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Managing change for strategy implementation at the Aurum Institute

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Managing Change for Strategy Implementation at The Aurum Institute

By

Bulelani Kuwane

A research report submitted to the Faculty of Management, University of the Witwatersrand, in 25% fulfilment of the requirements for the degree of Master of Management (in the field of Public and Development Management)

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ABSTRACT

The research examines how The Aurum Institute (Aurum) managed change during the implementation of its 2010 strategy. The new strategy also included changes to the structure. Aurum is a not-for-profit, public benefit organisation. The purpose of the research was to investigate factors that led to resistance to change at Aurum. The research drew on Lewin's Force-Field Theory of Change as a theoretical framework.

This research adopted an interpretative social science approach. The design that the research took is a qualitative approach. Data was collected through semi-structured interviews conducted with ten people: eight current senior and middle managers at Aurum and two other interviewees, a former manager and a consultant. Data was analysed using the Successive Approximation Method.

The results show that there was resistance to change at Aurum during strategy implementation and restructuring. The results also showed that there were good reasons for the organisation developing a strategy and organisational restructuring, and one of the main results was growing the organisation to ensure sustainability.

The research showed that there was resistance to change as a result of multiple factors. These factors include, among other things, ownership of the change initiatives, that the implementation of the matrix structure was difficult, insufficient resources were allocated to change initiatives, and some people did not understand the need to change. It is recommended that the organisation builds leadership capacity and prioritises allocation resources to ensure that change initiatives are successful.

DECLARATION

I declare that this 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.

_____

Bulelani Kuwane

31 March 2014

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My thanks is due to colleagues and former colleagues who participated as respondents during data collection.

DEDICATION

This research report is dedicated to my wife, Tholang, and my three girls, Lindeka, Nasiphi and Siyazithanda, for their understanding, patience and support while I was doing this course.

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CHAPTER ONE

BACKGROUND TO THE STUDY

1.1 INTRODUCTION

This research report seeks to explain the process of managing change at The Aurum Institute (Aurum) following the 2010 strategy and restructuring. Jones (2007) defines organisational change as a process by which organisations move from their current state to some desired future state to increase their effectiveness. The environment where organisations operate is constantly shifting. Effective organisations must be able to manage change. When strategies change, there are often accompanying changes in structures and responsibilities and people are clearly affected. Change frequently disrupts normality. Job security seems threatened, existing behaviour patterns and values are questioned, people are required to be more flexible and to take more risks (Thompson and Martin, 2005).

Change initiatives usually encounter resistance, even when there was general agreement on the desirability of the aims of the initiatives. At times initiatives to overcome resistance are often short-lived, with the system and people returning to their previous state before the change (Thompson and Martin, 2005).

Aurum is an internationally recognised, specialist research and health systems management, not-for-profit, public benefit organisation. Its focus is tuberculosis (TB), the Human Immune-deficiency Virus (HIV) and research and implementation programmes and projects. The new structure is intended, among other things, to reduce silos, ensure synergies between health and research programmes, and promote an effective and efficient

track record of delivery of programmes and projects (Aurum Website: www.auruminstitute.org).

The changes at Aurum brought about by the 2010 strategy and restructuring were difficult but necessary to ensure the organisation is effective, efficient, relevant and sustainable. There has been progress in the implementation of the strategy. Management at all levels was affected by the changes. The problem is that there has been resistance to the changes. The purpose of the research is therefore to investigate the factors leading to resistance to change. The research will present the findings, interpret and analyse the findings, and make recommendations on strategies for consideration in leading change.

The research uses an interpretative social science and qualitative approach. Interviews with managers from all levels in the organisation were conducted as a primary means of collecting data and document analysis was used as a secondary means of data collection. The data were analysed using the successive approximation method. The research report includes the findings, conclusion and recommendations.

This research report consists of six chapters. Chapter 1 provides the background of the study, problem and purpose statements and the research questions.

Chapter 2 provides a literature review on managing change, explains the strategy implementation, and adopts a theoretical framework.

Chapter 3 explains the research methodology, and Chapter 4 covers data presentation and the findings of the study.

Chapter 5 looks at the interpretation and analysis of the findings.

Chapter 6 provides the summary, the conclusions and makes recommendations.

1.2 HEALTH CARE AND NON-GOVERNMENTAL ORGANISATIONS

A multitude of health and health-related projects and programmes that have been initiated in Third World countries have been funded externally or on a cost-sharing basis with national governments. Some of these are because public health care services have not been accessible to all citizens. There are many organisations working in the international field with input into the health sector. Some of these are multilateral organisations like the World Health Organisation, bilateral government agencies such as the United States Agency for International Development (USAID), private secular organisations like the Ford Foundation and private religious organisations like Oxfam (Phillips, 1995:288–289).

In the developed world governments fund health care such as, for example, the United Kingdom's National Health Insurance. However, there are also civil society organisations providing services such as palliative care (Phillips, 1995:288–289).

In Africa, civil society organisations play an important role in increasing access to health care. There is extensive international funding for health care and more importantly for HIV and AIDS work in Africa. South Africa, Uganda and Kenya are very involved in research on HIV and AIDS using funding that comes largely from international agencies (Squire, 2007).

In South Africa there is both public and private health care as well as health care provided by civil society organisations which are trying to reach marginalised groups. The government has recognised that health care resources are not distributed equitably and intends to implement National Health Insurance in the next 14 years. Civil society organisations were in

the forefront of the fight against HIV and AIDS. Although President Thabo Mbeki's government was labelled as being in denial of the HIV and AIDS epidemic in South Africa, South African organisations benefited notwithstanding from international funding to start projects in the fight against HIV and AIDS that included provision of treatment. The Western Cape was one of the first provinces to receive Global Fund support to provide antiretroviral treatment (Squire, 2007:37-41). Bond (2001) observes that aid to South Africa increased to 13% as a ratio to GDP in the early 1990s.

NGOs have been defined by the World Bank as private organisations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services or undertake community development. NGO activities can be local, national or international. Governments depend on NGOs to support health research for needs assessments, formulation of policy options, implementation of interventions and evaluation of action plans. There are NGOs that operate internationally to provide health services and conduct research like CARE, Africa Medical Research Foundation, and Médecins sans Frontières (UN, www.un.org).

Lewis (2007) describes NGOs as being not-for-profit or third sector organisations concerned with addressing poverty and promoting social justice. They do this either directly through provision of services to people or through campaigning and policy advocacy to bring about structural change that will improve the position of people who are poor.

Delisle, Roberts, Munro, Jones and Gyorkos, (2005) mentions that NGOs also play a leading role in health research that informs policy.

Oxfam is an international organisation that went through a change process in 1994. It expanded its work to other countries including Africa. It developed

a communication strategy as a way of managing resistance to change (Carreras, Iglesias and Sureda, 2010:110). Medicos del Mundo, an international organisation working in 21 countries with 550 staff and 800 volunteers used active participation as a tool for overcoming resistance to change (Carreras, et al, 2010:110).

In Africa, some of the recipient countries depend on international aid to provide health care. Some of the international donors will only give funding to NGOs and not government. The World Bank claims that in about five countries, namely Burundi, Chad, Guinea-Bissau, Mozambique and Tanzania, donor aid pays for more than 50% of the total health bill (UN, www.un.org). Donor aid is usually channelled through NGOs, which then provide the required healthcare. There are international, national and local organisations providing health care. Much HIV and AIDS and TB research is undertaken in Africa, with Kenya, Uganda and South Africa being the common countries where such research happens. A similar situation prevails in the Southern African Development Community (UN, www.un.org).

In South Africa there are a number of organisations similar to The Aurum Institute. These organisations operate nationally, regionally or locally to provide health care to communities that find it difficult to access public health care facilities. Most of the health care research in South Africa is funded by international agencies or multinational corporations. These organisations usually channel the funding through not-for-profit organisations. In South Africa, organisations similar to Aurum include the Anova Health Institute, the Wits Reproductive Health Institute (WRHI), Right To Care, and the Perinatal HIV Research Unit (PHRU) (Aurum Website: www.auruminstitute.org).

Human and Horwitz (1992) suggests that managing uncertainty and coping with change has become a way of life in South African organisations. This

is because of the constantly shifting environment in which they operate. Anova Health Institute also underwent a change resulting from its separation from PHRU. The chairman of Anova wrote in its 2010 annual report that, "… change is seldom an easy thing and I must extend my congratulations to all involved in the formulation of Anova for efficiently managing a potentially difficult transition". The WRHI changed its corporate image two years ago. However, there was no available information on how they managed change. It is the view of the researcher that organisations in South Africa do not sufficiently document their lessons learnt from change processes.

According to Telford, Maddock, Isam and Kralik (2006), health care organisations require close examination and the environment they operate in creates complexity and ambiguity in managing change. They further conclude that these organisations are still carving a pathway for understanding how change is best managed. The evolution of change management approaches within health care organisations requires further evaluation (Telford, et al, 2006:165).

1.3 BACKGROUND TO THE AURUM INSTITUTE

Aurum is an internationally recognised, specialist research, health systems management, not-for-profit, non-governmental, public benefit organisation that is also Proudly South African. Its focus is Tuberculosis (TB), Human Immune-Deficiency Virus (HIV) and Acquired Immune Deficiency Syndrome (AIDS) research and implementation programmes and projects. Aurum has an international reputation for its work in the fields of TB, HIV and AIDS and is the recipient of research grants as well as other grants from South African and international agencies and institutions for its work (Aurum website, www.auruminstitute.org).

Although Aurum is a South African organisation it has international links and collaborative arrangements in place. Aurum has worked with the London School of Hygiene and Tropical Medicines in some research studies. Other international partners include Sanofi, the International AIDS Vaccine Network, and Columbia University. Most of the funding for these organisations comes from international agencies like USAID, PEPFAR, the Bill and Melinda Gates Foundation, and UK Aid. The chief executive officer of Aurum is an internationally recognised TB scientist who serves on international committees in the World Health Organisation (WHO) and participates in HIV and TB product development networks. Aurum has recently employed another internationally recognised scientist based in the United States. The intention is that this will be the start of a process to establish Aurum as an international organisation (Aurum website, www.auruminstitute.org.

While there has been little collaboration and partnership with African countries, Aurum is intending to expand its geographic coverage to Africa starting in the Southern African Development Community countries with the first TB project being set up in Mozambique (Aurum Strategic Plan, 2013).

Aurum Health Research (as it was formerly known) was established by AngloGold Ashanti in 1998 to gather together a large body of researchers, treatment practitioners and scientists working on or with the mines into an institution. It was tasked with conducting research into the surveillance, treatment and management of epidemic, occupational and other diseases occurring amongst mineworkers and their dependants (Aurum website, www.auruminstitute.org).

Aurum expanded its activities outside of mining industry needs, especially in response to the international demand for quality treatment and research sites and programme development around TB and HIV and AIDS-related projects.

In 2005 Aurum became an independent, not-for-profit, public benefit organisation. It has enjoyed significant success in informing, developing and working with communities within which its research and health programmes take place (Aurum website, www.auruminstitute.org). Aurum is acknowledged by governments, funders, companies, non-governmental organisations (NGOs) and communities as a partner capable of conducting ethical research and delivering reliable results. Aurum adds value by supplying the context, expertise and experience for its partners to make better informed health-related management and treatment decisions (Aurum website, www.auruminstitute.org).

Aurum is based in Parktown, Johannesburg, with branches in Gauteng, Limpopo, North West, Western Cape and Mpumalanga provinces, and maintains a presence in the other four provinces through seconding of staff to the department of health in specific districts. Aurum employs nearly 2 000 employees with about 1 000 of these staff members seconded to the department of health and the remainder implementing Aurum projects. Aurum has an estimated annual budget of over $29 million (Aurum website, www.auruminstitute.org) and is funded by, amongst others, the United States President's Emergency Plan for AIDS Relief (PEPFAR) through the Center for Diseases Control and Prevention (CDC), the Bill and Melinda Gates Foundation, the National Health Institute and Sanofi (Aurum Annual Report, 2010).

Aurum implements the following projects in partnership with national and provincial departments of health, other partner organisations and communities.

- **Health Programmes:** Facility Health Systems Strengthening, Human Resources Support, Department of Corrections Health Systems Strengthening, Medical Male Circumcision (MMC) in

Communities and Department of Corrections, Pre-Pex Device (Circumcision), INHIBIT-TB (TB Contact Tracing), TB Reach/WHO and Mining Company TB Contact Tracing, Global Fund / Right to Care, TB in Mining Communities.

- **Research - Clinical Trials:** HIV Vaccines, TB Vaccines, TB drugs and Microbicides.
- **Research - Epidemiology Studies:** XTEND, XPHACTOR, TB FastTrack, MERGE, Thol'impilo Linkage to Care, Mental Health and EDCTP TB Incidence.

The Aurum projects are intended, among other things, to support the department of health to meet its objectives as set out in the Negotiated Service Delivery Agreement (NSDA) between the Minister of Health and the President and the Ten Point Plan of the department of health. The NSDA has four strategic outputs: increasing life expectancy, decreasing maternal and child mortality, combating HIV and AIDS and decreasing burden of disease for TB; and strengthening health systems effectiveness.

The department of health ten point plan requires:

1. Provision of strategic leadership and creation of a social compact for better health outcomes.
2. Implementation of National Health Insurance (NHI).
3. Improvement in the quality of health services.
4. Improvement in the health care system and its management.
5. Improving human resources management, planning and development.
6. Revitalisation of health infrastructure.
7. Accelerated implementation of the National HIV and AIDS and STI National Strategic Plan (2007-2011) and increased focus on TB and other communicable diseases.
8. Mass mobilisation for better health for the population.

9. Review of the drug policy.
10. Strengthening research and development.

An example of the type of intervention that is typically made by Aurum is its Facility Health Systems Strengthening Project which supports strategic outputs three and four that relate to combating HIV and AIDS and decreasing the burden of disease for TB, as well as strengthening health systems effectiveness. In relation to the ten point plan it contributes to three points: accelerated implementation of the National HIV and AIDS and STI National Strategic Plans (2007-2011) and an increased focus on TB and other communicable diseases; improving the quality of health services; and overhauling the health care system and improving the management thereof.

1.3.1 The Aurum Strategy

In 2010 Aurum developed a new strategy (Appendix A: strategy map) for the period 2010 to 2014. The new strategy was intended to assure the effectiveness, efficiency, relevance and sustainability of the organisation. The new strategy required a change in structure (Appendix B: old structure; Appendix C: new structure). The strategic direction and objectives are summarised below.

Vision

An internationally respected African institution that transforms health in the community.

Mission

To improve the health of people and communities through innovation in TB/HIV integration.

Focus

Aurum is focused on researching, supporting and implementing integrated approaches to managing TB and HIV.

Values

Integrity, Excellence, Innovation, Teamwork and Respect.

Motto

To see, to find, to share, to care.

1.3.2 Strategic Objectives

Aurum will position itself as a leading, recognised institute in the fields of health care research and health systems management support in TB/HIV, with one overriding aim – to make a differential impact.

1. This will be underpinned by an evidence-based track record of excellence in delivery against programme objectives which have a transformational impact on health in the communities in which we work.
2. Business activities will be supported by a sound financial plan and practice that aims at long term financial stability and sustainability. We will maintain a project revenue position at 2010 real levels in the next five years. Of particular importance is to create a new mechanism to fund core expenditure which is independent of individual programme/project revenues. Furthermore, Aurum must tap into a greater proportion of South African funding sources, particularly the South African Government (SAG).

3. Operations will aim for sound stakeholder relations, innovation in endeavour and efficiency/effectiveness in practice. A key point will be to ensure synergy of effort between the differentiated parts of Aurum to ensure the achievement of organisational goals.
4. Aurum will investigate and pursue strategic partnerships which enhance delivery and efficiency.
5. Emphasis will be placed on internal capacity development in scientific and business research, as well as health programme enterprise. A culture of learning, impact and accountability will be fostered at all levels of the organisation. Evidence of this will be measured by academic achievements and publications as well as documented operational outputs.
6. Aurum will aim for a minimum Level 4 BB-BEE contribution to society (Aurum Strategy 2010-2014).

Louw and Venter (2006) defines strategy as the direction and scope of an organisation over the long term, which achieves advantage for the organisation through its configuration of resources within a changing environment and fulfils stakeholder expectations. There was a recognition within Aurum that there were changes in the environment and the organisation needed to do something in response. Organisations are required to regularly scan their environment so that they can proactively respond to the changes.

The external environment in which Aurum operates was characterised by a shifting funding landscape, where the global financial crisis was affecting funding and the environment was more competitive. There are many NGOs in South Africa in competition for the same international funding. There were also many technological developments that were expected to have impact on new research (Aurum Strategy: 2010-2014).

The internal environment was characterised through strengths and weaknesses as presented below in Table 1. Aurum has demonstrated an innovative spirit with diverse skills and a strong reputation and credibility. However, weaknesses included insufficient focus on core areas of work, a tendency for different units and structures to work in silos and internal duplication and inefficiencies. Core funding was inadequate and there was an over-reliance on PEPFAR funding (Aurum Strategy: 2010-2014).

Aurum adopted a matrix structure in which two business units – the health programme and the research unit were established to develop new business and manage current and future projects. The implementation of projects will be supported by the establishment of a new operations unit Some project staff would have dual reporting lines to the business unit technical staff as well as to the operational managers or supervisors. There would be a reorganisation of other units like data management, monitoring and evaluation, and training into core services. The units would be augmented by support services such as finance, human resources management and information technology. This is depicted in Table 1 below.

Table 1: Internal Environment of Aurum

Strengths	Weaknesses
• Intellectual property and innovative spirit • Diversity of skills (people) • Proven track record to deliver on large scale projects in unique populations • Strong reputation and credibility Reputation for TB/HIV expertise • Knows the mining industry well • Independence • Unique venues for research and health systems development • Solid governance and systems • Strong brand and market presence • Several large programmes running simultaneously • Value placed on principle-based leadership	• Tries to do everything – lacks focus • Structure silo'd and fragmented with duplication of effort • Still too treatment-oriented in terms of health programmes • Still over-reliant on GJC reputation and stature • Senior scientific and management capacity is stretched • Middle management needs managerial skills development • Core funding is inadequate • Regarded by a number of funders as expensive • PEPFAR reliance is a risk • Acceptance of sub-standard work is common • Lack of appreciation by staff of the need for high quality performance

Source: Aurum Strategy: 2010-2014

The research unit is further divided into two sub-units, namely clinical trials and epidemiology units. A scientist group was also to be established. The health programmes units was conceptualised to include two sub-units, health systems strengthening and service innovation units.

Burlington Consultants described the old Aurum structure as containing the following characteristics:

- Overburdening of the CEO: with 15 direct reports;

- Two businesses in one house resulting in a schizoid personality: leading to inconsistent priorities across departments resulting in the misalignment of cultures;
- Poor integration between departments: little communication, interaction and planning (vertical/silo'd operations), particularly with business services, e.g. MS Vista implementation;
- Poorly defined roles and responsibilities and unclear delegation of authority within the matrix structure;
- System inefficiencies that have not been addressed by the matrix structure;
- Geographic dispersion of programme activities adding complexity to the structure;
- Programme funding instability impacting on the level of capacity that can be carried;
- Historic tendency for budget to inform structure, rather than required structure informing budget and hence, core funding requirements;
- Incorrect balance between recruiting for the right functions versus recruiting the right person.

The new structure is mainly a matrix with some elements of geography and product structural designs. One of the advantages of a matrix structure is that it supports a wide variety of project-oriented business activities. However, one of the disadvantages is that it is complex with dual lines of reporting (Ehlers and Lazenby, 2004:211). Ehlers and Lazenby (2004) discusses organisational structure as one of the five drivers of strategic implementation. The other four are leadership, organisational culture, rewards systems and resource allocation. There is an argument in literature about the fact that structure follows strategy; however Ehlers and Lazenby (2004) notes that research has shown that strategy has influence on the structure. This means structure is important to the implementation of strategy.

Table 2: Criteria for Choosing a Structure

- Structure to follow strategy
- Knowledge based, not labour based
- Synergies between research and programme activities
- Research and programme cultures informed by "other side"
    - Informed operational people and down-to-earth researchers
- Accountability for delivery
- Optimal usage of skills
- Scalability
- Flexibility to deal with a volatile environment
- Ability to work with partners
- Full integration of support functions
- Geographic consolidation
- Hierarchy to be influenced by activity:
    - Research requires flat structure; programmes require more operational (less flat) structure
- Role and responsibility clarification
- Clear reporting lines
- Clear succession possibilities/career pathing (technical expert vs. managerial career paths)
- Mechanisms for conflict resolution
- Cost-effectiveness (leveraging economies of scale)
- Evaluation and reward including:
    - symbolic/simple rewards or acknowledgement

Source: Burlington Presentation: 2010

The strategy and related changes have been implemented since 2010. The chief executive officer observed in the 2010 annual report that Aurum staff was encouraged to embrace change and work towards building an Aurum legacy they could be proud of. He further stated that as expected, the changes resulted in high levels of stress throughout the organisation. With commitment, perseverance and good communication change was embraced. Sirkin, Keenan and Jackson (2006) argues that change is difficult, and for this reason two out of three transformation initiatives fail.

This was the first time that Aurum had undertaken an inclusive process of developing a strategy. Executive and senior management were involved and there were focus groups, interviews and surveys conducted with all the staff. The development of strategy was led by Burlington Consultants.

In implementing the strategy, an executive-led implementation team was appointed. The team conceived an implementation project called Building The Legacy, which had six objectives to achieve:

1. Restructuring the organisation into the new business units, operational division and core and support services.
2. Creating and actioning the Aurum defining core services units, namely Data Management, Training, Monitoring and Evaluation and Quality Assurance.
3. Designing, testing and implementing a performance management system across the organisation.
4. Implementing a supporting knowledge management capacity for the organisation.
5. Implementing a communication strategy to underpin the organisational changes.
6. Developing and obtaining approval for the necessary operating level agreements between business units and the operations division.

Progress was made in the implementation of the strategy and the new units were established. A communications strategy was developed and implemented. Roadshows were undertaken at all Aurum sites and operations. A team from the implementing project conducted sessions on change using concepts from “Who Moved My Cheese” (Johnson, 1998). It is the researcher’s observation that the sites and staff at other levels besides the executive and senior and middle management embraced the change. Most of the resistance to change has been at executive, senior and

middle management levels. Some of the initiatives to counter resistance were less targeted at these levels of management.

The Health Programmes Unit has only established the health systems strengthening units and service innovation has not been established. However, the unit has argued that they have integrated the two functions. A core funding unit was supposed to be established but this has not happened. The unit was meant to raise funds for head office core activities. Other funding is usually project committed, leaving very little for core activities. The organisation needs core funding to sustain the organisation. The projects the organisations implements come and go but the organisation must remain in place and functioning. Core funding is therefore important to sustain the organisation. Louw and Venter (2006) mentions that organisational structure plays a critical role in the effective implementation of strategy and accordingly in the achievement of the various strategic imperatives.

The change affected managers at all levels. Some changed their portfolios and some moved to higher and/or lower positions. Other challenges include managing relationships between the research business unit and the operations unit. There is still some duplication with the roles played by these units.

Aurum is no stranger to major changes, and there are two changes that come to mind. In 2005 the organisation became an organisation independent from AngloGold Ashanti and in 2009 the organisation changed its corporate image by changing its logo and name. There is no record about how these changes were managed but it is the view of the researcher view that the organisation was able to successfully implement those changes.

1.4 PROBLEM STATEMENT

There was resistance to change in the implementation of the Aurum strategy. There are some elements of the strategy and structure that have not been implemented. There have been challenges in the relationship between operations and research.

It is not known whether the resistance to change is as a result of not managing the change appropriately or other factors. Change initiatives usually encounter resistance, even when there was general agreement on the desirability of the goals of the initiatives (Louw and Venter: 2006). Fear is often one of the most common reasons for resisting change, fear of the unknown, of failure, loss or leaving a comfort zone (Edmonds: 2011). Resistance to change is mainly an effort to maintain the status quo. Resistance to change therefore prevents or blocks implementation of change initiatives (Agboola and Salawu: 2011). Carreras, Iglesias and Sureda (2010) explains five reasons people oppose change. These are defending personal interests, lack of understanding, different ways to evaluate change, lack of credibility and low tolerance to change.

Change frequently disrupts normality. Job security seems threatened, existing behaviour patterns and values are questioned, people are required to be more flexible and to take more risks. The environment where organisations operate is constantly shifting. Effective organisations must be able to manage change. When strategies change, there are often accompanying changes in structures and responsibilities and people are clearly affected.

Although the new Aurum strategy is being implemented and progress has been made, there are some challenges. The main challenges include the relationship between the research, business and operations units. There are some of the elements of the strategy that have not been implemented like establishing of core funding as the new strategy is intended to make Aurum sustainable for the future. The new strategy required a change in structure

that aims to reduce silos and promote synergies between health programmes and research. It is also intended to promote an effective and efficient track record of delivery of programmes and projects.

The outcomes of this research will assist in helping Aurum to identify where the problems are, so that appropriate action can be taken. The strategy has now been in process for two years and there is still time to make sure that implementation is successful by identifying problems and addressing them.

1.5 PURPOSE STATEMENT

The purpose of this research is to investigate the factors leading to resistance to change at Aurum. The research will present the findings, interpret and analyse the findings, and make recommendations on strategies for consideration in leading change at Aurum.

Organisations experience resistance to change when they are implementing change initiatives, and this was also the case at Aurum. In implementing any change it is expected that there might be resistance to change and challenges with implementation. The members of the senior management team were included in the interviewing process.

1.6 RESEARCH QUESTIONS

The following research questions were posed as the basis for the research study:

1. What were the reasons for the change at Aurum?
2. What are the factors leading to resistance to change at Aurum?
3. What are the trends in the implementation of strategy at Aurum?
4. What are the leadership and management strategies for consideration in the implementation of change?

1.7 SIGNIFICANCE OF THE STUDY

Managing change is important for the success of any organisation, and is arguably more important for a not-for-profit organisation looking for sustainability. Not-for-profit organisations face change all the time and if change is not managed properly donor funding could be wasted unnecessarily. The future of the Aurum Institute is dependent on the implementation of the 2010 strategy, which includes managing change. The organisation employs nearly 2000 people and these people depend on the organisation's sustainability and survival.

1.8 OUTLINE OF THE CHAPTERS

Chapter 1

This chapter introduced the research and the context of the research and included background of research and The Aurum Institute, purpose and problem statements and research questions. The research was conducted at Aurum. Aurum is an internationally recognised, specialist research, health systems management, not-for-profit, non-governmental, Proudly South African and public benefit organisation.

In the problem statement it was explained that there was resistance to change in the implementation of the Aurum strategy. There are some elements of the strategy and structure that have not been implemented. There have been challenges in the relationship between operations and research. It is not known whether the resistance to change is as a result of not managing the change appropriately or other factors. The purpose of this research was to investigate the factors leading to resistance to change at Aurum.

The following were the research questions for this study as reflected in this chapter;

1. What were the reasons for the change at Aurum?
2. What are the factors leading to resistance to change at Aurum?
3. What are the trends in the implementation of strategy at Aurum?
4. What are the leadership and management strategies for consideration in the implementation of change?

Chapter 2

This chapter will review the literature and adopt a theoretical framework. The literature mainly covered areas of change, resistance to change and change management strategies and theories, and strategic implementation.

The importance of literature review will be explained in that it allows the researcher to demonstrate familiarity with a body of knowledge and establish credibility. Organisational change will be defined using several authors in organisational design or the process by which organisations move from their current state to some desired future state to increase their effectiveness. Buchanan and Huczynski (2010) will define resistance to change as the unwillingness or inability to accept or discuss changes that are perceived to be demanding or threatening to the individual.

The following change management theories and strategies were discussed, including Lewin's Model of Change which is a three-stage sequence of unfreezing, change and refreezing. The emergent change approach is an approach that conceptualises change as driven from the bottom up and as an ongoing process of adaptation to changing circumstances. Eight Steps to Transforming an Organisation were also discussed. Action research is defined as a strategy for generating and acquiring knowledge that managers use to define an organisation's desired future state and to plan a change programme that allows the organisation to reach that state. The Systems Approach to Change is an approach to change that looks at analysis of change situations based on a systems view of the problem.

Strategy implementation was discussed and the other two steps of the strategic management process were explained briefly. Ehlers and Lazenby (2004) defines strategy as an effort or deliberate action that an organisation implements to out-perform its rivals.

Lewin's Force-Field Theory of Change will be adopted as the theoretical framework; it argues that two sets of opposing forces within an organisation determine how change will take place. When the forces are evenly balanced, the organisation does not change. To get the organisation to change, managers must find a way to increase the forces of change, reduce resistance to change, or do both.

Chapter 3

This chapter will cover research methodology. This research adopted an interpretative social science approach. The design that the research took was the qualitative approach. Qualitative research is one of two research designs, the other being quantitative. The quota non-probability sampling method was used. Quota sampling means the researcher first identifies general categories into which cases or people will be selected and then he selects cases to reach a pre-determined number of cases in each category (Neuman, 2011).

This research used the interview as a primary means of collecting data, and document analysis as a secondary means of data collection. The Successive Approximation method was used to analyse data for this research, which involves repeated iterations or cycling through steps, moving towards a final analysis.

Chapter 4

This chapter will present data and findings. The chapter will start with the profile of the participants and the findings then presented in five concepts or themes. These were: reasons for the change, resistance to change, the process of formulating the strategy and organisation design, the

organisation's performance with strategy implementation, and things that the organisation could have done better. This chapter will suggest that resistance to change was experienced at Aurum with 70% of the participants saying resistance to change was indeed experienced. Resistance to change related strongly to the challenges around implementation of the matrix structure.

Chapter 5

This chapter will present the interpretation and analysis of findings. The interpretation of the findings was also categorized into the following concepts and themes: reasons for the change, resistance to change, the process of strategy development, performance of organisation in strategy implementation, and the things the organisation could have done better.

The alignment of findings with the theoretical framework will be done. The findings are mainly that there was resistance to change at Aurum and some of the factors included ownership of the change initiatives by certain members of management, implementation of the matrix structure was difficult, some members of management did not benefit from the change, not enough resources were allocated to change initiatives, and some people did not understand the changes and the need for change.

Chapter 6

This chapter concludes this research report with a summary, conclusion and recommendations. It provides a brief summary of each chapter. The conclusions that have been drawn from the findings are presented, and whether the purpose of the research has being met. It further looks at whether the research questions have been answered by the findings. Lastly, the chapter provides recommendations to Aurum and suggestions for future research.

1.9 CONCLUSION

This chapter introduced the research and the research context. This research seeks to explain the process of managing change at the Aurum Institute (Aurum) following the introduction of a new strategy and structure. As with many other organisations, and particularly non-profit entities, ther was some resistance to change and this research investigates the factors leading to resistance to change at Aurum.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

Literature review is important as it provides the theoretical basis for the research. The chapter will cover definition, importance of literature review, change, resistance to change, change management theories and strategies, strategy implementation, and lastly the theoretical framework.

2.2 DEFINITION

Badenhorst (2007) observes that since all research is based on previous research, the literature review is the place where previous research is discussed and current research is located. It is the literature review where one examines the key concepts and theory and discusses the conceptual framework (Badenhorst, 2007: 43). Reviewing the accumulated knowledge about a question is an essential early step in the research process. Literature review is based on the assumption that knowledge accumulates and that people learn from and build on what others have done (Neuman, 2011: 111).

2.3 IMPORTANCE OF LITERATURE REVIEW

Literature review allows the researcher to demonstrate familiarity with the body of knowledge and establish credibility. A good review increases a reader's confidence in the researcher's professional competence, ability and background (Neuman, 2011: 111). Literature review provides an opportunity for the researcher to learn from others and stimulate new ideas. A good review identifies blind alleys and suggests hypotheses for replication

(Neuman, 2011: 111). It also allows for integrating and summarising what is known in an area. A good review points out areas where prior studies concur, where they disagree and where major questions remain (Neuman, 2011: 111). Literature review shows the path of prior research and how a current project is linked to it. A good review places a research project in context and demonstrates its relevance by making connections to a body of knowledge (Neuman, 2011: 111). It also allows the research to be defined according to a theoretical framework.

2.4 ORGANISATIONAL CHANGE

Organisational change is defined as change in organisational design (Ancona, Kochan, Scully, Van Maanen and Westney, 2009: 8-7). Jones (2007) defines organisational change as a process by which organisations move from their current state to some desired future state to increase their effectiveness. The goal of planned organisational change is to find new or improved ways of using resources and capabilities in order to increase an organisation's ability to create value and improve returns to its stakeholders (Ancona, et al, 2009). The process of implementing a chosen strategy or strategies forces change within an organisation (Ehlers and Lazenby, 2004: 181).

Nutt (1992) defines planned change as a process guided by someone in authority that combines thinking about ways to resolve important problems and taking action to deal with those problems.

Bradach (1996) explains a 7–S framework which list seven areas that must be changed in seeking to align the organisation for effectiveness, efficiency and sustainability. These seven areas are also used to design, organise and manage organisations. If an organisation is looking for areas of improvements, each of these areas could be evaluated. The seven areas are Strategy; Structure; Systems; Staffing; Skills; Style and Shared values.

They are interconnected. Failed organisational efforts are often the consequence of not recognising the role played by all these areas.

The environment where organisations operate shifts continually and effective organisations must be able to manage change. When strategies change, there are often accompanying changes in structures and responsibilities and people are clearly affected (Louw and Venter, 2006).

Change frequently disrupts normality. Job security seems threatened, existing behaviour patterns and values are questioned, and people are required to be more flexible and to take more risks (Louw and Venter: 2006). Mullins (2005) observes that organisations can only perform effectively through interactions with the broader external environment of which it is part. There are factors that make the environment volatile and these include uncertain economic conditions, globalisation and fierce competition, level of government intervention, political interests, scarcity of resources, and rapid development in technology.

This means all organisations will experience change from time to time. NGOs too operate in a shifting environment and must be able to manage change to the same extent that public or private companies do.

Acona, et al (2009) discusses four dimensions of change. The first dimension is the scope of change. This relates to whether change is radical or incremental in nature. Radical changes involve fundamental changes in the organisation's strategic design, political system and culture. Incremental change is local rather than system-wide.

The second dimension is the pacing. Change can be punctuated or continuous. Change is punctuated when it has a clear beginning and end. It is continuous if it proceeds over time and one change leads to another. The

Lewin's model discussed below is the epitome of a punctuated change process.

The third dimension is source of change. This is whether it is driven either by top management or from the bottom up. Most changes in organisations are driven from the top. However, in some organisations change initiatives are started from the bottom. This does not necessarily mean the bottom rungs of the organisation but could also imply the middle levels of the organisation.

The final dimension is about process. Change can be carefully planned or emergent. Planned change has fundamental problems in the organisation being diagnosed and a future state defined. Emergent change is often unforeseen and unexpected, driven forward by experiments rather than plans.

Jones (2007) explains two types of change: evolutionary change and revolutionary change. Evolutionary change is gradual, incremental and narrowly focused. This change involves not a drastic or sudden altering of the basic nature of an organisation's strategy and structure but a constant attempt to improve, adapt and adjust environment. Revolutionary change, on the other hand, is rapid, dramatic and broadly focused. It involves a bold attempt to quickly find new ways to be effective. It is likely to result in a radical shift in ways of doing things, new goals and a new structure.

2.5 RESISTANCE TO CHANGE

Edmonds (2011) discusses reaction to change. Fear is often one of the most common reasons for resisting change, whether fear of the unknown, of failure, loss or leaving a comfort zone. People will only take positive steps towards the unknown if they genuinely believe that the risk of standing still is greater than that of moving forward in a new direction (Edmonds, 2011:

350). Mullins (2005) adds the following to the reasons for resisting change: selective perceptions, habit, inconvenience or loss of freedom, economic implications, and security in the past.

Agboola and Salawu (2011) explains that any change will result in responses from those that might be affected either positively or negatively. Perceived positive effect of change will promote commitment while perceived negative effect will generate resistance. Resistance to change is mainly an effort to maintain the status quo and thus prevents or blocks implementation of change initiatives.

Carreras, Iglesias and Sureda (2010) gives five reasons people oppose change. These are defending personal interests, lack of understanding, different ways to evaluate change, lack of credibility, and low tolerance to change.

Paton and McCalman (2000) observes that the reasons for resistance to change are fear of the unknown and being comforted by the familiar. They further mention that it does not matter how open an organisation is to change it will still face some degree of resistance to change. Organisations may manage to reduce the frequency and potency of such resistance but they will never eradicate the fear of unknown. It is always easy to agree to changes and new ideas, but when work starts, the detractors appear and negative comments and actions materialise. No matter the extent to which an organisation has designed procedures, structures and cultures to encourage openness, responsiveness and innovation, there will always be detractors (Paton and McCalman, 2000: 47).

Jones (2007) mentions that resistance to change is found at organisation, group and individual levels. At organisation level resistance is influenced by firstly power and conflict, when the change causes power struggles and organisational conflict. In this case an organisation is likely to resist change.

The conflict between two divisions could slow progress and even prevent change from happening. Secondly, differences in functional orientation is when different people with different orientations are trying to solve a problem. Thirdly, mechanistic structure where such structures do not build capacity and therefore capacity to change and deal with challenges of changing is lacking. Fourthly, organisational culture has influence where a culture that promotes change must be created and should not be in conflict with the people dealing with change.

At the group level, anything that will change how people function in a group can be resisted. A highly cohesive group may resist attempts by management to change what it does. The group may unite to preserve the status quo and to protect their interests at the expense of other groups.

At the individual level, employees resist change because they feel uncertain and insecure about the outcomes of change. People generally have a tendency to selectively perceive information that is consistent with the existing views of their organisation. Thus when change takes place, workers tend to focus only on how it will affect them and their function or division personally. If they perceive few benefits, they will reject the purpose behind the change. This means that there is always a possibility of resistance to change as organisations have diverse people with diverse views. It is therefore important to prevent and manage the resistance.

Monica (1990) argues that the health sector operates very much like a bureaucracy and is not quick to change and adopt to a new environment.

2.6 CHANGE MANAGEMENT THEORIES AND STRATEGIES

2.6.1 Lewin's Model of Change

Ancona et al (2009) and Thompson and Martin (2005) describe Kurt Lewin's model of change as one process that can be followed to manage change. The model is a three-stage sequence of unfreezing, change and refreezing. Unfreezing is the readiness to acquire or learn new behaviour. People are willing to accept that existing strategies and ways of doing things could be improved and made more effective. One of Lewin's much cited insights is that unfreezing is more successful if it is directed to reducing the forces that block change, rather than to increasing the forces for change. He points out that increasing the pressure for change often generates a countervailing resistance. Removing or mitigating blocking forces often proves to be more effective in unfreezing an organisation and opening the way for change initiatives.

Change occurs when people who perceive the need for change try out new ideas. The changes could be introduced gradually or they may be more dramatic. Choosing the appropriate change strategy once the need is clarified may involve the selection of one from a number of alternatives and consequently there are opportunities for involving the people who are most likely to be affected.

Refreezing takes place when the new behaviour patterns are accepted and followed willingly. At this stage change is taken as the culture (Ancona, et al, 2009). People are supportive and convinced of the wisdom of the changes, and ideally the new approaches become established within the culture. Rewards are often influential in ensuring that refreezing does in fact take place.

Change initiatives usually encounter resistance, even when there was general agreement on the desirability of the goals of the initiatives. At times

initiatives to overcome resistance are often short-lived with the system and people returning to the previous state before the change (Louw and Venter, 2006). Sirkin, Keenan and Jackson (2006) argues that change is difficult, hence two out of three transformation initiatives fail.

2.6.2 The Emergent Change Approach

The emergent change approach conceptualises change as driven from the bottom up and as an ongoing process of adaptation to changing circumstances (Telford, Maddock, Isam and Kralik, 2006: 161). The theory or model recognises the unpredictable, dynamic and multi-faceted nature of change and consequently there is less emphasis on prescriptive methods and techniques of the planned change model. Change is seen as a learning process that is not linear and sequential but a continuous process of transition involving continual adjustment of goals, unanticipated events and disruptions (Telford, Maddock, Isam and Kralik, 2006: 161).

2.6.3 Eight Steps to Transforming an Organisation

Kotter (1995) discusses eight steps to transforming an organisation, and explains these as follows:

1. Establishing a sense of urgency: This step is about creating a motive for people to help and see the need to change.
2. Forming a powerful guiding coalition: This is about bringing together influential people in the organisation to lead the process of change.
3. Creating a vision: It is important to have a vision as it clarifies the direction the organisation wants to take. The vision must be clear and compelling.
4. Communicating the vision: It is important that the rest of the organisation including stakeholders know about the vision. All channels of communications must be used to communicate the vision.

5. Empowering others to act on the vision: This is about empowering others to work towards achieving the vision. It is about allowing people to develop ideas and trying out initiatives to bring about change.
6. Planning for and creating short-term wins: Change is a process that takes time and momentum can be lost along the way. It is therefore important to have milestones and celebrate once these milestones are reached. Without short-term wins, too many people give up or actively join the ranks of those people who have been resisting change.
7. Consolidating improvements and producing still more change: It is important to measure performance and improvements to make sure change is maintained and consolidated.
8. Institutionalising new approaches: Change becomes embedded when it becomes the way that things are done as the norm. New behaviours need to be rooted in social norms and shared values otherwise they are subject to degradation as soon as the pressure for change is removed.

Beer (1988) makes an important point that managing change has become a crucial competence that today's managers must acquire. Westover (2010) describes the theory of being a change agent. The change agent's job is to develop a climate for planned change by overcoming resistance and rallying forces for positive growth. Such skills are needed in conditions of rapid change, particularly in systems that do not respond appropriately to environmental forces. The change agent can use the following interventions: setting new leadership styles, creating a shared vision for quality results, establishing processes for improvement through department teams, fostering employee buy-in through empowered teams, specifying measurements to observe systems in action, incorporating leadership and teamwork skills training, and continuous improvement through ongoing feedback (Westover, 2010).

2.6.4 Organisational Development

Jones (2007) defines organisational development as a series of techniques and methods that managers use to increase the adaptability of their organisations. Jones (2007), Thompson and Martin (2005), Jones (2007) and Agboola and Salawu (2011) describe six ways of overcoming resistance to change. These are:

1. Education and communication: This helps people understand the logic and the need for change. This requires mutual trust and the timing must also be right.
2. Participation and involvement: People are usually more supportive of the changes if they are involved in the formulation and design of the change initiatives.
3. Facilitation and support: This involves training and counselling for people affected by the change.
4. Negotiation and agreement: If there is perceived loss as a result of the proposed change, particularly where the resisting force is powerful, negotiation and agreement on incentives and rewards can be pursued.
5. Manipulation and co-optation: This encompasses covert attempts to influence people by selective use of information and conscious structuring of events. Co-optation involves buying off informal leaders by personal reward or status.
6. Explicit and implicit coercion: This involves use of threats. These may work in the short term but are not sustainable.

Structural changes can sometimes be difficult to implement, particularly where individuals perceive themselves to be losing rather than benefiting. Agboola and Salawu (2011) say that management must be able spot resistance early to be able to respond before it takes hold. Agboola and

Salawu (2011) explains that managers could utilise the following to ensure smooth change processes.

1. Perception: Managers should be able to interpret sensory inputs effectively and ensure that employees perceive the organisation's objectives correctly.
2. Learning: Individuals in the organisation should be encouraged to acquire new knowledge, skills and attitudes. Learning helps people to understand better and influences behaviour positively.
3. Motivation: Managers should endeavour to know the drives and forces that can influence employees' behaviour. The motivation factors should be factored into the change process.
4. Support: People undergoing change need material, moral and emotional support.

2.6.5 Action Research

Action research is also used as one of the methods of managing change. Action research is defined as a strategy for generating and acquiring knowledge that managers use to define an organisation's desired future state and to plan a change programme that allows the organisation to reach that state. The techniques and practices of action research help managers to unfreeze an organisation, move it to its new desired position and refreeze it so that the benefits of the change are retained. There are five steps in action research.

2.6.5.1 Diagnosing the organisation

This step required managers to recognise the existence of the problem that needs to be solved and acknowledge that some type of change is needed to solve it. In general, recognition of the need for change arises because somebody in the organisation perceives a gap between desired

performance and actual performance. This step informs the organisation about the current status.

2.6.5.2 Determining the desired future state

After identification of the current state, the next step is to identify where the organisation needs to be, or its desired future state. This step involves a difficult planning process as managers work out various alternative courses of action that could move the organisation to where they would like it to be and determine what type of change to implement.

2.6.5.3 Implementing action

This is a three-step process. Firstly, the managers need to identify possible impediments to change that they will encounter as they go about making changes, whether at organisation, group or individual level. The second step is deciding who will be responsible for actually making changes and controlling the change process. The choices are to employ external change agents, outside consultants who are experts in managing change; or internal change agents, managers from within the organisation who are knowledgeable about the situation; or combination of both external and internal. The third step is deciding which specific change strategy will most effectively unfreeze, change and refreeze the organisation. Managers could use top-down change or bottom-up change approaches.

2.6.5.4 Evaluating the action

This step is about evaluating the action that has been taken and assessing the degree to which changes have accomplished the desired objectives. Armed with this evaluation, management decides whether more change is needed to reach the organisation's desired future state or whether more effort is needed to refreeze the organisation in its new state. The best way

is to develop measures or criteria that allow managers to assess whether the organisation has reached its desired objectives.

2.6.5.5 Institutionalising action research

Institutionalising of the change is necessary at both top management and at floor level. Because change is so difficult and requires so much thought and effort to implement, members at all levels must be rewarded for being part of successful change efforts.

2.6.6 The Systems Approach to change

The systems approach to change is one of the possible change management approaches. The systems approach looks at analysis of change situations that is based on a systems view of the problem. The intervention strategy model which is part of systems approach is designed with the belief that messy change situations may be effectively managed through the application of systems thinking (Paton and McCalman, 2000: 76).

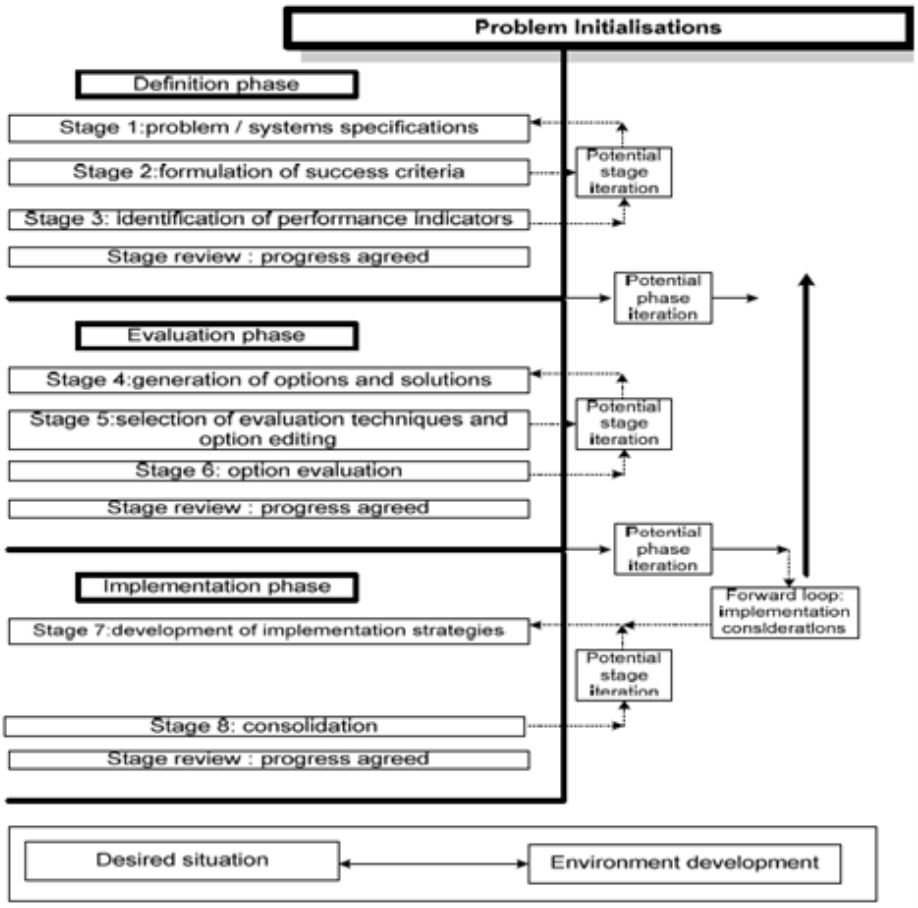
System is defined as being an organised assembly of components which are related in such a way that behaviour of any individual component will influence the overall status of the system. Management processes and functions may also be described in a systematic manner. All systems, whether physical or soft, must have a predetermined objective that the inter-related components strive to achieve (Paton and McCalman, 2000: 76).

Successful systems intervention requires the management team or individual to proceed through the three inter-dependent phases until management objectives have been achieved. The three phases are definition, evaluation and implementation, as depicted in Figure 1 below.

1. The definition phase involves the in-depth specification and study of the change situation from both a historical and a futuristic viewpoint. This phase has three stages, namely Problem/systems specification and description; Formulation of success criteria; and Identification of performance measures.
2. The evaluation phase generates and evaluates the potential solution options. This phase also has three stages, which are the Generation of options or solutions; Selection of appropriate evaluation techniques and Option editing; and Option evaluation.
3. The implementation phase develops the action plans which should successfully introduce the outputs of the design phase. This phase has two stages, namely the Development of implementation strategies; and Consolidation.

Figure 1 below provides detailed information about this model.

Figure 1: Intervention Strategy Model



Source: Paton and McCalman (2000)

This model is iterative in nature. Although the model has been described in a stage by stage sequential manner, one must not forget the feedback loop. These have been incorporated into the design to facilitate the return to previously completed stages in the light of environmental changes. In addition, each stage is concluded with a review activity (Paton and McCalman, 2000: 80-95).

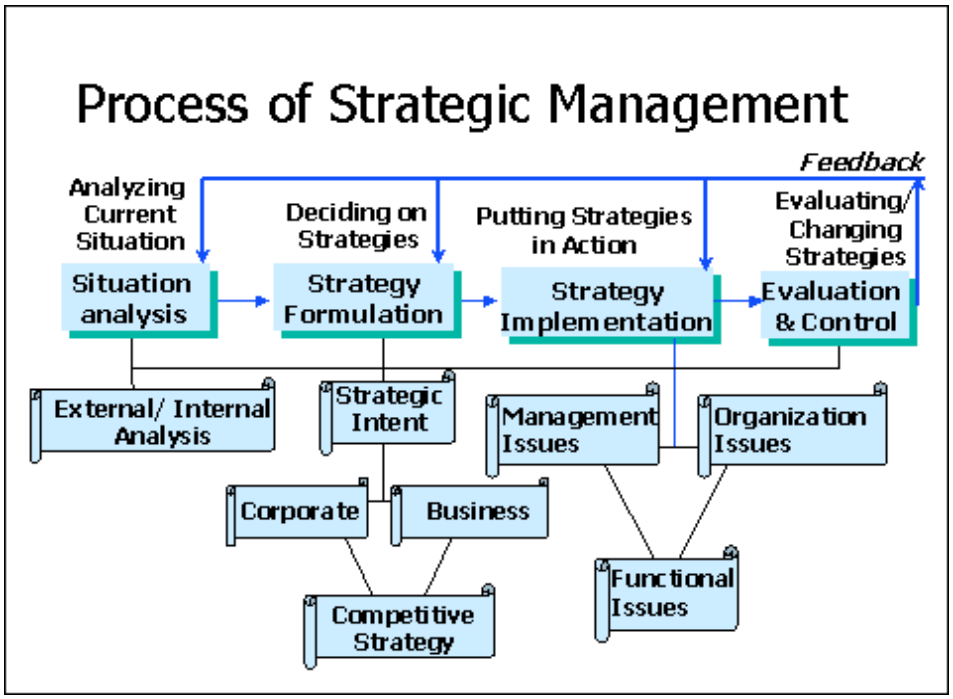
2.7 STRATEGY IMPLEMENTATION

The focus of this section will be on strategic implementation, commencing with a brief explanation on the other two steps of the strategic management

process. Ehlers and Lazenby (2004) defines strategy as an effort or deliberate action that an organisation implements to out-perform its rivals.

Strategic management is defined as a process whereby all organisational functions and resources are integrated and co-ordinated to implement formulated strategies which are aligned with environment in order to achieve the long-term objectives of the organisation and therefore gain a competitive advantage through adding value for stakeholders (Ehlers and Lazenby, 2004: 2). The strategic management process is made up of three steps: strategic planning or formulation, strategic implementation, and strategic control. The strategic analysis and strategy formulation as shown in Figure 2 below form part of the strategic planning.

Figure 2: Strategic Management Process



Source: Ehlers and Lazenby (2004)

Ehlers and Lazenby (2004) explains that strategic planning is the first step of the strategic management process. It covers strategic direction of the organisation which is about vision and mission, environmental analysis and

strategy formulation. Allison and Kaye (2005) observes that the non-profit sector has matured in many ways with more influence, an increasingly high profile and more attention given to issues of accountability and organisation performance. This has resulted in strategic planning being widely practised and valued by the non-profit sector.

Strategic implementation is defined as the process that turns plans into action tasks and ensures that these tasks are executed in such a way that the objectives of the strategic plan are achieved. However, it is widely accepted that nine out of ten organisations fail to successfully implement strategy.

Ehlers and Lazenby (2004) and Louw and Venter (2006) discuss drivers and instruments of strategy implementation. The drivers are discussed below and more emphasis will be put on leadership and organisational structure. Change in organisational structure was one of the changes undertaken at Aurum.

2.7.1 Leadership

Strategic leadership is important in the implementation of strategy and also in change management. Strategic leadership is defined by Ehlers and Lazenby (2004) as being the ability to anticipate, envision, maintain flexibility and empower others to create strategic change as required. It involves managing through others and influencing human behaviour in order to achieve goals. This means in managing change, leadership is important as well.

Louw and Venter (2006) discusses the capabilities and tasks of strategic leadership and note that leading and managing change is one of the tasks of a leader. Some of the capabilities include strategic thinking, emotional intelligence and behavioural complexity, transformational leadership, and African leadership. The other tasks are setting organisational direction,

leadership to drive strategy (implementation), staffing the organisation and managing social capital, building and utilizing core competencies, creating organisational alignment, and creating an organisational culture and values supportive of the strategy.

Ehlers and Lazenby (2004) further supports this issue of the importance of leadership, and observes that the required organisational change does not happen spontaneously, nor does a strategy implement itself. Somewhere in the organisation someone must have the vision of an ideal state and be willing to guide the organisation towards the achievement of this vision through successful strategy implementation. Such a person is a strategic leader. Leadership drives strategic change and strong leadership is perhaps the most important tool that a strategist can have in the implementation toolkit to give direction and purpose to integrated strategy formulation, implementation and control.

2.7.2 Organisational Structure

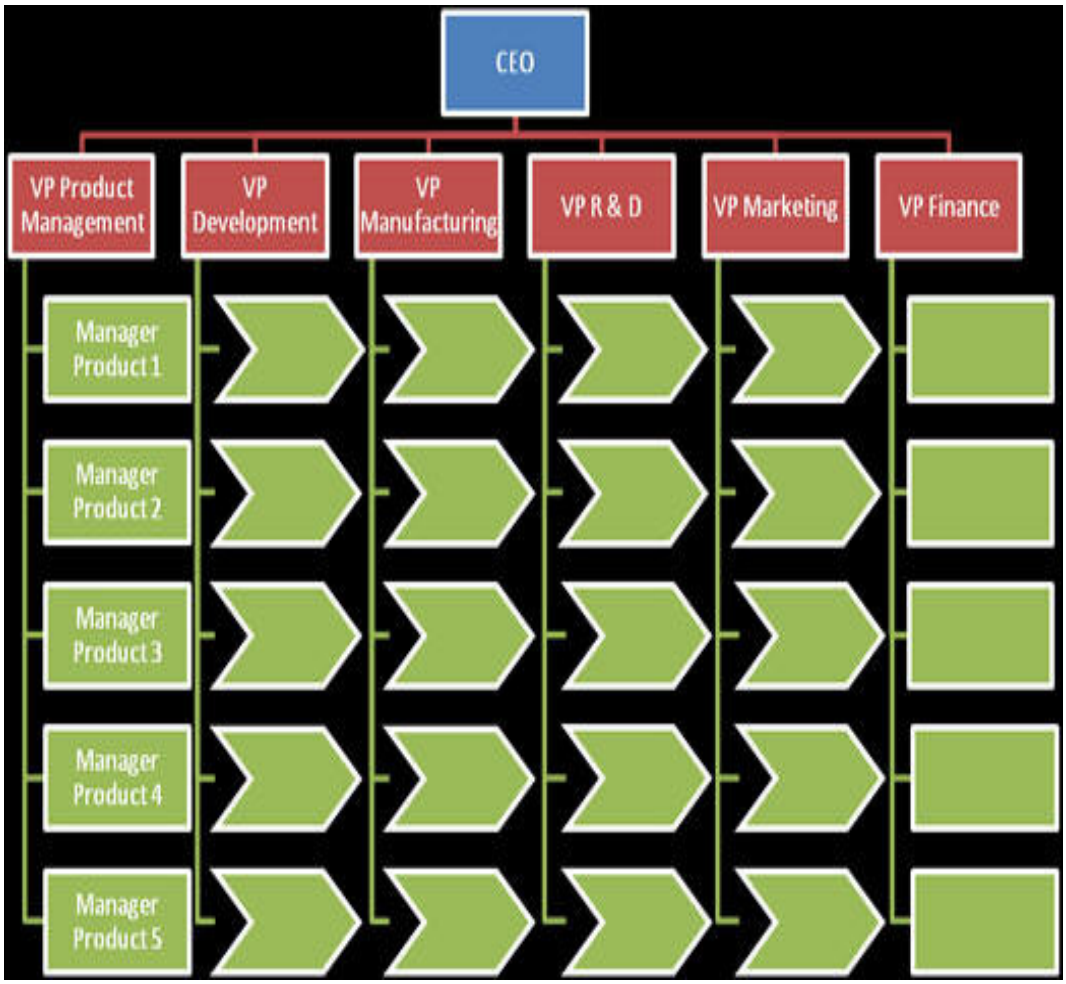
An organisational structure is a framework within which the strategic process must operate to achieve the organisation's objectives. The organisational structure aids in identifying the tasks necessary for strategy implementation, groups them together and ensures co-ordination of these tasks across the organisation so that the strategic goals of the organisation can be reached. Furthermore, an organisational structure specifies who is responsible for specific tasks. The debate that structure follows strategy confirms that the chosen strategy necessitates a change in structure. When a tight fit between strategy and structure is absent, the organisation's performance will decline as it experiences administrative problems, resource allocation problems, and conflicting priorities regarding strategy implementation tasks (Ehlers and Lazenby, 2004:205–206).

Ehlers and Lazenby (2004) discusses six organisational structures, entrepreneurial, functional, divisional, strategic business unit, matrix

structure, and network structures. The emphasis of this section will be on the matrix structure, which is the structure that Aurum implemented following its strategy. All the other structures have vertical lines of authority whereas the matrix structure has both vertical and horizontal lines of authority. This means that the matrix structure has dual lines of authority. Some of the advantages include supporting a wide variety of project-oriented business activities; making good use of functional expertise; middle managers being exposed to strategic issues and being afforded a training opportunity for strategic managers; and enhancings creativity and diversity. The disadvantages are the fact that it is complex, as it has dual lines of authority that require dual lines of resource allocation, reward systems and reporting channels, it increases overhead costs as it creates more management positions, and there can be confusion over who is ultimately responsible for strategy implementation.

Louw and Venter (2006) notes two additional disadvantages: that the matrix structure may lead to tension and conflict between managers who vie equally for status, legitimacy and power in the organisational setting and who may accordingly have conflicting agendas; and that it may also lead to increased competition for scarce resources in the organisation, which are now shared across multiple functions and projects.

Figure 3: Matrix structure



Source: Louw and Venter (2006)

2.7.3 Organisational culture

Organisational culture guides the actions of organisational members and acts as a tie that binds members together. When organisation's beliefs, visions and objectives underpinning its chosen strategy are compatible with its organisational culture, culture serves as a valuable driver and simplifies strategy implementation. There must also be a strategy–culture fit.

2.7.4 Reward system

One of the ways organisations can improve employee commitment and encourage behaviour consistent with the new strategy is to improve their understanding of the strategy and the required implementation process through a reward system.

2.7.5 Resource allocation

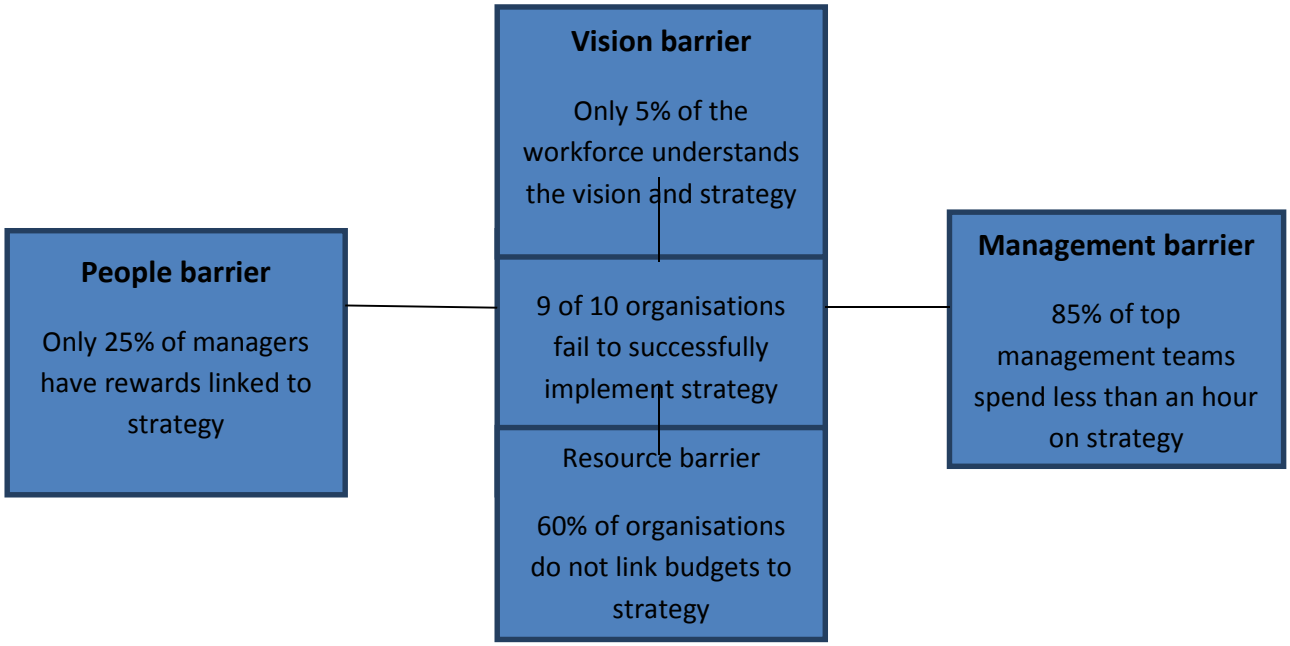
This encompasses making the required resources necessary to implement strategy available. This should include budgets, appropriate and adequate human resources, technology and information as well as physical resources.

2.7.6 Strategy implementation tools

The instruments for strategy implementation include the following:

a) **Short term objectives:** Short term objectives guide action and direct the activities of organisational members. They add breadth and specificity in identifying what must be done to achieve long term goals. These short term objectives must be SMART (Specific, Measurable, Achievable, Realistic and Time-bound). Ehlers and Lazenby (2004) further records use of the balanced scorecard to set short term objectives.
b) **Functional tactics:** Functional tactics support short term objectives and can be defined as the key routine activities that must be undertaken in each functional area to achieve the organisation's chosen strategy.
c) **Policies:** Policies are defined as the specific guidelines, methods, procedures, rules, forms and administrative practices that direct the thinking, decisions and actions of managers and employees in strategy implementation.

Figure 4: Barriers to successful strategy implementation



Source: Ehlers and Lazenby (2004)

Strategic control is the phase of the strategic management process that concentrates on evaluating the chosen strategy in order to verify whether the results produced by the strategy are those intended. Strategic control provides feedback on the formulation and implementation phases of the strategic management process. This feedback indicates the adjustments an organisation will need to make in order to align itself better with its environment and improve the likelihood of successful strategy implementation tasks. According to Ehlers and Lazenby (2004, 232-233), there are four types of strategic control:

1. Premise control;
2. Strategic surveillance;
3. Special alert control;
4. Implementation control.

The balanced scorecard is a guideline for translating an organisation's vision into strategic or long term goals in four perspectives: financial, customer, internal business process, and learning and growth. These objectives are statements of critical success factors that indicate what must be achieved for strategy to be successful. Each of these long term goals has measures that indicate how the achievement of the objective will be measured and tracked (Ehlers and Lazenby, 2004:235).

2.8 THEORETICAL FRAMEWORK

Badenhorst (2010) defines theoretical framework as something particular to academic contexts whereby a researcher shows that the interpretation of concepts and theories are supported by evidence. The theoretical framework for this report is Lewin's Force Field Theory of Change. This theory discusses the theory of resistance to change.

2.8.1 Lewin's Force-Field Theory of Change

Lewin's Force-Field Theory of Change argues that two sets of opposing forces within an organisation determine how change will take place, as depicted in Figure 5 below. When the forces are evenly balanced, the organisation does not change. This is presented in Table 3 below. To get the organisation to change, managers must find a way to increase the forces of change, reduce resistance to change or do both (Jones, 2007; Quinn, Faerman, Thompson and McGrath (2003) and Thompson and Martin, 2005).

Quinn, *et al*. (2003) lists the following steps that are necessary to set up a force field analysis which will allow for change to happen:

- List the driving forces and the resisting forces;
- Examine each force and assess its strengths;
- Identify those forces over which you have some influence or control;

- Analyse the list to determine how to implement the change. Your analysis will reveal several natural choices for action;
    - Increase the strength of driving forces;
    - Add new driving forces;
    - Decrease the strength of resisting forces;
    - Remove some of the resisting forces;
    - Determine whether any of the resisting forces can be changed into driving forces.

Table 3: Force Field Analysis of Change

Pressures for Change ***(Driving forces)***	**Pressures Against Change** ***(Resisting Forces)***
Social change	Perceived threats to power
Economic change	Routine and structure
Improved efficiency	Resource limitations
Improved cost effectiveness	Preference for tradition
Competition for money and resources	Changes in skill requirements
Technological advances	Economic and status loss
Compliance with government regulations	Non-support of others' ideas
Public pressure	Reluctance to take risks
Expansion	Disruption of social relationships
Administrative changes	
Availability of new products	

Source: Buchanan and Huczynski (2010)

2.8.2 Resistance to change

Buchanan and Huczynski (2010) defines resistance to change as an unwillingness or inability to accept or discuss changes that are perceived to be demanding or threatening to the individual. Jones (2007) observes that the main reason for the organisation's inability to change is organisational inertia, which is the tendency of the organisation to maintain the *status quo.* Resistance to change lowers an organisation's effectiveness and reduces

its survival. The factors discussed below under organisational, group and individual levels of resistance to change are part of the resisting forces as explained by Lewin's force-field theory of change.

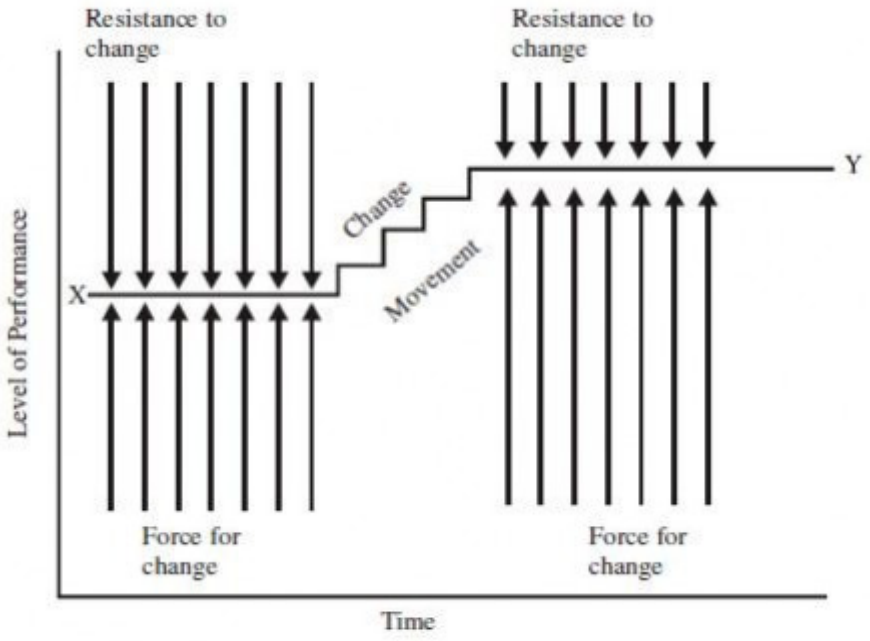
2.8.2.1 Organisation level resistance to change

Pearse (2010) lists the following as barriers to change at organisational level: preoccupation with immediate financial benefits of change, over-investment in previous decisions and courses of action, and threats to existing power balances. Jones (2007) notes that many forces inside the organisation will make it difficult for the organisation to change in response to changing conditions in its environment. The most powerful impediments to change include power and conflict, differences in functional orientation, mechanistic structure, and organisational culture.

2.8.2.1.1 Power and conflict

Change usually benefits some people, functions or divisions at the expense of others. When change causes power struggles and organisational conflict, an organisation is likely to resist it. The conflict between two functions will slow the progress of change and perhaps prevent change from occurring at all. If powerful functions can prevent change, an organisation will not change (Jones, 2007: 274).

Figure 5: Lewin's Force-Field Theory of Change



Source: Jones (2007)

2.8.2.1.2 Differences in functional orientation

Different functions and divisions often see the source of a problem differently because they see an issue or problem primarily from their viewpoint. This tunnel vision increases organisational inertia because the organisation must spend time and effort to secure agreement about the source of the problem before it can even consider how the organisation needs to change to respond to the problem (Jones, 2007: 274).

2.8.2.1.3 Mechanistic structure

Mechanistic structures are more resistant to change. People who work within a mechanistic structure are expected to act in certain ways and do not develop the capacity to adjust their behaviour to changing conditions (Jones, 2007: 275).

2.8.2.1.4 Organisational culture

The values and norms in an organisation's culture can be another source of resistance to change. Values and norms cause people to behave in predictable ways. If the organisational change disrupts the prevailing values and norms that people are accustomed to, and forces people to change what they do and how they do it, an organisation's culture will cause resistance to change (Jones, 2007: 275).

2.8.3 Group level resistance to change

Pearse (2010) observes that resistance to change at group level occurs due to the following: the group being prevented from participating in decision-making related to the change, conflict between current group interests, values and norms and those that are being promoted by the change, and when change is perceived to disrupt existing group relations and cohesion.

Jones (2007) notes that much of the organisation's work is performed in groups and several group characteristics can produce resistance to change. Group cohesiveness and groupthink are discussed in this section.

2.8.3.1 Group Cohesiveness

Group cohesiveness which is the attractiveness of a group to its members can affect group performance. A highly cohesive group may resist attempts by management to change what it does. Group members may unite to preserve the status quo and to protect their interests at the expense of other groups (Jones, 2007: 275).

2.8.3.2 Groupthink

Groupthink is a pattern of faulty decision-making that occurs in cohesive groups when members discount negative information in order to arrive at a unanimous agreement. These group processes make changing a group's behaviour very difficult (Jones, 2007: 275).

2.8.4 Individual level to change

People tend to resist change because they feel uncertain and insecure about what its outcome will be. People could be given new tasks and role relationships maybe be reorganised. Some workers might lose their jobs while some could benefit at the expense of the others (Jones, 2007: 275-276). Pearse (2010) adds that reasons for resistance to change may include reduced job status, fear and imagined threats.

There is a general tendency for people to selectively perceive information that is consistent with their existing views of their organisations. When change takes place, people tend to focus only on how it will affect them and their function or division personally. If they perceive few benefits they will reject the purpose behind the change (Jones, 2007: 276).

Habit, which is people's preference for familiar actions and events, is a further impediment to change. The difficulty of breaking bad habits and adopting new styles of behaviour indicates how resistant habits are to change (Jones, 2007: 276).

2.9 CONCLUSION

This chapter reviewed the literature, which covered theories on change, resistance to change, change management theories and strategies, and

strategic implementation. The theoretical framework to be used was adopted, namely Lewin's Force-Field Theory of Change.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION

This section looks at how the research was conducted. It covers research approaches, methods and design, sampling, data collection and analysis of data.

3.2 DEFINITION

Research methodology is defined as the way to systematically address a research problem. It may be understood as the science of studying how research is done scientifically (Green and Browne, 2008: 43). Green and Browne (2008) defines research methodology as a particular strategy for answering a research question. A research design is more than just the data collection methods used, but also refers to the logic of how the data will be collected (Green and Browne, 2008: 32).

3.3 APPROACH TO THE RESEARCH

This research adopted an interpretative social science approach. The interpretative social science approach is one of three approaches to social research, the other two being positivist social science and critical social science. The interpretative social science approach emphasises meaningful social science, socially constructed meaning and value relativism (Neuman, 2011: 87). The interpretative approach is the systematic analysis of socially meaningful action through the direct detailed observation of people in natural settings in order to arrive at understandings and interpretations of

how people create and maintain their social worlds. The goal of interpretative researchers is to develop an understanding of social life and discover how people construct meaning in natural settings. The researcher wants to learn what is meaningful or relevant to the people being studied. The researcher does this by getting to know a particular social setting and seeing it from the point of view of those being studied (Neuman, 2011: 88-89). Positivist social science is the approach of natural science and emphasises discovering causal laws, careful empirical observations and value-free research.

The ultimate purpose of research is scientific explanation and involves the discovery and documentation of universal causal laws of human behaviour (Neuman, 2011: 81-82). Critical social science can also be called dialectical materialism, class analysis and structuralism. It is about combating surface level distortions, multiple levels of reality and value-based activism for human development. The purpose of critical social science is not simply to study the social world but to change it (Neuman, 2011: 94-95).

3.4 RESEARCH DESIGN

The design that the research took is a qualitative approach. Qualitative research is one of two research designs, the other being quantitative. This research tried to have meaning in how change was managed at Aurum during the implementation of the new strategy and structure. It aimed to understand what was done and what could have been done to ensure that the strategy and structure were implemented as planned. Different people within the organisation attached different meaning to what needed to be done.

3.4.1 Qualitative research

Qualitative research uses a language of cases and contexts, employs bricolage, examines process and cases in their social context and looks at interpretations or the creation of meaning in specific settings. Qualitative data involves documenting real events, recording what people say (with words, gestures and tone), observing specific behaviours, studying written documents, or examining visual images. Qualitative research allows for in-depth inquiry (Neuman, 2011: 158-159).

Green and Browne (2008) observes that qualitative social researchers are interested in multiple social realities and they try to avoid assuming that their view of the world is the only valid and rational one. Thus what appears as commonsense to one social actor may not be to another.

Bryman (2008) says qualitative research is construed as emphasising words rather than quantification in the collection and analysis of data and that it predominantly emphasises an inductive approach to the relationship between theory and research, and the emphasis is placed on the generation of theories. Qualitative research has rejected the practices and norms of the natural scientific model and of positivism in particular in preference for an emphasis on the ways in which individuals interpret their social world. It embodies a view of social reality as a constantly shifting emergent property of individuals' creation.

Bryman (2008) suggests that grounded theory is often cited in the analysis of qualitative data. Grounded theory is defined as theory that was derived from data, systematically gathered and analysed through the research process. Data collection, analysis and eventual theory stand in close relationship to one another.

As an alternative to reliability and validity, qualitative research has the criteria of trustworthiness and authenticity. Trustworthiness is made up of

four criteria: firstly, credibility, which is about ensuring that research is carried out according to the canons of good practice and submitting research findings to the members of the social world who were studied for confirmation that the investigator correctly understood that social world. Secondly, there is transferability, about whether findings can be applicable to different settings. Thirdly, dependability is about auditing to check whether proper procedures were followed. Fourthly, there is conformability which is about ensuring that while recognising that complete objectivity is impossible in social research, the researcher can be shown to have acted in good faith (Bryman, 2008: 390-393).

Authenticity has five criteria: fairness, which is about whether the research fairly represents different viewpoints among members of the social setting. There is ontological authenticity which is about whether the research helped members to arrive at a better understanding of their social milieu; and educative authenticity which is whether the research helped members to better appreciate the perspectives of other members of their social setting. The fourth criterion is catalytic authenticity which is whether the research has acted as an impetus to members to engage in action to change their circumstances. The fifth and final criterion is tactical authenticity which is whether the research has empowered members to take the steps necessary for engaging in action faith (Bryman, 2008: 393).

Qualitative research has the following main preoccupations: firstly it is seeing through the eyes of the people. Qualitative research expresses a commitment to viewing events and the social world through the eyes of the people studied. The social world must thus be interpreted from the perspective of the people being studied. Secondly, it is the description and emphasis on the context. Qualitative research is usually reported with a high degree of description, and provides a detailed account of what goes on in the setting being investigated. Thirdly it is the emphasis on the process. Qualitative research tends to view life in terms of processes. One of the

main ways is that there is often a concern to show how events and patterns unfold over time. Fourthly, it is the flexibility and limited structure. This position is largely to do with a preference for seeing through the eyes of the people being studied. Lastly it is the concepts and theory grounded in data faith. Concepts and theories are usually inductively arrived at from the data that are collected (Bryman, 2008: 399-404).

Bryman (2008) discusses critiques of qualitative research, noting firstly that qualitative research is too subjective. This means that qualitative research findings rely too much on the researcher's often unsystematic views about what is significant and important and upon close personal relationships with people studied. Secondly, that qualitative research is difficult to replicate. Qualitative research is impossible to replicate because it is unstructured and often relies on the researcher's ingenuity. Thirdly, that qualitative research findings cannot be generalised. The research is usually not representative thus making it difficult to generalise findings. Fourthly, qualitative research lacks transparency. It is sometimes difficult to establish what the researcher actually did and how the conclusions were arrived at.

3.4.2 Quantitative research

Quantitative research relies on a positivist approach to social science, applying reconstructed logic and following a linear research path. It deals with a language of variables and hypothesis. Qualitative researchers emphasise precisely measuring variables and testing hypotheses that are linked to general causal explanations (Neuman, 2011: 151-152).

Bryman (2008) explains quantitative research as emphasising quantification in the collection and analysis of data and that entails a deductive approach to the relationship between theory and research, in which the accent is placed on the testing of theories. It incorporates the practices and norms of the natural scientific model and of positivism in particular. It also embodies a view of social reality as an external and objective reality.

Quantitative research must also meet the criteria of reliability and validity. Reliability is fundamentally concerned with issues of consistency of measures. Reliability has three factors: stability, which is about asking whether the measure is stable over time, so that the researcher can be confident that the results relating to that measure for a sample of respondents do not fluctuate. Secondly, internal reliability is about whether the indicators that make up the scale or index are consistent; in other words, whether the respondents' scores on any one indicator tend to be related to their scores on the other indicator. Thirdly, inter-observer consistency is about avoiding subjective judgement in activities related to recording of observations or translation of data into categories. Validity refers to the issue of whether an indicator really measures that concept (Bryman, 2008: 168-170).

Quantitative researchers have four main preoccupations. These preoccupations reflect epistemologically grounded beliefs about what constitutes acceptable knowledge. Firstly is measurement, which allows the researcher to delineate fine differences between people in terms of characteristics in question. Measurement also gives a consistent device or yardstick for making distinction and it also provides the basis for more precise estimates of the degree of relationship between concepts.

Secondly, there is causality, since quantitative researchers are rarely concerned merely to describe how things are, but are keen to say why things are the way they are. This is concerned about the relationship between variables –usually independent and dependent variables.

Thirdly is generalisation, since quantitative research is usually concerned about being able to say that the findings can be generalised beyond the confines of the particular context in which research was conducted. However, the sample must be representative as far as possible in order to

be able to say that the results are not unique to the particular group with whom the research was conducted.

Lastly is replication, since quantitative research should be highly explicit about their procedures so that experiment is capable of replication. If there was failure to replicate, so that the findings repeatedly could not be reproduced, serious concerns would be raised about the validity of the findings.

Bryman (2008) discusses four critiques about quantitative research. Firstly, quantitative research fails to distinguish people and social institutions from the world of nature. Secondly, the measurement process possesses an artificial and spurious sense of precision and accuracy. Thirdly, the reliance on instruments and procedures hinders the connection between research and everyday life. Lastly, the analysis of relationships between variables creates a static view of social life that is independent of people's lives.

Neuman (2011) discusses hypothesis and causality which are characteristics of quantitative research. Hypotheses are guesses about how the social world works and they are stated in value-neutral form. A causal hypothesis is a proposition to be tested or a tentative statement of a relationship between two variables. There are five characteristics of causal hypotheses: it has at least two variables; it expresses a causal or cause=effect relationship between variables; it can be expressed as a prediction or an expected future outcome; it is logically linked to the research question and a theory; and it is falsifiable, that is, it is capable of being tested against empirical evidence and shown to be true or false. The principle of replication says that hypothesis needs several tests with consistent and repeated support to gain broad acceptance. Another way to strengthen confidence in hypothesis is to test related causal linkages in the theory from which it comes.

Table 4: Quantitative Research versus Qualitative Research

Quantitative Research	Qualitative Research
Test hypothesis that the researcher begins with	Capture and discover meaning once the researcher becomes immersed in the data
Concepts are in the form of distinct variables	Concepts are in the form of themes, motifs, generalizations and taxonomies
Measures are systematically created before data collection and are standardised	Measures are created in an ad hoc manner are often specific to individual setting or researcher
Data are in the form of numbers from precise measurement	Data are in form of words and images from documents, observations and transcripts
Theory is largely causal and is deductive	Theory can be causal or non-causal and often inductive
Procedures are standard, and replication is frequent	Research procedures are particular and replication is very rare
Analysis proceeds by using statistics, tables or charts and discussing how what they show relates to hypothesis	Analysis proceeds by extracting themes or generalizations from evidence and organising data to present a coherent, consistent picture

Source: Neuman (2011)

3.5 DATA COLLECTION

This research used the interview as a primary means of collecting data and document analysis as a secondary means of data collection. Field interview is one of the methods used as well as observation and focus groups. Field interviews involve asking questions, listening, expressing interest and recording what is said (Neuman, 2011:407).

Green and Browne (2008) observes that interviewing is one of the most commonly used methods in social research. Field interview can also be

described as unstructured, depth, ethnographic, open-ended, informal and long. The field interview is a joint production of a researcher and a participant or member. It involves mutual sharing of experiences.

Document Analysis or Content Analysis is an approach to the analysis of documents and texts that seeks to quantify content in terms of pre-determined categories and in a systematic and replicable manner (Bryman, 2008: 289).

Observation involves paying attention, watching, and listening carefully. Researchers use all senses, noticing what is seen, heard, smelled, tasted or touched. The researcher will take notes while observing (Neuman, 2011: 396).

The focus group is a special qualitative research technique in which people are informally interviewed in a group discussion setting. The procedure is that a researcher gathers together 6 to 12 people in a room with a moderator to discuss few issues informally. The moderator is trained to be non-directive and to facilitate free and open discussion by everyone in the group. The discussion may be recorded and transcribed (Neuman, 2011: 412).

Managers at different levels in the organisation were interviewed and a semi-structured interview was conducted. This means some questions were prepared and others were formulated as the interviews were conducted (Appendix F). Bryman (2008) explains semi-structured interview as where the researcher has a list of questions or fairly specific topics to be covered, often referred as an interview guide, but the interviewee has a great deal of leeway in how to respond.

The interviews took an average of 30 minutes. The interviews mostly took place in places agreed with the participants. The participants were given information sheets and were also asked to sign consent forms. The

interviews took place in English and all participants were comfortable speaking in English. The interviews were recorded with the researcher taking brief notes and were then transcribed in preparation for analysis.

3.6 SAMPLING

The sampling method that was used in this research is the quota non-probability sampling method. Quota sampling means the researcher first identifies general categories into which cases or people will be selected and then selects cases to reach a predetermined number of cases in each category. Qualitative research tends to use non-probability or non-random samples (Neuman, 2011: 220).

Ten people were chosen as a sample for this research. These included managers and a consultant at different levels at Aurum. The sample has four managers at executive level, three managers at senior management level, one manager at middle management level, one manager who left Aurum, and one of the consultants who helped Aurum during strategy development. All of them agreed to participate.

There are two main types of sampling, non-probability and probability. Non-probability, also called non-random, means that the sample size is rarely determined in advance and there is limited knowledge about the larger group or population from which the sample is taken. The types of non-probability sampling are Quota Sampling; Haphazard, Accidental or Convenience Sampling; Purposive; Snowball; Deviant case; Sequential; and Theoretical (Neuman, 2011: 220-224).

Probability sampling–also called random sampling – is where each element in the population has a known, non-zero probability of being included in the sample (Ligthelm, Martins, Tustin and Van Wyk, 2005: 344). Types of

probability sampling include Simple random; Systematic; Stratified and Cluster (Neuman, 2011: 224-236).

3.7 DATA PRESENTATION

The data was codified and arranged into concepts. Qualitative researchers often use general ideas, themes or concepts as tools for making generalisations. Coding of data means the data is organised into conceptual categories and themes and concepts are created (Neuman, 2011: 461). Quotes from respondents were also presented under each concept.

3.8 DATA ANALYSIS

The Successive Approximation method was used to analyse data for this research. This method involves repeated iterations or cycling through steps, moving towards final analysis. Over time, or after several iterations, a researcher moves from vague ideas and concrete details in the data towards a comprehensive analysis with generalisations (Neuman, 2011: 469). The researcher begins with research questions and a framework of assumptions and concepts. The researcher then probes into the data, asking questions of the evidence to see how well the concepts fit the evidence and reveal features of the data. The researcher also creates new concepts by extracting from the evidence and adjusts concepts to fit the evidence better. The researcher then collects additional evidence to address unresolved issues that appeared in the first stage and repeats the process. At each stage the evidence and the theory shape each other (Neuman, 2011: 469). The other types of data analysis are Ideal Types; the Illustrative Method; Domain Analysis; Analytic Comparison; Narrative Analysis; and Negative Case Method (Neuman, 2011: 466-480).

The transcripts and documents used during strategy development and during implementation were read several times to identify concepts and

once these were identify each of the responses from each participant was compared. In each of the concepts, one or two quotes from the participants were inserted.

3.9 RELIABILITY AND VALIDITY

Reliability means dependability or consistency. Qualitative researchers use a variety of techniques to record their observations consistency (Neuman, 2011: 196). The managers at different levels were interviewed. Validity means truthful. Qualitative researchers are more interested in authenticity than in the idea of a single version of the truth. Authenticity means giving a fair, honest and balanced account of social life from the viewpoint of someone who lives it every day (Neuman, 2011: 196). The managers affected by the changes at Aurum were interviewed as well as one manager no longer at Aurum, and one of the consultants was interviewed. This was to ensure there was balanced view. The combination of this with analysis of documents used during strategy development and during implementation also ensured triangulation.

3.10 CONCLUSION

This research followed an interpretative social science approach and the research design was qualitative. The target population was senior management, and data was mainly collected from managers who work through semi-structured interviews. Two other people were also interviewed, a consultant and a previous manager of Aurum. Data was then presented and analysed using concepts identified in the data.

CHAPTER FOUR

PRESENTATION OF DATA AND FINDINGS

4.1 INTRODUCTION

This chapter covers the presentation of findings under various themes, which are reasons for the change, resistance to change, the process of strategy development, performance of the organisation in strategy implementation, and things the organisation could have done better.

4.2 PROFILE OF PARTICIPANTS

All the participants except for one were managers at different levels when Aurum implemented the changes. The remaining participant is one of the consultants assisting the organisation with strategy development and organisational design. At the time of collecting data one of the participants was no longer working for Aurum.

Two of the participants are executive directors, meaning they are also part of the board, two of the participants are part of the executive committee, three of the participants are part of the senior leader group, one of the participants is in middle management, and one is in a branch of the organisation.

Of the eight participants still at Aurum, two are at executive director level, two are in the health programme business unit, three are in the research business unit, and one is in core services.

Of the eight participants still at Aurum, six were in senior management at the time of formulation of the strategy, while two of them only joined senior management level after restructuring.

4.3 REASONS FOR CHANGE

The participants were asked about the reasons for the 2010 strategy and the restructuring that followed. Leveraging synergies among projects and departments was seen as one of the reasons for the change or new strategy. This was expressed by five (50%) of the ten participants. These participants mentioned that the organisation worked in silos with individual projects working separately and with no communication or sharing of ideas among them. This also meant that external stakeholder management was not co-ordinated and lead to duplication and embarrassment among Aurum partners as different people from Aurum would approach partners for similar things without them knowing that the other had also done so.

One of the participants commented that:

> *The real embarrassing thing really, was that Aurum would have all these representatives out in the field who didn't know about each other and then would go to stakeholders and be confused when stakeholders asked them about other projects that are being run by Aurum in the region.*

Another participant commented that:

> *One of the biggest requirements from the strategy and organisational design work that followed was to somehow leverage synergies between the two different business units. I think in practical terms that meant the learnings from research being implemented within programmes and all the people have access to and worth data and*

information have accessed to from programmes being used within research as well.

Another reason given by four (40%) of the ten participants was that the organisation was looking at growth opportunities that will allow it to be sustainable. Aurum delivers its work as projects funded by different donors, therefore it needs to develop more projects in order to grow its work. The organisation had been growing rapidly since it became independent from AngloGold Ashanti.

One of the participants observed that:

My understanding of the strategy was meant to basically allow Aurum to become sustainable, so as to create a long term roadmap of how Aurum will achieve sustainability. The strategy then at a very high level seeks to do two things; one is to ensure sustainability of the organisation in the longer run and the second thing is to give expression to that wish to be here in five years by saying well what is it you have actually got to do to make sure that you are sustainable.

Other reasons mentioned by participants include the organisation needing to align itsself with the Department of Health and the funders. The organisation's largest funder, PEPFAR, was changing focus and the organisation needed to position itself to improve its chances of securing future funding. The National Department of Health was under new political leadership which placed a strong emphasis on health systems strengthening and expected donors to align their strategies accordingly.

This was explained as follows:

Aurum has identified the need for a thorough strategic review that will focus and align the organisation for greater impact, and enhance its sustainability into the future. Working with the leadership team, through

a structured data-driven process of investigation, analysis and review, the strategy review will seek to:

- *Realign Aurum's vision and strategic focus, and develop a funding and partnering strategy;*
- *Strengthen the organisation design including structure, high level roles and unit inter-dependencies;*
- *Enhance delivery through development of key performance indicators and alignment of delivery models;*
- *Develop action and communication plans to facilitate the transformation of the organisation.*

4.4 RESISTANCE TO CHANGE

The participants were asked if there was resistance to change during the implementation of the 2010 strategy and the restructuring. Of the ten participants interviewed, seven (70%) mentioned that there was resistance to change. The participants mentioned the following as things that they thought made people resistant to change: there was no attention paid to individual employees, medical or health care workers do not like to change because they are taught to follow rules and protocol, some people do not like taking risks, some people did not understand the need to change, and some people lost their positions or were transferred to other units.

Participants made the following observations in this regard:

I think it [the process] started off with optimism and when there was no individual attention to individuals there was some resistance.

I think that it is inherent in us to be resistant to change and the types of people that work in our field are possibly even more resistant to change than people who maybe work in another field like Arts, a field where people are a lot more creative and a lot more flexible. This is a

very rigid field. People who are medical staff are taught very strict rules and protocols and so it is in their nature that it is difficult to change.

My philosophy is that you get people that are risk takers and people that are non-risk takers and the risk takers are the adventurous ones who see opportunity and change. Whereas the non-risk takers are those who function best under steady state. When there is change it is those non-risk takers that get negative and demoralised.

So I think for some people it really was quite difficult and they really did not see the necessity to change.

The final comment above was made by a participant who mentioned that there was one senior person who was resistant to change even though this person participated in the development of the strategy.

Three of the ten participants did not think there was resistance to change but that the implementation of the change initiatives were challenging. This was more specifically related to the restructuring of the organisation and the adoption and implementation of the matrix structure.

One participant mentioned that he learnt afterwards that a matrix structure is one of the top ten worst business strategies. He felt the matrix is complex to understand and it is hard to communicate to people especially since people have a firm mind-set that they report to one person. The difficulty of implementing matrix structure was confirmed by two other participants. The dual reporting was cited as a problem as some of the implementing staff members had both line reporting to operations and technical reporting to business units. The issue of the operations unit delivering projects for both research and health programmes caused a high level of conflict and power struggle. This was especially true between operations and research. The participant explained that:

We tried to do a combination of line, technical, geography and product and by the time we were done everybody was so confused, nobody knew anything.

One of the participants mentioned that the ownership of strategy at management was questionable as the strategy was referred to as the Burlington strategy and not the Aurum strategy simply because Burlington Consultants helped Aurum develop the strategy. This put the organisation in a difficult position because it said that management had not taken ownership. However, this was contradicted by another participant who felt that management showed ownership of the strategy, and this was one of the things that helped minimise resistance to change at that level.

Three participants mentioned that there were at least some people who left because they were unhappy with the changes. Furthermore, at least one participant observed that some new people who joined the organisation during implementation found it difficult to align themselves with the changes.

4.5 FORMULATION OF STRATEGY AND ORGANISATIONAL DESIGN (CHANGE)

The participants were asked to explain the process of formulating the 2010 strategy and designing the organisational structure. The participants described the process as being inclusive and interactive. There were workshops held with senior management on strategy and organisational design. At some point the process was extended to the rest of the staff through surveys and focus groups on certain elements of the strategy. Of the ten participants, eight were involved the development of strategy and organisational design. Two were not in senior management at the time but joined senior management after opportunities were created via the new structure. The participants commented as follows about the process:

I think Aurum's approach was very collaborative and inclusive, broader management team was included right from the start.

Right from the beginning of the strategy development I was involved and I attended all the meetings and workshops.

According to the strategy documents, the process entailed several workshops with senior management of the organisation and surveys and focus groups were held with some staff.

4.6 ORGANISATIONAL PERFORMANCE WITH STRATEGY IMPLEMENTATION

All the participants, except for two, indicated that there were achievements and progress had been made. However, they all indicated some challenges with implementation. They acknowledged that the organisation performed fairly well with regard to attaining some of the strategic objectives and that there was growth, especially through the business units.

The participants who indicated there was progress mentioned that the organisation grew and obtained additional funding. The additional funding also meant increasing the financial reserves in order to fund core expenditure. Some said that refocusing the organisation and realigning the business units helped with the growth. One of the participants also mentioned that the strategy helped with harnessing technical skills and making sure that key staff were retained. Participants made the following observations:

Yes it was astonishing. The biggest one that came out of it for me was amazing how suddenly just by refocusing we got a whole lot more grants. The research unit just suddenly rocketed.

I think our experience has been one of mixed bag. Several of the strategic objectives we did achieve or are achieving pretty successfully. For example one of the things was to ensure that there was replacement funding for grants retiring. We have in fact replaced those grants to maintain the objective of a 2010 real income rate.

I think it was a mixed outcome. There were some things that were successful and some things that were less successful. I think one such success is that we did manage to harness the technical skills of people. We were able to give people roles that they were better at than what they had previously.

Two of the participants were bold enough to give a score in terms of how the organisation did in implementing the strategy. One gave six out of ten and the other gave seven and a half out of ten.

Three of the participants mentioned reporting and tracking the key performance areas (KPIs) on the balanced score cards as one of the things the organisation did to monitor implementation of the strategy.

In the first year after the strategic change Gavin (CEO) made us to report on our KPIs.

We took the suggested KPIs which were just done for the CEO, Deputy CEO and some EXCO members and drove them down into proper KPIs that the organisation could understand and were measurable.

However, some of the participants indicated difficulty with implementation of the matrix structure. This did not work as well as the organisation had hoped.

But to be honest I think we underestimated the complexity of that. I think we underestimated the ability of staff to comprehend a matrix structure.

Some of the participants indicated that a year later the organisation conducted a strategy review to try and address some of the challenges being experienced during implementation.

Three participants mentioned that the organisation established a communications committee which was meant to communicate with the rest of the organisation about the strategy and new structure. There were road shows to all the sites and the deputy chief executive officer visited all the sites. One of the directors facilitated sessions to counter resistance to change which were adapted from the book and video, "Who Moved My Cheese" (Johnson, 1998). As one of the participants observed,

We brainstormed a whole lot of things at that time and came up with a whole lot of ideas. For example, one was a road show where we identified who should participate in that, what visuals should be put up, all those kinds of things.

In the documents reviewed the consultants introduced balanced scorecards as one of the strategy implementation and control tools. However, the data indicate that only two participants mentioned the use of balanced scorecards.

4.7 THINGS THE ORGANISATION COULD HAVE DONE BETTER

The participants were asked what things the organisation could have done better during the implementation of the change initiatives. While responses varied, everyone had a view to share. Two of the ten participants mentioned

that more attention should have been paid to the remote or implementing sites.

Other responses included building leadership capacity, consistency in implementing changes and enforcing decisions, paying attention to staff generally, being able to identifying challenges with implementation earlier, and clarifying roles and responsibilities. Participants commented that:

> *Firstly it is to try and identify individuals that are not aligned to the strategy more rapidly and are not afraid to take those decisions quicker.*

> *Secondly in terms of also identifying areas where the strategy is not functioning how it should be performing, and again make those decisions quicker.*

Two of the ten participants said that dedicated resources were needed to oversee implementation of the change initiatives. The consultants had recommended a project management office. However, this was not done because of limited resources. They observed that,

> *I think one thing that a project management office can do is to keep track of the implementation.*

> *The one key thing that sticks out very clearly is the delineating accountability and decision making roles and responsibilities. We never got that right and we never managed that change right.*

4.8 CONCLUSION

The data were presented according to concepts, themes and documents used during strategy development. The following were the concepts and

themes: reasons for the change; resistance to change; the process of strategy development; performance of organisation in strategy implementation; and the things the organisation could have done better. In each of these areas information obtained in the interviews with the ten participants was presented. Chapter five will provide the interpretation and analysis of this information.

CHAPTER FIVE

INTERPRETATION AND ANALYSIS

5.1 INTRODUCTION

This chapter looks at the interpretation and analysis of the findings as presented in chapter four, and will be aligned with the same concepts identified in the previous chapter, namely reasons for the change; resistance to change; process of formulating strategy and organisation design; performance of the organisation in implementation of strategy; and things that could have been done differently.

5.2 ANALYSIS OF THE FINDINGS

5.2.1 Reasons for the change

Data showed that there was a need for the change initiatives at Aurum. The organisation was functioning in silos and there was a need to leverage synergies between units. Sustainability is also important and data indicated that the organisation needed to grow in order to be sustainable.

In Lewin's theory according to Jones (2007), for the organisation to unfreeze, people must be willing to accept that there is a problem and that it needs to be addressed. People at Aurum saw the need to change, as evidenced by those who mentioned the fact that the organisation needed to be sustainable and needs to leverage the synergies. In action research, managers are required to recognise the existence of the problem and acknowledge that something needs to be done (Jones, 2007).

One of the things organisations do to identify the need to change or develop strategy is environmental scanning. This is often done using the SWOT analysis: Strengths, Weaknesses, Opportunities and Threats. During the SWOT exercise, Aurum identified working silos as one of the weaknesses while the change in focus of one of the funders was viewed as an opportunity.

According to Lewin's force-field theory of change, the reasons for the change act as driving forces for change and there needs to be more of these to ensure that the resisting forces are decreased so that change happens.

5.2.2 Resistance to change

Data from the research indicated that there was resistance to change at Aurum, where seventy percent (70%) of the participants observed that in their view there was resistance to change.

The resistance to change was also experienced at senior management level. Some of the factors that led to resistance to change at Aurum included ownership of the change initiatives by some members of management, implementation of the matrix structure being difficult, some members of management did not benefit from the change, not enough resources were allocated to change initiatives, and some people did not understand the changes and the need for change.

It is expected that in any change process there will be resistance encountered, since it is always easy to agree to changes and new ideas, but when work starts, the detractors appear and a host of negative comments and actions materialise. Irrespective of the extent to which an organisation has designed procedures, structures and cultures to encourage openness, responsiveness and innovation, there will always be detractors. (Paton and McCalman, 2000: 47).

According to Lewin's force-field theory of change, if there are more resisting forces than driving forces, there will be resistance to change. The resistance to change was at both organisational and individual level. At organisational level, Jones (2007) discusses power and conflict issues and this was experienced at Aurum. There were some managers who lost their positions and were assigned elsewhere; and there were conflict and power struggles between the operations and research units. This conflict was also related to differences in functional orientation.

Ehlers and Lazenby (2004) and Louw and Venter (2006) discuss the disadvantages of the matrix structure, including the fact that it is complex. It has dual lines of authority that require dual lines of resource allocation, reward systems and reporting channels, it increases overhead costs as it creates more management positions, and there can be confusion over who is ultimately responsible for strategy implementation. A matrix structure may lead to tension and conflict between managers who compete for status, legitimacy and power in the organisational setting and who may accordingly have conflicting agendas. It may also lead to increased competition for scarce resources in the organisation, which are now shared across multiple functions and projects.

5.2.3 The process of formulation of strategy and organisational design (change)

The findings indicated that the process of formulation of strategy and organisation design was an inclusive process with all people at senior management level involved. However, the process was not wide enough with people at remote sites feeling excluded from the consultative process.

The development of strategy is the responsibility of top management of the organisation. The process was inclusive at Aurum and people at different

levels made some contributions. Participation and involvement is one of the ways of preventing resistance to change. People are usually more supportive of the changes if they are involved in the formulation and design of the change initiatives.

5.2.4 The organisation's performance with strategy implementation

The findings show that the organisation did fairly well in the implementation of the strategy. The organisation grew in terms of revenue and in getting more projects funded. Refocusing the organisation into the two business units benefited the organisation and more importantly the research unit which grew afterwards.

Drawing on Lewin's theory of change, the organisation was unfreezed through involvement of management in the development of change initiatives and communicating the changes to the rest of organisation. Then change happened. However, the refreezing fell short in some cases leading to some resistance to change. This was also done to ensure that the driving forces of change are greater than the resisting forces to ensure that the organisation changes.

The communication committee did a good job in communicating the changes to the rest of the organisation. This included road shows, email communications and sessions on "Who Moved My Cheese". However, this was insufficient as such interventions were not extended to management.

The organisation did not do well in implementing the matrix structure, and experienced some challenges. The structure was complex to implement and the dual reporting did not work well with staff members who are used to single reporting lines. The central operations unit serving both health programmes and research did not work well. The restructuring led to some people benefiting by being appointed to senior positions but there were

senior staff members who were unhappy with reallocation and this affected performance in the areas where they were allocated. A strategy review was then conducted to review the structure and modifications were made to the structure with each business unit responsible for its own operations.

Ehlers and Lazenby (2004) mentions that nine out of ten organisations fail to successfully implement strategy. Aurum did fairly well to implement the strategy. However, the problem lay with the matrix structure which was seen as complicated to implement. The literature indicated that implementing a matrix structure is complex and can lead to tension and conflict between managers. This tension and conflict was experienced at Aurum, especially between operations and research. The performance of the organisation was also affected by the resistance to change. Resistance to change affects organisational effectiveness and survival. The other factor was resource allocation which is one of the four barriers to strategy implementation.

5.2.5 Things the organisation could have done better

Data shows that there are things that the organisation could have done better to improve the implementation of strategy and change initiatives. These included putting dedicated resources in place to oversee implementation, paying attention to staff, building the leadership capacity, identifying challenges with implementation earlier, clarifying roles and responsibilities, and being consistent in implementing changes and enforcing decisions.

Jones (2007) explains organisational development as a technique to manage change. Education and communication are ways of overcoming resistance. This helps people understand the logic and the need for change. This requires mutual trust and the timing must also be right. Although Aurum spent time and resources on communication, equal attention should have also been given to education. This includes members of management, as it was assumed that because members of management were involved in the

process they did not need this intervention. Induction of new members of management could have been done as part of education and communication.

Another way of overcoming resistance is participation and involvement. It was mentioned that the process of formulation of strategy and organisation design was inclusive and interactive. However, consultation with the rest of the organisation was not done once the decision was made. Jones (2007) observes that people are usually more supportive of the changes if they are involved in the formulation and design of the change initiatives from the outset.

Ehlers and Lazenby (2004) discusses five drivers of strategic implementation: leadership, organisational structure, resource allocation, organisational culture, and reward system. One of the things mentioned as something the organisation could have done better is building leadership capacity. Leadership is critical in managing change. Louw and Venter (2006) discusses capabilities and tasks of strategic leadership and notes that leading and managing change is one of the tasks of a leader. Some of the required capabilities include strategic thinking, emotional intelligence and behavioural complexity, transformational leadership, and African leadership.

Ehlers and Lazenby (2004) further supports the importance of leadership by noting that the required organisational change does not happen spontaneously, nor does a strategy implement itself. Somewhere in the organisation someone must have the vision of an ideal state and be willing to guide the organisation to the achievement of this vision through successful strategy implementation. Such a person is a strategic leader. Leadership drives strategic change and strong leadership is perhaps the most important tool that a strategist can have in the implementation toolkit

to give direction and purpose to integrated strategy formulation, implementation and control.

Resource allocation is also important as one of the drivers of strategy implementation. It was found in this research that Aurum did not allocate dedicated resources to oversee implementation of the strategy and change initiatives. Ehlers and Lazenby (2004) observes that resource allocation includes budgets, the appropriate and capable human resources, technology, information and physical resources.

5.3 THEORETICAL FRAMEWORK

5.3.1 Resistance to change

The findings of the research showed that there was resistance to change at Aurum. Resistance to change lowers an organisation's effectiveness and reduces its chances of survival. Although the organisation made progress it can be assumed that the resistance to change affected the effectiveness of the organisation. The resistance to change that happened at Aurum was at all three levels: organisational, group and individual. The driving forces for changes were initially enough to make the changes, since there were good reasons for the changes. The organisation had undertaken an environmental analysis and findings showed that leveraging synergies and growth for sustainability were driving forces for change. However, during implementation resisting forces gradually increased, hence some changes were not sustained.

5.3.2 Organisation level resistance to change

At the organisational level, power and conflict, differences in functional orientation, mechanistic structure and organisational culture will be analysed.

5.3.2.1 Power and conflict

In implementing the matrix structure it is argued that there are always accompanying power struggles. These could relate to who has the final say, the line or operations manager or the technical manager? These power struggles lead to conflict which affects implementation. As shown by the findings, Aurum experienced difficulties in implementing the matrix. When change causes power struggles and organisational conflict, an organisation is likely to resist it. The conflict between two functions will slow the progress of change and perhaps prevent change from occurring at all. If powerful functions can prevent change, an organisation will not change (Jones, 2007: 274).

5.3.2.2 Differences in functional orientation

There were obvious differences in functional orientation, especially during implementation, hence the resistance to change. It appears that differences during the development stage were resolved and this led to agreement on the strategy and organisational design. Different functions and divisions often perceive the source of a problem differently because they see an issue or problem primarily from their own viewpoint. This tunnel vision increases organisational inertia because the organisation must spend time and effort to secure agreement about the source of the problem before it can even consider how the organisation needs to change to respond to the problem (Jones, 2007: 274). The strategic review among other things was meant to address this type of difference. The main issue related to the practicability of implementing the matrix structure.

5.3.2.3 Mechanistic structure

One of the factors related to the resistance to change at Aurum was that medical or health staff is taught very strict rules and protocols that they need to adhere to; they develop a rigid approach which can be difficult to change. Mechanistic structures are also more resistant to change. People who work within a mechanistic structure are expected to act in certain ways and do not develop the capacity to adjust their behaviour to changing conditions (Jones, 2007: 275).

5.3.2.4. Organisational culture

Aurum has five values: integrity, excellence, innovation, teamwork and respect. The fact that the organisation was able to record some achievements despite the resistance to change can also be attributed to trying to achieve excellence. The organisation was measuring the KPIs during this process to ensure that progress is monitored. The values and norms in an organisation's culture can be another source of resistance to change. It can be assumed that organisational culture did not influence resistance to change.

5.3.3 Group level resistance to change

The findings also showed that there was groupthink, the operations people thought that the matrix structure would be good while some research people did not think it was a good idea. Jones (2007) explains that group processes make changing a group's behaviour difficult.

5.3.4 Individual level to change

Jones (2007) observes that people tend to resist change because they feel uncertain and insecure as to what its outcome will be. The findings showed that some people did not understand the changes well and there was confusion about dual reporting. This meant that people were uncertain and insecure.

When change takes place, people tend to focus only on how it will affect them and their function or division personally. If they perceive few benefits, they will reject the purpose behind the change. There are some people who were reported to have left because they were unhappy. Some of them felt they did not benefit from the changes

Habit, which is people's preference for familiar actions and events, is a further impediment to change. One of the factors mentioned in relation to resistance to change was that medical staff tend to be rigid and hard to change because their training or habits are about following rules and protocols.

5.4 THINGS THAT HAVE WORKED WELL

It was considered positive that the organisation developed the strategy and ensured that the process was inclusive, at least from the senior management point and to some extent to the rest of the organisation. The sustainability of the organisation is important. This may be applied equally to a not-for-profit organisation.

The funders of not-for-profit organisations seek to invest in sustainable organisations that have the capacity to deliver. Aurum responded to changes in the environment and tried to position itself for growth to ensure the necessary sustainability. The strategy allowed the organisation to grow and Aurum consequently received more funding and implemented more projects subsequent to the implementation of the strategy.

The communication committee performed well in ensuring that the new strategy and structure was communicated throughout the organisation. This communication committee was led by the deputy chief executive officer. This demonstrates the commitment of the organisation to the process. The deputy CEO facilitated the road shows that were undertaken to all the sites implementing Aurum projects. Education and communication are important tools in overcoming resistance to change and communicating the vision and strategy of the organisation so as to ensure that people are aligned with the organisation's vision.

The key performance areas and indicators were developed to measure implementation. The CEO required heads of programmes and departments to report progress on a quarterly basis. The use of the balanced scorecard by the organisation was viewed as a positive thing. Balanced scorecards are used as tools of strategic implementation and control.

The strategy review that was done after challenges with implementation of matrix structure were experienced also worked well.

It was encouraging to note that despite resistance to change and the challenges experienced in implementing the matrix structure, the organisation was able to record some achievements, especially in relation to the growth of the organisation. This might be credited to the fact that there were no major changes at the site level and mainly project staff members below supervisory level were not affected with dual reporting and complexity of the matrix structure.

The consultants were well prepared and facilitated all sessions in a professional manner. They had undertaken extensive research within and outside the sector. The findings of this research were drawn on to lead discussions during the formulation stage.

5.5 AREAS OF IMPROVEMENT

The organisation's ability to manage change and resistance to change needs improvement. This has to do with building the leadership capacity of the organisation. Managing and leading change is one of the main tasks of leaders.

The focus of the interventions for managing change, including through the communications committee, was on the rest of the staff and nothing was done for the management team. It was assumed that their involvement in the strategy development process was adequate for understanding the need for change.

More attention needs to be given to staff members who are implementing projects at site level. However, this also requires building the capacity of site management in dealing with change and implementation of strategy.

Resource allocation and the need to prioritise allocation, especially to change initiatives, is important. Dedicated resources to drive implementation would have improved performance and freed other people to concentrate on rolling out strategy in their areas of control and influence.

Aurum is a research organisation they should have evaluated the impact of changes and the feelings of staff about the changes. This might help the organisation understand issues of resistance to change better.

5.6 CONCLUSION

This chapter looked at the interpretation and analysis of findings and results. The findings showed that there was resistance at Aurum to the implementation of the change initiatives. The findings were compared with

theory and an alignment with theoretical framework was done. The chapter identified things that the organisation had done well and also those areas that require improvement.

CHAPTER SIX

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

This chapter has three main sections, the summary, conclusions and recommendations. The summary presents the findings of this research. The conclusion presents conclusions from the findings. The recommendations are made to the organisation for management consideration and for future research based on the findings.

6.2 SUMMARY

This section summarises the research and all the chapters. This interpretative and qualitative research was meant to investigate factors leading to resistance to change at Aurum.

6.2.1 Chapter 1

This chapter introduced the research and the context of the research. It included background to the research and information about Aurum, the purpose and problem statements and research questions.

The research was conducted at Aurum. Aurum is an internationally recognised, specialist research, health systems management, not-for-profit, non-governmental, Proudly South African and public benefit organisation. Its focus is Tuberculosis (TB) and Human Immune-Deficiency Virus (HIV) and Acquired Immune Deficiency Syndrome (AIDS) research and implementation programmes and projects.

Although Aurum is a South African organisation it has international links and collaborations. The CEO of Aurum is an internationally recognised TB scientist who serves on international committees of the World Health Organisation and is involved with HIV and TB product development networks

In the problem statement it was explained that there was resistance to change in the implementation of the Aurum strategy. There are also some elements of the strategy and structure that have not been implemented. There have been challenges in the relationship between operations and research. It is not known whether the resistance to change is as a result of not managing the change process appropriately or other factors. The purpose of this research was therefore to investigate the factors leading to resistance to change at Aurum.

The following were the research questions for this study:

- What were the reasons for change at Aurum?
- What are the factors leading to resistance to change at Aurum?
- What are the trends in the implementation of strategy at Aurum?
- What are the leadership and management strategies for consideration in the implementation of change?

6.2.2 Chapter 2

This chapter reviewed the literature and adopted a theoretical framework. The literature covered areas of change and change management, resistance to change, and strategic implementation. Action research was selected as the theoretical framework for the research.

The literature review allows the researcher to demonstrate familiarity with a body of knowledge and establish credibility. A good review increases a reader's confidence in the researcher's professional competence, ability and background and provides an opportunity for the researcher to learn from others and engage with new ideas.

Organisational change was defined as change in organisational design or the process by which organisations move from their current state to some desired future state to increase their effectiveness.

Buchanan and Huczynski (2010) defines resistance to change as the unwillingness or inability to accept or discuss changes that are perceived to be demanding or threatening to the individual. Fear is often one of the most common reasons for resisting change, whether fear of the unknown, of failure, of loss or leaving a comfort zone. People will only take positive steps towards the unknown if they genuinely believe that the risk of standing still is greater than that of moving forward in a new direction. The reasons for resisting change included selective perceptions, habit, inconvenience or loss of freedom, economic implications, and security in the past.

Change Management theories and strategies were discussed, including Lewin's Model of Change which is a three-stage sequence of unfreezing, change and refreezing. The emergent change approach conceptualises change as being driven from the bottom up and as an ongoing process of adaptation to changing circumstances.

Eight Steps to Transforming an Organisation were also discussed. The six ways of overcoming resistance to change were discussed drawing on Thompson and Martin (2005), Jones (2007) and Agboola and Salawu (2011). Action research was discussed as a strategy for generating and acquiring knowledge that managers use to define an organisation's desired

future state and to plan a change programme that allows the organisation to reach that state.

The Systems Approach to Change looks at analysis of change situations that is based on a systems view of the problem. Strategy implementation was discussed and the various steps of the strategic management process were explained. Ehlers and Lazenby (2004) defines strategy as an effort or deliberate action that an organisation implements to out-perform its rivals.

Lewin's Force-Field Theory of Change was adopted as the theoretical framework and argues that two sets of opposing forces within an organisation determine how change will take place. When the forces are evenly balanced, the organisation does not change. To get the organisation to change, managers must find a way to increase the forces of change, reduce resistance to change, or do both.

Jones (2007) observes that many forces inside the organisation make it difficult for the organisation to change in response to changing conditions in its environment. The most powerful impediments to change include power and conflict, differences in functional orientation, mechanistic structure, and organisational culture. Furthermore, much of the organisation's work is performed in groups and several group characteristics can produce resistance to change. Group cohesiveness and groupthink lead to resistance to change. At the individual level, factors that contribute to resistance include are uncertainty, insecurity and habit (Jones, 2007: 275-276).

6.2.3 Chapter 3

This chapter covered research methodology. This research adopted an interpretative social science approach which is one of the three approaches to social research, the other two being positivist social science and critical social science. The interpretative social science approach emphasises

meaningful social science, socially constructed meaning and value relativism (Neuman, 2011: 87).

The design that the research took was the qualitative approach. Qualitative research is one of two research designs, qualitative and quantitative. This research tried to have meaning in how change was managed at Aurum during the implementation of the new strategy and structure. It aimed to understand what was done and what could have been done differently to ensure that the strategy and structure were implemented as planned.

The sampling method used in this research is quota non-probability sampling, where the researcher first identifies general categories into which cases or people will be selected and then selects cases to reach a predetermined number of cases in each category. Qualitative research tends to use non-probability or non-random samples (Neuman, 2011: 220).

This research used the interview as a primary means of collecting data and document analysis as a secondary means of data collection. Field interview is one of the methods used as well as observation and focus groups. Field interviews require the researcher to ask questions, listen, express interest and record what is said (Neuman, 2011: 407).

The Successive Approximation method was used to analyse data for this research, and involves repeated iterations or cycling through steps, moving towards final analysis.

6.2.4 Chapter 4

This chapter presented data and findings. The chapter started with the profile of the participants and the findings were then presented in five concepts or themes: reasons for the change, resistance to change, the process of formulating the strategy and organisation design, the organisation's performance with strategy implementation, and things that the organisation could have done better.

The reasons for the change included leveraging synergies between projects, sustainability of the organisation, promoting organisational growth and aligning the organisation with partners.

Resistance to change was experienced at Aurum with 70% of the participants saying resistance to change was indeed experienced, mostly in relation to the introduction of a matrix structure. The process was described as being inclusive and with some level of involvement of the rest of organisation through surveys and focus groups.

There was a mixed response on the performance of the organisation in implementing strategy, where 80% of the participants mentioned that there were achievements especially with the growth of the organisation and being able to source additional funding.

There were various things that the participants mentioned that the organisation could have done better, including building capacity, consistency in implementing changes and enforcing decisions, paying attention to staff, and putting dedicated resources in place to oversee implementation.

6.2.5 Chapter 5

This chapter presented the interpretation and analysis of findings. The interpretation of findings was also categorized into the following concepts and themes; reasons for the change, resistance to change, the process of strategy development, performance of organisation in strategy implementation and the things the organisation could have done better. The alignment of findings with theoretical framework was done. The findings are mainly that there was resistance to change at Aurum and some of the factors included ownership of the change initiatives by some members of management, implementation of the matrix structure was difficult, some of members of management did not benefit from the change, not enough resources were allocated to change initiatives, some people did not understand the changes and the need to change.

6.2.6 Chapter 6

This chapter concludes this research report by a summary, conclusion and recommendations. The summary in this chapter gives a brief summary of each chapter. The conclusion covers what conclusions have been drawn up from the findings and whether the purpose of the research has being met. It further looks at whether the research questions have been answered by the findings. Lastly it looks at the recommendation to Aurum and the recommendations for future research.

6.3 CONCLUSION

This research set out to investigate the factors leading to resistance to change at Aurum. Evidence shows that there was resistance to change at Aurum during the implementation of the new strategy and structure. Seventy percent of the participants agreed that there was resistance to change. The resistance to change was also experienced at senior management level. Some of the factors that led to resistance to change at Aurum included

ownership of the change initiatives by certain members of management, implementation of the matrix structure being difficult, some members of management did not benefit from the change, not enough resources were allocated to change initiatives, and some people did not understand the changes and the need to change.

The organisation implemented some change interventions to prevent and manage resistance to change. These included the communications committee which implemented road shows to all the sites and communicated with all the employees. “Who Moved My Cheese” sessions were held in all the sites. However, the change interventions were not directed to senior management and it must have been assumed that because they were part of the process of formulation they did not need these interventions.

The reasons for the changes were clear in that the organisation needed to grow to ensure sustainability and leverage synergies among projects. Change was implemented with some achievements, especially growth of the organisation through receiving additional funding.

However, there were challenges with regard to the implementation because of the matrix structure. The main issue was the role played by central operations implementing both research and health programmes. The organisation reviewed the structure and each business unit now had its own operations division. This meant doing away with problems of dual reporting and confusion and conflict caused by the matrix structure.

6.3.1 What were the reasons for the change at Aurum?

The main reasons for the change were growth of the organisations in order to achieve sustainability and also to leverage synergies between projects to ensure efficiency. This is very important as a driving force for change that will counteract the resisting forces against change.

6.3.2 What are the factors leading to resistance to change at Aurum?

The resistance to change was also experienced at senior management level. Some of the factors that led to resistance to change at Aurum included ownership of the change initiatives by some members of management, implementation of the matrix structure being difficult, some members of management who did not benefit from the change, and inadequate resources being allocated to change initiatives. Furthermore, not everyone fully understood the changes or the need for change. These resisting factors impeded change in the organisation and driving forces of change were necessary to counteract this resistance.

6.3.3 What are the trends in the implementation of strategy at Aurum?

The use of the balanced scorecard was important for Aurum in relation to the quarterly measurement and reporting on KPIs by management. This allows the organisation to check on the progress against targets. This also allows the organisation to review what is not working.

The organisation made progress towards the achievement of strategic objectives. One of the strategic objectives was that business activities will be supported by a sound financial plan and practice that aims at long term financial stability and sustainability. The project revenue position would be maintained at 2010 real levels in the next five years. During the implementation of the strategy Aurum received additional funding and has been able to grow its financial reserves in order to fund core expenditure.

There was a strategy review conducted when things were not going well or according to plan. Strategic control is an important element of any strategic management process. This involves monitoring progress and changes in the environment and where things are not going well they can be reviewed.

The communication committee which implemented some change management interventions was important for informing and educating the staff about the strategy and changes. This was driven by senior management and reached all the staff. These were important interventions in mitigating resistance to change.

6.3.4 What are the leadership and management strategies for consideration in the implementation of change?

It is important that the organisation takes into consideration the five drivers of strategy implementation, namely Leadership, Organisational Structure, Organisational Culture, Resource Allocation, and Reward Systems, as well as the use of organisational development techniques in managing change. The organisational development provides some techniques that are useful for managing change.

6.3.4.1 Leadership

The development of strategic leadership is important in the implementation of strategy and also in change management. According to Louw and Venter (2006), strategic leaders lead and manage change. Some of the required capabilities include strategic thinking, emotional intelligence and behavioural complexity, transformational leadership and African leadership. The other tasks are setting organisational direction, leadership to drive strategy (implementation), staffing the organisation and managing social capital, building and utilizing core competencies, creating organisational alignment, and creating an organisational culture and values supportive of the strategy.

6.3.4.2 Organisational Structure

The organisation has learnt not to use the matrix structure. However, organisational structure aids in identifying the tasks necessary for strategy implementation, groups them together and ensures co-ordination of these tasks across the organisation so that the strategic goals of the organisation can be attained. Furthermore, an organisational structure specifies who is responsible for specific tasks.

6.3.4.3 Organisational Culture

Building organisational culture is an important element of strategy implementation. Organisational culture guides the actions of organisational members and acts as a tie that binds members together. The organisation has five values: integrity, excellence, innovation, teamwork and respect. These must be communicated and understood by all employees.

6.3.4.4 Reward System

One of the ways organisations can improve employee commitment and encourage behaviour consistent with a new strategy is to improve their understanding of the strategy and the required implementation process through a rewards system. Aurum needs to adopt and improve its rewards system as an incentive to implementing change initiatives successfully.

6.3.4.5 Resource Allocation

This includes making available required resources necessary to implement strategy. This should include budgets, appropriate and capable human resources, technology and information as well as physical resources. Although Aurum is a not-for-profit organisation it can prioritise allocation of resources to ensure change initiatives are successful.

The following are organisational development techniques and methods that managers can use to increase the adaptability of their organisations (Jones, 2007).

- **Education and communication:** This helps people understand the logic and the need for change. This requires mutual trust and the timing must also be right.
- **Participation and involvement:** People are usually more supportive of the changes if they are involved in the formulation and design of the change initiatives.
- **Facilitation and support:** This involves training and counselling for people affected by the change.
- **Negotiation and agreement:** If there is perceived loss as a result of the proposed change, particularly where the resisting force is powerful, negotiation and agreement on incentives and rewards can be pursued.
- **Manipulation and co-optation:** This encompasses covert attempts to influence people by selective use of information and conscious structuring of events. Co-optation involves buying off informal leaders using personal reward or status.
- **Explicit and implicit coercion:** This involves use of threats. These might work in the short run but are not sustainable.

6.4 RECOMMENDATIONS

6.4.1 Recommendations to organisation

Aurum needs to build leadership capacity to manage change initiatives and drive implementation of strategy. Leadership is important for motivating and influencing staff to perform or change. This could be done through training which can be both formal and informal, mentoring and coaching. The building of leadership capacity must happen at all levels including site level.

Change management interventions must be directed to everyone including senior management. These interventions must not be once-off but regular until change has been internalised and is being sustained.

The induction programme for senior managers must be reviewed so as to ensure that issues of change management and organisational strategy are discussed. This induction programme is also aimed at new managers and managers being promoted.

Allocation of resources for implementation of change and strategy must be prioritised. Dedicated resources must be identified when implementing major changes. The allocation of budget must also include allocation of dedicated human resources to drive change initiatives.

Communication is also important and over-communication is better than under-communication. Such communication must include achievements or short term gains. This encourages employees to believe in the process when they see progress.

Performance management and measurement is important and the reporting on KPIs on the balanced scorecard must be continued. It is also important to roll out performance management for staff members and managing change could also be added as part of management's key performance areas.

6.4.2 Recommendations for future research

The following are some of the recommendations on future research at Aurum. This research did not extend to the whole organisation. It might be important to solicit the views of all staff about the change initiatives and how

successful the organisation is in implementing the strategy. A quantitative research approach would be useful to consider.

It will be important to do a study at some point in the future to assess whether achievements have been sustained and whether the shift from a failed matrix structure had an impact on future achievements.

Research should be undertaken to compare Aurum and other similar organisations with regard to how they manage and implement strategy. This will provide lessons to draw on and best practice.

6.5 CONCLUSION

This chapter looked at the summary of this research, conclusions of the findings and the recommendations arising from the findings. This research concluded that there was resistance to change at Aurum. However, there was progress in implementation of the strategy with some achievements in funding and growth of the organisation. The recommendations include building leadership capacity and prioritising resource allocation to ensure that change initiatives are successful. It also proposes further research topics about change management for strategy implementation at the Aurum Institute.

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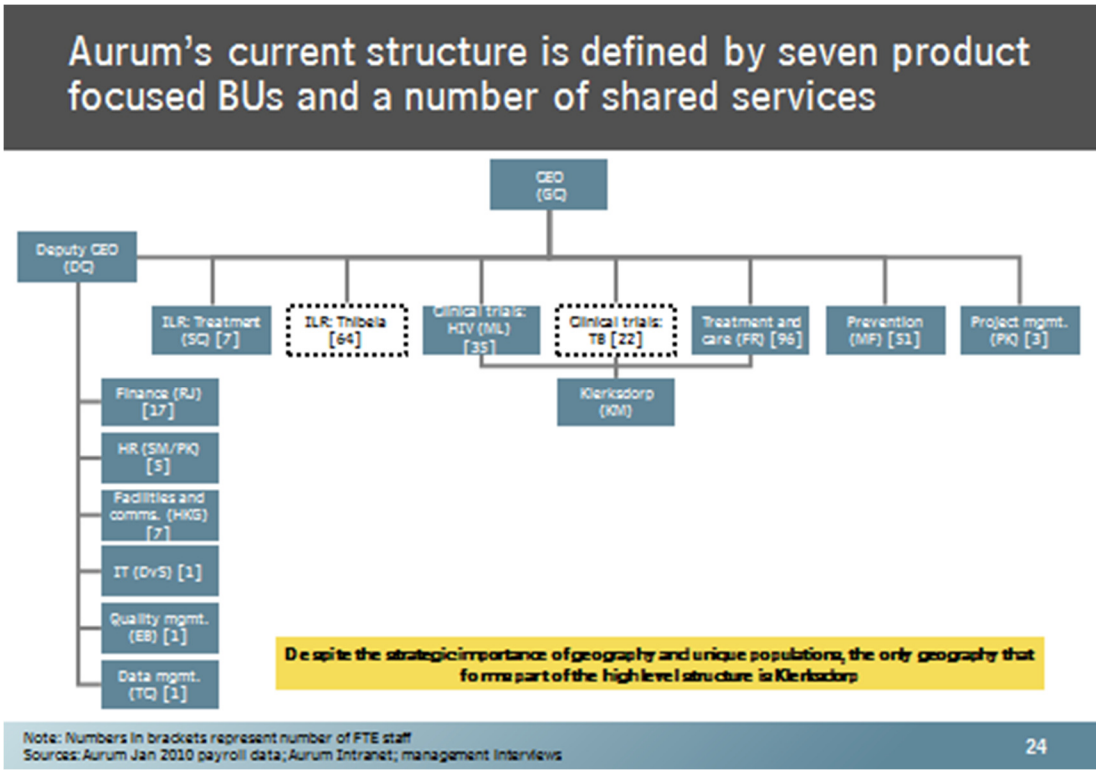
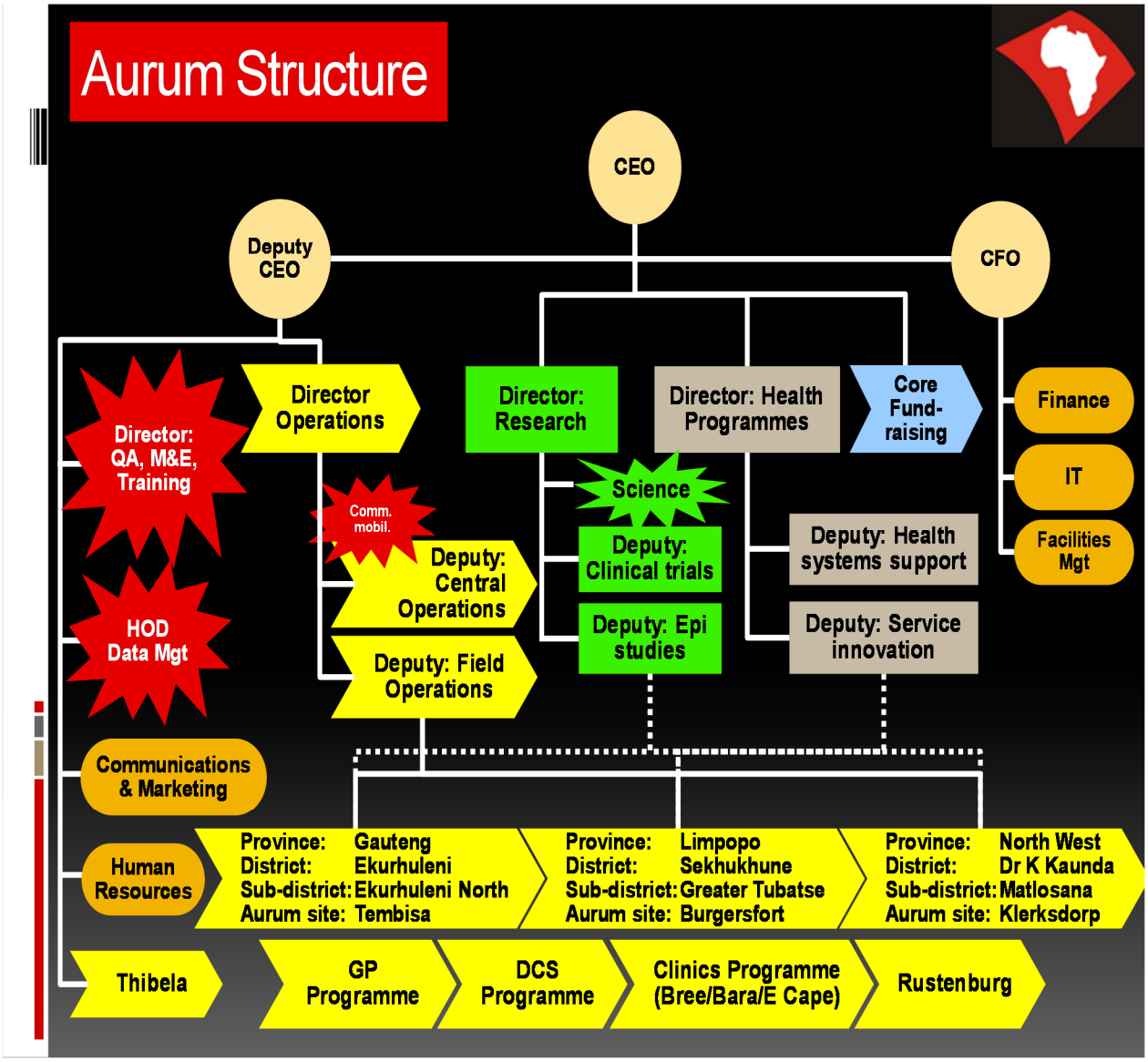
APPENDICES

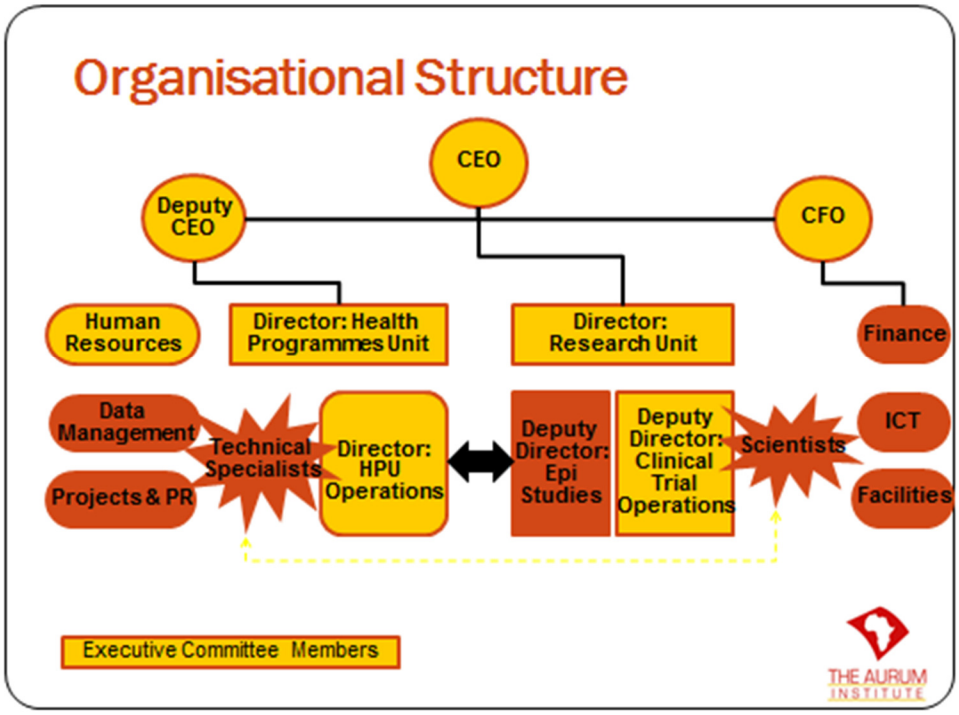
APPENDIX A



APPENDIX B


Aurum Structure
CEO
Deputy CEO
CFO
Director: QA, M&E, Training
Director Operations
Director: Research
Director: Health Programmes
Core Fund-raising
Finance
IT
Facilities Mgt
Comm. mobil.
Science
Deputy: Central Operations
Deputy: Clinical trials
Deputy: Health systems support
HOD Data Mgt
Deputy: Epi studies
Deputy: Service innovation
Deputy: Field Operations
Communications & Marketing
Human Resources
Province: Gauteng
District: Ekurhuleni
Sub-district: Ekurhuleni North
Aurum site: Tembisa
Province: Limpopo
District: Sekhukhune
Sub-district: Greater Tubatse
Aurum site: Burgersfort
Province: North West
District: Dr K Kaunda
Sub-district: Matlosana
Aurum site: Klerksdorp
Thibela
GP Programme
DCS Programme
Clinics Programme (Bree/Bara/E Cape)
Rustenburg

APPENDIX C


Organisational Structure
CEO
Deputy CEO
CFO
Human Resources
Director: Health Programmes Unit
Director: Research Unit
Finance
Data Management
Projects & PR
Technical Specialists
Director: HPU Operations
Deputy Director: Epi Studies
Deputy Director: Clinical Trial Operations
Scientists
ICT
Facilities
Executive Committee Members
THE AURUM INSTITUTE

APPENDIX D

Information Sheet and Consent Form
Dear Colleague

I am doing a research study on **Managing Change for Strategy Implementation at The Aurum Institute**. The research is part of my academic requirements Master of Management Degree (in the field of Public and Development Management)at the Wits University. I request you to participate by having an interview with me. The interview will take about forty five (45) minutes to complete.

The information you provide to me will be treated with confidentiality and anonymity. The results will be reported to Wits University at aggregate level and no individual responses will be made available. If you need a copy of the report, it will be made available to you by requesting it from me.

I thank for participating in the study and interview.

Bulelani Kuwane

I, agree to participate in the research. I am participating at my own free will and I am not being coerced to participate.

Signature:

Date

Researcher's signature

APPENDIX E

Possible Interview Questions

Were you involved in the development of strategy and design of structure?

What is your understanding of the Aurum strategy?

Do you think it was necessary for Aurum to design a new structure?

Were the reasons for the change of structure explained to you?

Do you think the reasons make business or organisational sense?

Did the changes affect you? If so how?

Do you think Aurum managed the change process well?

Do you think Aurum should have done more to manage the change process?

Did Aurum experience challenges in implementing new strategy and structure?

Do you think Aurum is in a better state since implementing new strategy and structure?

Do you think there is or was resistance to the changes?

Do you think Aurum managed the resistance to changes well?

Do you think Aurum should have done more to manage the resistance to changes?

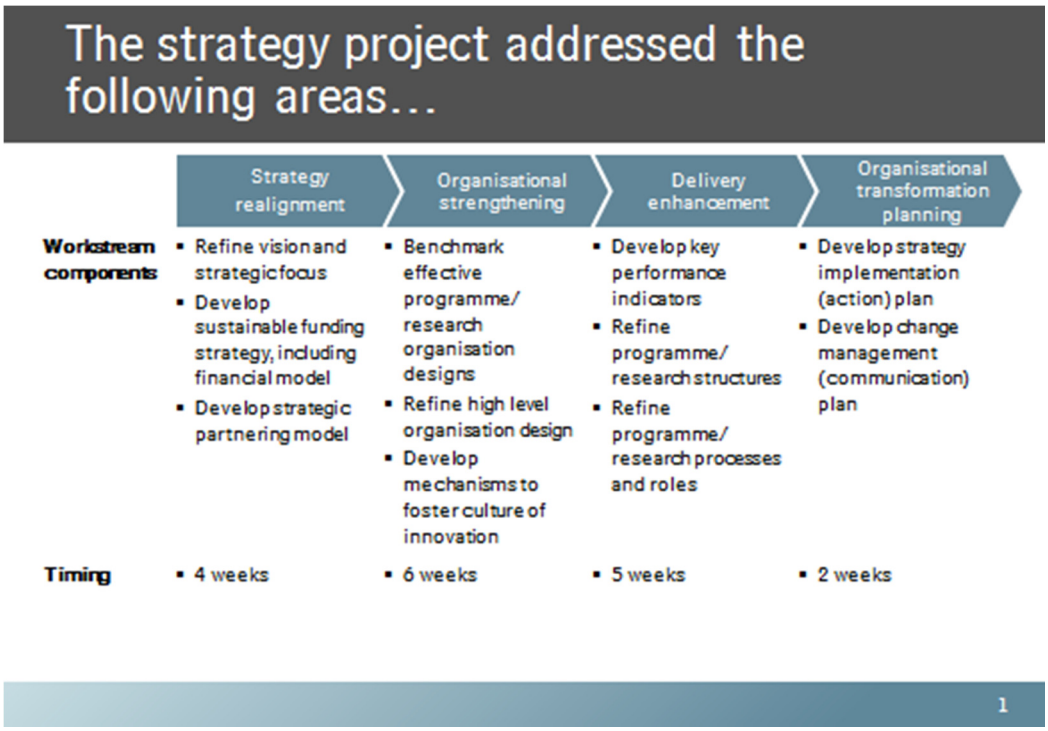
Would you like Aurum to go back to the old structure?

Do you think Aurum has achieved some of its goals and objectives with the new strategy and structure?

Do you think Aurum will achieve its goals and objectives with the new strategy and structure?

Do you think your subordinates understand the new strategy and structure?

APPENDIX F


The strategy project addressed the following areas…
Strategy realignment
Organisational strengthening
Delivery enhancement
Organisational transformation planning
Workstream components
Refine vision and strategic focus
Develop sustainable funding strategy, including financial model
Develop strategic partnering model
Benchmark effective programme/ research organisation designs
Refine high level organisation design
Develop mechanisms to foster culture of innovation
Develop key performance indicators
Refine programme/ research structures
Refine programme/ research processes and roles
Develop strategy implementation (action) plan
Develop change management (communication) plan
Timing
4 weeks
6 weeks
5 weeks
2 weeks
1