NONGOVERNMENTAL ORGANISATIONS' TRANSITION FROM DONOR FUNDING TO SELF SUSTENANCE: A CASE OF LIFELINE NAMIBIA

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By

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DECLARATION

I solemnly declare that this work is my own and no plagiarism whatsoever was done. Every source used has been acknowledged and authors of such work have been referenced in this research report.

Signature: ………………

Date: …………………….

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KEYWORDS: social enterprise, philanthropy, Nongovernmental Organisation, donor funding, non-profit, for profit, sustainability, Lifeline.

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CHAPTER ONE

1. INTRODUCTION

1.1 BACKGROUND OF THE STUDY

This study explored the process of Non-governmental organizations' (NGOs) transition from being donor funded to the concept of self-sustenance also known as social enterprise. In the past, NGOs have been known to be dependent on donor funding but of late this has been changing. According to Thomas (2013), the European Union (EU) currently contributes aid to around 140 developing countries; but of these developing countries those considered as middle income have had their aid cut and channelled to developing countries considered as least developed. As a result of these developments, NGOs especially those in middle income countries, are forced to come up with income generating projects in the form of the social enterprise model to be able to continue with their operations. The social enterprise model being adopted is not an entirely new concept as several authors point to its existence since time immemorial. It was, however, not popular compared to today as non-profit organizations mainly depended on charity.

Namibia was classified as an upper middle income country in the year 2010. This has impacted negatively on donor funding for NGOs operating in Namibia. This means that NGOs in Namibia are now pressed to come up with alternative strategies to raise funds for their continued operation. To this end, embracing the social enterprise model of operation has become a necessity for most NGOs in Namibia. Adopting the social enterprise model of operation will help NGOs to be self-reliant and that can in the long run ensure sustainability in the provision of social services to the general populace. However, the switch from relying on donated income to social enterprise is not an easy one. Scholars such as Bull (2006); Borzaga and Defourny (2001), point that when NGOs transit to social enterprise they face a myriad of challenges. These include among other things, lack of skills and expertise necessary in the operation of social enterprise.

This study sought to explore the transition process that NGOs undertake from relying entirely on donated income to the adoption of social enterprise. In relation to South Africa, Wijnberg (2012) writes, "In light of shrinking donor funds, many NGOs are recognizing the appeal of the social enterprise model to donors, and for their own sustainability are asking "should we, and can we, make the transition from NGO to social enterprise? (p. 3)" It can be noted that this shift is still filled with uncertainty as it is a new path being taken. This is the same trend in Namibia where external donor funding is on the decline following the classification of the country as an upper middle-income country. This might actually result in the decline in operations or closure of some NGOs if they don't come up with alternate sources of funding or income.

1.2 STATEMENT OF THE PROBLEM

According to the Strengthening Health Outcomes through the Private Sector (hereafter SHOPS, 2013) project a USAID's flagship initiative in private sector health, "Namibia's nongovernmental organizations (NGOs), including those providing vital HIV and AIDS services, face a sharp reduction in external donor funding due to the country's recent reclassification as an upper middle-income country. This decline may prompt NGOs to seek alternative revenue streams to maintain healthy gains achieved over the past decade, and Namibia's growing for-profit private sector is a potential source of such revenue" (p. 2). However the question is will NGOs be able to rise up to the occasion and be able to tap such sources of revenue and ensure continued rise rather than decline in their operations? As Wijnberg (2012) puts it, "there are already many NGOs that have stepped towards self-sustainability, creating income-generation units that make products for sale. Sadly, these are frequently poorly conceived or out of touch with market need, resulting in rooms filled with unsellable product for which producers have already been paid. Most NGOs require support in finding the best fit between their mission and their market, and developing the mind-set and the skills to connect the two (p. 3)".

The change in operational models of organisations creates complex situations especially from a management and operations perspective. Restructuring may lead to retrenchment or workers, creation of new posts and even employment of new expertise to meet the requirements of the new model of operation. The process of adopting the social enterprise model is also not an easy one as challenges that will likely to be faced will require an organisation to be patient and persevere in their operations until the model delivers results. This is the situation NGOs have to confront as they adopt this model, and the unfortunate scenario is that its either they adopt the model or they face the danger of ceasing to exist due to lack of funds. In other words, despite the challenges of NGOs having to restructure their management systems and adopt a model of operation still considered as new in terms of practice, they do not have a choice but to do so as the only viable option. Despite the importance of a holistic understanding of the transition process to date there is no research in Namibia that has been done focusing on the change process of NGOs adopting social enterprise. Such research is critical because it acts as a guide for NGOs and other non-profits intending to go through the transition process.

1.3 RATIONALE FOR THE STUDY

Lessons learnt from this study will be useful to other organizations when they adopt the transition process towards social enterprise. The study may help them in establishing management structures and income generating projects to undertake when in operation. Recommendations drawn from this study may also help in developing social enterprise policies at organizational and national level such as legal frames for effective operations of organizations adopting this model of operation. This study will also contribute to the knowledge base of social enterprise practice. According to Bull (2006), there is a wide gap between theory and practice of social enterprise. The knowledge generated in this study will be crucial in guiding the implementation of the social enterprise model in organizations and also adding to academic knowledge. The study will help understanding of some pertinent considerations that need to be taken into account when NGOs transit from being fully donor funded to adopting the social enterprise mode of operation. The study will also examine key lessons that can be learnt from Lifeline Namibia's transition processes. Such insights in future can be used as a frame of reference by other NGOs that find themselves in this very same predicament.

1.4 AIM OF THE STUDY

The aim of the study was to explore the process of NGO transition from donor funding to self sustenance by Lifeline Namibia.

1.5 OBJECTIVES OF THE STUDY

1. To explore factors influencing Lifeline Namibia's transition from NGO donor funding to self sustenance.

2. To examine the change management strategy informing Lifeline Namibia's transition from philanthropy to social enterprise.

3. To explore the challenges being faced by Lifeline Namibia in the transition process.

4. To explore lessons that can be learnt from Lifeline Namibia's transition process from donor funding to social enterprise.

CHAPTER TWO

2. LITERATURE REVIEW

2.1 INTRODUCTION

This chapter discusses the literature reviewed in this study pertaining to social enterprise. For example, in order to gain a better understanding of what social enterprise is several definitions of the concept were looked at; different models that exists and likely challenges that may be experienced upon adoption of the social enterprise concept. In addition, this chapter gave insight to the likely benefits that may be attained if the social enterprise model is well implemented. Several other areas reviewed are outlined below.

2. 2 WHAT IS SOCIAL ENTERPRISE?

Social enterprise is a concept and phenomenon that is still considered as new the world over and in the South African context, in particular. As a result, scholars seem not to have come up with a clear cut definition of what social enterprise is. There is still to be consensus on what we can call a universal definition, rather different scholars define it differently. Despite this concern, there is widespread agreement about the social purpose served through social enterprise.

According to Manwaring and Valentine (2011), finding a consistent definition or definitive meaning of social enterprise can sometimes be challenging. Broadly speaking, they suggest that the term refers to the pursuit of primarily, though perhaps not exclusively, social goals through a for-profit or entrepreneurial structure and lens. Proponents of social enterprise work to develop sustainable and profitable models to support socially beneficial activity that is critical to our communities. In the same vein, Cordes and Steuerle (2008) state that social enterprise is interpreted in many ways, "to some, social enterprise means the undertaking of business or commercial activity by non-profit organizations. To others, it means undertaking initiatives with social goals within the context of a for-profit corporation. To others still, especially outside the United States, social enterprise means carrying out government-encouraged services through private community-oriented organizations of various types" Cordes and Steuerle (2008) (p. 22-23). These scholars all first introduce the concept by agreeing that there is no ultimate agreed upon definition, but it is interesting to note that they all arrive at the same idea that social enterprise aims at attaining social goals through a for-profit approach.

Wijnberg (2012) argues that, "the meaning of social enterprise differs from country to country. In the United Kingdom social enterprises are defined as 'businesses which exist to address a social or environmental need', while in the United States' entrepreneurial culture, social entrepreneurship refers to for-profit businesses that combine out-of-the-box thinking with the determination to create or bring about something new and positive in the world" (p. 1). This difference in definition can be said to be determined by where people find themselves to be. What is drawn from above is that it seems the USA approach to social enterprise is more of entirely for-profit oriented with less focus on social goals as per the UK approach. What is also learnt about the US approach is the 'out of the box thinking' give one the idea of innovation playing a major role. It is clear from the above views that there are variations in how social enterprise is defined depending on context.

Mair and Noboa (2003) blended the UK social enterprise concept that is pro social and that of the US that focuses more on innovation and profit making. They state that social entrepreneurship involves innovative approaches to address issues in the domains of education, environment, fair trade, health and human rights and is widely regarded as an important building block of the sustainable development of countries. What is common in all definitions presented thus far is that most scholars see social enterprises as having a mission of addressing social issues and that mission is attained through income generation.

Ridley-Duff and Bull (2011) explain social enterprise by differentiating the social and economic dimensions of social enterprise. Social dimensions involve: an explicit aim to benefit the community, an initiative launched by a group of citizens, decision-making power not based on capital ownership, participatory nature, involves the persons affected by the activity and limited profit distribution. Economic dimensions being: continues activity producing goods and/or selling services, a high degree of autonomy, a significant level of economic risk and a minimum amount of paid work i.e. at least some labour is compensated. Akin to the definition given by Ridley-Duff and Bull (2011), the Social Enterprise Alliance (2010) state that two distinct characteristics differentiate social enterprises from other types of businesses, nonprofits and government agencies. Social enterprises directly address social needs through their products and services or through the numbers of disadvantaged people they employ. This distinguishes them from socially responsible businesses which create positive social change indirectly through the practice of corporate social responsibility (e.g., creating and implementing a philanthropic foundation; paying equitable wages to their employees; using environmentally friendly raw materials; providing volunteers to help with community projects). Social enterprises use earned revenue strategies to pursue a double or triple bottom line, either alone (as a social sector business, in either the private or the non-profit sector) or as a significant part of a non-profit's mixed revenue stream that also includes charitable contributions and public sector subsidies. This distinguishes them from traditional nonprofits, which rely primarily on philanthropic and government support, (Social Enterprise Alliance, 2010).

The Social Enterprise Alliance (2010) note that the notion of social enterprise tries to involve or attach itself to the people it serves or those affected by a social issue being addressed. This involvement can take the form of employment of such a group of people; for example, a social enterprise advocating the rights of the disabled can use the disabled to be at the forefront of initiating various projects. Social Enterprise Alliance (2010) further provides understanding by stating that social enterprise deals directly with social problems that is the cause of their existence unlike corporate companies that address social issues as a secondary, giving back to the community, charity oriented approach. Another aspect is that social enterprise is rooted in generating its own revenue rather than the traditional charity approach of being given funds to address social problems.

In spite of the fact that different scholars define social enterprise differently common thread comes out of their definitions that, social enterprise is a concept that organisations can use to attain social goals through generating their own income, which leads to self sustenance.

2. 3 THE EMERGENCE OF SOCIAL ENTERPRISE GLOBALLY

The discussion here focuses on the emergence of social enterprise in United States, Africa, Western Europe, Eastern Europe and Latin America.

2.3.1 United States

According to Poon (2011), in the United States, social enterprise in the form of commercial activities by non-profits saw its origins through various religious and community groups which conducted the selling of some minor commodities to supplement donations they received. The emergence of social enterprise as a sector is said to have begun in the 1970s. The high oil prices of 1973 led to continued economic problems in the US, which in turn led to cuts in government grants for non-profit organizations by the Reagan administration. According to estimates by Salamon (1997), the magnitude of the cuts in social welfare spending was to the order of $38 billion over the period from the 1970s-1980s. These cuts then resulted in the increase in competition for funds as non-profits were growing in number and rising social needs. As a result of this, it led to a shift toward commercial revenue generation. According to scholars like Crimmins and Keil (1983) and Eikenberry and Kluver (2004), nonprofits saw commercial revenue as a means of replacing government funding. This then created the way for the emergence of social enterprise as a method of operation that would replace government grants and ensure continued operation on nonprofits.

To add, this shift to social enterprise is said to have been backed by private foundations and academic institutions. Private foundations provided different kinds of operational support for emerging social enterprises and entrepreneurial non-profit organizations, whereas academic institutions came up with a wide range of non-profit management degree and certificate programs and also social entrepreneurship courses in universities to develop the necessary skills for the sector. Private foundations like Kellogg foundation and the Kauffman foundation focused on basic information collection and creation of networks, while others like the Pew Charitable trust conducted social enterprise business competitions (Poon, 2011).

2.3.2 Africa

The emergence of the social enterprise in Africa was more or less the same as the US, because it was also due to the withdrawal of government grants. For the better understanding of the African context, there is need to appreciate the role played by foreign donors. Foreign actors have always had some form of influence in determining African government policies due to the fact that they provide aid to African countries. Good examples are the World Bank and the International Monetary Fund, during the period of international economic crisis as a result of factors such as the oil crisis. They came up with Economic Structural Adjustment programmes for many African countries so that they could cut spending in mostly social service sectors. African countries adopted these policies because they had no choice as they received funding from these international organisations. The policies advised reduction in state expenditures, deregulation, and privatization. The results of these policies were catastrophic and some African countries are still in debt to date because of this. The policies led to progressive destruction of local enterprises due to an inability to compete with multi-national firms. The reduction of state funding and increased socio-economic problems led many NGOs to adopt social enterprise models to enable sustainability in continuing to deliver goods and services to the public (Poon, 2011).

Furthermore, the deregulation and privatization led to the emergence of a many groups or movements that reduced the role of the state as the only party in addressing social issues. As a result of these developments, deteriorating socioeconomic conditions and the simultaneous withdrawal of the state, NGOs expanded rapidly. The inability of the state to address these socio-economic problems also attracted international attention and subsequently foreign aid to NGOs in African countries. Chabal and Daloz (1999) argue that this international (or global aid) aid targeted at NGOs was the most important factor leading to the growth of NGOs and social enterprise development in Africa. Poon (2011) poses that since much of the aid came from US, American concepts and models of social enterprise where used in Africa. This expanded role of NGOs and the effect of foreign aid can be said to have led to an emergence of a social enterprise in Africa.

2.3.4 Western Europe

In Western Europe, the economic woes of 1970s led to the emergence of social enterprise. There was decline in economic growth and increased unemployment, and this strained the social welfare system. Due to this, civil societies came up with various initiatives in the form of programs to try and cope with the situation. To counter high employment in particular, the Work

Integration Social Enterprises (WISE) emerged throughout the region to try and help those who were not employed to get employment, (Poon, 2011). This is the reason why social enterprise in Western Europe is characterised by a focus on employment creation. The government(s) began to support social enterprises as it realised that it was being helped to address social problems that the government could not address due to the economic woes.

This was achieved through both direct governmental support and the creation of a conducive institutional environment. For example, in the case of the UK, “former Prime Minister Tony Blair launched the Coalition for Social enterprise and created a Social Enterprise Unit in the Department of Trade and Industry to promote the development of Social Enterprises throughout the country, following a review of the social sector that found social entrepreneurship as an effective means of addressing socio-economic issues. As part of their efforts, the government implemented a program of Social Enterprise: A strategy for success, and also set up regional units to support local efforts” (Poon, 2011, p. 17). Therefore the social enterprise sector in Western Europe, unlike the US and Africa emerged not from the withdrawal of the state, but, active participation of the state in establishing social enterprise as a sector to gain relief with from economic problems.

2.3.5 Eastern Europe

The emergence of social enterprise in Eastern Europe also followed the pattern of US and Africa but here with the state withdrawal coming as a result of the fall of communism. Just like the results of the 1970s economic woes, the fall of communism resulted in economic problems and high rates of unemployment thus leading to the withdrawal of the government from ensuring complete social welfare. Africa’s experiences also followed whereby foreign actors played a major role in ensuring the rise of social enterprises taking lessons from West European experience of social enterprise as a viable tool toward addressing socioeconomic problems(Poon, 2011). This external effect resulted in expert knowledge being obtained leading to smooth development of the social enterprise sector. In addition, most European countries were aspiring to become part of the European Union thus one condition was for countries to address economic problems such as unemployment. In order to become part of the Union countries further ensured progress and continued rise on the social enterprise sector.

There are, however, some legal constraints pertaining to the operation of social enterprises in East European countries. Some do not permit the conduct of economic activities as a primary operational goal by the social enterprises, with other countries treating the third sector the same as non-distribution constraints on profits (Golubovic and Bullain, 2006). For the continued development of social enterprises, some scholars argue that there is need for a fiscal system and supporting entities towards social enterprises that parallels those available to traditional profit-driven local businesses (Borzaga, Defourny, Galer, Les, Nogales and Nyssens, 2008). Social enterprises in Eastern Europe can be said to have developed as a result of withdrawal of the state support following the fall of communism and institutional support provided by foreign actors.

2.3.6 Latin America

The social enterprise sector in Latin America is almost the same as that of Europe, with the much focus on cooperative-type organizations. The origins of the emergence came from European traditions and practices brought by immigrants from Western Europe. The acceleration of the growth of the sector was, however, hastened by global developments which led to political changes within the continent, as well as the economic dislocations caused by Washington Consensus measures imposed on these countries (Poon, 2011). Political conditions favourable to social enterprises came up as a result of failures in the handling of welfare by the state and also failures of centrally-planned communism (Defourny, 1992). These conditions resulted in opportunities for social enterprises to deliver viable alternatives to intervention by the government in addressing socio-economic concerns.

Parallel to other regions and their experiences of social enterprise, to a respectable degree, social enterprises have grown as an alternative to issues of unemployment and social exclusion in countries like Argentina. Social enterprise activities highlight problems like poverty, income inequalities and production conditions that were being ignored by the economic area and the public sector (Roitter and Vivas, 2009).

2.4FACTORS INFLUENCING THE SHIFT TO SOCIAL ENTERPRISE

2.4.1 Decreasing donor funding

The argument resulting in NGOs being forced to shift to social enterprise is that donors such as the European Union and those under the United Nations are cutting aid to middle income countries (MICs). This is because they say middle income countries have attained economic growth that allows them to be able to support the development of their nations on their own. According to Thomas (2013), “The EU currently contributes aid to around 140 developing countries. The proposal on the table, known as ‘differentiation’, aims to recognise diverging needs of developing countries and concentrate EU aid in those that are least developed and as part of this, bilateral aid to some middle-income countries would be stopped” (p. 5).

Thomas (2013) defines MICs in economic terms as, “countries with an average per capita income of more than $1,000 per person per annum and less than about $12,000. They are therefore not the poorest countries in the world-but they are hardly wealthy” (p. 5). These developments are a reality; Glennie (2011) states that, “The major donor to have most reduced its aid to MICs is Japan, halving the proportion of aid to MICs from over 66% to just fewer than 34% in ten years. Canada and the Netherlands cut the share of aid given to MICs by about one third, while the UK, Norway and the US cut theirs by about one quarter. Despite cutting its aid allocation to MICs significantly from almost 70% in 1998-99, Spain still has the highest allocation with 57% in the most recent figures, followed by France and Germany” (p. 8). As a result of these developments the only option left for NGOs was to change their management structure to that of social enterprise and ensure continuation in operations and social service delivery.

2.4.2 The need for commercialisation

The need for commercialisation is another reason why NGOs are shifting to social enterprise. Commercialisation refers to developing initiatives such as business ventures typical of for profits organisations to raise funds for social operations. In the case of NGOs this is a shift from the traditional approach of doing things whereby major portions of funds if not entire funds were derived from donor funding or philanthropy. Dees (1999) notes that “a number of nonprofits are beginning to commercialise their core programs through which they accomplish their missions, that is, they are looking for ways to make these programs rely less on donations and grants and more on fees and contracts" (p. 138).

However some scholars argue that commercialization of nonprofits defeats the point of them being nonprofits. For example Weisbrod (1997) is of the opinion that nonprofits search for new sources of revenue, and this brings them into increasingly complex relationships with the rest of the economy. Even though they have been successful, overall, in finding ways to increase revenues, he believes that their success has brought side effects, for nonprofits have become more and more 'commercial.' Nevertheless Clotfelter and Ehrlich (1999) argue that "commercial enterprises provide institutions new resources to put to good use" (p. 510). Commercialisation can take the form of job training programs for welfare recipients, performing fee based work for corporations, charging beneficiaries directly for services that used to be free and some nonprofits are said to shifting to social enterprise model to serve the objectives of their missions. For example ex-convicts or alcohol abusers can be made use of in self help programs as part of their rehabilitation, (Dees, 1999). According to Dees (1999) and Young and Salamon (2002), the nonprofits are scrambling for commercial opportunities and this is emanating from quite a number of reasons. These are:

For profit initiatives being made more acceptable: There are suggestions that the social sector should exercise market discipline. This is a result of the growing confidence in the power of competition and the profit motive to promote efficiency and innovation. The economic field is considered to be also viable for the social sector thus the need for it to participate as well, (Dees, 1999). Alexander, Nank and Stivers (1999) are of the same view and they argue that non-profit organizations are trapped in situations that challenge the values and methods that characterize the sector up to present. They point out to pressures from government and funders to become more businesslike in their practices, competition with for-profit organizations, and decreased (government) funding as some of the primary challenges non-profit organizations face. According to Nank and Stivers (1999), "the current environmental changes have reconfigured the rules for organizational survival" (p. 456).

To eliminate dependency in operation: Supporters of commercialisation like Toepler (2004) believe that it eliminates dependency and leads to organisational efficiency. Nonprofits have developed the motive to eliminate dependency on donor funding by delivering social goods and services in creative and self-sustained ways. The argument is that reliance on institutional charity can undermine beneficiaries' self-esteem and create a sense of helplessness. This has led to some organisations charging a fee for services to beneficiaries (Dees, 1999) and (Young and Salamon, 2002).

Search for financial sustainability: Non-profit leaders have come to view earned income as a more reliable source of funding as compared to donations and grants. Dependency on donors is now being viewed as a sign of weakness and an opportunity to be manipulated by donors thus the shift to self sustenance. For this to work, alternative sources of income are sought so as to avoid overreliance on one form of income generation. Along with sustainability there is an opportunity to operate in an independent manner where funds are used for any social objective wished whereas under donor funding they have to be channelled to specific social issues, (Dees, 1999).

Sources of funds shifting to favour commercial approaches: Alexander, Nank and Stivers (1999) argue that most funders or donors now favour organizations that carry out businesslike ventures before they can fund them suggesting that the sources of funding for nonprofits are shifting to favour commercial approaches. According to Dees (1999), some donor funders are providing funds with the conditions that commercial activities need to be carried out. This is being done to create a situation of self sufficiency. Furthermore, governments are shifting from providing services to contracting with nonprofits creating opportunities for them. In the long run this process will eventually lead to government grants being reduced or cut.

Competitive forces: Froelich (2001) claims that due to continual change in the environment nonprofits are left with no option but to commercialize as they face stiff competition from the corporate for profit sector that is also participating in social missions. As a result, such competitive forces are leading non-profit leaders to consider commercial alternatives against old ways of funding. Dees(1999) and Young and Salamon (2002) support this notion stating that there are several for-profit organisations that are now addressing social issues and this is exerting some pressure on non-profit organisations to engage commercial activities. In this process, other nonprofits are forced to do the same as well. For example, many non-profit hospitals mimic the management styles and methods of their for profit counterparts. This is evidence of the competition taking place.

2.5 SOCIAL ENTERPRISE MODELS

Social enterprise models are adopted in order to serve two major aspects, that is, to provide an organisation with the model to establish a structure upon which social enterprise is established. The second aspect is to assist organisations with models of operation during the implementation of commercial activities.

2.5.1 Embedded Social Enterprise Model

The business activities and social programmes carried out under this model are synonymous. The commercial activities of an organisation are embedded or deeply rooted within the organisation's operations and social programmes. This is done by practitioners in order to attain the organisation's mission. The recipients of non-profit services can take the form of the organisations target group, direct beneficiary and owner of employee. The social operations of the organisation are carried out through self funded or commercial initiatives thus the embedded social enterprise can also be a sustainable strategy (Nicholls, 2011).

2.5.2 Integrated Social Enterprises Model

According to Nicholls (2011), on this model, social programmes tend to overlap with business activities, sharing costs, assets and programmes attributes. The enterprise initiatives are integrated with the organisation's operations. This integrated social enterprise model is created by nonprofits in order to come up with social enterprise activities that can be used to support their operations and social activities and in the process using it to spearhead the organisation's mission. In addition, this model believes that the organisation's mission can be achieved through commercialising social services such as making them payable by beneficiaries and diversifying services of income generation. In the integrated social enterprise model, the non-profit clients or beneficiaries benefit in the activities of social enterprise from the income generated through enterprise activities. However, they are not always involved in the enterprise operations. This model makes use of relationships, brand, infrastructure, content, assets and expertise as the basis for business. More so the relationship between the social and business activities is used to complement the two.

2.5.3 External Social Enterprise Model

The operation of this model is such that social operations are distinct from business activities. The enterprise activities are external, hence the name external social enterprise model. They are external to the organisation's activities and operations. Nonprofits form external social enterprise in order to support their social activities and operations. The business activities of this model do not consider the mission and achieving social benefits as a primary objective. The nonprofits beneficiaries do not directly benefit from the external social enterprise activities of the organisation and at the same time they are rarely involved in the implementation of activities. There is a high likelihood of organisations operating under this model not benefiting from leveraging or cost sharing thus to serve their purpose they ought to be profitable. The relationship between commercial activities and social programmes is that of complementing one another as funding is returned to the activities of the non-profit organisation (Nicholls, 2011).

2.5.4 Employee-Focused social enterprise model

The Employee-Focused social enterprise model (known in the United States as 'affirmative businesses' and in the U.K. as 'social firms') are created specifically to provide four things for people who are mentally, physically, economically or educationally disadvantaged: permanent jobs, competitive wages, career tracks, and ownership opportunities. It has been estimated that more than two-thirds of all social enterprises created by nonprofits in the United States are affirmative businesses, primarily because one of a non-profit's greatest assets is an available, untapped labour force (and also because these types of businesses are more difficult to scale and therefore less appealing to the private sector). The businesses themselves are typically straightforward enterprises such as janitorial services, telemarketing, packaging/assembly plants, temporary employment agencies and the like; their social missions are workforce development, job creation and career development.

2.5.5 Customer-Focused social enterprise model

The Customer-Focused social enterprise model directly addresses social needs other than workforce development, job creation and career development. They can be sub-divided into categories such as ‘human service businesses,’ ‘environmental businesses,’ ‘education businesses,’ and so on. Examples include such enterprises as home care services for people who are frail or elderly, adult day care, assistive devices for people who are physically challenged management of low-income housing units, employee assistance programs, publishing companies, and dozens of others. This approach can be said to be one that can be most preferred by NGOs as they offer services mainly focused on the clients and their social needs. The Hybrid social enterprises simultaneously deliver a product or service that directly addresses a social need and employ the members of a target population such as people who are developmentally disabled, men and women coming off welfare, former prisoners, recovering drug addicts, high school dropouts and others (Social Enterprise Alliance, 2010).

2.6 OPERATIONAL MODELS OF SOCIAL ENTERPRISE

2.6.1 Wijnberg’s 4 elements model

Wijnberg (2012) puts across the first approach that an NGO can take when intending to implement social enterprise and divides this approach into four elements. The first one is nurturing a willingness to view the NGO on business-like terms, moving away from the giver-receiver model of charity to a more equal relationship, where the NGO sees itself as satisfying a need of the donor, for example job creation, social support services, community goodwill etc. This ‘NGO as business’ model requires an understanding of the value one is exchanging with the donor, the transaction that takes place between buyer (donor) and seller (NGO). The core in the first step is doing away with the receiver mentality but viewing self as a party proactive in business. The second element says that in business dependence on only one client is suicide, so building a range of multiple donors/clients is required.

The third element states that the need to remain competitive and develop a clear unique selling point (USP) that keeps the organisation focused and continually improving to meet changing market demands. Fourthly, the NGO must develop a willingness to pursue alternative channels of income in a way that leverages their skills and resources like selling training to a willing commercial market, selling advertising opportunities on vehicles/taxis, or developing competitive, marketable products for sale in the commercial world. Such diversity keeps income coming and in return continued operation of the NGO. A successful organisational mindset understands the value of the goods and services on offer, and 'looks and thinks like a business' on the inside, no matter what services it offers. The creation of a business-minded culture boosts an organisation from a dependency mindset to the confidence of a successful value-adding social enterprise. Such an approach, according to Wijnberg (2012), can be said to be simple and easy to follow and can ensure the success of a social enterprise if an NGO is really willing to invest all the energy to succeed. This four element model can be likened to that of Forth Sector (2007) that offers a seven step model, in terms of being easy to use and follow which can serve implementers with less stress and discouragement towards establishing a social enterprise.

2.6.2 Forth Sector's 7 stage model

Forth Sector (2007) provides a seven stage model towards developing a social enterprise and these stages that corresponds to one another are: Motivation, Preparation, Assessment, Testing your data, Exploration, Business planning, and Start-up. The first stage of motivation sets out that one of the most important lessons learnt is that one needs to be clear about the motivation for developing a social enterprise. Your motivation should act as an anchor for your organisation. Motivation comes along with passion, factors that have led one to choose social enterprise such as sustainability and basically possessing some form of knowledge about social enterprise. The second stage is preparation and here organisational culture is considered important where every organisation needs to have its own culture, approaches, values and traditions. Even within broad sectors, such as the private or public sectors, these are said to vary enormously. However, there are some generic and fairly fundamental differences between social enterprises and established voluntary and community organisations and these should be borne in mind when developing a social enterprise.

The third stage is assessment and the Forth Sector (2007) states that it is a common misconception that business ideas are realised in a 'eureka moment' or are pondered over for many years. Rather, many businesses grow out of an idea for doing something that is already being done, but doing it in a new or more creative way, e.g. extending the provision of a product or a service to cover a group or market that was not previously well catered for. This is usually called 'seeing a gap in the market' and this can happen by assessing the market. The fourth stage involves testing the idea and here one will need to determine whether or not there is a market for the social enterprise idea. One may be able to identify a need but it will only be a market if someone is willing to pay for the product or service. The fifth stage is exploration where one has to carry out a feasibility study to determine how realistic and viable the social enterprise is. The results of the feasibility study will be used as a basis for deciding whether or not to start up the social enterprise and consequently it is very important that one can rely on the quality of the information used.

The sixth stage of social enterprise is coming up with a business plan for running a social enterprise and without one is a recipe for disaster. The business plan here is fleshing up on top of all that would have been covered in other stages. The seventh and final stage is getting started with the social enterprise and here all that is needed is having the right leader, team and human factor qualities such as determination and patience to attain the desired goal, that is, the success of the social enterprise. Nothing is perfect in life but is can be said that this stage by stage model by Forth Sector (2007) can ensure results if well followed by a passionate NGO to attain the results of a social enterprise.

2.7 BENEFITS OF SOCIAL ENTERPRISE

2.7.1 Autonomy

In as much as it may not be an easy task to transit from donor funding to social enterprise due to the commitment and energy that has to be invested, it is encouraging to note that there are advantages that come along with the adoption of social enterprise. Such benefits may not be enjoyed when an NGO is operating under donor funding. Wijnberg (2012), for example, argues that for NGOs that are donor funded, the degree of independence they can exercise in relation to donor agendas varies from NGO to NGO, depending on the perspectives of its leadership. But in most cases their scope for action is limited. What this means is that due to the fact of operating under donor funds they are forced to operate according to the dictates of the donors, being told what to do, when and how to do it. However, social enterprise brings the liberty to operate with an amount of flexibility and autonomy for the NGOs allowing them to designate their funds in areas they feel need to meet social goals. In short social enterprise gives organizations the freedom to do what they were created for rather than focusing activities that are more likely to be funded by donors (SHOPS, 2013).

2.7.2 Self reliance

Another important aspect of social enterprise is that it allows self reliance; it eliminates the dependency syndrome whereby the NGOs are always found on the receiving end and the donors being the givers. Self reliance allows the NGOs to determine the amount of funds they wish to plough in a social venture in an unlimited manner. Whereas when funds are sort from donors it may be difficult to get a preferred amount of money in relation to the social venture to be carried out. More so, SHOPS (2013) notes that financial wise, social enterprise enables organizations to cover their operating costs, including staff salaries.

2.7.3 Sustainability

The very reason why there is now a transition from donor funding to alternate ways of funding for NGOs is because donor funding is not sustainable. When NGOs pin their hopes on donor funds they are at the risky of shutting down, especially when funding is cut off and their no alternative sources of funds. Social enterprise is the opposite of donor funding because it creates self sustenance which eventually leads to the sustainability of the NGO because funds are developed by the NGO itself creating a situation where one continues to fend for self. It is a situation of the old proverb, teach people to fish and not only give them fish. In other words, when one is taught how to acquire and fend for the self, one is guaranteed of continued survival, in this case, sustainability. This notion of sustainability is also supported by Lyons, Townsend, Sullivan, and Drago (2010) who suggest that social enterprise can support the long-term business success of the organization through the achievement of consistency and financial self-sufficiency. The generation of sustainable sources of income reduces the organization's dependence on contributions and grants.

2.7.4 Other Advantages of Social Enterprise

Lyons, Townsend, Sullivan, and Drago (2010) provide more benefits for social enterprise and these include: *Consistent Cash Flow* whereby earned income provides the organization with consistent cash flow and enhances the overall financial health of the organization. *Unrestricted Use of Funds* will help earned income activities generate greater amounts of funds which are unrestricted. This flexible funding is difficult to obtain through other means and gives the organization significant flexibility to spend its revenues as it deems appropriate. *Diversification* *of Revenue Base* is also another important aspect where earned income helps to diversify the income base which reduces the organizations dependence on grants and donations as sources of revenue and provides a more reliable funding base. *Increased Management and Business Capacity* is also another benefit of social enterprise because the introduction of earned income activities often enhances the overall management and business capacity of the organization. The management becomes more accountable which increases the organization's efficiency and effectiveness in ways which: improves financial management, improves management capabilities, improves time efficiency, increases market discipline which can lead to enhanced program quality and efficiency, fosters a more enterprising/entrepreneurial mindset which promotes innovation within the organization. *Greater Publicity/Enhanced Image* can also be a gain for the NGO in social enterprise as it can give the organization's name more visibility and legitimacy, and the enhanced image can have a positive impact on the organization's mission. This publicity can lead to increased donor support as earned income activities can augment the appeal to foundations, corporations and individuals.

New Employment Opportunities are also created through social enterprise because earned income activities have the potential to create employment opportunities as the organization may require staff with specialized management and marketing skills as well as additional support personnel. As the social enterprise increases in scale, new employment opportunities will arise. Currently, more than 1.5 million non -organizations in the U.S. generate over $1.4 trillion in revenue. If just one new job per non profit is created as a result of social enterprise, 1.5 million new jobs will be created (Lyons, Townsend, Sullivan, and Drago, 2010). Lastly, Lyons, Townsend, Sullivan, and Drago (2010) observe that social enterprise leads to the *Expansion of Organization's Mission* as earned income activities provide revenue for acquiring resources that enable pursuit and expansion of the mission.

The Legal Resources Centre (2011) identifies some benefits of social enterprise in relation to South Africa and these include access to grants and donations that are only available to not-for-profits, including Socio Economic Development funding through Broad-Based Black Economic Empowerment (B-BBEE), and funding from government departments that will only provide funds to registered non-profit organisations (NPOs). The benefits include tax exemption for the entity’s income and for donations to it (where the enterprise has Public Benefit Organisation status). Public image as a social purpose enterprise, from which private benefit is restricted, which may attract customers in some situations as well as donations.

Social Enterprise Alliance (2010) also gives advantages in relation to the employee and customer model of social enterprise saying that the customer-focused social enterprises provide a wide range of products and services that improve the lives of people who are disadvantaged and employee-focused social enterprises, with their emphasis on workforce development, job creation and career development, create sustainable jobs in rapidly proliferating numbers for those most difficult to employ. Hudson (2012) highlights other benefits suggesting that becoming a social enterprise can boost the customer base and boost the NGO’s profile. Also for the staff, working for an organisation that gives others a helping hand, in business it is all too often about individual, yet enterprises enable a broader, more community minded approach. Other benefits include demand from the public, as a result of increasing desire from the public to purchase from and see in their communities socially responsible businesses. There is also demand for businesses to include social enterprises in their supply chain and this creates a competitive and marketable field. The staffs of social enterprise also gets more engaged and motivated feeling proud to work in an organisation with social values. Another benefit is that finances are made available at will through financial means that an organisation will always be dedicated to. Lastly, some point out that social enterprises are not only driven by profit rather by risks too which other businesses may not. Risks break new grounds and social enterprises can tap into unknown opportunities and benefit from this approach of social enterprise.

London Borough of Hounslow (2010) also brings out benefits of social enterprise from a public service perspective. These include: community involvement where social enterprise is driven by people with a passion for change in the community, access to external funding is an alternative that social enterprises have. In most countries, social enterprises have significant tax savings where they pay tax amounts lower than other businesses. There is also the protection of public assets in social enterprise because social enterprises operate under strict management contracts and are not able to sell public assets for their own gain.

2.8 CHALLENGES OF SOCIAL ENTERPRISE

Social enterprise is still identified as a new field and as a result there are still several challenges that organisations will likely face when they adopt and start to implement the models of social enterprise. Some of the challenges that can be faced are discussed below.

2.8.1 Lack of enterprise culture

According Wijnberg (2012), the first stumbling block of social enterprise is the lack of entrepreneurial culture amongst NGOs. The culture that they are accustomed to is that of receiving from the donors and in order for social enterprise to fully work they need to reorient to the new culture of enterprise and be committed to all that it entails for success. By adopting the enterprise culture, NGOs begins to assume the risks that come with the term in their engagement of business and this is not typical of NGOs rather it is typical of donor funders who have been assuming the risk on behalf of NGOs by giving them funds. Therefore, developing this culture is the starting point of acquiring the benefits that come along with social enterprise.

2.8.2 Inadequate social enterprise theory

Bull (2006) suggests that the social enterprise as a sector is poorly understood and there are gaps between theory and practice. They consider the sector to be under-researched and that evidence of the value of social enterprises' contribution to society is somehow deceptive where management practices, skills, performance and business models are unclear. In this regard, research, such as the one at hand and even further research on activities of the sector, is needed to gain deeper understandings of the actual skills needs in social enterprises and more theory to guide the sector. Bull (2002) further state that business failure in the social sector is prevalent and can be attributed to a range of barriers, including; the small size of social enterprises, a lack of resources, finance and numerous funding issues.

2.8.3 Personal liability and lack of expertise

London Borough of Hounslow (2010) identifies some challenges that can result from social enterprise. These include lack of expertise in running the social enterprise itself can be a challenge thus this expertise may have to be bought in from other providers or through staff recruitment. Personal liability can be a problem where in some circumstances, the people involved in running a social enterprise may expose themselves to personal liability, that is, they may be required to contribute out of their own pockets if the social enterprise is unable to meet its debts. This risk can be significantly reduced by choosing an appropriate legal form for the social enterprise. However, legal terms can be set out to curb this problem.

2.8.4 Other Challenges of Social Enterprise

Borzaga and Defourny (2001, p. 335-337) address several management challenges which NGOs taking the social enterprise route are likely to face. These include, *Challenges of shaping a supportive legislative and regulatory environment*, the idea here is that current legislation is still far from defining a clear support framework for social enterprise. The second challenge is *ensuring the quality of products and services*, a high and stable level of quality is a crucial requirement for social enterprise to be able to compete effectively with public-sector, for profit and traditional non-profit organisations. Another challenge is that of the *need to upgrade skills and jobs*, service organisations rely heavily on the expertise, skill and motivation of employees so social enterprises must better organise the training of their workers and volunteers, devising programmes for the improvement of workforce skills. *Securing management expertise and support* can also be challenging for example social enterprise are a new form of organisation and for this reason they require professional expertise and support to enhance their viability.

Financing challenges can also be faced because social enterprise are a new form of running NGOs such that traditional bankers and funding institutions find it difficult to analyse and interpret thus developing a collective structure to finance start-ups and growth processes would greatly foster the sector's development. Another aspect that can be a challenge is *developing networks and co-operations* as a limited size facilitates keeping customers closer to social enterprises, it constrains the ability to exploit economies of scale and to undertake new ventures and it may prevent a more proactive approach being taken to strategy-making. Creating a second and third organisation is a way to obtain the advantages of size, including economies of additional resources, and knowledge sharing to ensure the availability of additional resources to sustain innovation and development, without losing the advantage of small size. The last challenge pointed out is that of *re-establishing adequate governance structures*, this is a necessity as social enterprise must devise an architecture which reflects the existence of different stakeholders, with different interests, while preserving their domestic and locally bounded organisational structures.

The Seedco Policy Centre (2007) doubts the idea of social enterprise by arguing that it is worth recalling that more than half of all small business ventures fail within a few years or never get off the ground at all, and nonprofits are no different except that the implications of failure can be far greater. Another problem challenge about adopting the social enterprise model is that is it accused of seeking profits when it is called non profit and , some scholars question that why they can't be entirely non profit and focus on one mission of delivering social services. This is, however, no longer possible because of the decline in donor funding which is forcing non-profits, at large NGOs to seek their own alternate sources of income. In spite of such negativity associated with the social enterprise route, NGOs have to adopt it because it is one of the few options that they have for survival plus they have to passionately apply chosen models and ensure the accumulation of revenue for the sake of attaining the desired social goal.

2.9. SUMMARY

This chapter was focused on presenting the literature review of the study. Chapter three discusses the methodological approach that was adopted in this research. Chapter four is focused on the presentation and discussion of the findings emanating from the study.

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter discusses the research methodology used in this study. It starts by presenting the research questions that the study sought to answer, the research approach, design and sampling methods that were used during the study. Other aspects outlined include how data was collected and analysed and also the various ethical considerations that guided the study.

3.2 RESEARCH QUESTIONS

This study sought to answer the following research questions. These questions guided the choice of methods of data gathering and data analysis that are discussed in this chapter.

1. What are the factors influencing the transition from NGO donor funding to self sustenance?

2. What challenges are being faced by Lifeline Namibia in the transition process?

3. What is the change management strategy informing Lifeline Namibia's transition from philanthropy to social enterprise?

3.3 RESEARCH APPROACH

This research utilised a qualitative approach. This approach was appropriate for this study because, according to Rubin and Babbie (2011), qualitative research methods tap the deeper meanings of particular human experiences and are intended to generate theoretically richer observations that are not easily reduced to numbers. Further, the strengths of qualitative research are the comprehensiveness of perspective it gives the researcher. For example, by going directly to the social phenomenon under study and observing it as completely as possible, one can develop a deeper understanding of it.

3.4 RESEARCH DESIGN

According to Rosental and Rosnow (1991), a research design is the "blueprint that provides the scientist with a detailed outline or plan for the collection and analysis of data" (p. 69). Following this understanding, a case study was used as the research design for this study. Yin (1994), notes that a case study is useful when “a how or why question is being asked about a contemporary set of events over which the investigator has little or no control” (p. 9). Using the case study helped the researcher in obtaining in-depth information that was necessary to understand the phenomenon under study, namely, the transition of NGOs from donor funding to social enterprise.

3.5 SAMPLING PROCEDURES

3.5.1 Research Population

A research population was comprised of a target population that is defined as “the specific pool of cases that the researcher wants to study” (Neuman, 1997, p. 203). Neuman (1997) further states that the unit being sampled, the geographical location and the temporal boundaries of populations all that forms part of the research population. For the purpose of this research the research population consisted of the Lifeline top management, the workers implementing social enterprise and the key informants on social enterprise in Namibia.

3.5.2Sampling

Rubin and Babbie (2011) postulate that “the smaller group that the studies observe is called their sample, and the process of selecting this group is called sampling” (p. 351). It was not possible to talk to every individual working at Lifeline, after all some of the employees work in departments that are not related to the focus of this study. As a result of this, purposive sampling, a type of non-probability sampling was used in the selection of participants. Purposive sampling operates under the premise that when one is aware of what is to be studied and the purpose of the study too then purposive sampling is considered appropriate (Rubin and Babbie, 2011).To add, Fossey, Harvey, McDermott and Davidson (2002), state that “qualitative sampling requires identification of appropriate participants, being those who can best inform the study” (p. 726). In this regard eleven (11) participants considered to be well informed on the topic under study were selected to participate in this research. Three (3) of the participants came from the top management of Lifeline, five (5) from the employees of Lifeline, involved in the implementation of organisational strategies and the last three (3) were made up of key informants on social enterprise in Namibia. According to Merriam (1998) in purposive sampling the researcher must determine what selection criteria are essential in choosing the people to be studied. The participants in this study met the following criteria:

Employees: worked in the field of social enterprise for at least six months

- *Top management*: by virtue of holding a managerial post in the organisation that was considered as an important factor in selection to participate in this study
- *Key informants*: Relevant experience and at least two years in the field of social enterprise was considered on selecting key informants to participate in the study.

3.5.3 Research tools

A semi-structured interview schedule was used as a research tool to collect data. Rubin and Babbie (2011) note that "semi structured interviews can use interview guides that list in outline form the topics and issues the interview should ask about, and allow the interviewer to be flexible, informal, and conversational and to adapt the style of the interview and the sequencing and wording of questions to each particular interviewee" (p. 233). In this research, an interview schedule made up of open- ended questions was used to guide the research process. A uniform semi-structured interview schedule was used during the study in interviewing all the research participants and data was captured by means of tape recording.

3.5.4 Pre-testing of the research tool

Rubin and Babbie (2011, p. 226) argue that "no matter how carefully researchers design a data collection instrument such as a questionnaire, there is always the possibility indeed the certainty of error. They will always make some mistake: an ambiguous question, a question that people cannot answer". In this respect, to overcome errors pre-testing was a crucial factor that had to be carried out. The semi-structured interview schedules that were used were pre-tested before being used in the actual research study. At least one (1) individual from Lifeline as an organisation and one (1) key informant were selected to participate in pre-testing the research tools. The responses obtained from pre-testing assisted in evaluating whether the research tools, the semi-structured schedule produced the intended outcomes. The individuals who participated in the pre-test did not take part in the actual research.

3.6 DATA COLLECTION

For the purpose of this study, the researcher utilised in-depth, face-to-face interviews as the method of data collection. According to DeVos, Strydom, Fouche and Delport (2005) face-to-face interviews assist researchers to understand the closed worlds of individuals, families, organisations, institutions and communities. The purpose of the in-depth, face-to-face interview is to understand the interviewee's life experience or situation as expressed in his/her own words (DeVos., et al 2005). The above purpose and advantages of in-depth interviews as a method of data collection directly complimented the envisaged aim of this study, which was to explore and describe the transition of NGOs from being donor funded to social enterprise. Audio-recordings of the interviews were done along with the interviews with participant informed consent. Tape recording helped to avoid possible loss of data during the interviewing process. An additional advantage of tape-recording is that one can refer back to the data during data analysis.

3.7 DATA ANALYSIS

Data analysis refers to the "non-numerical examination and interpretation of observations for the purpose of discovering underlying meanings and patterns of relationships involves a continuing interplay between data collection and theory where understanding must precede practice" (Rubin and Babbie, 2011, p.478). This process of data analysis provides structure and meaning to the data collected (De Vos, 2002). Thematic content analysis was used in this research study. Thematic analysis is a qualitative analytic method for "identifying, analyzing and reporting patterns (themes) within data. It minimally organizes and describes your data set in (rich) detail. However, frequently, it goes further than this, and interprets various aspects of the research topic" (Braun and Clarke, 2006, p.79). More so, it refers to any qualitative data reduction and sense making effort that takes a volume of qualitative material and attempts to identify core consistencies and meaning (Patton, 2000). The following steps by (De Vos, 2002) were used in the analysis of the data that was collected for this study. These are:

3.7.1 Collecting and recording of data

Data analysis comprises two main stages: data analysis at the research site during data collection and data analysis away from the site following a period of data collection (De Vos, 2002). In this study, data was analysed during the period of data collection and a more detailed analysis took place after completion of the fieldwork.

3.7.2 Managing data

The first phase of this step involved transcribing the tape-recorded interviews. After the interviews had been transcribed, data was collected by organising it into file folders according to the responses received from different questions asked. This process enabled data to be easily retrievable and in the process making it worth (De Vos, 2002).

3.7.3 Reading and writing memos

This process took the form of going through the transcripts of the interviews conducted with the participants. This helped in attaining a complete picture of the interviews in their entirety before breaking them into different parts. According to De Vos (2002), reading and re-reading the data several times forces the researcher to become familiar with the data in intimate ways.

3.7.4 Describing, classifying and interpreting

This process involves drawing of salient themes and patterns of belief that link people and settings together (De Vos, 2002). Classifying meant taking qualitative information apart and looking for categories, themes or dimensions of information, whereas interpretation involved making sense of the data and lessons learned. Themes, patterns and categories that emerged were also interpreted. The research made use of reflection to make sense of the data and identify lessons learnt from the whole research process.

3.7.5 Representing and visualising

Data found in the text was packaged, that is, all data collected was put together and presented in the form of a narrative which was guided by the themes identified.

3.8ETHICAL CONSIDERATIONS

According to Orb, Eisenhauer and Wynade, (2001) ethics refers to doing that which is right and avoiding causing harm and this can be reduced by applying several measures. Thus, the protection of participants taking part in a research study is very important. Ethical considerations play an important role is research as they guide or govern the moral way of collecting data from participants. The following are some of the ethical considerations that were used to guide this research:

3.8.1 Informed consent

Orb., et al (2001) state that informed consent “means that participants exercise their rights as autonomous persons to voluntarily accept or refuse to participate in the study” (p. 95). According to Padgett (2008) in practicing informed consent the researcher has to be as clear as possible in explaining to the participants about the study so that they can be fully aware of what they are participating in. This will help them make an informed decision about participating in the research study. In this regard participants participated in this study out of informed consent and were informed that their participation will have no significant change or effect in their lives or practice and neither will they receive any prize or monetary gain for participation in the study.

3.8.2 Beneficence

Another ethical principle that was considered is beneficence which is referred by Orb., et al (2001, p. 95) as an ethical principle of “doing good for others and preventing harm”. The researcher respected this ethical principle by showing and treating every participant with respect and dignity and also in a non-judgmental manner. This was done in respect of participant’s diversity in terms of their views which they could express during data collection.

3.8.3 Voluntary participation and the right to withdraw from the Study

According to Rubin and Babbie, (2011) “no one should be forced to participate in a study, all participants must be aware that they are participating in a study, be informed of all the consequences of the study, and consent to participate in it” (p. 77). In this respect no participant was forced to be part of the study rather they all participated voluntarily. Participants were also informed of the option to withdraw from the research at any time in the event that they could not continue for whatsoever reason.

3.8.4 Avoidance of harm or non-maleficence

Rubin and Babbie (2011) argue that "research should never injure the people being studied, regardless of whether they volunteer for the study. The clearest instance of this norm in practice concerns the revealing of information that would embarrass them or endanger their home lives, friendships, jobs, and so forth. Research participants can be harmed psychologically in the course of a study. To this end, "the researcher must be aware of the subtle dangers and guard against them" (p.78). This research posed minimal psychological harm if any to the participants, nevertheless measures were ensured that no harm, be it physical or psychological, would be exposed to participants. This involved conducting interviews in environments that were less likely to cause physical harm to participants. Furthermore, the nature of the research was open and truthful so as to avoid deception as this could be harmful to participants in the long run.

3.8.5 Violation of Privacy/Anonymity/Confidentiality

According to Kumar (2005) participants' identities must be protected at all times and that their private lives should be respected. Rubin and Babbie (2011) further postulate that "the protection of participants' identities is the clearest concern in the protection of their interests and wellbeing in survey research, if revealing their survey responses would injure them in any way, adherence to the norms of anonymity and confidentiality becomes more important" (p. 82). Participants were informed that they will be anonymous during gathering of data and report writing of the study in order to protect their identities. However, participants were not anonymous to me as the researcher.

3.8.6 Approval of studies by institutional ethics committee

The research was only carried out after receiving the ethics clearance from the University of the Witwatersrand Human Research Ethics Committee (Non-Medical). The ethics clearance has been attached as part of the appendices in this report.

3.8.7 Publication of findings and feedback given to participants

In terms of providing feedback to research participants after the study has been completed Babbie and Mouton (2004) argue that the final research report has to be made available to participants when they request it. This must be respected so that participants can be aware of the results emanating from the study. Ethically as a researcher I am fully aware that I have to operate in an honest manner by reporting accurate and actual results and not manipulate results to serve my own interests, this was respected in interpreting the results of the study and making them available to the participants.

3.8.8 Limitations of the Study

The most likely limitation of the study will be lack of generalisability since it took the form of qualitative research. Nevertheless, comparability of the results to other NGOs will be of value as well.

3.8.9 Strategies to Ensure Trustworthiness of the Research

According to Shenton (2004) Guba's constructs, in particular, have been influential in helping to ensure trustworthiness in qualitative research. Four main aspects namely: credibility, transferability, dependability and confirmability need to be considered to ensure trustworthiness when conducting research and this study followed these constructs in order to ensure trustworthiness of the study.

3.8.9.1 Credibility

In addressing credibility, investigators attempt to demonstrate that a true picture of the phenomenon under scrutiny is being presented. "One of the key criteria addressed by positivist researchers is that of internal validity, in which they seek to ensure that their study measures or tests what is actually intended" (Shenton, 2004, p. 64). According to Merriam (1998), the qualitative investigator's equivalent concept, credibility, deals with the question: how congruent are the findings with reality? Lincoln and Guba (1985) argue that ensuring credibility is one of most important factors in establishing trustworthiness. Credibility was ensured in this study by making sure that the study is conducted in a professional manner in respect of all factors such as ethical considerations and the research methodology that was followed.

3.8.9.2 Transferability

Merriam (1998) states that external validity is concerned with the extent to which the findings of one study can be applied to other situations, however, this is not easy due to the fact that qualitative research is mostly confined to one specific case. Nevertheless, to ensure trust worthiness this study can be used as a frame of reference by other organisations wishing to shift to the social enterprise model of operation.

3.8.9.3 Dependability

The meeting of the dependability criterion is considered as being difficult in qualitative work, although researchers should at least strive to enable a future investigator to repeat the study, (Shenton, 2004). In this case future research of similar nature will help to ensure trustworthiness of the study through dependability. In addition, participants verbatim was quoted in the study, no attempts to correct their grammar was done thus aiding to the dependability and reliability of data and the study.

3.8.9.4 Confirmability

On this aspect researchers are warned to ensure objectivity and not be subjective in determining the study results. The researcher must make sure that steps are taken to help ensure as far as possible that the study findings are the result of the experiences and ideas of the informants, rather than the preferences of the researcher, (Shenton, 2004). Again, the researcher ensured trustworthiness of the research by making sure that results emanated from the data collected and not the researcher's predispositions.

3.9 SUMMARY

This chapter discussed the research methodology that was employed during in the study. Chapter four that follows presents and discusses the findings of this study.

CHAPTER FOUR

4. THE PRESENTATION AND DISCUSSION OF THE RESEARCH FINDINGS

4. 1 INTRODUCTION

This chapter is focused on the presentation and discussion of findings in relation to the objectives of the study. The chapter presents themes that came out of the data for the interview sessions with participants and these themes were linked with respective objectives they fell under. The analysis of themes revolved on the core areas of the study looking at factors influencing Lifeline's transition from donor funding to social enterprise, the change in the organisation's management structures, challenges faced thus far and lessons that can be derived from the organisation's experiences since the transition process began.

4. 2 OBJECTIVE 1: To explore factors influencing Lifeline Namibia's transition from NGO donor funding to self sustenance.

The first objective of the study was to explore factors influencing Lifeline Namibia's transition from being donor funded NGO to self sustenance. Some themes were identified during the process of data analysis and these are: the withdrawal of donor funding, Lifeline's search for sustainable funding sources and realisation of business opportunity inherent in organisational services.

4.2.1. Withdrawal of donor funding

The withdrawal of donor funding from Namibia was identified by all participants as a cause for the transition of Lifeline from being donor funded to social enterprise. Participants also shared the view that the very same developments are affecting other NGOs in Namibia. This withdrawal of donor funding is taking place in Namibia as a result of the country being categorised as an upper middle income country. It was shared that this categorisation has given a picture to the donor world that Namibia is now economically capable of taking care of its people and their social needs. As a result of these developments, donors are gradually pulling out of the country leaving NGOs in Namibia seeking alternative sources of income in order to continue their social missions. Participants had the following to say:

Lifeline Employee Participant C reported that:

"Namibia as a middle income country donors are pulling out. So we need to think differently and I think that way NGOs are going to survive".

Top Management Participant A had this to say:

"*Namibia's status has changed from a developing country to an upper middle income country and that makes donors look at the country in totality very differently, the needs are considered less so they shift to other countries where there are greater needs".*

Key Informant participant C shared that:

"Namibia has always had support from the international community, international donors for the work of NGOs in Namibia, but now 25 years after independence, Namibia has sort of reasonably done well for itself and has been classified an upper middle income country. Now donors are basically withdrawing, they are going to other places where there is greater need for funding. Basically now Namibian NGOs are being called upon to not only look for alternative sources of funding but to see how they can make what they have last longer".

The above sentiments by participants shed light on the fact that the withdrawal of donor funding from Namibia is a reality as donors withdraw to other countries considered as in need compared to Namibia. It is one of the main reasons why NGOs are seeking alternative sources of income in the name of social enterprise. This transition is necessary because as donors withdraw NGOs that do not take action to fill the gap left by donors in terms of funding face the danger of shutting down thereby halting their social missions.

Thomas (2013) comments on the withdrawal of donor funding from MICs stating that, "the EU currently contributes aid to around 140 developing countries. The proposal on the table, known as differentiation, aims to recognise diverging needs of developing countries and concentrate EU aid in those that are least developed and as part of this, bilateral aid to some middle-income countries would be stopped" (p. 5). The reality of these developments are also shared by Glennie (2011) who explains that, "the major donor to have most reduced its aid to Middle Income

Countries (MICs) is Japan, halving the proportion of aid to MICs from over 66% to just fewer than 34% in ten years. Canada and the Netherlands cut the share of aid given to MICs by about one third, while the UK, Norway and the US cut theirs by about one quarter" (p. 8). In light of the above, the transition of Lifeline from being donor funded to self sustenance can genuinely be attributed to the withdrawal of donor funding due to the categorisation of the country as an upper middle income. This is an essential move for the survival of the organisation. Wijnberg (2012) warns that NGOs either enterprise or they will die.

4.2.2 Search for sustainable funding sources

It was discovered during the interview sessions that one of the reasons prompting the transition of Lifeline as an NGO from being donor funded to adopting of the social enterprise model is the need for the organisation to attain sustainable funding sources. The concern expressed by several participants is that donor funding has no guarantee. Therefore there is need for sustainable sources of funding to be sought because when such are in place the organisation takes control of its finances and is able to dictate its social operations and paying for salaries of its workforce and also making guaranteed future plans in this regard. When this takes place fear of uncertainties about funding is eliminated as sustainable sources will be in place thereby ensuring security and stability of the organisation. Generally the argument is that the organisation cannot continue being reliant on donors, rather there is need to put in place measures (of sustainability) in case of eventualities and that is one of the reasons influencing the organisation's transition. Below are some of the sentiments that were expressed by the participants of this study:

Lifeline Top Management Participant A outlined that:

"Some strategic thinking was done; we did a lot of brainstorming, consultancy and came up with some kind of planning and also the board of Lifeline was very much involved and looking in the future what would it look like in the event that there are no donors. And that's how Change Agent came about, it was an idea in the mind of somebody that what if we took what we have and package it well enough in order to sell it so that we can use the returns to build the sustainability plan, having something that generates income aside".

Lifeline Top Management Participant C stated that:

"I think it's a realistic take on the future in our operations when moving into a new era, of course the withdrawal of donor funding or reduction kind of contributed but I think it's inevitable that we need to rethink how we look at our financing sustainability. Instead of being victims of circumstances we need to be the architects of our own future".

It is evident from the views of participants that Lifeline has already set in motion its plans of ensuring the sustainability of the organisation by developing strategies such as the Change Agent, a department carrying out some of the organisation's sustainability strategies. Participants are conscious of the fact that through such initiatives to ensure sustainability the organisation will in turn be able to survive, continue its social operations and determine its future. These can be said to be benefits that come along with sustainability when an organisation adopts the social enterprise model as it moves away from the state of dependency that is not sustainable.

The concept of sustainability is highlighted by Lyons, Townsend, Sullivan and Drago (2010) as important for organisations to continue operating. They suggest that social enterprise can support the long-term business success of the organization through the achievement of consistency and financial self-sufficiency (sustainability). They note that the generation of sustainable sources of income reduces the organization's dependence on contributions and grants. According to SHOPS (2013) financial wise, social enterprise engage in sustainable activities that enable them to cover their operating costs, including staff salaries. This allows for the organisation to depend on itself rather than relying on donors to provide funds for its operations in terms of salaries and the successful implementation of its social missions. Furthermore, the search for sustainable funding sources is a preferred move as Wijnberg (2012) explains, "in light of shrinking donor funds, many NGOs are recognizing the appeal of the social enterprise model to donors, and for their own sustainability'.

4.2.3 Realisation of business opportunity inherent in organisational services

One of the findings of this study which influenced the transition of Lifeline from being donor funded to social enterprise is the realisation by the organisation that they can actually make money from the services they offer. This will help the organisation to survive and continue its operations. Some of these services include training and counselling that were initially offered for free, but are now being sold to corporate and other private-sector organisations. This can be said to be an opportunity that the organisation has realised in relation to the services they offer and utilising this gap in the market is crucial to the organisation's survival during the transition process as donors withdraw. Utilisation of the realised business opportunities will work as a substitute to the dwindling donor funding thereby ensuring that the organisation continues to operate.

Lifeline Employee Participant E exclaimed that:

"There is a market need, there is a business here, there is a really stronger business here and I can imagine referring to training, the workshops, the curriculum writing, the content on it, the expertise like I think it's really good business. So I think probably they realized that they can probably be making money out of it so they made an extra wing on the side".

Lifeline Employee Participant B shared that:

"Looking at the whole structures in the country, we see that there is actually a wide market that we can tap into. I think these are based also on the fact that lifeline has gained some reputation over the years".

Lifeline Top Management Participant A said that:

"*Sometimes clients ask us to sell counselling packages to them, we also do coaching and supervision, supervisory services for them, so it's a little bit of everything. But mostly training and capacity building, team building staff and every now and then someone would ask us to develop a manual for them".*

Lifeline has identified that it is possible for them to survive as an NGO and continue serving communities despite withdrawal of donor funding by looking at the nature of the services they offer in relation to the market. Having realised that there are opportunities for them to exploit on the market this is working to their advantage and in the long run the social enterprise model in the organisation can actually grow in turn ensuring the survival of the organisation and its sustainability. With more income being generated that will allow for more ideas and strategies to be developed to meet several other needs identified on the market again working to the advantage of the organisation.

The steps taken by Lifeline are highlighted by scholars as ways that can indeed lead to the survival of an organisation employing a social enterprise model. According to Dees (1999), “a number of nonprofits are beginning to commercialise their core programs through which they accomplish their missions, that is, they are looking for ways to make these programs rely less on donations and grants and more on fees and contracts” (p. 138). Nank and Stivers (1999) are of the view that there is pressure from government and funders for nonprofits to become more businesslike in their practices, competition with for-profit organizations, and decreased (government) funding are some of the primary challenges non profit organizations face. Therefore, taking steps such as realizing and utilizing opportunities in the market gives NGOs the opportunity to survive and continue functioning.

However, despite an appreciation of what NGOs are doing in order to continue operating and fulfilling their social missions there are some who feel that engaging in business activities for NGOs is against the principles of non profit organizations. Weisbrod (1997), for example, is of the opinion that, as non-profits search for new sources of revenue, this brings them into increasingly complex relationships with the rest of the economy. Even though they have been successful, overall, in finding ways to increase revenues, he believes that their success has brought side effects, for non-profits have become more and more commercial. Nonetheless for non-profits to become more and more commercial is a positive move because the so called profits are meant to substitute or fill the gap left by donors as they withdraw their funding. Likewise, Clotfelter and Ehrlich (1999) state that “commercial enterprises provide institutions new resources to put to good use” (p. 510).

4.3. OBJECTIVE 2: To examine the change management strategy informing Lifeline Namibia’s transition from philanthropy to social enterprise.

The second objective of the study was concerned with the change management strategy that is informing or directing the operations of Lifeline in transition from philanthropy/ donor funding to social enterprise. Participants noted some themes worth analysing and what was drawn from these themes is that the organisation has been adopted is the embedded social enterprise model. It is this model that speaks to Lifeline’s management strategies. Nicholls (2011) explains this model stating that the commercial activities of an organisation are embedded or deeply rooted within the organisation’s operations and social programmes. This is done by employees in order to attain the organisation's mission. The social operations of the organisation are carried out through self funded or commercial initiatives thus the embedded social enterprise is said to be a sustainable strategy. Themes identified include the following: Adjustments in Lifeline's structure of management, creation of additional posts, an inclusive management structure and hiring experts to do consultancy work to help the organisation.

4.3.1 Adjustments in Lifeline's structure of management

Management is the heart of every organisation and good management skills of an organisation are evident in the results of the operations of the organisation. Since the adoption of the social enterprise model at Lifeline there are some adjustments that have taken place in terms of how the organisation is run. These adjustments have come into effect in order to try and meet the demands of the social enterprise model and also ensure the success of Lifeline sustainability initiatives. This will in turn help the organisation to successfully overcome the challenges brought about as a result of diminishing donor funding. Participants outlined Lifeline's current management structure in the manner they individually understood but what was clear is that change has occurred.

Lifeline Top Management Participant A outlined that:

"*The structure of Lifeline/ Childline is such that we have a national director, the senior management and some of the directors, the director of programs, director of operations and the finance officer. That is sort of a steering committee and above these people there is sort of a body that assists them, what we call the board of Lifeline that is sort of the spearhead that makes deliberate efforts for funding and for sustainability in order to secure funding".*

Lifeline Top Management Participant B explained that:

"*Like the logistic officer that was line managed through the finance department now being line managed through me. We make a lot of logistics and procurement or the assets of the organization if not in that area of the person responsible for the area of sustainability, so that has influence. So the sustainability aspect becomes more focused on asset management, the fixed assets that we have and there will be a bigger track around sustainability on how we manage our assets that is one. What has also changed is that the Change Agent is now line managed directly* *through that position (director of operations), so there is a lot of interaction that takes place through the Change Agent staff and facilitators and myself".*

Lifeline Employee Participant B noted that:

"*There have changes over the time, the director of operations that I mentioned now they are two directors of operations of the organisation, those structures are in place and then the senior management of course makes sure that there is some sort of profit coming in and we are of course lucky to have in that since we started there hasn't been sort of a shortfall or whatever. There is the change agent manager is of course also newly recruited to accommodate those changes, it's not like somebody she is somebody that has been existing, it's not a portfolio that was existent before that and all these structures report to the board of Lifeline/ Childline who then of cause see, have an overview of the organisation's operations and activities so those structures are in place in terms of governing, governance, and in terms of looking at sustainability".*

By adjusting the management structure Lifeline's main goal has been noted as trying to meet the demands of the social enterprise model. It can be said that the organisation has taken a wise move because it is highly likely that the old management structure of the organisation could not fit in the social enterprise model. This is so because by virtue of adopting a new model of operation it means the need for more capacity and expertise for the organisation and also an addition of workload to the existing structure. Along these lines, rigidity would be counterproductive as the adjustments made by the organisation thus far are of paramount importance to the organisation's survival and continued operation in light of the dwindling donor funding.

According to Lyons, Townsend, Sullivan, and Drago (2010), increased management and business capacity is a benefit to social enterprise because the introduction of earned income activities often enhances the overall management and business capacity of the organization. In other words, the adjustments made in Lifeline's management can lead to the expansion of the organisation in its operations. Bull(2006) argues that social enterprise as a sector is poorly understood and that there are gaps between theory and practice. They consider the sector to be under-researched and that evidence of the value of social enterprises' contribution to society is somehow deceptive where management practices, skills and performance and business models are unclear. In light of these views Lifeline has taken a step to address the problem of management gaps by adjusting their structures to improve their understanding of the concept of social enterprise and at the same time ensuring survival of the organisation during the transition process

4.3.2 Creation of additional posts

To show their concern and willingness to ensure that Lifeline develops into a robust social enterprise, the NGO created posts and recruited two staff members at management level to assist in the running of the organisation's social enterprise. Posts that were created and filled are, another post for the director of operations, the Change Agent manager, the organisation's business wing, a sub sector of social enterprise initiatives in the organisation.

Lifeline Top Management Participant C reported:
"*That's why we brought in Ben (Director of Operations) whose sole focus really is to look at that and to support me to do it".*

Lifeline Top Management Participant B, the new recruit shared that:
"*What changed is me coming into the director of operations or having that position created"*.

Lifeline Top Management Participant A mentioned that there:
"*So there is somebody who is just dedicated to you know, to look after the sustainability approach we have hired the director of operations who is going to oversee the whole sustainability wing".*

Lifeline Employee Participant B stated that:
"*There is the change agent manager is of course also newly recruited to accommodate those changes".*

In this regard, it is clear that Lifeline is taking a healthy step to ensure the survival of the organisation and shaping the framework of social enterprise in Namibia by creating additional posts to meet the required expertise, ensure sustainability of the organisation and strengthen the social enterprise model in the organisation. By creating additional posts, capacity is added to the organisation of which its absence will be detrimental to the survival of the organisation and success of the social enterprise model. The creation of additional posts was necessary for the organisation to address capacity and expertise issues.

With regard to social enterprise, Borzaga and Defourny (2001) state that the absence of expertise and support can also be challenging for organisations because social enterprise is a new form of organisation and they require professional expertise and support to enhance their viability. Lifeline has taken a positive step during this transition process to ensure that the organisation continues to operate despite withdrawal of donor funding. London Borough of Hounslow (2010) also emphasise that for a social enterprise model to fully function there is need for more expertise to be introduced in the organisation. This is so because lack of expertise in running the social enterprise itself can be a challenge. Thus, this expertise may have to be bought in from other providers or through staff recruitment. Having created additional posts Lifeline can be said to have addressed this matter and in the long run this will contribute positively to the organisation.

4.3.3 An inclusive management structure

Following the adoption of the social enterprise model participants feel that the management structure of Lifeline has become more inclusive whereby every staff member participates in all efforts to ensure the success of sustainability in the organisation. The aspect of inclusivity is important because it makes every employee in the organisation feel important, valued and also it empowers employees with a sense of ownership. Employees will most likely feel as owners of the organisation when they determine the nature of strategies to be carried out, how they are developed and implemented. In the process this immensely contributes to the growth of the organisation directly and positively impacts the social enterprise model in the organisation.

Lifeline Top Management Participant A:
"*I think there were a few shifts to make the organization run smoother, but I think in general the structure is similar but our ethos in terms of how we operate is very participatory. You seldom find people thinking Lifeline as having a dictatorship or in any sort, it's very inclusive, when we*

write a proposal we have a group of people writing a proposal as opposed to a director seating in a corner writing and then saying we got this money. So its collective ideas and collective participation in order to make things happen. I think in that way it has changed because it has become more inclusive".

Lifeline Top Management Participant C mentioned that:

"What stands us in good spirit is the amount of thought and preparation that we have gone into, where we are now and where we are going and one thing we also been good at the board has been very involved and what we have been looking at is scenarios, different scenarios if A happens where would we be, if B happens where would we be?"

Participation of employees in matters pertaining to the running of the organisation even at management level is important as this can create a healthy working environment. This style can promote operational progress too and can in turn result in the success of the social enterprise model. Inclusivity can even make the delegation of tasks easy as employees feel that they part and parcel of the organisation's cause and vision. Through inclusivity the top management of the organisation does not have to carry the entire burden of the organisation but staff serves as a source of help and shoulder to lean on. As participants highlighted above, inclusivity is working to the advantage of Lifeline providing platforms to brainstorm ideas and strategies essential of the organisation to survive and grow.

Schawbel (2012) states that inclusion is a call to action within the workforce that means actively involving every employee's ideas, knowledge, perspectives, approaches, and styles to maximise business success. Talent Intelligence (2014), a think tank on organisational management and consultancy issues, defines inclusivity as the process of creating a work environment where all individuals receive fair and respectful treatment, equal access to opportunities and resources and are allowed to contribute fully to the organisation's success. This can literally be said to be what Lifeline is doing; creating an inclusive management structure in the organisation. Advantages that come along with inclusivity are that it creates different opinions and result in deep enquiry and breakthroughs in turn ensuring success of social enterprise business model.

4.3.4 Hiring experts to do consultancy work to help the organisation

It is encouraged for organisations to always delegate tasks or duties that need to be carried out in the organisation. This extends to seeking outside help through hiring consultants who can assist the organisation in areas that the organisation is not well versed. Given that the concept of social enterprise is still new to Lifeline that makes hiring of experts a necessity to carry out consultancy to help the organisation move forward. Consultancy can be around issues of developing business plans, policies, marketing and the best way to implement developed strategies for the success of the social enterprise business model. Participants shared that Lifeline hired experts in the area of consultancy during the early stages of the establishment of the social enterprise model in order to develop a firm model that can in the long sustain the organisation in light of the withdrawal of donor funding.

Lifeline Top Management Participant A outlined that:

"*In the establishment of the Business Wing we had a lot of consultancies coming in, even the name we had brainstorming sessions, brainstorming the name and getting registered it was a collective idea, like 15 people seat in a room and discuss what we would call ourselves. It wasn't someone sucking it out of us; everyone was involved in the picture, people that used to serve in the old training division, many of them were involved and some of them have moved on". You also need to have policies, I think for Change Agent because it's a sub division for Lifeline much of the groundwork was done because Lifeline had lots of policies, guards, and guides and informs its operations. We sort of adopted those and changed where it seemed very quiet and make it applicable for us but in terms of safety policies, fitness certificates and things like that with the City of Windhoek and Social Security and staff like that you need to do screening of people that you want to hire to do work for you and make sure that they are credible and not degrade the name of the organization".*

Lifeline Top Management Participant A:

"We have a business plan that was drawn up for us with a consultant in collaboration with some of the staff that was involved in the process".

The above evidence speaks to the need for organisations not to take hiring of consultants lightly because it is the foundation upon which on organisation can retain direction and firmness upon establishment. Participants noted that a great deal of time invested in preparations through hiring of consultants and this important for a successful adoption of the social enterprise model.

According to Hom (2013), business consultants provide management consulting to assist organisations to improve performance and efficiency. Such experts analyse and create solutions at the same time assisting organisations to meet their goals. Therefore, organisations should consider hiring expert business consultants when they are in need of objective perspectives on their path or need a catalyst for change in organisations. Hiring expert consultants can serve organisations in different areas such as expertise in a specific market; identify problems, supplement existing staff, provide objectivity, start-up change, create a new business, revive an organisation, teach and train employees to name but a few (Hom, 2013). Along these lines Lifeline has taken a positive step to ensure success of the organisation's business model thereby positively affecting the organisation's social mission.

4.4. OBJECTIVE 3: To explore the challenges being faced by Lifeline Namibia in the transition process.

The third objective of the study explored the challenges that are being face by Lifeline Namibia in the transition process from being entirely donor reliant to social enterprise. Several themes were picked up from the interviews and they include: Gaps in expertise, loss of manpower and burdened management.

4.4.1 Gaps in Expertise

The issue of expertise was met with mixed reactions from almost all the participants. It was picked up that the organisation is in transition as well at expertise level where Lifeline is still trying to find its footing to resoundingly stand in a position of boasting a total control of the social enterprise model in terms of expertise. It was mentioned that the organisation has recently brought on board an expert in the area of social enterprise in order to try and fill in the gap of expertise that it needed.

Lifeline Top Management Participant C shared that:

"*Well I'm really worried about that, I don't particularly have the skills but that's why, I have the ideas and make decisions but I'm not trained in business and things like that. That's why we* *brought in Ben (Director of Operations) whose sole focus really is to look at that and to support me to do it. Of course we can never have enough capacity you know there are so many different and new ways of doing things with social media, with social enterprise to get funding you know you really need a lot of skills to make it in new ways of managing".*

Lifeline Employee Participant E explained that:

"*Change Agent I think they are definitely capable of doing what they are doing, they are doing a great job and I think they will excel even further with what they are doing. I do not think as I said before that they have the necessary expertise to carry the whole organization, that's not their job and that's not how I see them".*

The above views cited views show that in as much as expertise was reported as being present it is either not enough to sustain the whole organisation or its still new and not at a level that can be considered to be solid, rather the people are still at a transitional level. The organisation can, however, be applauded thus far for their process of recruitment of freelance facilitators, considered rigorous and also creating a new post and bringing on board the new expertise to fill the gap and meet the social enterprise model. The social enterprise initiatives of Lifeline as observed during interviews can be said be along the traits of embedded social enterprise model where the organisation's operations are self funded (Nicholls, 2011).

In this regard, Nicholls (2011) points out that an organisation that operates in this manner its commercial activities are embedded or deeply rooted within the organisation's operations and social programmes. This is done by practitioners in order to attain the organisation's mission. Having pointed out the duty of practitioners as to attain the organisation's needs the same can be said of Lifeline as its expertise/ practitioners constitute a crucial part of the organisation's social enterprise model implementation plan. Furthermore, the London Borough of Hounslow (2010) suggests that the lack of expertise may have to be dealt with by bringing it in from other providers or through staff recruitment. This complements Lifeline's efforts of recruiting freelance facilitators as a meaningful solution.

4.4.2 Loss of Manpower

The loss of manpower in most NGOs including Lifeline is another aspect that was pointed out by almost all the participants. It was reported that at Lifeline this is being affected by uncertainty of donor funding resulting in some employees feeling insecure and moving for other job opportunities elsewhere with security. More so, as a result of loss of manpower employees that remain behind are burdened with more workload.

Lifeline Top Management Participant C postulated that:

"We've lost quite a few staff and there is a feeling of uncertainty and anxiety which is very understandable".

Key Informant Participant A:

"*The first challenge is loss of manpower; people cannot stay where there is no money where there is no salary for them".*

Lifeline Employee Participant C also aired the said concerns stating that:
"maybe like half of the associates that have left, some to the police force, some to other, you know, it's a good thing for them because it's a full time job so those are the only challenges because we don't have everybody on board on full time basis".

Lifeline Employee Participant B also shared:
"I think one of our main challenges is the retention of skilled facilitators, because you see that in order to make or to save quite a lot of money we have used a model that the full time staff are really kept to a bare minimum we are four full time staff members and then a pool of facilitators. So because it's not full time employment and does not carry fringe benefits people tend to seek alternative employment elsewhere and then we will have to re-train people so that we build their competency so they can actually implement our product offerings".

These shared concerns by participants shed light on the effects of the exiting of donor funding and at the same time outlining how crucial manpower is to the organisation like Lifeline considering that it is in the transition process of trying to establish a solid social enterprise model. Again Nicholls (2011) arguments are validated that when it comes to the implementation of the social enterprise model, this has to done by practitioners in order to attain the organisation's mission. This necessity is crucial for the organisation's survival, however through utilisation of the limited permanent staff and timely recruitment of freelance facilitators as picked up in interviews it is hoped that this can be in the long run provide a lasting solution to the organisation's operations as more funding will come in through implementation of various strategies. Alternatively this may allow for employment of more permanent employees.

4.4.3 Burdened management

The management of Lifeline was identified as experiencing some challenges too in its efforts to fully implement the social enterprise model. The major problem identified is the complexity brought about in the organisation by the social enterprise model as it has led to a rise in different strategies having to be implemented. The management feels that at times it's difficult to balance the demands of donor funding that is still coming in, the private sector and the organisations own sustainability or social enterprise activities. One participant called this model of operation of the organisation as being *jigsaw* in nature as everything is being carried out at once without clear flow and efforts being made for everything to work. In addition the gaps in expertise in the organisation and loss of manpower have also contributed to the burdens of the management.

Lifeline Top Management Participant C had this to say:

"It's this jigsaw fitting together, which is difficult to manage, but I think it's the only way, donor funding, private sector funding, government funding, our own business wing, income generation, and our own income generation".

Lifeline Top Management Participant B also expressed the same concerns stating that:

"*There is also so much to do so much that sometimes it's difficult to think strategically and do more long term staff and not react because there are so many things happening and you often have to attend to. At the same time you can easily get overwhelmed and lose the ability to seat back and take time and deliberately take time to plan proactively".*

The challenges faced by Lifeline at management level can be said to be those that need strategic thinking on how to tackle them. They can be said to be healthy challenges as the problems that the organisation faces is actually management of the different possible streams of funding. Therefore solutions may be in the form of sharing or assigning the management of different sources of funding amongst the board members in order to lessen the workload on few individuals at top management level. The second argument of the management strategy is one that requires accountability measures or structures being put in place to ensure that an NGO doesn't become highly individualistic leaving the organisation in a state of being vulnerable to ills such as corruption. More so as the organisation grows in terms of the social enterprise model filling gaps in expertise and addressing issues of manpower lost can help to lessen the burdens face by the management. If such measures are in place that will allow for delegation of duties in the process lessening the workload on the management.

MSG (2014), an educational portal of management experts states that delegation of authority is a process whereby powers in an organisation are shared amongst the subordinates. When the work of a manager or director extends beyond the manager's capacity, there should be measures set aside to address this matter. Delegation of duties is important because a manager is able to divide tasks and allocate them to subordinates. This helps to lessen the manager's workload allowing him / her to concentrate on other important areas such as analysing the organisation's business model.

4.5. OBJECTIVE 4: To explore lessons that can be learnt from Lifeline Namibia's transition process from donor funding to social enterprise.

The fourth objective of the study was to explore the different lessons that could be derived from Lifeline since the establishment of the social enterprise model. Such lessons can be of value to other organisations seeking to establish the social enterprise model or struggling with what they are already implementing. Quite a number of aspects where shared by the participants who took part in the study and these are: Learning from mistakes made, the need for partnerships and developing strategies related to organisation's mission.

4.5.1 Learning from mistakes

It was also discovered that things are not always smooth when beginning to implement a social enterprise model for there are mistakes that are experienced along the way. However mistakes should also serve as lessons for the future that should guide the organisations on how to conduct business. It was shared during interview sessions that upon establishment of the social enterprise model the organisation engaged in some unprofitable business but that served as a lesson for Lifeline as a growing social enterprise organisation.

Lifeline Top Management Participant C explained the following:

"We made one or two mistakes with some projects that we took on which were maybe unprofitable so we made mistakes with the business wing along the way but I think we've learnt a lot from it because we know certain things to avoid".

When a mistake is made it should serve as a lesson to avoid that mistake in future. In the case of Lifeline, having engaged in some unprofitable businesses that served as a lesson for the organisation to be wary and be on the lookout not to repeat the same mistake again and that should serve as a lesson for other NGOs as well when engaging in enterprise activities.

In order to avoid mistakes when establishing a social enterprise Forth Sector (2007), a consultancy organisation on business ideas to government, private sector and social enterprises advice, indicate that it is necessary for the organisation to conduct a feasibility study. By testing strategies it is determined whether or not there is a market for the social enterprise idea. One may be able to identify a need but it will only be a market if someone is willing to pay for the product or service, that way it can be determined whether the enterprise will be profitable or not.

When carrying out a feasibility study to determine how realistic and viable the social enterprise is, the results of the feasibility study will be used as a basis for deciding whether not to start up the social enterprise. Consequently, it is very important that one can rely on the quality of the information used. Again this will help the organisation to avoid engaging in unprofitable social enterprise business activities.

4.5.2 The need for Partnerships

Participants also emphasised the need for partnerships among NGOs at large during this transition process. Participants shared that Lifeline is not working in isolation rather it collaborates with other NGOs sharing experiences and exchanging ideas that are crucial for NGOs to overcome the period of withdrawal of donor funding.

Lifeline Top Management Participant B explained that:

"*Lifeline is connected to other NGOs like NAWALIFE, Positive Vibes and there is a group of NGOs that come to share experiences and I think that is also important. Lifeline doesn't work in isolation but is brainstorming and exchanging ideas with other NGOs facing the same challenges of donor funding being cut*".

Lifeline Top Management Participant B emphasised partnerships stating that:

"*The third one (lesson) is not to be shy to ask for help or outside support".*

Partnerships for NGOs are crucial during this transition process because they provide NGOs with support for one another. It gives them the opportunity to share lessons such as the ones being outlined here. NGOs can provide support to the other in times of difficulty and may also offer advice in terms of which social enterprise model to adopt. Again through partnerships NGOs are able to engage in social ventures in which they have common interests and share the same motives in addressing social needs in communities.

According to Koteinikov (2014) partnership is a voluntary collaborative agreement that can be agreed upon by two or more entities to work towards a common goal and carry out a specific task sharing things such as risks, resources, responsibilities, benefits and competencies. The benefits that come as a result of partnerships are that they form a foundation of success as they enable many organisations to make improvements and become better. Through sharing with others resources are channelled to projects agreed upon and considered as paramount to the organisation (Koteinikov, 2014).

4.5.3 Developing strategies related to organisation's mission

Developing strategies related to organisation's mission is another lesson that was picked up as crucial in the establishment of a social enterprise. The necessity of developing such strategies helps organisations not to run losses when they engage in business activities. It gives the organisation an opportunity to offer services that the organisation knows best. This also ensures that quality services are offered and this in return will create a good image for the organisation and will build a strong client base. Participants strongly felt that developing strategies related to the organisation's mission is very important for NGOs adopting the social enterprise model. For example it was shared to be less risky for an organisation to engage in business activities that are in line with their line of work. This helps with offering competent services and return of profits as the organisation possesses expertise in what they have to offer. Furthermore when an organisation develops strategies related to its mission it means that the organisation will remain confined to the foundation/ mission that it was established upon. This in turn helps the organisation not to drift away from its core mission.

Lifeline Top Management Participant B advised that:

"*Take time and think about the future before getting into anything and as part of that I would make some recommendations for one to do some retrospection in terms of what the organization wants and what the organization is good at and why the organization exists, what it offers and its roles in society, that understanding of oneself combined with the bigger picture and the vision and ideas for the future I think that can help other organizations think more sustainably".*

When an organisation focuses on strategies that are related to its mission this helps the organisation not to move away from its core missions. In other words this guides the organisation from creeping or drifting away from non-core activities. When that takes place an organisation is going to survive in terms of offering services established upon its mission, the very reasons for the organisation's existence.

In this regard Wijnberg (2012) highlights the importance of organisations developing strategies and engaging business activities related to its mission stating that "most NGOs require support in finding the best fit between their mission and their market, and developing the mindset and the skills to connect the two". When this has taken place not only will the organisation survive but its core mission and values will survive as well thereby preserving the legacy the organisation is established upon. Implementation of these views will also help organisations retain income for operations by confining to what the organisation knows best. According to Spencer (2009) when nonprofits moves away from the organisation's mission either intended or unintended that is called mission drift. When it happens unintentionally it is said to cause confusion in the organisation at what is stands for and what it is supposed to do. He further states that to address this matter an organisation has to engage in fact finding enquiries with beneficiaries of its services and analyse such findings in relation to the organisations current services. Again such steps can help organisations to remain focused on their core missions of operation as they adopt the social enterprise model.

5. SUMMARY

This chapter paid attention to the presentation and discussion of the research findings in relation to the objectives of the study. Several themes were identified and discussed under the four study objectives, namely, factors prompting the transition of NGOs from donor funding to social enterprise, management changes informing Lifeline's social enterprise model, challenges faced by Lifeline upon adoption of the social enterprise model and lessons that can be derived from Lifeline's implementation of the social enterprise model. The next chapter gives attention to summarising findings, giving recommendations and conclusions.

CHAPTER FIVE

5. SUMMARISING FINDINGS, RECOMMENDATIONS AND CONCLUSIONS

5. 1 INTRODUCTION

This study explored the transition of NGOs from being donor funded to self sustenance with specific focus on the case of Lifeline Namibia. This chapter provides a summary of the findings, conclusions and recommendations from the study. The summary is derived from the themes identified during data analysis and recommendations are also taken from what participants reported during the interviews.

5.2 FACTORS INFLUENCING LIFELINE NAMIBIA'S TRANSITION FROM NGO DONOR FUNDING TO SELF SUSTENANCE

It was established in this study that Lifeline Namibia is going through a transitional process of having been previously entirely dependent on donor funding to run its operations to a model of self sustenance called social enterprise. Prior to the beginning of this transition, certain factors were identified as having necessitated this transition. These factors were identified as, firstly the withdrawal of donor funding. Namibia is now being identified as an upper middle income country, a cluster of countries that are considered as being economically able to sustain their own social programmes without the assistance of donors. As a result of these developments, donors are pulling out of Namibia moving to countries considered to be in more need.

This resulted in NGOs such as Lifeline seeking alternate sources of income and social enterprise is the model the organisation adopted to complement little funding the organisation is receiving during the gradual pull out of donors. The social enterprise model was implemented at Lifeline in multiple strategies in order to provide for diverse streams of income. It was, however, argued that to a certain degree economic evaluations do not necessarily reflect the reality of what actually takes place on the ground meaning that in economic terms the country may be experiencing an increase in the economic growth rate but people's standards of living are generally low.

Secondly, Lifeline's search for sustainable funding sources partly necessitated its transition from being donor funded to social enterprise. It was reported that the organisation had already explored ideas and strategies of generating income on its own long before Namibia was categorised as an upper middle income country. The main reason for taking this step was for the organisation to become sustainable, to eliminate dependency and also for the organisation to be able to stand on its own in future; sustaining itself. As such, the classification of Namibia as an upper middle income country leading to aid withdrawal is not the only factor that led to the adoption of the social enterprise model of operation. Lifeline already planned to transit to social enterprise as a way of getting sustainable and reliable sources of income.

Thirdly, the transition taking place at Lifeline came as result of g the realisation of a business opportunity inherent in organisational services. Participants reported that the organisation realised that there was a possibility of making money from the services that they already offered for free. For example services such as training and counselling began to be sold upon the realisation of business opportunities that existed. Business strategies being carried out through this initiative form part of the social enterprise model with the goal of ensuring the continued operation of the organisation. However participants also reported that at first it was difficult to convince people and other organisations that services that were initially for free had to be paid for. Nevertheless, the customer base is said to have come to terms with the developments as reasons behind selling services were explained as being necessary for the survival of the organisation and continued supply of services in communities.

It was also found out that in as much as this transition is taking place, the scale at which the social enterprise model is operating in relation to the duties of the organisation country wide it would not be possible presently for the social enterprise model to sustain the operations of the whole organisation. Thus the organisation is still sourcing donor funding justifying it by the need on the ground.

5.3. THE CHANGE MANAGEMENT STRATEGY INFORMING LIFELINE NAMIBIA'S TRANSITION FROM PHILANTHROPY TO SOCIAL ENTERPRISE

Upon the adoption of the social enterprise model at Lifeline Namibia several changes took place at management level in order to accommodate and ensure a better functioning of the new adopted model. There have been adjustments in Lifeline's structure of management whereby the organisation has recruited new people in the management board. These include an additional director of operations post and a manager of the Change Agent business wing. These people were brought in to assist the director at management level and an already existing director of operations. These adjustments have been made in order to improve the organisation's operations in light of the newly adopted social enterprise model. Since the management is always at the forefront of initiating progress in an organisation such adjustments were crucial in order for Lifeline's social enterprise to improve and grow for the betterment of the organisation.

Along the same lines of adjustments in the management of Lifeline the organisation has created of additional posts as well. The first post is the director of operations, an addition to one that existed before. The difference is that the newly recruited director of operations has a responsibility of giving a reasonable degree of time to issues of social enterprise in the organisation. The individual is responsible for assisting the organisation with development of strategies and also supporting the Change Agent (one branch of the social enterprise strategies of the organisation) on any matters to do with social enterprise.

Another post created and filled is that of the Change Agent manager, this individual was already part of Lifeline. The role of the individual is to head the Change Agent department, support the staff and manage out other logistics that will ensure the growth of the department and social enterprise in the organisation. The creation of additional posts at management level can be also said to be a strategy targeted at addressing the issue of expertise, bringing in people with the expertise in social enterprise.

The other new development in the management structure of Lifeline is that the organisation has become more inclusive than before. Following the transition the management has advanced the approach of inclusivity whereby there is more integration and brainstorming of ideas and strategies between the management and the staff. This is being done in order to allow for every member of the organisation to contribute ideas towards the social enterprise initiative for it to succeed. These ideas are explored and considered as strategies or possible strategies to add to the model thereby creating diverse sources of funds for the organisation. This is a good development that can empower participants and instil in them ownership and they carry out organisational duties.

It was also reported that upon adoption of the social enterprise model by Lifeline, the organisation hired experts to do consultancy work to help the organisation. This was done in order to establish a business model that is formal and well founded on the business principles of social enterprise. The necessity of taking this approach by the organisation will help it survive as its business model if founded on expert knowledge.

5.4. CHALLENGES BEING FACED BY LIFELINE NAMIBIA IN THE TRANSITION PROCESS

Quite a number of challenges were faced by the organisation during this transition period. Firstly, there has been loss of manpower in the organisation. This problem was initially caused by the pulling out of donor funding from Namibia and when employees began to see the realities of this development some are said to have panicked, resigned and left for other opportunities elsewhere.

Even presently, the withdrawal of donor funding due to classification of Namibia as an upper middle income country was said to have caused anxiety and insecurity amongst some of the Lifeline staff especially freelance facilitators. Due to the nature of how they work (part time) others left for permanent jobs where they felt more secure. However, constant recruitment of more freelance facilitators became part of the solution to the manpower crisis at the organisation.

Another challenge discovered is that of gaps in expertise in the organisation. The issue of expertise was identified as being of concern due to the fact that the organisation does not really possess enough expertise to meet the demands of social enterprise and ensure its growth for sustenance of the organisation. Nevertheless the creation of additional posts at management level was established as being a solution even though more is still needed vis-a-vis the availability of opportunities that were reported as being readily available in Namibia in line with the organisation’s mission.

Another challenge is that the management of Lifeline feels burdened with balancing the management of different strategies of social enterprise and also the management of some donor funding still being received. The organisation is currently employing a jigsaw kind of model operation in terms of managing the various income generating strategies.

5.5. LESSONS LEARNT FROM LIFELINE NAMIBIA'S TRANSITION PROCESS FROM DONOR FUNDING TO SOCIAL ENTERPRISE

The first lesson that can be drawn by other organisations from what Lifeline is doing in terms of social enterprise is that organisations need to learn from mistakes made. It was discovered that when Lifeline first adopted the social enterprise model the organisation engaged in several unprofitable business. However the organisation learnt from these mistakes and this became a lesson for the organisation resulting in avoidance of such mistakes as this would cripple the organisation's operations. Therefore, organisations planning to follow the social enterprise model need to be aware that mistakes are bound to take place along the way but they should serve as lesson not to be repeated.

The need for partnerships is also a lesson that other NGOs can learn from Lifeline's experiences. Participants advised that NGOs should desist from operating in isolation but should rather be part of forums or seek help and advice from other NGOs and even stakeholders in order to ensure the success in the implementation of the social enterprise model. Lifeline was reported as being in partnership with other NGOs and such partnerships assist the organisation with information sharing necessary for survival in light of withdrawal of donor funding.

Another aspect highlighted as a lesson by participants is the need for organisations to develop strategies related to organisation's mission. The necessities of this lesson is that it prevents the organisation from drifting away from its social mission by developing strategies that do not speak to what the organisation stands for. When a mission drift takes place unintentionally at an organisation this causes confusion and can result in the collapse of the organisation. In addition when an organisation adopts strategies related to its social mission it is very easy for that organisation to implement such strategies as that will likely be an area of expertise for that organisation.

5.6 RECOMMENDATIONS

The following recommendations are made based on the findings of the study:

The money being saved by the Change Agent from the social enterprise activities can be invested in other strategies on paper that are yet to be implemented. For this to be a success, there is need for proper planning, carrying out a step by step process including needs assessment/ market research of the strategies to make sure that the business will be profitable before investing in it. This is going to expand the social enterprise model at Lifeline and in the process extend the magnitude of its (social enterprise) impact in the organisation's operations.

The management is experiencing a mammoth task of keeping up with exploration of social enterprise strategies and other organisational work. This matter can be resolved by consciously looking at what exactly is there that needs to be done, how it can be delegated among fellow management and other staff members.

Lifeline and other NGOs should continue to participate in forums such as NANGOF where advice, ideas and strategies can be shared. It is in these forums that NGOs can forge a better way to face the future, not fighting for the little diminishing donor funding but to look at the common social missions of one another and reach common ground in terms of how to cooperate at administration and implementation level.

The government, the private sector and other stakeholders must get involved in the fight for the survival of NGOs in the wake of donor funding withdrawal. For this initiative to be a success the private sector or even individuals need to be enlightened on the social gains made by NGOs through donor funding and how the contributions of the Namibia private sector can go a long way in preserving those gains and saving lives.

The government too need to be reminded that it cannot operate by itself successfully without the help of the civil society. Therefore increase and continued subsidies for NGOs should be considered a top priority in the country if it is to realise the goals of Vision 2030 where Namibia seeks to become an industrious and prosperous country through a healthy labour force (Government of the Republic of Namibia (Office of the President, 2004).

Diversifying operations is a necessity. This means that an organisation should not depend only on one stream of funding rather there has to be multiple channels of funding that generate income to ensure the sustainability of the organisation. The advantage is that when one income stream dries the organisation can still sustain operations using other income streams.

There is also need for government policies that are tailor made for organisations needing to adopt the social enterprise model. Namibia needs to revisit its legal framework guide NGO operations so that is does not hamper the progress of social enterprises in Namibia especially from the NGO/ non-profit perspective.

5.7 CONCLUSION

This study focused on exploring the transition of NGOs from being donor funded to social enterprise or self sustenance with focus on Lifeline Namibia as an NGO. The study revolved around four objectives namely exploring factors influencing Lifeline Namibia’s transition from NGO donor funding to self sustenance, the change management strategy informing Lifeline Namibia’s transition from philanthropy to social enterprise, challenges faced by Lifeline Namibia in the transition process and lessons learnt from Lifeline Namibia’s transition process from donor funding to social enterprise.

It is clear from the study that the concept of social enterprise if well implemented can yield result that can in the long run ensure sustainability of NGOs. However, in relation to donor funding social enterprise requires for a gradual pull out of funding from NGOs in order for NGOs to continue operating as this gives them time to try out several social enterprise activities that can sustain their operations. NGOs still play a noble role in societies; social enterprise is also a worthy venture and for its expansion and continued operation of NGOs there is need for donors to exit with a support plan and for national governments to be present at the aid of NGOs during this transition process.

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APPENDICES

APPENDIX 1

Participant information sheet

Good day sir/madam

My name is Simbarashe Mudezeri and I am a postgraduate student registered for the degree Masters in Social Development at the University of Witwatersrand, Johannesburg. As part of the requirements for the degree, I am conducting a research based on the topic: Nongovernmental Organization (NGO) transition from donor funding to self sustenance: A case of Lifeline (LL) Namibia. This research intends to explore the transition process, investigate the strategies NGOs are taking to fund themselves and ways to improve them too. Since Lifeline is going through this process I found it necessary to focus on this NGO. These intentions of the research may assist other NGOs going through the transition process, shaping the social enterprise landscape in Namibia and may also result in addition to the social enterprise academic knowledge.

I therefore wish to invite you to participate in my study. Your participation is entirely voluntary and your refusal to participate will not be held against you in any way. If you agree to take part, I shall arrange to interview you at a time and place that is suitable for you. The interview will last for approximately an hour. You may withdraw from the study at any time and you may also refuse to answer any questions that you feel uncomfortable with answering.

With your permission, the interview will be tape-recorded. No one other than my supervisor will have access to the tapes. The tapes and interview schedules will be kept in a locked cabinet for two years following any publications or for six years if no publications emanate from the study. Please be assured that your name and personal details will be kept confidential and no identifying information will be included in the final research report.

Please if you need to get in touch with me you may contact me on: **+264 81 4293431/** simbarashemudezeri88@gmail.com or my supervisor **Dr Victor Chikadzi on: +27 117174474/**Victor.Chikadzi@wits.ac.za if you have any questions regarding the study. We shall answer them to the best of our ability. Should you wish to receive a summary of the results of the study; an abstract will be made available on request.

Thank you for taking time to consider participating in the study.

Yours Sincerely

SIMBARASHE MUDEZERI

APPENDIX 2

Questions for Organization participants

1. What is your name?

2. What is your job title?

3. What are your roles and responsibilities in your organization?

4. How long have you been employed at Lifeline?

5. What is the history of Lifeline as an organization?

6. How long has the organization been operating in Namibia?

7. What are the organization's key focus areas?

8. What are the organization's major sources of funding?

9. I understand the organization is shifting in its model of operation from being fully donor funded to social enterprise. May you please tell me about this shift?

10. When did the transition process begin?

11. What prompted this transition process?

12. Who is driving this transition process?

13. Are you receiving any external support in this transition process?

14. Are you using any strategy to guide you in your implementation of social enterprise?

15. Do you have any specific model that you are following in your operations?

16. Did the transition result in any retrenchment or employment of new employees?

17. Does the organization have the expertise that meets the demands of social enterprise?

18. What are the different challenges being experienced by the organization since the transition began?

19. What measures has the organization employed so far to overcome challenges experienced?

20. Does the organization receive support from elsewhere to ensure smooth transition and operation?

21. How would you measure the progress that you have made thus far since the adoption of the Social Enterprise Model?

22. What are some of the lessons that can be leant since the adoption of the Social Enterprise Model? (Policy, Management, Legal, add more)

18. Any information or concern you would like to bring to the attention of the researcher?

Questions for Key Informants

1. What is your name?

2. What is your area of expertise and job title?

3. What are your roles and responsibilities in your organization?

4. How long have you been employed at the organization you are working currently?

5. How long have you been working in the field of social enterprise?

6. What is the history of social enterprise in Namibia?

7. How widespread is the Social Enterprise Model in Namibia?

8. What are the factors prompting the transition process of NGOs from being donor funded to social enterprise?

9. How many organizations are currently employing social enterprise in their operations?

10. Do organizations have enough expertise to meet the needs of the social enterprise model of operation?

11. What is the legal framework guiding the operation of social enterprise in Namibia?

(probe by saying for example in South Africa there is….)

12. Is there any assistance being rendered to organizations implementing social enterprise?

13. Are organizations receiving any advice in terms of approaches they can take in social enterprise operation?

14. What are the different challenges that organizations have experienced so far after shifting to the social enterprise model of operation?

15. What is being done to help organizations overcome the challenges they are facing?

16. How would you measure the progress thus far ever since the transition process began?

17. What are some of the lessons that can be leant or derived from the adoption of the Social Enterprise Model of operation? (Policy, Management, Legal)

18. Any information or concern you would like to bring to the attention of the researcher?

APPENDIX 3

CONSENT FORM FOR PARTICIPATION IN THE STUDY

DECLARATION BY THE PARTICIPANT

I hereby consent to participate in the research project. The purpose and procedures of the study have been explained to me. I understand that my participation is voluntary and that I may refuse to answer any particular items or withdraw from the study at any time without any negative consequences. I understand that my responses will be kept confidential.

Name of Participant: ___________________________________

Date: ___________________________________

Signature: ___________________________________

CONSENT FORM FOR AUDIO-TAPING OF THE INTERVIEW

I hereby consent to tape-recording of the interview. I understand that my confidentiality will be maintained at all times and that the tapes will be destroyed two years after any publication arising from the study or six years after completion of the study if there are no publications.

Name of participant: _________________________________

Date: _________________________________

Signature: _________________________________