has brought the need for human resource planning to the fore. Human resource decisions are, according to Drucker, "...the ultimate - perhaps the only control of an organisation..." (Drucker, 1990, p. 145) As such, NGO staff are likely to play a critical role in determining how the organisation is able to adapt to change. Human resource issues such as how to attract, recruit and develop high quality staff are therefore central to the long term success of the organisation.

6.4.1 Recruitment and staff development

In Organisation A, plans to recruit and develop staff were formalised, action-oriented and implementable. They showed that there was an understanding of the need for quality staff and they reflected an integration of short-term and long-term plans. In Organisation B, selection and recruitment processes were formalised but the approach to staff development was less formal - although the commitment to staff development was very strong, and there was a broad understanding of the relationship between long-term and short-term human resource plans.

In all three case studies it was clear that one of the most central human resource concerns was finding the right *type* of staff. Qualifications and experience were

secondary to the potential, the values, and the commitment of the recruit.

Organisation A were able to control the quality of their recruiting to some extent, by selecting employees from teacher-teachers who had participated in the programme. In addition the regional structure of the organisation allowed managers to optimally utilise the diverse talents of their employees.

Both Organisation A and Organisation B said that they nurtured staff commitment by providing a non-bureaucratic organisational structure, and by including all staff in participative decision-making processes. While this democratic and participative ethos may attract staff with the necessary commitment, organisations have to find ways to develop staff if they hope to retain them. Organisation A had implemented a carefully structured means of doing this. Staff development included an intensive course of formal training, allowed staff opportunities to attend conferences and seminars, and provided funding for personal study.. This formal approach may be the result of a number of factors. Firstly, Organisation A aimed to institutionalise its programme, which meant that seconded staff had to be trained and developed to ensure their favourable return to the school system. This made training and staff development a key to quality control, upon which the success of the programme was dependent. In addition, as a large NGO linked to the Urban Foundation, the staff development policy of Organisation A was backed by sufficient funds and access to a human resources department.

In Organisation B, the staff development function was less formal than that of Organisation A. Although little formal training or mentoring took place, new staff were supported by their more experienced team members, and there was very strong organisational commitment to long term staff development which should form the basis of more formal and structured human resource functions in the future. While Organisation A encouraged self-study, it was not as closely linked to formal career pathing as it was in Organisation B where skills development was seen as a part of a long-term career development path which

linked organisational development to personal development. Although Organisation A believed that a flat organisational structure was not conducive to promotion, it makes little sense not to motivate staff with a formal career pathing process, especially with such a highly developed staff training programme in place. This could be done by making it policy to fill vacancies internally, as well as by formally implementing a time (possibly yearly) for managers and subordinates to discuss career pathing and to map out possibilities. These should include informing staff as to the opportunities available for them to develop their skills, take on new responsibilities and broaden their experience in different areas of organisational activity. These discussions should be linked to long-term human resource and organisational development plans.

In Organisation C there was little or no staff development, because most of the staff were experienced teachers. Because the teaching that was done at the Saturday School was very different to that which the teachers did during the week, there was a need to develop a new teaching style. Because the needs of second-language learners are so different to those of first language learners, it is important to meet those needs through the use of appropriate materials and teaching methods. For the Saturday School to develop their students optimally, teachers should be exposed to more appropriate methods and must practise them. This means that the implementation of a staff development programme for teachers is very important. It could be done with the assistance of an NGO experienced in these methods, and would require a commitment on the part of the teachers to develop, trial and share a new materials base.

6.4.2 Developing a learning environment

While Organisations A and B seemed, (in theory) to be committed to the development of a learning environment, there were few planned and co-ordinated exchanges between personal learning and organisational learning. In times of dynamic change, strategies and ideas tend to abound. It therefore makes sense for

organisations to link personal learning closely to organisational learning so that strategies can be harnessed and the strength and capacity of the organisation can be built up from within. Staff should be trained and given responsibilities (which may or may not be linked to financial incentives) in areas such as strategic management, monitoring, evaluation, fundraising, financial management, budgeting and marketing. This would spread capacity through the organisation and would take some of the pressure from management. This improved technical capacity would be complemented by an ongoing exposure to clients, organisations, and information about the larger environment which could be provided by a number of sources:

- the experience of CBOs and other clients
- other NGOs
- other sectors of the economy and the political arena
- the experience of other countries
- training and information institutions

(Adapted from the E.C. Special Programme document, October, 1993)

A real commitment to organisational learning means exposing staff to learning situations on a regular basis. Because NGOs are always so busy, this is likely to be very difficult to achieve in practice. For this reason organisations should give one or two members of staff the responsibility to co-ordinate organisational learning and to facilitate opportunities for staff to learn together.

6.4.3 Performance appraisal

The issue of performance appraisal emerged in all three organisations. Although none of the organisations had formally implemented the function, all three recognised its importance as a way of building on staff strengths and highlighting areas of need in order to make the institution more effective. Organisation A had moved towards actioning plans for a performance appraisal system which will become policy in 1995. While Organisation B was working on a performance

appraisal policy, the process had not been formalised. Organisation C had not yet articulated any form of performance appraisal system.

The greatest problem with performance appraisal seemed to be its threatening nature, particularly for those who associated it with the DET system and for those staff who did not perform. Both Organisations A and B felt that having neutral evaluators was one way to offset the threatening nature of the process. There are however a number of other ways that this could be done. Firstly, organisations must explain to their staff exactly how the process will work and why it is being implemented (to assist with manpower planning, for salary decisions and for improved productivity.) In addition, evaluation practices must be made transparent, and should be deemed equitable and effective. Staff should be given opportunities to ask questions and discuss any reservations. Secondly, the criteria for evaluation should be job related, with specific traits rather than broad generalisations cited so that assessment does not become subjective. Thirdly, to ensure that staff appraisal is effective, management have to be prepared to commit the time to interviews and evaluations, and must be prepared to deal fairly and constructively with the outcomes of the assessments. (Mc Laughlin, 1986, p. 416) Once the evaluation/performance appraisal system is in place, it could be related to a reward system or a merit pay system, should the organisations feel that this could be of benefit.

6.4.4 Salaries

Given that many NGOS have difficulty in recruiting suitable staff it was interesting that none of the organisations reported difficulty in finding suitable staff, and none of the institutions reported a high staff turnover. This may be partly attributed to the fact that Organisations A and B had fairly well developed human resource functions, and to the fact staff seemed satisfied with salaries that were market-related or higher. Organisation C offered a good salary for only four

hours work, and for most of the staff it was a welcome addition to their monthly salary.

The issue of salary rationalisation in Organisations A and B needs to be planned for before it becomes a cause for dissatisfaction. In Organisation B this should be done by gradually closing the gap between the lowest salary and the highest salary. It should be carefully planned as part of the wider human resources plan and should be implemented over a few years. Rationalisation could be more difficult in Organisation A, as it is unlikely that the organisation could offer the same benefits that secondees receive. (Which staff see as being unfair in terms of equal performance) What the organisation could consider however, is a structured motivational package which would include an additional performance-related bonus. This should be implemented with strictly performance-related criteria and could be done with the help of a human resources expert and the input of all staff so that it is understood and seen to be fair and transparent.

6.5 Donor Planning

Although the three organisations knew that they had to change and innovate, and had plenty of ideas as to where they could be going, donor planning lacked a direction and was not action oriented. It also meant that there was little relationship between long-term and short-term donor plans. This was probably because the funding environment is presently so unsure and ill-defined, with a lack of clarity as to how NGOs will contribute to the RDP. None of the three organisations had developed a clear strategy that would enable them to translate thoughts into action plans. (Although Organisation A had taken some positive steps in visiting the United Kingdom find out the possibility of developing funding links with universities.) There was therefore little evidence of formal planning as a means by which to "...translate intended strategies into realised ones by taking the first steps to effective implementation." (Mintzberg, 1994, p. 364).

All three of the organisations were reliant upon donor funds, and funds were raised mainly from large corporate donors and foundations. Both Organisations A and B had plans to diversify their funding to target smaller, (probably local) donors who would be asked to donate to an area in which they were particularly interested. (For example, Organisation B is considering an "Adopt-a-School" policy, and Organisation A hopes to encourage small donors to sponsor a science competition or olympiad.) Funding innovations such as these may well prove to be a success. According to Hafner²⁰ (Drucker, 1990, p.86), raising funds at the community level can be extremely (financially) rewarding. This does not mean targeting individuals only, but could involve small businesses who wish to become involved in community issues. (Perhaps businesses in the townships who want to become involved with the RDP.) Hafner believes that the strength of the local donor is that he/she is more able to become "acquainted with what you are as an organisation, what you are trying to get accomplished..." This means identifying with the goals of the organisation so that the funder may become an important advocate for the organisation, being able to see the results in his/her own community. In this way, fund development²¹ becomes closely linked to the benefits which it holds for the community (Drucker, 1990, p.86.).

Because the funding environment is presently so ill-defined, the targeting of new local donor constituencies should be a step towards the development of a long-term, broad donor base. Hafner believes that building a long-term relationship with donors is effective because it greatly reduces both the costs associated with fund raising (Drucker, 1990, p. 86). The possibility of building up a long-term donor base through smaller funders should therefore be considered by the organisations to be an important strategy in terms of the changing environment and the community-based focus of the RDP.

²⁰Executive vice-president and CEO of the American Heart Association.

²¹ Fund development is different from fund raising in that it creates a constituency that supports the organisation because it *deserves* it (Drucker, 1990, p. 56).

Organisation A recognised that the difficulty with funding innovation lay in making plans operational, that is, for converting plans into actions. In order to do this successfully, organisations need to do some research into the donor market. They would then be able to focus the message of the organisation on the values of the potential donor. This would be an important part of a strategy to target new donors (smaller donors, for example) but it would mean that the organisation would have to be very clear of its own goals and objectives.

Reporting to donors was important for all the organisations, and reports were very carefully compiled to meet the specific requirements of the donor where necessary. Regular reporting seemed to be the extent of communication with donors however, and organisations need to plan ways to communicate more frequently with their donors. While regular reporting is a *part* of showing donors how “valuable” they are (Hafner, in Drucker, 1990, p. 86), it is also important for the funder to feel involved in the programme and to know how valuable his/her contribution is. Organisation B, for example, admitted that they needed to do more to “consciously cultivate” donors. This means building extensive communication into any fundraising plans so that both formal and informal contact takes place, and donors are included in the different phases of project activity. This may be difficult in South Africa as there tends to be a “lack of effective involvement by the funder”(E.C. Special Programme, October, 1993, p. 23). It may, however demonstrate a lack of capacity on the part of the funder rather than a lack of will on the part of NGOs. It is possible that this situation may change with demands for greater accountability to donors and a move towards smaller funders who are more involved in fewer projects.

The commitment of all three organisations to their mission, vision and values was an important theme which emerged from the case studies, and one which Drucker believes is essential for the implementation of a successful fund development strategy. This is because the goals of the organisation relate directly to its

mission, and these relate directly to the giving motives of the donor. A clear vision also ensures that there is a congruency between the mission and goals of the organisation and the proposals and budgets that are presented to the donors.

While this congruency was present in Organisations A and B, it was not present in Organisation C, whose goals were in conflict with those of the parent school who were also their sole financial support. This may have jeopardised their continued support and may have contributed to the decision to close the Saturday school. This means that Organisations A and B have a strong base from which to develop action-oriented plans for fund development. Organisation C would need to develop clear mission and vision before they could do this.

The mission also emerged as central to the ability of the organisations to be accountable to their donors and their clients, to the creation of a "synergy between the mission statement and what the donors wanted .." Both Organisation A and Organisation B believed that there had to be a balance between the vision of the organisation, and how accountable they could be to their funders and their clients. While this may have been important, it was not clear how (or whether) they were able to achieve this. Ideally it would have entailed making the goals and objectives very clear to donors and to clients at each stage of the programme. It would also have meant ensuring that both funders and clients understood the implementation process from the planning stage right through to the monitoring and evaluation stages. This comes back to the importance of building up an ongoing dialogue between the organisation, its funders and its clients on an ongoing basis.

The dedication and commitment of the organisation to its mission may be paralleled the ethos that emerged in all three organisations. Although informally articulated, this ethos was so important that it pervaded many of the organisational activities, and led to a concern that the development of a more functional, production-oriented capacity might damage the inherent value systems

of the organisation. (Refer to case study two) This makes it crucial that planning for all areas of organisational activity finds a balance between maintaining the open structures that accommodate the NGO ethos while facilitating the more streamlined organisational processes that ensure innovative and creative service delivery.

6.6 Short term planning

The analysis of short term planning methods made it clear that the planning undertaken by Organisations A and B involved a number of different levels: formal, informal, ad-hoc, long-term and short-term planning.. This was very different to that done by Organisation C, who planned informally and mainly in the short-term. While its informal planning may have been appropriate to meet its immediate operational needs (and the school *did* appear to run fairly smoothly in the main), this type of planning did not help to ensure the long-term sustainability of the school. Teaching staff were only involved in their immediate planning needs, and because the school was a part-time operation, staff were unlikely to have considered the problems that were facing it in the long term. This left long-term planning to the principal and the head of the parent school. A more participative form of long-term planning should have led to a wider comprehension of the problems that were facing the school, and would have given the staff the opportunity to try and find solutions to the problems. The fact that the limited planning capacity in Organisation A was not able encompass the organisational processes necessary for change and innovation are likely to have had a detrimental affect on its ability to sustain itself.

In Organisation A, planning processes were carefully systematised so that weekly, monthly and long term planning were closely related, and detailed planning was done at all levels of the organisation. While this type of planning should have led to a broad understanding of the interrelationships between the different levels of planning, this was not so, and only certain staff (managerial

staff) were aware of the connections. This situation may support Mintzberg's conviction that formalised planning actually undermines strategic thinking and new ideas, while it discourages commitment and detaches staff with its "objective calculations" (Mintzberg, 1994, p.176). He believes conversely, that commitment flourishes where staff are allowed to participate in and own their own programmes. It is possible that a less rigid planning system - perhaps a system where staff discussed planning together as teams (together with their managers who could draw the different levels of planning together) - might lead to a broader understanding of the whole planning process because "Through team learning the whole becomes smarter than the parts. The disciplines of team learning include dialogue, a form of talking and thinking together" (Van der Merwe, 1993, p. 232). Team planning in this way might lead to a broader understanding of the interrelationships between plans and their implementation, leading in turn to a deeper commitment and unity in the organisation as a whole.

In Organisation A, there was also a clear division between the different types of planning that were done, and those who made the plans. All the long-term and strategic thinking and planning was done at the centre, while most of the short-term planning (operations planning) was decentralised to the regions. Because the planners were also the implementors this may have led to a close correlation between plans and operations, but it also meant that the capacity for strategic thinking, planning and acting was limited to certain individuals. It probably also added to the perception that decisions were made in a top-down manner (which had become an issue in the organisation). Moves by the organisation to develop the capacity of staff at all levels²² should be seen as a way of allowing staff at the lower levels to "suggest a strategic thrust, to improve a strategy or change it fundamentally" (Mintzberg, 1994, p. 286).

²² As discussed in the human resources section, above

In Organisation B, the staff shared a strong sense of clarity about the relationship between long and short-term plans. This may have been because all staff were involved in planning at all levels: both short and long term, and because the staff shared a vision of the organisation which they had created themselves through the strategic planning process. Van der Merwe (1993, p. 236) believes that there is a compelling need for this kind of vision as it "draws the followership forward". It may also have added to a shared commitment in the organisation.

Organisation B was the only one of the three organisations in which the planning role of the leader was distinguished. He emerged as the person who drew the staff back to their (planning) priorities to ensure a clarity of vision. The emphasis was therefore upon his leadership, rather than his person, the leader. This was in line with Van der Merwe's belief that "the need to respond rapidly to changes in a complex environment has made highly centralised...hierarchies obsolete...System-wide leadership, learning and the creation of a community with a common purpose more accurately reflects how successful contemporary organisations are dealing with conditions of rapid change and increasing complexity" (van der Merwe, 1993, p. 236). This puts leadership into a central role in organisations that are able to plan successfully for change..

In Organisation A, centralised planning processes had led to the perception that planning was a top-down management function, and that organisational values (such as its "humanness") were being lost. This had led to a call by the staff for more participatory and transparent decision-making processes that were in line with the political/macro environment. Conversely, Organisation B were moving towards a more co-ordinated planning system as the organisation moved towards a decentralised structure. While Organisation A, used planning as a way of centralising organisational co-ordination without building planning capacity, Organisation B recognised that decentralisation would necessitate staff capacity as most of the planning would be done by the staff in the regions. Mintzberg believes that what he calls "ideological organisations...prefer to rely for co-

ordination on the standardisation of norms through socialisation and indoctrination"- that is, they do not rely on planning for co-ordination (Mintzberg, 1994, p. 413). This means that organisations will have to find ways to achieve shared vision and values, and to negotiate management processes so that a balance can be found between organisational culture, values and the processes that will ensure a relevant and flexible organisation that can deliver its services effectively. In Organisation A it is likely that this will require a greater commitment to participatory management processes and a devolution of power, authority and capacity to all staff across the regions.

6.7 Strategic planning

Both Organisations A and B had chosen to undertake the strategic planning process following the changes that had been made to their structures and their functions. In this context strategic planning was not a means to plan fundamental change, but a way to formulate and resolve the most important issues that they were facing - a way to decide where the organisation should go in terms of the changes in their internal environment and the external environment.

Although the organisations did experience some problems with strategic planning, they seemed to be ready for it in terms of the criteria set out by Goodstein, Nolan and Pfeiffer (1992, p.18) and Bryson (1988, p. 12) Both entered into the process at a time when they were vital and viable as organisations. In addition they entered into strategic planning with the interest and commitment of their leaders. Where the process may have fallen down however, was in the ability of the directors to sell the process to the rest of the organisation, and this may be one of the reasons why they encountered so much resistance. Under these circumstances, the first step to the planning should have been to develop the necessary "skill's resources and commitments"(Bryson 1988, p. 12)

Both Organisations made use of conventional planning models which implemented a highly developed process. (Organisation B described the model as “technical and repetitive with little clarity as to the different areas of the process.” (Refer to case study two.) Mintzberg believes that formal planning such as this is generally rigid, and one which may discourage both creativity and commitment. This could have been true in Organisation B, where staff “failed to see the benefit of their participation”; and where the comment was made that people “don’t like to think”. (Refer to case study two.)

Although both organisations used strategic planning models which anticipated the development of new strategies, they were actually both at a stage where the fundamental changes had already been developed and to a large extent, implemented. This meant that the strategies to be formulated in the strategic planning process would have to be strategies which dealt with the consequences of internal and external change rather than strategic change.

While both organisations were organised as flat structures and had a participatory ethos, Organisation A actually incorporated a more representative set of stakeholders into strategic planning than did Organisation B. Organisation B was however able to involve all its staff members in strategic planning which Organisation A did not. This may have been a way to skirt difficult issues of power and control between the board, the organisation and the community. (These issues emerged in discussion, and in documentation. There was no evidence of any conscious decision to exclude them from the strategic planning process.) The direct inclusion of the stakeholders in strategic planning may have led to a richer and a more informed outcome, however.

The tensions between strategic planning as a management tool, and the spirit in which NGO work was carried out emerged again in Organisation B, where strategic planning was seen as “going against the grain” of the organisation. In Organisation A strong tensions could also be identified in the region’s perception

that "the National Office was using strategic planning to update itself as to what was happening in the regions." (Refer to case study one, strategic planning). This seems to support Mintzberg's allegation that formal planning tends to detach staff, who do not feel a sense of *ownership* of the programme. For this reason it does not engender a spirit of commitment (Mintzberg, 1994, p.176). In addition, strategies that are derived from planning are perceived to be "imposed" upon staff, regardless of whether they are functional or not (Mintzberg, 1994, p. 282). These ideas would be congruent with remarks made by staff in Organisation B: "The Matlafalang Working Group felt that they knew the working conditions which were not always able to be concretised in the way demanded by the strategic planning process. They felt that the planning was structured by the administration...without the necessary input from the MWG, and because of this the strategic planning didn't really touch the practical dynamics" (Refer to case study two, strategic planning).

It is possible that the resistance to strategic planning apparent in both organisations may have been an innate feeling by the NGO staff that *planning* is not an appropriate way to formulate something as vital to the organisation as strategy. Because NGO staff tend to be a certain type (described by the financial manager of Organisation B as "creative and dedicated"), many of them are likely to be what Mintzberg has described as "left-handed planners". These left handed planners tend to be "soft analysts" (Mintzberg, 1994, p.394), people who temper analysis with intuition, people for whom it is more important to ask the right questions than to find the exact answers (Mintzberg, 1994, p. 332). For these people, strategy is likely to be viewed as "dynamic, irregular, discontinuous, calling for groping, interactive processes with an emphasis on learning and synthesis" (Mintzberg, 1994, p.). The Matlafalang Working Group in Organisation B, for example, believed that "vision emerged from practice rather than from planning." (Refer to case study two - strategic planning.) Strategies that are the product of creative brains that can synthesize a vision, tend to be

novel and compelling, according to Mintzberg. They can also take root anywhere - particularly at the lower levels of the organisation - where people are involved with grassroots processes. Formal strategic planning tends to separate the strategists from the implementors, its emphasis on planning is also likely to drive out the vision and the learning that are involved in the process of *emergent* strategy described above.

By implementing a strategic planning process, organisations A and B were in fact formalising and articulating their change plans. While both organisations felt that the process had been useful, there was little evidence of the extent to which it was action oriented and implementable. In addition, if NGOs are going to appreciate and accommodate the unique abilities of their staff to create and carry out plans and strategy, then a formal strategic planning approach that demands decomposition, analysis and rationalisation may not be the best way to do this. A different approach may be more effective to achieve strategies that are innovative, creative and *doable*, at the same time building a greater sense of community, unity and shared vision.

6.8 A new approach to strategy

This new approach to strategy-making and planning recognises that strategy-making in fact *precedes* planning, and that planning itself is closely linked to action. Planning then, becomes not a way to formulate strategy, but a way to programme and action those strategies that have already emerged. Mintzberg believes that in times of change, emergent strategies tend to pervade the organisation (Mintzberg, 1994, p.). This may be because so many options are open, and so many challenges present themselves. These strategies have to be recognised and channelled if they are going to be of use. Managing the process successfully means creating a climate in which strategies can develop and grow. This can be done by creating an organisation in which people are encouraged to grow, learn and acquire the personal mastery which will enable them to see the

interconnectedness of ideas, and be an active part of a "larger creative process which they can influence but cannot unilaterally control" (Senge, 1990, p. 142). In such an organisation there needs to be a contractual relationship between the organisation and the employee. De Pree (Senge, 1990, p. 145) refers to this as a "covenant" which he believes rests on "a shared commitment to ideas, to issues, to values, to goals, and to management processes..." This idea of a covenant between employer and employee may be in harmony with the participative ethos, democratic principles and the values of commitment and dedication exhibited by the staff of so many NGOs.

Together with a commitment to a learning environment, NGOs need to create the structures to guide the emerging strategies. This means establishing flexible management structures that allow the decentralisation of decision-making and the building of management capacity in all areas of the organisation. It means developing and practising appropriate processes which might include participative and democratic decision-making, teamworking and team building, sharing and communication. Lastly, it means encouraging the development of appropriate supporting cultures (such as equality, respect and co-operation), and the advancement of broad "umbrella strategies" (Mintzberg, 1994, p.) to guide the organisation.

6.9 A new approach to planning

In terms of the above, organisational planning needs to take place regularly as a means of implementing strategies as they emerge so that they can become deliberate, intended strategies. This planning should be scheduled to involve all staff, to disperse authority and to allow planning to be communicative, dynamic and iterative: "...the wide participation of individuals in decisions and the ambiguity surrounding formal authority may generate even greater uses of formal analysis (planning) for communication purposes" (Langley, 1986, in Mintzberg, 1994, p. 410). In order to build capacity for planning, it is suggested that

responsibility for co-ordinating and following up the process is shared, so that every employee is involved in the process. In larger organisations such as Organisation A, planning would probably have to be done in teams, and the results of the planning communicated throughout the organisation. This might mean that the staff member responsible for the team plan is also responsible for telling the other teams about it. In a regional institution this might mean bringing team representatives together for a feedback session a number of times each year. It would then be the responsibility of the management team to set organisational planning in the context of the team plans that had already been made.

Long-term planning thus becomes a very loose form of what Mintzberg describes as "strategic programming" (Mintzberg, 1994, p. 409). This allows organisational flexibility by outlining broad targets and milestones for evaluation. It allows space to adapt to the "dead ends and creative discoveries" so that the organisation learns as it progresses along what is very likely to be an unmapped course. Ultimately then, plans should emerge as being somewhere in between the specific action plan and the general performance control.

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8. APPENDICES

8.1 Appendix One

8.1.1 Interview Schedules: Planning Methods in Educational Non-Governmental Organisations

Checkpoints for Respondents

Interview One

BACKGROUND

1. What is the vision and the mission of the organisation?
2. How long has the organisation been running?
3. When was it founded and by whom?
4. Why was the organisation started?
5. How has the organisation grown and developed over the years? Please describe this in terms of the size, management, staff component, work undertaken, funding and any major innovations and changes that have taken place.
6. How is the organisation structured in terms of its management, staff, board and trustees? Please describe how and why it is structured in this way.
7. Who are the clients and the stakeholders of the organisation? What role do these people play in the running of the organisation?
8. How many staff members do you have? Has this number grown significantly over the years? Are you looking to increase this staff component? Why/why not?
9. How have your outputs changed over the past two years?
10. What has influenced these changes?
11. What has been the role of planning in bringing about these changes?
12. What impact has the RDP and the new education policy had upon the organisation?
13. What are the other influences (both internal and external) that have recently impacted upon the work of the organisation?
14. Would you say that the organisation enjoys legitimacy within the communities with which it works? Why/why not? How do you deal with this situation?

15. Do you believe that your organisation has an important role to play in the new dispensation? In what ways are you planning to develop, change and innovate in terms of the rapidly changing environment?

Supporting documentation:

- Proposals
- Annual reports
- Brochures
- Sundry correspondence

Interview Two

BUDGETING

1. **How does your budgeting system currently function?**
 - How is money allocated to projects?
 - How flexible are these allocations?
 - How flexible is the 'bottom line'?
 - Who has the authority to make the changes and decide on the 'bottom line'?
 - What role do the donors play in budgeting
2. **How does your budgeting assist you in planning for a more rational utilisation of your resources?**
3. **How does it help to identify problems, and methods by which to solve those problems?**
 - How does it help you to prioritise and order your needs, and to sequence their implementation?
 - How does it assist you in selecting the most effective courses of action from the various alternatives that are available?
 - Does your budgeting facilitate the monitoring and evaluation of projects? If so, how?
4. **Do you budget on an annual basis, or do you have a long-term plan?**
 - How does this long-term plan allow for the growth and development of the organisation?
 - Do you have a 'sinking fund'? If so, what does it provide for and where does the funding come from?
 - How does it provide for changes in the external environment (eg. For the RDP)
 - Does the budget provide for innovation and change within the organisation?
 - How often do you review your budgeting to allow for changes?

Supporting documentation:

- Annual budgets (2 years of records)
- Financial statements
- Programme and project budgets

- Sundry documentation and correspondence
- Projected budgets

Interview Three

MARKETING

1. What do you consider to be your target 'market'?
2. What do you believe is your position in this market?
3. Have you tried to identify market needs from the perspective of your customers? If so, how have you done this?
4. Do you believe that you have correctly identified the market needs and are able to fulfil them?
5. How do you put yourselves across/sell yourselves to your market?
6. Do you believe that you stand out in some way to the people whom you serve? (I.e. Are you convinced that your clients are completely happy with your product?)
7. How do you identify appropriate sources of funding, and do you identify the 'giving motives' of your funders?
8. How do you make use of this information?
9. Has increased competition in the NGO/education field made any difference to your marketing strategies?
10. How do you and your staff incorporate a marketing strategy into your long-term and short-term plans?

Supporting documentation:

- Market research material (where applicable)
- Brochures and advertising material
- Annual reports
- Advertising material

Interview Four:

HUMAN RESOURCES

1. How does your human resource planning fit in with the vision and the mission of the organisation?
- How do you ensure that all your staff believe in the 'cause' that underlies the work that you do?
- How do you prevent the work from becoming 'just another job'?
- How do you ensure that your staff work as a team so that the organisation functions effectively at all levels?

2. When you appoint candidates for a job, what are the overriding factors that influence the decisions that you make?
3. Do you make use of any of the following processes to develop your staff members? (Or do you make use of other, similar processes?)
 - mentoring
 - skills development
 - evaluation
 - motivation
4. Is there an overriding ethos that influences how you develop and train your staff members?
5. Do you believe that you are developing your staff members so that they are going to ensure a better organisation in the future?
6. How do you promote and 'challenge' your staff members?
7. How do you match individual strengths to the key activities in your organisation?
8. Are salary and bonus related to performance in any way?
9. What salary structure is used in the organisation?
10. Do you believe that staff members are satisfied with their salary and employment benefits, or do you believe that these need to be revised? Why/why not?
11. Do you conduct regular performance appraisals for all staff members? Who conducts these appraisals?
12. Are there other ways that you use to ensure that your staff function effectively?
13. How are these human resource processes built into the different levels of organisational planning?

Supporting Documentation:

- Staff projections
- Job descriptions
- Appraisals
- salary structures
- reports
- memoranda
- sundry documentation

Interview Five

PLANNING FOR DONOR FUNDING

1. How is the organisation financed? Is any part of the organisation self-generating?
2. How many funders do you have?
3. Are they generally long-term donors or short term donors, or a mixture of the two?
4. Are they mostly bilateral or local donors?
5. Is most of your funding 'general funding', or is it attached to a particular project or programme?
6. What kind of conditions are attached to the donations that you receive?
 - Are any of the funds interchangeable?
 - Who makes the decisions that govern the allocations?
 - Are you in a position to turn down donations that impose conditionalities that conflict with your mission and values? (I.e. To what extent would you say that you are donor-driven?)
7. In what form, and how often do you report to your donors?
8. To what extent have political changes influenced your funding?
9. How are you planning to increase, diversify and find innovative ways of funding?
10. Do you consider your organisation to be an attractive option for donor funding?
 - (If yes:) How do you plan to remain appealing to donors?
 - Could you become more attractive? If so, how?
 - What do you consider to be the pitfalls of remaining/becoming more attractive?
 - How do you plan to balance accountability to your donors with accountability to your clients, your mission and your vision of the future?

Supporting Documentation:

- Proposals
- General records
- Donor histories
- Administrative data
- Projected donations
- Correspondence

Interview Six

SHORT-TERM PLANNING

1. How do you plan your daily and your weekly activities?
2. Is short-term planning done on an ad-hoc basis (ie. When it is needed) or is it done on a regular and scheduled basis?
3. Who is responsible for short-term planning activities?

4. Who is involved in short-term planning? (Managers, administrative and professional staff and field workers?)
5. How are your daily activities related to your long-term plans?
6. Are staff members fully informed of this continuity, and are they able to implement it effectively?
7. Have these methods changed along with changes and development within the organisation? (If so, how?)
8. Do you believe that your short-term planning activities are effective?
9. Has there been any evaluation of the effectiveness of these short-term planning methods?

Supporting Documentation

- Daily/weekly schedules
- Memoranda
- Agendas
- Reports
- Sundry documentation

Interview Seven:

THE STRATEGIC PLANNING PROCESS

1. What prompted the organisation to undertake a strategic planning process?
 - Why did you choose strategic planning over long-range planning?
2. Describe your strategic planning process as it has been run until the present time.
 - When did the process begin?
 - How often do you run your strategic 'follow-up' sessions?
3. Does the planning process follow a particular model, if so, which one?
 - Why did you choose to use that model?
 - Do you believe that it is an appropriate model for the needs of the organisation?
4. Who runs the strategic planning?
 - Why did you decide to run it this way?
5. Who is involved in the strategic planning sessions?
 - Why are these people involved?
 - Who decides which staff will be involved?
 - Do these staff form a proper strategic management team?
 - How are the decisions taken by the team fed back into the organisation, and communicated back into the organisation as a whole?
6. What role did your stakeholders play in your strategic planning approach?
 - Did you identify new stakeholders?

- Did strategic planning help to clarify their stake in the organisation or its outputs?
- Did strategic planning help to clarify what the organisation needs from its stakeholders?
- Did strategic planning help to clarify ways in which stakeholders could be more satisfied by the product which the organisation provides?
- 7. Did strategic planning change your ideas about:
 - Why the organisation exists?
 - The fulfillment of social or political needs?
- 8. What role did scanning the environment play in enabling the organisation to identify its strengths, weaknesses, opportunities and strengths?
 - Was this beneficial/not beneficial?
- 9. Would you say that the issues identified and addressed by the strategic planning process were crucial to the organisation's long term sustainability? Why/why not?
- 10. Were the strategies chosen to address these issues appropriate in terms of the organisations mission, vision and values?
- 11. Do you think that they will enable the organisation to change, develop and become more effective within the changing education and NGO environments?
- 12. Do you believe that the strategic planning process been valuable for the organisation?
- 13. Have there been any particular problems involved with it? (If so, what are they?)
- 14. Has there been any evaluation of the strategic planning process?
 - How and by whom was the evaluation conducted?
 - What was the outcome of the evaluation?
 - How would you change the strategic planning process in the future? Why?

Supporting Documentation:

- Records
- Correspondence
- Memoranda
- Agendas
- Reports
- Sundry correspondence

Interview Eight: OPEN ENDED DISCUSSION - CHAIRMAN'S POINTS **STRATEGIC PLANNING**

1. What are your feelings about the strategic planning process as a whole?
2. Where has it taken the organisation from?
3. Where is it taking the organisation to? Why?
4. What have been the strengths of the strategic planning process?

5. What have been the weaknesses of the process?
6. Do you think that it has achieved what it set out to achieve? (Why/why not?)
7. Did you feel that your particular function was able to contribute to the strategic plan as a whole?
8. Did the strategic planning contribute to your function? (If so, how? If not, why not?)
9. Were you able to see your function relate to the other functions of the organisation as a whole? (If so, how? If not, why not?)
10. Are you better able to make the connections between the daily planning of the organisation, the short-term planning activities and the long term planning, the mission and the vision of the organisation? Why/why not?
11. Do you think that this will ultimately enable the organisation to function more effectively, and to innovate and change with the changing environment? (I.e. Will it enable the organisation to sustain itself in the long term?)

8.2 Appendix Two

8.2.1 List of internal documents - Organisation A, B and C

Organisation A

- Strategic Planning Process
- Topical Briefing to Managers
- Annual Financial Statements 1993
- Proceedings of the Second Curriculum Conference of the Organisation A.
- Western Cape. Detailed Programme Cost Centre Report for the Months ended 30 September 1994
- Trial Balance. 30 September 1994
- Operating Budgeting Projections for the year 1 January 1994 to 31 December 1994
- Performance Review Sheet
- Job descriptions
- Planning ratios - yearly planning
- Expansion and Consolidation Targets
- Expansion into Border/Ciskei region
- Planning and Budgeting Sequence
- Memos to Managers re. the Budget
- Strategy workshop Report. 27 June 1994
- Organisational Structure
- Mission/Information document

Organisation B.

- Annual report, 1994
- Matlafalang Programme Summary
- Organisation B in 1994
- INSET Possibilities in the Future South Africa - the Approach of Organisation B. Paper presented to HSRC Conference on the Restructuring of Education. September 1993.
- Budget 1995-1997
- Progress report for the period March to May 1994
- Annual Report 1992
- Progress report for the period July to December 1993
- Application for renewed funding to Kagiso Trust for Organisation B. (June 1994)
- Strategic Planning (September 1994) Phase II

- Strategic Planning Session Report (13-14 August, 1994)
- Final Draft - Mission Statement (September 1994)
- Minutes/agendas of fortnightly staff meetings, June to October 1994
- Plans for 1994
- Job descriptions for all staff - Organisation B
- Matlafalang Working Group, job descriptions
- Human resource policies, Organisation B.
- Motivation for teacher development programme in PWV townships
- Funding proposal to JET. April 1994

Organisation C

- JCI - letter. October 1994
- Lifeskills programme proposal 1994. Rod Charlton (teacher)
- Funding document to ESCOM, 1994
- Funding document to Liberty Life, 1994
- Funding document S.A. Breweries
- Parent School prospectus.



Author:Ward, S.J

Name of thesis:Planning for change in educational NGOs:Three case studies

PUBLISHER:

University of the Witwatersrand, Johannesburg

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