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Kaniki, Phoebe Nsunge

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SURVIVAL STRATEGIES OF EDUCATION-RELATED NON GOVERNMENTAL ORGANISATIONS IN POST-APARTHEID SOUTH AFRICA

PHOEBE NSUNGE KANIKI

A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Masters of Management (in the field of Public and Development Management)

DATE: FEBRUARY 2007

ABSTRACT

The study explores strategies employed by surviving education-related NGOs – strategies that have enabled them to continue to survive in the post apartheid South African era. Using primarily in-depth interviews, the study found that surviving NGOs have had to make several sacrifices and changes. These include transforming modes of operations diversification; the shedding of some activities; becoming more competitive and adopting more business-like methods of operation, such as introducing new stringent administrative and financial management systems. As well, successful NGOs employed better systematic planning and implementation systems; expanded from single donor funding reliance to multiple donor sources.

The study also makes some recommendations. These include better collaborative partnerships among the various stakeholders – government, NGOs, donors and private sector – which need to be further nurtured; It is imperative for NGOs to become more flexible in the activities and services they offer and they must be ready to transform themselves when necessary. Collaborative partnerships among NGOs are very important to enhance each other services and function as a united front. As well, there is a need for the government to review tendering processes, and NGOs need to put in place monitoring & evaluation systems to support and ensure effective implementation of strategic plans.

DECLARATION

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

Phoebe Nsunge Kaniki

Date: February 2007

DEDICATION

I dedicate this research report to my family: my husband Andrew who remained constantly supportive and encouraging throughout the whole ordeal, my children Chimfwembe, Musonda and Nsunge, whose patience understanding and unwavering support is much appreciated.

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LIST OF ACRONYMS

ABET	Adult Basic Education and Training
ANC	African National Congress
AZAPO	Azanian People's Organisation
CBO	Community Based Organisations
CEO	Chief Executive Officer
CHE	Council on Higher Education
CIDA	Canadian International Development Agency
CO	Civic organisations
COSATU)	Congress of South African Trade Unions
CSO	Civil Society Organisations
DANIDA	Danish International Development Agency
DBSA	Development Bank of Southern Africa
DFID	Department for International Development (United Kingdom)
DoE	Department of Education
DRC	Development Resource Centre
ECD	Early Childhood Education
EU	European Union
FET	Further Education and Training
FABCOS	Foundation for African Business and Consumer Services
GDP	Gross Domestic Product
GEAR	Growth, Employment and Redistribution Strategy
HEQC	Higher Education Quality Committee
IFP	Inkatha Freedom Party
JET	Joint Education Trust
LFA	Log Frame Analysis
NAFCOC	National African Federated Chamber of Commerce

NACTU	National Congress of Trade Unions
NDA	National Development Agency
NECC	National Educational Coordinating Committee
NEPI	National Education Policy Investigation
NGO	Non Governmental Organisation
NPO	Non-Profit Organisation
PAC	Pan Africanist Congress
PBO	Public Benefit Organization
PSI	Private Sector Initiative
RDP	Reconstruction and Development Programme (RDP)
RNE	Royal Netherlands Embassy
SA	South Africa
SABC	South African Broadcasting Corporations
SADTU	South African Democratic Teachers Union
SANGOCO	South African Non Governmental Organisation Coalition
SANGONET	South African Non Governmental Organisation Network
SANLI	South African National Literacy Initiative
SIDA	Swedish International Development Agency
UK	United Kingdom
UN	United Nations

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND TO THE STUDY

South Africa has had a particularly rich, large and well established Non-Governmental Organization (NGO) sector. It has played – and continues to play – a significant role not only in the socio-economic development of the country, but is also linked to the political struggle against apartheid. These NGOs can be traced back to the 1970s and 1980s when numerous civil society organisations began to be formed in response to many political and social injustices.

Amongst the many NGOs to spring up in this era were educational NGOs, which were equally critical to the struggle against apartheid. Local and international donors willingly and openly supported these organisations, often in solidarity and opposition to the apartheid ideology.

In the post-1994 period however, the South African NGO sector began going through major changes, particularly in relation to the funding environment. Morrow (2003, p.1) states: “Resources that had previously been directed to NGOs were now generally channelled towards a government, elected by the overwhelming majority of the people."

Under this new funding environment, many NGOs closed. It is believed that those which have succeeded and continue to survive today have done so because of their ability to assess the funding environment, quickly adopt new strategies, and implement them effectively and efficiently. The processes and

techniques employed by NGOs have become increasingly important not only for their success but also their survival in the midst of the rapidly changing NGO-funding arena.

This is a report from a research study into the strategies surviving education-related NGOs have employed in post-apartheid South Africa. It examines the measures that have enabled them to survive under the changed funding environment. To set the base for the study, an understanding of the NGO sector in South Africa is important. Therefore, the next section first looks at the background of the NGO sector in South Africa. This section also includes the statement of the problem, the purpose of the research question, the rationale for the study, and the structure of the report.

1.1.1 Conceptualisation of the term NGO

Before delving into a discussion of the NGO in South Africa, it is vital to establish and present a common understanding of what the term NGO is in the context of this paper.

The term Non-governmental organisation (NGO) is rather a fluid one which makes defining it quite a challenge. The reason for this is said to be embedded in the various factors inherent to an NGO. These include its client base, services offered, geographical base, scope and capacity (Boulle, Johnson and Pieterse, 1993, p.1). Therefore, the term “NGO” may mean different things in different contexts. Nonetheless, by definition, a non-governmental organisation (NGO) is a non-profit, non-government, voluntary organised entity comprising of a grouping of people who come together with a common vision and mission to respond to or perform a service or function in their community or society at large.

Also simply stated by Wikipedia free encyclopaedia (http://en.Wikipedia.org), an NGO is a non-profit organisation (NPO) or not-for-profit organisation whose primary objective is to support an issue or matter of private interest or public concern for non-commercial purposes.

As far as the causes and functions of NGOs or NPOs are concerned, there appears to be very thin line between the two formations. Furthermore, although their formation and functioning also imply being independent of governments, major sources of funding includes government (national and international) funding in form of grants. NGOs also depend upon private donations, membership fees as well as sales of their goods and services.

The terms 'NGO,' 'NPO' and 'organisation' have been used interchangeably. However, given the thin line in description between the two terms, the preferred operational term in this study is 'organisation' to denote NGO/s, because it is considered to be a more inclusive, all encompassing and familiar term to the researcher.

1.1.2 Historical background of the South African NGO sector

While governments the world over are perceived as custodians of and responsible to the provision for delivering public goods, services and development, there is a general agreement that the efforts and resources of governments alone are not enough. They cannot and will not always be able to sustain development and therefore require a partnership approach with various sectors of society.

These include Non-governmental organisations (NGOs), the corporate sector and the donor community. There is also a general agreement it is impossible for NGOs alone to deal with the magnitude of complexities of development to alleviate all the needs of disadvantaged people in society. MacRobert (1992, p.39) affirms this argument when he contends that: “NGOs, therefore, can only operate effectively in a partnership climate with the government, donor agencies, the corporate world, and other outside specialists who could often give them very good advice to assist them in their strenuous efforts at the pit phase." Salamon (1994, p.2) also argues it is true that NGOs are more suited to play this essential role in the development process when he asserts:

> NGOs, with their small scale, flexibility and capacity to engage grass-roots energies, …have been ideally suited to fill the gap …that exists between the public and private sector in the provision of …human services, promote grass-roots economic development, prevent environmental degradation, protect civil rights and pursue a thousand other objectives formerly unattended or left to the state.

NGOs in South Africa have played a similar role – especially in the apartheid era – and have continued perhaps with different emphasis and challenges, through to the present democratic era.

In the 1970s and 1980s South African NGOs were particularly associated with the struggle for liberation as well as addressing political, economic and social injustices. Today, NGOs continue to contribute valuable resources, skills and expertise to the national building process of South Africa. NGOs are perceived as owning considerable ingenuity in devising strategies to interact effectively with government and society as well as influence policy and public opinion.

Prior to the new, democratic dispensation, South African NGOs were perceived by some international organizations and foreign governments as

the alternative, efficient and cost effective service providers for disadvantaged communities. Therefore funding flowed into NGOs with little or no “restrictions” or conditions attached to the funding. Education-related NGOs were not an exception to this phenomenon.

The question of survival of NGOs in post apartheid South Africa has become one of the greatest ironies and challenges for the sector considering the historical role it played combating apartheid and its potential role of working in partnership with government to alleviate poverty and deal with general development challenges.

After 1994, there was a marked decrease in direct international donor funding to NGOs. International funding for development projects – which came in the form of either grants or loans from multilateral sources and bilateral agreements and sources like the United Nations, individual countries, private companies or charities – where now increasingly being directed to the new government. Bornstein, *et al.* (2005, p.10) states: “… the dramatic changes in donor funding as international donors first shifted their financial support away from civil society organisations to the newly democratic government, and subsequently defined new priorities and requirements into which many SA NGOs did not fit." While this arrangement was congruent with the view that NGOs would access these funds from government departments, in actual fact, these funds did not flow to NGOs as anticipated. This forced many NGOs to redefine themselves, scale down their work, or close completely.

Bornstein (2001, pp.9–11) further highlights a number of challenges faced by the NGO sector in South Africa's post-apartheid period. Three of these challenges, were closely related:

- NGOs struggled to create new identities, to establish a relationship with the democratic government at national and local levels and had to redefine their relationships with the wider community.
- The NGO sector was – and remains – fragmented, with indications that "professionalised" formal NGOs have consolidated their operations and access to funding (government and international). However, they are not necessarily reaching those in need.
- South African NGOs are conforming to donor pressures in ways that compromise their activities.

These challenges have led to a number of NGOs closing and as a result, the creation of a gap in the provision of services to the population that needs these services most.

While there are no reliable statistics about NGOs in South Africa as a whole, indications suggest the current number of NGOs have decreased since 1994. From the onset, it is not easy to accurately state what the numbers were before and after 1994 or what current NGO numbers may be. Dangor (1997, p.18) observed:

> "… in 1994, the Development Resources Centre (DRC) and the South African Institute of Fundraising estimated there were approximately 54,000 Non-Profit Organizations (NPOs) active in the country. Although this figure is still widely quoted, other estimates ranging from 45,000 to 80,000 organisations are also current."

A survey conducted by the Social Survey (2001) indicates there were more than 101,000 NGOs in South Africa. The Department of Social Development, Ten Point Plan (2001), on the other hand, indicated there were 80,000 NGOs. The South African Non-Governmental Organizations Coalition – SANGOCO

(2001) – indicated that its NGO database reflected 3,262 NGO members. However, this number includes only those NGOs registered with SANGOCO.

According to the most recent Department of Social Development Directory of South African Development Organisations (2004/2005), there were 40,151 registered NPOs in South Africa. Like the SANGOCO database, this database also does not include those organisations unregistered with them.

Another current source is the online PRODDER Directory (www.prodder.org.za), which lists almost 2,000 South African development agencies, including almost 1,200 NGOs. It is not compulsory for NGOs to be listed in PRODDER and as such, many NGOs are not included on this listing as well. Indications from the varied statistics presented above are that the exact number of South Africa's NGOs is unknown.

While a number NGOs have ceased operations as a result of various transformational changes taking place in the country, others have been resilient and prospered under challenging circumstances. The assumption is that surviving NGOs must have employed and continue to employ particular strategies or have operated in a specific manner enabling them to survive.

One of the key arguments in NGO discourses is that most NGOs have had to change their operations to comply with funding conditions. Morrow (2003, p.2) contends: "NGOs that [have] survived [have] done so by becoming, or extending their role as, service providers, now in collaboration with government rather than in opposition to it … in education, there [has been] a pronounced move towards the commercialisation of NGOs, with some becoming Section 21 companies." It can be argued that the success of some NGOs may go beyond these moves and perhaps is due to particular factors or by employing some "effective" strategies.

However, these strategies and positive factors employed by surviving NGOs have not been systematically analyzed and documented so as to provide lessons for other struggling NGOs or to facilitate organizational development and improvement. The question therefore is: what do NGOs which have survived and continue to survive do right? Or in other words, what strategies, do they employ to enable them to continue to survive? Conversely, what factors other than the challenges highlighted contributed to the failure of education-related NGOs?

1.1.3 NGO Regulatory Framework

The government of South Africa "… anxious to satisfy the expectations of the masses" (Morrow, 2003) and knowing that it could not undertake all service delivery activities to all sectors of society single handed, launched the Reconstruction and Development Programme (RDP), which bound the NGO sector with the government in a partnership to achieve this national effort. To ensure legitimacy of the NGO sector, the government passed legislation that would enable Non-Profit Organisations (NPOs) to effectively participate in governance and service delivery. The Non-Profit Organisations Act, No. 71 of 1997 (the NPO Act, 1997) objectives are:

> …to encourage and support non-profit organisations in their contribution in meeting the diverse needs of the population on the republic by:
>
> a) creating an environment in which non-profit organisations can flourish;
>
> b) establishing an administrative and regulatory framework within which non-profit organisations can conduct their affairs;

c) encouraging non-profit organisations to maintain adequate standards of governance, transparency and accountability and to improve those standards;
d) creating an environment within which the public may have access to information concerning registered non-profit organisations; and
e) promoting a spirit of co-operation and shared responsibility within government, donors and amongst other interested persons in their dealings with non-profit organisations (Wyngaard, 2003, p.2).

In support of this legislation, several laws were enacted. One of these complimentary legislations is the Lotteries Act of 1997. This Act consists of a fund from the proceeds from the national lottery to which organizations and bodies involved in development activities can apply for grants. The second is the National Development Agency (NDA) Act of 1998, which aims to insure direct budgetary allocation for the development of poor communities and the strengthening of the institutional capacity of civil society organisations involved in such processes.

The third supporting Act is the Taxation Laws Amendment Act of 2000. This law exempts NPOs from income tax and donors from donation tax when they make donations to what the Act defines as Public Benefit organisations (PBO). To access these resources, NPOs need to operate under a formal legal framework, which entails registration with the department of Social Services and funding requests among other procedures. NGOs, like other NPOs, have had to adjust to new avenues of funding, and to expanded legal requirements of their existence, in parallel with this expanded role in governance (Bornstein, 2005, pp.9-10).

Coupled with these legislations was the introduction of the financing policy, which was meant to transform and facilitate funding of the NGOs sector. The financing policy was developed in accordance with the NPO Act No. 71 of 1997 which is geared to encourage and support NPOs. The policy also required that NPOs maintained adequate standards of governance, transparency and accountability. The issue of corporate governance and accountability became a particular issue after the democratic government came into power in 1994.

Corporate governance is more of a business concept, which refers to formal systems of accountability of the board of directors to shareholders. Although it is commonly used in the business sector, the concept has become, in recent years, commonly used in all sectors including the NGO sector.

The King II Report embodies this concept on a wider scale and defines it as: “Corporate governance is concerned with holding the balance between economic and social goals and between individuals and communal goal … the aim is to align as nearly as possible, the interest of individuals, corporations and society” (King Committee on Corporate Governance, 2002, p.7. Cited by Ehlers and Lazenby (2004, p.39).

It could be argued these newly introduced requirements, as well as the need for NGOs to operate under very strict legal frameworks, may have contributed to the closures on many NGOs lacking capacity, skills and experience in adhering to these requirements. However, once again, this is not particularly clear and has not been objectively investigated.

1.1.4 Problem statement

It appears that the NGO sector has struggled to find its footing in the transition from the apartheid era to the democratic dispensation. Marais (1998, p.241) states:

> Buffeted by changes, neither social movement's mass-based organisations for the array of NGOs that function in their support have evaded the dilemmas thrown up by internal dysfunctions, funding crisis, political incoherence and overall strategic disorientation.

An estimated total of more than 20 000 NGOs have closed down or discontinued some of their services since 1994 due to their inability to respond effectively and appropriately to the transformational challenges brought about by the new dispensation (Ministry of welfare and population Development, 1997; Netshiswinzhe, 1996; Swanepoel and de Beer, 1997; Swilling and Russell, 2002; Turok, 1999 as quoted by Mamphiswana, 2004). Closures of a number of NGOs have left an inevitable gap in the provision of education-related services to the population not served through the main-stream government channels.

This has also inadvertently led to the loss of service delivery "partners" on the part of government. However, while many NGOs, including education-related NGOs, have succumbed to their demise due to these challenges. Of course, some have been resilient and continue to survive and prosper, albeit under difficult conditions and sometimes, unplanned courses of action. This suggests there are "good strategies" these surviving NGOs have been employing, but that their values remain locked within those organisations because these successful measures have not been documented.

1.1.5 Purpose of the study and research questions

The purpose of this study was to investigate, learn and understand those strategies or systematic actions, if any, that are replicable. How such measures have been employed and to identify factors having positively contributed to the survival of education-related NGOs in post 1994 South Africa. It is the view of the researcher that once these strategies have been established and or clearly understood, they can provide useful lessons for the NGO sector at large, in facilitating their continued existence and support of government in the delivery of services.

The key questions of this study therefore are:

- Do surviving education-related NGOs engage in systematic strategy setting?
- What strategies have surviving education-related NGOs employed in order to continue to survive in the post 1994 period?
- How have education-related NGOs responded to donor funding pressures?

1.1.6 Significance of the study

The motivation for this study arose out of a specific interest and concern about the dire state of the NGO sector in South Africa's post 1994 era. It was inevitable that, as South Africa was going through the transition from the apartheid era to a new democratic dispensation, the country's societal institutions were likely to be affected and changes to take place in one way or another. The South African NGO sector, just like all other sectors, was affected.

South Africa has a large NGO sector which contributes substantially to the service component of the gross domestic product (GDP). The education-related NGO sector is one of those very important spheres of the South African economy. It is a major sector of transformation and a crucial area of national development. The South African government is also aware it is unlikely able to meet all the demands and backlog of education-related services on its own.

The continued existence of education-related NGOs is therefore quite crucial to the South African development process and should continue to be a partner or collaborate with government in the provision of educational services. If NGOs continue their downward trend of disbanding, it will be more difficult for South Africa to normalize or meet the demands of education sector. It is therefore important that NGOs are assisted with relevant information strategies and techniques for survival in the changing environment.

This can partly be achieved through conducting an investigation and understanding the survival techniques and strategies, if any, employed by those agencies having survived. The sharpening and sharing of these lessons will allow other NGOs to survive in the current changed environment.

This study also has a wider purpose of adding to the body of knowledge currently available, but perhaps not in the context of education-related NGOs in S.A. The insights arising from this analysis can be used to directly influence not only the way NGOs have operated over the years, but also influence government and donor funding policy, practice and future research.

1.1.7 Structure of the report

This report comprises five chapters.

Chapter One is the introduction to the research report and introduces the study. It also gives a background of the study. In addition, it presents the problem statement prompting the need for the study as well as the purpose of the study.

Chapter Two reviews literature relevant to the topic by presenting the NGO landscape in general as well as in the South African context. This chapter also includes an exploration of concepts such as non-governmental organisations and strategy. The chapter seeks to understand the NGOs place in the current South African context post the transition. The chapter also presents an argument about the need for a deliberate inclusion of NGOs in government development strategies. The literature reviews also provides the theoretical framework for looking at the empirical data produced by this study.

Chapter Three focuses on research methods used and the reasons for choosing these methods. The section also presents the strengths and weaknesses of the chosen methods as experienced during data collection. The issue of sampling is also discussed here.

Chapter Four deals with the analysis of findings and discussion in terms of presentation by way of taking the empirical data and analysing and interpreting what the data reveals in relation to the research questions. It also makes the link between the empirical data and the theoretical framework as presented in Chapter Two.

Chapter Five seeks to draw conclusions based upon the findings and makes recommendations for future research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The purpose of this chapter is to present the literature review on the key issues concerning Non Governmental Organizations (NGOs), their origin and role in society, focussing specifically on education-related NGOs in the South African context. The chapter explores the transition of NGOs in democratic South Africa. It also reviews the concept of strategy and its role in the operation and survival of organisations. The discussion of related literature served as a theoretical framework on which this study was developed.

2.2 Origins, conceptions and definitions of NGOs

In the recent years there has been considerable interest throughout the world about the range of social institutions operating within the market economy, but outside of the state. These institutions are also known as Non-Governmental Organisations (NGOs) or "non-profit," "voluntary," "civil society," "third," "not-for-profit" (NPOs) and even the "independent" sector. These types of institutions address a number of social issues and comprise a wide range of entities such as hospitals, universities, social clubs, professional organisations, day-care centres, environmental groups, family counselling agencies, sports clubs, job training centres, human rights organisations, and so on (Salamon, Anheier and associates, 1999, p.3).

Although these social institutions have attracted a lot of attention in the recent past, they have been reported to have been in existence for many years in

every part of the world. It is not known exactly when these social institutions we, today, refer to as NGOs came into being. However, Clark (1990) indicates that although voluntary organisations in different forms existed well before the twentieth century in both North and South, NGOs as they are recognised today have a more recent history. Some reports state the oldest NGO in the world can be traced back to1863 when the first International Committees of Red Cross was founded (Wikipedia, 2006).

While what appears to be the general conviction that the history of NGOs can be traced to the liberation struggle, especially in the case of South Africa, the history of NGOs in the South, in fact, leads as far back as to the arrival of missionaries and 17th century colonisation from Europe (Editors Inc, 2000, in Mamphiswana). Missionaries, together with some church ministers set up a number of schools and churches, which provided some service to both poor people and poor communities. Carroll (1992, p.x) states:

> "… the NGOs have been discovered by a variety of colonizers. They are the darlings of some in the development community for whom state bureaucracies have grown insufferable. Other colonizers include ideologues of privatisation who assume anything bearing a non-governmental label is superior ipso facto."

Korten (1990, p.118) contends that NGOs' work has evolved in what he refers to as three generations.

- First, the typical development of NGOs focuses on relief and welfare type, and which delivers relief services, such as food, health or shelter directly to beneficiaries.
- The second generation are oriented towards small-scale, self-reliant local development initiatives. These NGOs build the capacities of local communities to meet their needs.
- The third generation of NGOs as sustainable systems development, where NGOs try to advance changes in policies and institutions at local, national and international levels.

The term NGO, came to be in general currency before the United Nations was formed in 1945, when 132 international NGOs decided to cooperate with each other. In 1910, they gathered under the umbrella label: the Union of International Associations (Willetts, p.2002). Globalization of the 20th century, which continues in the 21st Century, has given rise to the importance of NGOs and the subsequent increase in the formation of NGOs in the world even more.

Wikipedia, (2006) reports, according to a 1995 UN report on global governance, "… there were nearly 29,000 international NGOs. National numbers are even higher: The United States [had] an estimated 2 million NGOs, most of them formed in the past 30 years. Russia has 65,000 NGOs. India has 2 million NGOs. Dozens are created daily. In Kenya alone, some 240 NGOs come into existence every year." Ball and Dunn (1995, p.8) reports that the total numbers of people "touched by NGOs in developing countries across the world is probably 250 million and this number will rise considerably in the years ahead."

Boulle, Johnson and Pierterse (1993) classify NGOs on the basis of a number of elements, which can be arranged according to their clients, geographical base, scope and capacity as follows:

- NGOs serve a range of different clients. These include Community Based Organizations (CBOs), unorganised communities, national or regional bodies, trade unions, teachers, and students. These clients vary in needs, size and resources. In addition some NGOs lobby for a particular idea or principle where the client constituency is more difficult.
- Some NGOs are regionally based while others offer a national service. Organisations are often segmented into those that provide services to

rural areas and those serving urban areas. Some regional NGOs have grown out of local CBOs.

- Some NGOs specialise in a single service. Others offer a broad range of services, often related to a particular policy area, or to the needs of a particular group of clients.
- Services NGOs provide vary as much as their clients. They include: research, training, lobbying, planning, educational, institutional development, micro projects development and management, enterprise development and financial service.
- NGOs vary greatly in their material resources, skill base and organisational development. In size, they range from organisations with over 100 staff to organisations with only a handful.

Salamon, *et al.* (1999, pp.3–4) argue that whatever services these entities provide or however they are classified, they all share at least some common features. They are:

- Organisations, that is, they have an institutional presence and structure.
- Private, that is, they are institutionally separate from the state.
- Not for profit distributing, that is, they do not retain profits to their managers or a set of "owners"
- Self governing, that is, they are fundamentally in control of their own affairs.
- Voluntary, that is, membership in them is not legally required and they attract some level of voluntary contribution of time or money.

In light of the varied classifications of NGOs, it can therefore be concluded that the NGO sector is a diverse one which has evolved over time and has thus been classified differently. Because of these different classifications, defining the concept also becomes a tricky task. Hall (1987, p.3) for instance

defines non-profit organisation as, “a body of individuals who associate for any three purposes:

(1) to perform public tasks that have been delegated to them by the state;
(2) to perform public tasks for which there is a demand that neither the state nor for-profit organisations are willing to fulfil;
(3) to influence the direction of policy in the state, the for profit sector, or other non-profit organisation."

The term NGO, therefore, may mean any formal grouping of people with a common mission to meet particular needs in their society or community. These groups are not formed or controlled by the government although they may work in collaboration with government and or advance similar policies as does government. In addition, NGOs sometimes depend upon governments for funding. Government may also regulate NGOs in some form and up to a certain limit.

The World Bank (1990) defines NGOs as:

> …many groups and institutions that are entirely or largely independent of government and that have primarily humanitarian or cooperative rather than commercial objectives. They are private agencies in industrial countries that support international development; indigenous groups organized regionally or nationally; and member-groups in villages. NGOs include charitable and religious associations that mobilize private funds for development, distribute food and family planning services and promote community organization. They also include independent cooperatives, community associations, water-user societies, women's groups and pastoral associations. Citizen Groups that raise awareness and influence policy are also NGOs.

Swilling and Russell (2002. p.7) define NGO as: “… private, self-governing, voluntary, non-profit distributing organisations operating, not for commercial purposes but in the public interest, for the promotion of social welfare and development, religion, charity, education and research." Because NGOs exist

to serve the interests of the public, promoting social welfare and development, the definition automatically excludes major activity groups, which include business and professional associations as well as trade unions.

In South Africa, the preferred term was initially '***service organisations***,' which was later changed to the more preferred donor language term of 'non-governmental organisations' (NGOs) and community-based organisations' or 'CBOs' In the mid and late 1990s, policy makers and key NGO partners settled on 'NPO', "a nice, depoliticised term that transcended the NGO-CBO discussions and delineated the sector from the private sector" (Swilling and Russell, 2002, p.6). Based on this term, the technical team working for the Department of Welfare and Population Development upon drafting what became the Non-profit Organisation Act of 1997, took legal advice on a definition on NPOs. Three definitions were given, but the most preferred is:

> "An association of persons established whose objectives and activities which when viewed as a whole exhibits the following characteristics. (i) it has been established for public purpose; (ii) it is private/independent; (iii) it is voluntary; (iv) it is self governing; and (v) its income and/or profit are not distributed to its members, trustees, directors, except for reasonable compensation for the services rendered" (Swilling and Russell, 2002, p.8).

As earlier indicated in chapter one, the terms 'NGO', 'NPO' or 'organisation' will be used interchangeably although the preferred operational term in this study is 'organisation' to denote NGOs or NPOs.

2.3 The Role of NGOs in Society

It is commonly understood that the primary objective of NGOs in society is to further the social, economical and political goals of their target sector and to support some issues or matters of private or public concern for non-

commercial purposes such as delivery of social services, health and education. In other words, NGOs generally aim at contributing towards the formation of social capital as well as socioeconomic and political development.

Drucker (1990) argues for instance, that in the early 1990's, the NPO sector in America, which were previously seen as marginal to the American society, dominated by government and large businesses, have, in more recent times, come to be regarded as central to the American society. This is because the American government has since become more aware of its limited ability to perform social tasks.

With about every second American adult volunteering in the NGOs sector, America is known as the largest NGO employer, representing 2 to 3 percent of America's gross national product. NGOs have come to be viewed in societies all over the world, (official government agencies and members of the public) as efficient and cost effective service providers which often more effectively reach poor and vulnerable people in various societies.

NGOs have been known to emerge in order to fulfil a particular need and or gap not addressed by government due to either lack of resources or it is not a high priority. Because these NGOs tend to be smaller, they have easy connections and access to citizens. They are flexible. They have the capacity to tap private initiative in support for public purposes, and private non-profit organisations have been more ideally suited to fill the gap in society (Salamon, *et al.* 1999, p.4).

It is often under these circumstances that individuals in society organise themselves to address such needs and have ultimately led to the formation of NGOs. Northern NGOs for instance, have been reported to have come into

existence in the wake of the World Wars which had ravaged the countries of Europe. NGOs were, for instance, formed for the purpose of contributing to the reconstruction of war-ravaged countries (Mamphiswana, 2004, p.25).

In Hungary, emerging non-profit organisations played an active role in the 1980s, when some of these organisations clearly substituted for the non-existent political parties. This phenomenon is very similar to the South African situation in the 1980s and early 1990s.

Drucker (1990) refers to the NPOs as 'human-change agents.' These NPOs achieve their goals quite differently from either business or government. Business provides services or goods to the public at a price, while government introduces controls and effects regulations. Glasius (2002) argues: "Functionally, NGOs are also increasingly more effective … people have more trust in NGOs than in their governments or companies … NGOs are more successful because they enjoy a degree of legitimacy compared to social movements. This legitimacy comes from moral high ground, representation and expertise."

In South Africa, few would question the important role NGOs have played in society and in influencing the emergence of the modern South African society existing today. Edwards and Hulme (1998, p.6) state: "NGOs in Africa have long provided services in health and education, but this has usually been by default rather than design, as governments in Africa and Asia lacked the resources to provide universal coverage."

Govender (2001) argues that "Most South African NGOs have their genesis in the critical period of the liberation struggle and provided services to their constituencies that a discredited and illegitimate state could not." And, according to Zabala (1992) during the apartheid era, NGOs proliferated as a

result of the failure of the government to respond to the needs of the majority of the African people. But now there was a legitimate government which was obliged to provide these services to all the people in the country in an equitable manner.

2.4 Funding of NGOs

For NGOs to function successfully, two types of resources are necessary – human and fiscal resources. Because NGOs are not affiliated with government, they most often depend on donations to perform their functions. Funding of every NGOs operations comes from various sources such as the community in which they operate.

Funding can be generated in form of membership dues, the sale of goods and charging for their services. Even though the term NGO implies being independent of governments, some NGOs depend quite heavily upon governments for their funding. Other sources of funding may come from foreign governments, foundations, businesses and private donation. Swilling (2002, p. 34-39) for instance, presents some interesting statistics of various sources NGO's income. These include government, private sector and self-generated funding.

Swilling indicates that in 1998; the South African government, for instance, contributed 42 per cent of the R5.8 billion. The balance of 58 percent was contributed by foreign government Overseas Development Aid (ODA). This amount of financial support was higher than most countries documented in the John Hopkins comparative study, where the average contribution was 39 per cent.

Funding also may come from private donations as well as local businesses who sympathise with a particular NGO's cause. Swilling further reports that the South African private sector, which includes non-governmental international aid agencies, donated 25 percent (3.5 billion) of the NGO sectors revenue during that same year. Self-generated income accounted for 34 percent of the total revenue. Services fees, dues and other self-generated income amounted to R4.6 billion.

Developed world NGOs are more fortunate in that they have well established government support. In the case of America for instance, "… government support of voluntary organisations has roots in American history. Well before the American Revolution, for example, colonial governments had established a tradition of assistance to private educational institutions and this traditions persisted into the nineteenth century" (Salamon, 1987, p.100). The same pattern was extended to the hospital field. Up to the present time, many agencies which provided – and still do provide – services to the poor, receive continued support from the American government.

There is also a common belief in the West, that apart from the government providing support to non-profit organisations, it is also the responsibility of foundations, corporations and individuals to support NGOs. Such non-governmental sources of funding have proved to be extremely resourceful and generous in supporting NGOs. In practice, their contributions have been plentiful enough so they have been able to extend their support to NGOs elsewhere in the world.

Unfortunately, this is not the situation in most developing countries, including South Africa. While there is some support from government, business, foundations and charities, financial resources are not as significant or at the same level as in the Western countries of the global north. The issue of

funding – or the lack of it – is a major stumbling block for the NGO sector in South Africa.

Insufficient funds have often forced NGOs to give up worthy causes. Some authors, for example, Stacey and Aksartova (2001) argue "…fiscal resources during the apartheid era initially emerged from private foundations and foreign governments who were moved to act largely due to the fact that the June 16 [1976] revolt and its consequences made its way to the television screens in the advanced industrialised world. The increased tempo of the struggle within the country, however, also gradually compelled local actors, particularly corporate and churches to begin to underwrite anti-apartheid non-profit activity in South Africa."

When the new democratic government came to power in 1994, various legislations were passed to reorganise the political environment. Among the legislation passed was the Non-Profit Act, which effectively recognised civil society and provided benefits and allowances to civil society bodies like NGOs. This recognition and the benefits NGOs now enjoy required NGOs to implement proper governance and management systems. These included proper accounting methods and audited statements provided to government documenting the disbursal of any public funds. Most important was the establishment of a Directorate for Non-Profit Organisation in the Department of Social Welfare. This signalled the state's willingness not only to work in partnership with NGOs in policy development and service delivery, but also in the state's intention to "control" financing in this sector.

Government's announcement of the Non-Profit Act was also a signal to the foreign donor community to begin redirecting their funding away from NGOs and on to the state. Institutions like the National Development Agency (NDA)

and the Lottery Commission were established with the mandate to fund legitimate non-profit activities.

2.5 Management Practices of NGOs Post 1994 Era

When the new South African democratic government came into power, one of its first and main objectives was to address the burning issues of poverty, unemployment, inequality plus many other social issues. To achieve this, the new government introduced the Reconstruction and Development Programme (RDP).

The RDP is an integrated programme which sought to mobilise the country's resources to eradicate apartheid and the building of a democratic, non-racial and non-sexist future (RDP, 1994, p.1). To ensure success, the RDP began forging partnerships between the government and various stakeholders, including the NGO sector. With government's willingness to work with NGOs in rebuilding the country, the funding community became obliged to redirect their funds from NGOs to the legitimately elected government.

The move to redirect financial resources from NGOs to government saw a sudden decline in funding from local as well as international donors who changed their funding policies, preferring to direct their support to a legitimately elected democratic government. This period also seems to have coincided with the new project programme management practices introduced of the United Kingdom (UK) NGOs.

According to Wallace, *et al.* (1997) research, some clear trends towards standardised management procedures across the UK sector were identified. These included the use of Log Frame Analysis (LFA) and related rational

planning tools, strategic planning and evaluation. These new management practices were introduced as a result of pressure from donors for greater accountability and transparency as well as to the push coming from UK NGOs themselves to "go for growth" (Wallace, 1997, p. 36).

These issues and conditions requiring the use of strategic management tools naturally also became relevant to the South African NGO sector. Bornstein, *et al,* (2005, p.16) attribute the changes in management practices to have partially lead to South African NGOs becoming leaner, better "branded" and more focused upon their core activities. Unfortunately those organisations failing to adapt, to deal with the new circumstances due to lack of "intellectual and managerial flexibility" (Morrow, 2003, p.324), ultimately closed down.

2.6 The Size of the NGO Sector in South Africa

As indicated in Chapter One, there are no comprehensive and reliable figures of NGOs in terms of type or number in order to determine the size of the South African NGO sector as a whole. Because there has never been a system for accurately determining the numbers of NGOs, disparate sources present different numbers. What is known however is that the NGOs sector is diverse and very dynamic with legitimate justification. NGOs in South Africa can be grouped into a range of sub-sectors, based on either the constituency they serve, or the type of service they provide. According to the Commission of the European Communities and the Kagiso Trust report (1993), the following sectors were identified:

- Urban sector network
- Rural Sector
- Education NGOs
- Training Sector Network
- Health
- Labour

- Religious NGOs
- Advocacy NGOs
- Micro Enterprise NGOs

Morrow's (2003, p.322) indicates "The John Hopkins studies reduced NGOs to 11 categories, of which '**education and research**' is one. There are 5,691 in this category in South Africa, which is 5.8 per cent of all NGOs. 4,667 of them operating in elementary, primary and secondary education, none in higher education, and 1,024 in adult and continuing education."

Although this study indicates there are no NGOs dealing with higher education, in actuality, there were NGOs doing work in this band of education, such a the South African Institute for Distance Education (SAIDE) and Centre for Education Policy Development (CEPD). Their work spans all education bands from General Education and Training Certificate (GETC) to the Higher Education (HE) band.

According to Morrow, most of the education-related NGOs included in the John Hopkins study indicated these particular NGOs were established on an average of 19 years, while education and research based organisations were established on an average of 8 years.

Perhaps the closest figure to the true representation of the sizes and types of NGOs in South Africa is the recent study conducted by Swilling and Russell (2002, pp.15-20). According to this research, there were 98,920 NPOs, a figure which was favourably close to the 1994 estimation by David Cuthbert, the executive director of the South African Institute for Fundraising. Fifty three per cent of these are less formalised, community-based organisations working at local level. This figure represented a R9.3 billion industry; employing an equivalent of 645,316 full-time workers – a very significant 1.2

percent of the gross domestic product in 1998. Those figures are represented in the table below.

Table 1: Estimates of Numbers of NPOs in 1994

	Number of establishments	Data source
NPOs with fundraising number	4 800	Director of fundraising
NPOs without fundraising number	4 000	Director of fundraising (estimate)
Exempt organisation		
Religious institution	29 000	World Christianity south Africa and south Africa Christian handbook
Education institution	14 000	'Effective letters' direct mail database
Community institution	11 500	'Effective letters' direct mail database
CBOs/CBDOs	30 000	Estimated by Griffiths Zabala and David Cuthbert
Total	**93 300**	

Source: Swilling and Russell (2002, p.20).

This study focuses on education-related NGOs addressing adult, tertiary, secondary, primary and pre-primary educational services. However, despite clustering NGOs into designated sectors, it is still not known what the exact numbers of NGOs are in each of those sectors.

2.7 The NGO Sector in Democratic South Africa

To ensure proper and equitable delivery of services to the masses, the new South Africa democratic government established bilateral and multilateral relationships with many donor communities and governments. Furthermore, to demonstrate its commitment to the NGO sector in all spheres of development, especially to address issues of inequalities while promoting growth in services particularly for the previously disadvantaged South

Africans, the new democratic government launched the Reconstruction and Development Programme (RDP). This programme provided a platform for NGOs in the country to participate and work collaboratively with the government in the delivery of service. To show this commitment, the Minister of Social Development then made the following pronouncement:

> The basic twin expectations of government are that NGOs will firstly, continue to act as monitors of the public good and safeguard the interests of the disadvantaged sections of society. The performance of this social watch role requires both transparency and accountability on the part of NGOs. The government's second expectation is that NGOs will assist in expanding access to social and economic services that create jobs and eradicate poverty among the poorest of the poor. This requires cost effective and sustainable service delivery (Zola Skweyiya, in Swilling and Russell, 2003, pp.4-5).

The twin roles of the South African NGO sector included 'social watch' and 'service delivery.' This pronouncement led to new specifications by government for managing relations between the state and civil society – and naturally – the funding of NGOs. The result of this was "NGOs were meant to align and even subsume themselves with and in the state's programme" (Morrow, 2003, p.318).

Naturally, with the new pronouncement, where a legitimate government was seen by the international community to be committed to development and promising to work with other sectors, including the NGO sector. Therefore, many donors (local and international) chose to work with the South African government rather than directly with NGOs. One of the key reasons for this approach by the donor community was that they felt the new government was a legitimate one. The new South African democracy had the interests of its citizens at heart and could provide those services in an equitable and systematic manner.

Although there are indications more funds were being channelled into South Africa post 1994, the fact is less and less of those funds were actually directly going to civil society. Govender (2001) presents the following statistics to illustrate this decline. For the period between 1994 and 1999 for instance, it is estimated approximately R18 billion in international donations were utilised in the form of grants, concessionary loans and technical assistance as follows:

- Education - 22%
- Good Governance and Social Development - 19%
- Infrastructure and Services - 13%
- Water and Sanitation - 11%
- Business development - 11%
- Health - 7%
- Others - 16%

50 percent of the international donations went directly to the government; 25 percent to parastatals (quasi government organizations); 15 percent to the civil society sector and 10 percent to others.

Morrow (2004, p.324 quoting Cawthra, 2000, p.67) indicates:

> "… it would seem that there has been a withdrawal of foreign funds to the non-profit sector from at least 1994, and that this has not been substituted by an influx of domestic funds, either from government or from other sources. Most experts argue that this has plunged the non-profit sector into a major funding crisis, which can be divided into two phases: a foreign funding crisis mainly between 1994 and 1996, and a primarily domestic funding crisis from 1996 onwards.

While there was an increase in bilateral funding to the government, donor funds directed to NGOs was beginning to decline. Despite changes in donor funding trends, it must be acknowledged some of the aid that went and still goes to government actually also reaches the NGO sector through government allocations, via quasi-government organizations like the National Development Agency (NDA). In spite of this, however, the reality is: over-all

funding for education-related NGOs has declined and many NGOs have been unable to survive.

It is ironic, but NGOs appear to have fallen under more threat for survival with a democratic government than what existed with the apartheid regime. It is also important to note, apart from funding constraints and the challenges highlighted by various authors, there have also been several other factors contributing to the decline of NGOs in South Africa. According to the 2005 SANGONET Editorial Review (http://sangonet.org.za) These factors included the following:

- Numerous NGOs found themselves on the peripheries of a new system that trivialised community involvement. Critical responses to private sector driven development were labelled naïve and rapidly stamped out.
- International trends have re-routed aid away from South Africa as foreign agencies focus their attention on other global hotspots in the aftermath of 9/11 and the recent South East Asian Tsunami disaster of 2004.
- But even before these events …international donor agencies had begun pulling back, arguing that local NGOs should focus more strongly upon local resource mobilisation, encouraging engagement with corporate social investment programmes.
- Enormous amounts of foreign aid traditionally flagged for development NGOs was rerouted to the new dispensation as countless bilateral agreements sought to ensure the post-apartheid government was firmly placed in the development driver's seat.
- Both old and strategic state development funding initiatives, such as the National Development Agency (NDA) and the Development Bank of Southern Africa (DBSA) also chose alternative routes

circumnavigating a critical layer of civil society organisations in the development arena.

- The NDA chose of directly fund grassroots organisations. This route failed due to poor absorption capacity of these survivalist organisations.
- The DBSA chose to channel all its funding through local governments. The loop was effectively closed and countless development NGOs who had historically engaged at high policy levels informed by their work with the grassroots level, slowly found themselves with no source of funding.

In light of these factors, NGOs have had to redefine themselves as no longer anti-apartheid activists or welfare organisations, but in terms of the current government's developmental objectives and priorities.

These variables have lead to a situation where many organisations, especially those having emerged in the NGO "boom period" of the 1980s and the early 1990s, face the threat of closure. Swilling and Russell (2002, p.5) have commented: "NPOs lament that they are collapsing due to reduction in donor funding and lack the capacity to deliver."

As a solution to the severe shortage of funding, some organisations sought alternative solutions as argued by Pampallis (2004, p.430), namely that "The shift in donor finance in the post-1994 period from the NGO sector to the state, forced many NGOs to seek work as public service contractors.", This was a cue taken from one Deputy Director General who suggested "NGOs must go the consultancy or contractor route, thus diverting their energies from their sectors of expertise like education to other activities in order to bring more work and income in order to survive. "This seems to suggest NGOs were forced into abandoning their focus or sectors of expertise; not

necessarily working towards any set strategic or planned direction and competencies in order to survive.

While a number NGOs have closed due to some of the outlined challenges, others have been resilient and have prospered. Morrow (2003, p.1) for example contends “NGOs that survived did so by becoming or extending their role as, service providers, in collaboration with government rather than in opposition to it …in education, there was a pronounced move towards the commercialisation of NGOs, with some becoming Section 21 companies."

The question, therefore, one should ask is: could the success of these NGOs be due to particular factors or by employing “effective” strategies for their survival? It may be suggested surviving NGOs have been doing something, systematic which supports their survival. However, to answer this question and support or not support this assertion, It is important to document these factors and or lessons, to contribute to the body of knowledge on which the NGOs sector can learn from, in order for them to function more efficiently and effectively.

2.8 Education NGOs in Post 1994 South Africa

One of the key drivers of the development of any nation, as well as one of the most important long-term investments in a country, is education. Education is critical to skills development and economic prosperity. Education plays a crucial role in enabling a country's citizens to improve the quality of their lives and contributes to a peaceful, productive and democratic nation.

The South African history has been characterized by division of society along racial/ethic lines. The South African education system was divided along

racial lines and of different standards. This meant that while some sectors of the society enjoyed world class education, other sectors had to make do with inferior education and in some cases, a non-existent education service. During the apartheid era, the NGO sector had taken on responsibility in filling the gap of providing policy direction for education – and in some cases – delivering a variety of educational services to particularly disadvantaged groups.

As the apartheid system was coming to an end, education-related NGOs continued to provide much-needed intellectual and educational leadership in the development and drafting of educational policies; revision of curriculum at various levels and the provision of educational services.

The NGO sector, for instance, guided by the National Educational Coordinating Committee (NECC), was a key driver in the National Education Policy Investigation (NEPI). This was a collective work that analysed policy options for an equitable education system in a democratic South Africa.

These NEPI reports addressed various policy options in all areas of education including: Adult Basic Education; Adult Education Curriculum; Early Childhood Educare; Post Secondary Education; Education Planning, Systems, and Structure; Governance and Administration; Language: Library and Information Services; Human Resource Development; Language; Post Secondary Support Services; and Teacher Education (NEPI, 1992).

According the South African Yearbook (2003/04, p.204), noting the importance of education as being the key element in improving the quality of citizen's lives, the democratic government increased its education budget "from R31.8 million in 1994 to R69,063 billion in 2003." In spite of allocating this kind of budget – and to ensure the provision of high-quality education –

the government is aware that the education sector cannot be developed and sustained by the government alone. Instead education in South Africa must be funded in collaboration with civil society and international partners.

As far as government is concerned, the NGO sector was and is a logical and important partner in this regard. The NGO sector has often been a source of creativity and innovation, particularly in the areas of educator training, materials development, and school improvements. Adult Basic Education and Training (ABET); Early Childhood Education (ECD) and Further Education and Training (FET) are excellent examples of innovative programming.

The sector has also been very strong in education research, policy development plus monitoring and evaluation. Some of the post-1994 government's and NGOs' success partnerships include work like the South African National Literacy Initiative (SANLI), which relied largely on NGO and private sector partnerships. NEPI policy initiatives alluded to above are another example.

Some highlights in education where NGOs have played essential roles include the Business Trust partnership between government and business. Further examples are the work by the READ Education Trust, the Joint Education Trust (JET) and the National Business Initiative Colleges Collaboration. In reducing illiteracy in South Africa, the establishment of SANLI, the reading advocacy project Masifunde Sonke, and ABET programmes such as Ithutheng to mention but a few, have been highly useful NGO contributions towards the transformation of this country's education system.

2.9 What is Strategy?

Some literature suggests the study of strategy can be traced to Alfred Chandler who was quite influential from the late 1950s. In his 1962 book, *Strategy and Structure, he states:* "… corporations should develop their strategy before deciding their structure" (Koch, 1995, p.2). Other writers, however, argue that the roots of Strategy go back to 1921, with Alfred Sloan's reorganisation of General Motors.

But, whenever the genesis, the importance of the concept of strategy is that successful businesses anticipate crisis and thus, are constantly planning and preparing themselves for any unforeseen circumstances. "One has to make the organization capable of anticipating the storm, weathering it, and in fact, being ahead of it. That is called, innovation, constant renewal" (Drucker, 1990, p.7). This is what is also known by many writers as '*competitive advantage*.' That is, the edge that an organisation possesses, which other organisations do not. In other words, this type of business environment needs a strategy.

The term "strategy" has numerous meanings in various contexts. According to the Readers Digest Oxford Dictionary (1993, p.1539), strategy is, "a plan of action or policy in business or politics."

This definition includes terms like "plan"; "tactic(s)," "design," "policy," "procedure," "approach," "manoeuvre," "scheme," "blueprint," "scenario" and "master plan." Mintzberg and Quinn (1992. p.3) contend: "There is no single, universal accepted definition [for the word ***strategy***]." Different authors and managers use and define the concept to suit their contexts.

Strategy is defined as a “plan designed to achieve a particular long-term aim… the art of planning and directing [organisational] activities …” (South African Pocket Oxford Dictionary, 2002, p.898). Harrison (1986, p.7) describes strategy as “…the ‘grand design’ or overall approach which an organisation chooses to move toward its objectives." Mintzberg and Quinn define strategy as, “The pattern or plan that integrates an organisation’s major goals, policies, and action sequences into a cohesive whole."

Other definitions of strategy disregard the relationship of strategy to organisational mission and focus exclusively upon the attainment of managerial objectives or an organisation’s deliberate effort to out-perform its rivals. According to this view, “strategy fundamentally is the deployment of resources to achieve an objective” or better still, “strategy is a set of goals."

Despite Mintzberg’s argument that there is no single, universal accepted definition of ‘strategy’ Chandler, (1966, p.62) gives what might be considered a more comprehensive definition. He suggests strategy is “the determination of the basic long-term goals and objectives of the organisation and the adoption of courses of action and the allocation of resources necessary for carrying out these goals."

Generally speaking, a well thought out and well placed strategy within the organisation should take into consideration all the various hierarchies and structures (business unit strategies) as having imperatives of their own can result into a viable standpoint for the organisation. Drucker (1990, p.39), however argues that “strategies are only as good as they convert plans into results."

2.10 Why is Strategy Important?

The success of any organisation or business is dependant upon a well defined course action, recognition of potential problems and taking advantages of an organization's competencies. Hofer and Schendel (1978, p.4) assert " …a critical aspect of top management's work today involves matching organisational competencies with the opportunities and risks created by environmental change in ways that will be both effective and efficient over the time such resources will be deployed. The basic characteristic of the match an organisation achieves with its environment is called its strategy."

Often this activity of linking organizational competencies and opportunities is conducted by top management with the support of middle or operational staff. Strategy includes the purposes for the organisation's existence in the first place; its vision and mission, leaders and managers, plans, shareholders, government, suppliers, customers, employees, the community and society at large. It is the synergy of all these elements which has to be smartly linked and crafted into a successful plan in order to achieve the organisational objective.

Pycraft *et al*. (2000, p.71) state:

> …when an organization articulates its "strategy" … it has made decisions which commit [it] to a particular set of actions… strategy therefore defines the position of an organization relative to its environment or definition of identity.

Koch (1995, p.2) identifies and lists a number of what he refers to as 'potential benefits' of strategy to include:

- Identifying short and long term remedies for firms in financial crisis that provide both short and long term remedies
- Showing when a firm is at a turning-point, and which way it should turn

- Finding appropriate acquisitions that will enhance shareholder wealth
- A system for successfully integrating acquisitions and improving performance
- Highlighting which businesses have had the greatest value, which should be developed and invested in, and which should be sold or closed.

Setting strategic objectives for organisations is critical for survival. Without a systematic and versatile strategy development process, and effective implementation of strategy, an organisation is likely to face unpredictable challenges which would lead to its demise. It may, therefore, be argued that organizations which do not match their competencies with opportunities and work in the environment are likely to fail because they are unlikely to be competitive and provide efficient services.

2.11 Strategic Management Processes

Literature dealing with strategic management has been multiplying at a rapid pace over the last several years. This has been due to pressures organizations face and the need to identify the most efficient and effective means of developing strategic initiatives and goals providing organizations with competitive advantage.

Much of the literature covers conceptual models said to have been tested and validated in terms of applying them to day-to-day operations of organisations. It appears, however, despite the many models documented, there are generic aspects of the strategic management process that provides a foundation upon which to develop the conceptual process.

Some writers like Andrews (1980, p.28), and Wheelen and Hunger (1983) have discussed the concept of strategic management as being divided into

two key stages – strategy formulation and strategy implementation. How organisations unpack these terms vary. Andrews, for instance, asserts strategy formulation is deciding what to do. Prior to the formulation of a strategy, areas to examine are:

1) identification of opportunity and risk,
2) determination of the organisation's resources,
3) personal values and aspirations of senior managers,
4) social responsibility of the organisation.

Along the same lines of argument, Ehlers and Lazenby (2004, p.5) argue there are actually only three phases to the strategic management process. These are: strategy formulation, strategy implementation and strategic management control plus evaluation.

They assert in the formulations stage, "an environmental analysis is crucial to the strategic management process and without it, it is impossible to effectively move on to the next phase in the process, namely strategy formulation." This infers there is a pre-formulation stage called *environmental analysis*, which ought to take place before effective formulation can occur.

Environmental analysis is the external and internal evaluation for possible business opportunities and or threats, commonly known as SWOT analysis. This is an important stage as it is when the organisation establishes its strengths and weaknesses. The organisation builds upon the strengths and exploits opportunities (Bowman, 1990, p.47) and establishes its competitive advantage. Although in the case of NGOs, Ehlers and Lazenby (2004, p.276) prefer to refer to it as 'institutional advantage.' This is because NGOs, unlike profit-making organisations who seek a profit and refer to competitive advantage, do not make a profit. They only seek to perform tasks more effectively and efficiently than other comparable organisations. In this context,

the organisation also identifies weaknesses to find solutions to address and eliminate those weaknesses.

Harrison (1986, p.66) states strategic planning “is the systematic and more or less formalised effort of [an organisation] to establish basic purposes, objectives, policies, and strategies to achieve and to develop detailed plans to implement policies and strategies to achieve objectives and basic [organisational] purposes." He identifies the following variables as commonly associated with strategic management: 1) External environment, 2) capabilities of the organisation to capitalise on opportunities and ward off threats, 3) organisational mission, 4) managerial objectives, 5) selection of strategy, 6) implementation of strategy, 7) feedback of information, and 8) evaluation and control of strategy (1986, p.89).

Despite the varied ways in which strategic management may be unpacked, viewed or approached by organisations, the fact remains it is central to effective management of most types of formal organisations.

People involved in the strategic management process are those at the top managerial levels of the organisation as depicted in Figure 1 below. Accordingly, implementation is executed at different levels. Although the strategic vision of the organisation is the responsibility of the organisational leader, such as the chief executive officer. Ehlers and Lazenby (2004, p.4) assert the environmental analysis, is the responsibility of every manager at every managerial level, from top management level to functional level (middle management) on down to the supervisory level.

The formulation of strategy, which is based on results of the environmental analysis, is, however, top management’s responsibility. The strategy implementation, which is the last and most difficult stage of the process, is achieved by all parties (all levels of employees) including stakeholders. The

following diagram is an illustration of the hierarchy strategic management process as depicted by Ehlers and Lazenby (2004, p.10).

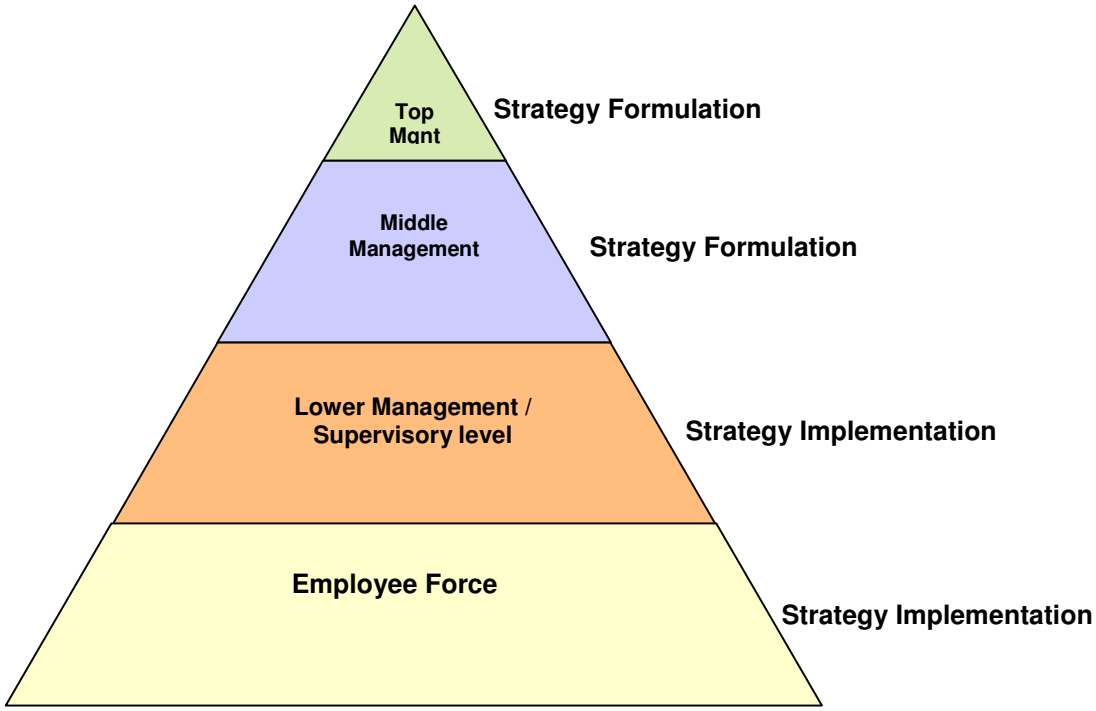


Figure 1: The hierarchy of strategy implementation (Ehlers and Lazenby, 2004)

2.11.1 Strategy Formulation

According to Wheelen and Hunger (1983, p.9), “strategy formulation is the process of developing long-range plans to deal effectively with environmental opportunities and challenges in light of corporate strengths and weaknesses. … and strategy implementation is the process of putting strategies and policies into action through the development of programmes, budgets, and procedures."

After establishing the strategic direction and environment analysis, organisations are said to be in a position to develop long-term goals. These

goals emanate from a mission statement, but they are more quantifiable. That is, the goal has to measurable within specific time periods. Abell (1999) indicates that building a long-term plan is, in itself, a part of the process of building a vision of the future and how to get there. This may involve reconfiguration of the current resources and structures; bold moves from the present way and methods; reshaping and reorganizing the business to compete more effectively in the future.

Studies show at least one of the long-term goals of any organisation has to revolve around its competitive advantage. Ehlers and Lazenby (2004, p.121) say: “To survive, grow and prosper, an organisation has to distinguish itself from its competitors. This means that managers have to identify one or two strengths within their organisation that make their products and services more attractive than those of their competitors." Literature also advises that, with the identified strengths and threats, it is also wise to attach some risk to any apparent alternative.

With today’s ever-changing technology, global competition and regulation, strategy formulation is a continuous exercise, where businesses are forced to continuously re-think and realign their organisational strategies. This means, that while businesses are expected to be operating and competing today, they should at the same time, be preparing for tomorrow.

2.12 Strategy Implementation

Strategy implementation follows formulation of strategy. Strategy implementation can be defined as the process turning strategic plans into a series of action tasks. It also ensures these tasks are executed in such a way that the objectives of the strategic plan are achieved (Ehlers and Lazenby,

2004, p.176). As much as it might be easy to formulate strategy, implementation is not that easy.

Literature and practice indicate certain driving forces – leadership, culture, reward systems, recognition, organisational structures and resources – must be available to successfully achieve set goals and mission. Much of the available literature likened strategy implementation to control; or that implementation is a combination of communication, interpretation, adoption, and enactment of the strategic plan (Smith, 2000, p.16).

Strategic control is viewed as one mechanism of ensuring set strategies are implemented as planned. Smith citing Schendel and Hofer defines strategic control in the following way. “Strategic control focuses on the dual questions of whether: (1) the strategy is being implemented as planned; and (2) the results produced by the strategy are those intended. While the focus of traditional management control is on all aspects of the plan, the focus of strategic control is on the key success factors” (Smith, 2000, p.126).

There are five strategic control approaches which are outlined by Smith: The control of strategic implementation; validating strategic assumptions; managing strategic issues; interactive control and periodic reviews of strategy. The following table summarises the key characteristics of these five approaches of strategic control.

2.13 Strategic control and evaluation

Strategic control is an extremely crucial element of the strategic management process. This creates the feedback loop which indicates any adjustments to be made in order to alighn the process with its environments and improve the

likelihood of successful strategy implementation. Strategic control or strategy evaluation may lead to changes in the choice or strategy or to changes in how the strategy is being implemented or even changes in the formulation and implementation phases.

Strategic control according to Ehlers and Lazenby (2004, p.232) is the strategic management process that focuses on evaluating the chosen strategy in order to verify whether or not the results produced by the strategy are the ones intended. Because strategies focus on the long-term future and time elapses between formulation plus implementation of the strategy and achieving the intended results, strategic control evaluation is a critical element of the process. During the time lapse, changes in both the external and internal environments – this could affect the chosen strategy – takes place. Basically, there are two focal points of strategic control, namely: to review the content of the strategy and to evaluate as well as control the implementation.

The following table summarises the characteristics of the five approaches to strategic control as presented by Smith (2000).

Table 2: Management control and the five approaches to strategic control (Smith 2000, p.130).

	Traditional Management control	Strategic control of strategy implementation	Validating strategic assumption	Strategic issues management	Interactive control	Periodic strategy review
Purpose	Ensure that strategy is implemented as planned	Ensure that strategy is implemented as planned	Change strategy control in light of invalid planning assumption	Change strategy content in light of emerging opportunities/threats	Change strategy content in light of emerging opportunities/threats	Change strategy content in light of invalid assumptions and new opportunities/threats
Process	Set standard for performance measured actual performance, use deviations to take correction action	Set standard for performance measured actual performance, use deviations to take corrections action	Collect data to monitor planning assumptions, and respond to the information contained In the data	Collect data to identify opportunities and threats, interpret the data and respond to the information contained in the data	Choose an aspect of organization's performance, track actual performance and debate the detailed explanations or deviations prepared by line managers	Collect data to check the validity of planning assumptions and to identify new opportunities/threats,, interpret the data and respond to the information contained in the data
Focus	Implementation process in all detail	Key success factor	Planning assumption	Potential opportunities/threats which arise from the environment (include remote segments)	Environmental changes associated with the aspect of organizational performance chosen to be controlled interactively	Planning assumptions and potentials opportunities/threats which arise from the environment(including remote segments)

Smith emphasises the purpose of strategic control as being similar to traditional management control, which includes setting standards, measuring actual performance and utilising deviations to advise corrective action. Smith also presents a summary table of the four approaches.

Table 3: Developing a combined approach to strategic control aimed at controlling the strategy content (Smith, 2000, p.131).

	Validating strategic assumptions	**Strategic issues management**	**Interactive control**	**Periodic strategy review**	**A combined system**
Trigger for changing the strategy content	Invalid planning assumption	New opportunity / threat	Sizable deviation of actual performance from the plan	Invalid planning assumption or a new opportunity / threat	Invalid planning assumption or a new opportunity / threat
Timing	Continuous	Continuous	Continuous	Periodic	Continuous, including a periodic full-scale strategy review
The managers involved in process	Line managers	Experts and staff	Line managers	Line managers	Line managers

In summary, Smith identifies three important implications regarding implementation control. These are:

1. Managers must be aware that strategies are always based upon assumptions which need to be verified all the times. Environmental changes can make strategies obsolete.
2. Since even the best planned strategies may have to be modified during implementation, managers need to be prepared to withdraw their commitment to pre-planned courses of action.
3. Lack of staff support can hamper efforts to change pre-planned strategies even if top managers recognise the need to revise the

> strategy and have the will to initiate those changes (Smith, 2000, p.136).

In conclusion, it is necessary to take note of the following. Although the literature review indicates the strategic management process – formulation and implementation – are depicted as two distinctly separate processes, they are in actual fact, two overlapping processes. However, there exists a very thin line between the two that could distinctively split them.

2.14 Strategy setting in NGOs

Literature indicates strategy setting is an interdisciplinary exercise and incorporates a competitive plan of action, history, business practices, and organisational theory (Allison and Kaye, 2005, p.11). What is similar in all organisations, be it non-profit, for-profit or government, is the essence of strategic planning, which includes deciding what needs to be accomplished and how to go about achieving it.

What might be different is the nature of internal and external forces influencing essential tasks. Another difference among these three sets of sectors is the governance of these organisations. The board of directors governs both the NPO and for-profit organisations, while a wide variety of publicly elected bodies govern the government organisations.

Another difference among these sectors is that for-profit organisations place emphasis upon the best means of accumulating profits and customer satisfaction. They invest heavily in market research to improve quality as they compete for customer business. This is not the case with government and non-profit organisations. This is because, with government and non-profit

organisations, the direct consumers of the product or service pay only a small portion of the cost.

Despite the various outlined differences, NGOs, like for-profit and government, articulate about three to five strategies, which help the reader, understand where the primary focus of its resources for a given frame of the strategic plan will be located.

As previously discussed, all NGOs, including education-related ones, need to be alert to development requirements of a country and, most importantly, they have to be forward looking. This suggests educational NGOs like any other organization must have a vision or direction. This vision and mission must dictate the kind of goals and activities which an organization is engaged in, and having an ongoing role in the society.

For that reason, educational NGOs have to sustain themselves and keep going from event to event and from one type of issue to another which might arise from within the organisation or the external forces. To sustain themselves, education NGOs absolutely must organise themselves in terms of identifying relevant issues around which to organise their mandate and utilise a range of strategies to achieve their objectives.

Therefore, NGOs have to decide which strategies will be most effective in the circumstances they most likely expect to find themselves. They must also ensure all staff associated with the implementation of strategies or desired direction, understand those strategies and consequently buy into them. Although all non-profit organisations have been clustered together and are being referred to in this paper as NGOs, it is important to note that each of these organisations employ various strategies deemed to be the most appropriate in their particular situation.

2.15 Summary

This chapter reviewed literature on NGOs by highlighting some key issues of such organisations, defined the term “NGO” as well as its role in society. The chapter also reviewed the concept of strategy as it is defined; its purpose in organisations, as well as how it is formulated and implemented in organisations, including NGOs.

More specifically, the review highlighted the role of education NGOs in the South African context. The review also highlighted the role the NGO sector has played in advancing education from the apartheid system through to post apartheid South Africa. The review has also shown that NGOs internationally and in South Africa, in particular, are critical partners in meeting development goals of the nation.

The literature reveals NGOs, including education-related NGOs, were generally the avenue through which the underserved were finally served. As well, the literature has attempted to demonstrate that, following the democratic dispensation, the fortunes of NGOs have altered in terms of funding and the services offered.

It emphasises the fact that both local and international financial support enjoyed by NGOs previous to 1994 has been redirected to South Africa's new democratic government. Since then, NGOs have had to establish partnerships with the new government in serving the public.

The literature has shown government funding to NGOs was attached to stringent management practices which called for greater accountability and transparency as required by donors and subsequently the prevailing

government itself. The literature also has shown most services such as health and education, which were once offered by some NGOs, were now the direct responsibility of a legitimate government and, therefore, had to be provided to all citizens. As a result, many NGOs found themselves serving no purpose.

Such harsh situations have forced many NGOs to either close shop or drastically revise their strategy. Those agencies successful in making the transition continued and survive into the present. Therefore, it is these successful strategies utilised by surviving NGOs which are the focus of this study. However, the literature has also shown enabling and supporting legislation has been enacted, and if used strategically, it can "support" NGOs existence.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodology applied in the research study. As mentioned earlier, the focus of this research was to investigate the successful strategies of surviving education-related NGOs. The measures they have employed and continue to employ, enabling them to survive in South Africa's post apartheid era. This research methodology is described in terms of the following sections: Research Approach; Sampling; Data Collection Techniques; Data Analysis; Limitations of the Research and the Questionnaires.

3.2 Research approach

The study employed a qualitative research approach. Qualitative research emphasises the use of words rather than numbers such as in the quantitative research style. With the quantitative method, researchers employ measurement by quantities in the collection and analysis of data. In qualitative research, Merriam states: "…a researcher is interested in understanding how participants make meaning of a situation or phenomenon, this meaning is mediated through the researcher as an instrument. The strategy is inductive and the outcome is descriptive." Put another way, this method does not primarily depend on quantitative data and analysis, instead, it is descriptive and interpretative in nature.

Descriptive analysis and presentation is "where one 'paints a picture' with words or numbers, presents a profile, outlines stages, or classifies types.

Interpretive, is an approach to social science that focuses on achieving an understanding of how people create and maintain their social worlds" (Neuman, 2000, pp.508 and 512).

According to Mouton (1996, p.169), "In a qualitative research, the investigator usually works with a wealth of rich descriptive data, collected through methods such as participant observation, interviewing and document analysis." Qualitative approach to research brings about a clear understanding of reality and, it "brings home the experience to those who have not experienced it" (Walker, 1985, p.16).

This research study adopted the descriptive approach because it allowed the researcher to explore, obtain opinions and perceptions, understand and describe the social phenomenon being investigated. In this case, the described approach is most appropriate for this study. This is because this study strives to understand the specific aspects of NGOs surviving in post apartheid South Africa. Strategies employed to ensure the continued survival of NGOs amid challenging circumstances is the particular focus.

According to Gay (1981, p.12), "One common type of descriptive research involves assessing attitudes and opinions towards individuals, organisations, events or procedures." This methodology provided an opportunity to collect data in the form of opinions, perceptions and experiences from key interviewees associated with NGOs. An examination of documentary evidence provided further understanding of the organisations in the study.

This study was also exploratory in nature. Exploratory research is described as "research into an area that has not been studied and in which a researcher wants to develop initial ideas and a more focused research question" (Neuman, 2000, p.510).

In this case, much as there have been studies conducted on various aspects of NGOs, there have been no studies directed at strategies employed by NGOs to survive following change of government and funding policies. It is hoped this research can uncover relevant information and will add to the already available body of knowledge. It is also this researcher's hope this study will serve to influence the successful operation of education-related NGOs.

3.3 Population and sampling

Neuman (2000) describes a sample as a smaller set of cases a researcher selects from a large pool and generalises to the population. In other words, it is a segment of a larger population. Studies have shown samples should be both representative of the population as well as being convenient and cost effective.

A convenience sample is one that is simply available to the researcher by virtue of its accessibility (Bryman, 2004, p.100). Easy accessibility might be because the researcher has easy access to the target population or because the researcher works or lives in the same vicinity. The chance therefore, the researcher would receive cooperation from the population in the process of data collection is a determining factor. One key limitation with this sampling technique however, is one cannot generalise the findings.

Another concept closely associated with this study, in relation to sampling, is purposive sample. A purposeful sample is a selection done on the basis of prior knowledge of the population, characteristics and the purpose of the study. According to Merriam (1998, p.61) purposive sampling is “based on the assumption that the investigator wants to discover, understand, and gain

insight and therefore must select a sample from which the most can be learned." Therefore, the researcher must sample on the basis of wanting to interview people who are most relevant to the research question.

In taking into consideration issues of cost, time and practicality, this research employed a combination of both types of sampling – convenient and purposive samples. This research was purposefully conducted among education-related NGOs located in Gauteng Province, known to the researcher and ones which are still in existence.

However, while this method is suitable and convenient for the purpose of this study, the method is by no means without its disadvantages. Bless and Higson-Smith (1995, p.95) provide this cautionary comment. "The great danger in this type of sampling is that it relies more heavily on the subjective consideration of the researcher than on scientific criteria." If not checked, this sample can lead to irrelevant results. Bias can come into play and render the study suspicious. In spite of this disadvantage, however, it was the researcher's view that the organizations included in the study, though from the same education-related sector, each had been in existence for a relatively long-time. Additionally, each had experienced numerous policy changes to such an extent that their accrued lessons would be highly useful in this study.

The research sample consisted of three education-related NGOs in existence for not less than ten years. These organisations were chosen on the assumption that – if they have survived ten years or more at the time of this study – they could be considered resilient, "successful" and have devised certain strategies that could provide the basis of this study.

3.4 Data Collection Techniques

Qualitative research tends to employ multiple forms of data collection in one single study. Leedy and Ormrod (2001, p.101) explain that in qualitative research, the researcher digs deep and examines the data from various angles with a view to constructing a rich understanding of a complex and multifaceted situation.

With this method, the research employs a triangulation approach in the gathering of data. Triangulation is the use of multiple methods of data collection – a means of using multiple data sets or examining a phenomenon from several perspectives in search of common themes for the purpose of validating information to support the validity of findings. Bryman (2004, p.545) defines triangulation as “The use of more than one method or source of data in the study of social phenomena so that findings may be cross-checked."

Data for this study was collected by means of interviews and review of documents of the NGOs participating in the sample.

3.4.1 Interviews

Primary data was collected through in-depth interviews with Chief Executive Officers (CEOs) of the organisations in the sample. The second form of interviews was focus group interviews conducted with senior management staff at the three organisations.

Interviews were used because they are adaptable and can enable the researcher to obtain rich and useful information. They allow interviewees to freely speak about their experiences without being limited to what is written down, as in a questionnaire, for example. Interviews are also useful because

they enable the researcher to probe and follow-up on ideas and issues raised in responses.

As well, interviews allow the researcher to further investigate the motives and “feelings” behind certain responses which could otherwise not be possible with surveys or other methods. Bell (2005, p.157) states: “the way in which a response is made – tone of the voice, facial expression, hesitation, etc. – can provide information that a written response would conceal." Interviews were therefore considered the best method to obtain quality data for this study .

While interviews have their advantages, they are also known to present some disadvantages. Interviews are time consuming and as such, only a small sample of interviews can be conducted. Another disadvantage is that interviews may be highly subjective and the danger of bias by the researcher is a possibility. Nonetheless, despite these disadvantages, the advantages of interviews outweigh the disadvantages because interviews can unearth rich data for the report.

The second form of interview used was focus group interviews. In this type of interview, the interviewer asks questions to the group, and answers are given in an open discussion among the group members. In this study, one focus group interview consisting of the three middle or senior/operational management staff was planned to be conducted at each of the three target NGOs. Three managers were available in one organisation, two in the second and only one manager in the third organisation.

During both forms of interviews (in-depth and focus group), a semi-structured instrument (Appendix 1) was developed for this purpose. The instrument consisted of four sections. The first dealt with biographical data, seeking general information about the organisation. The second and third sections

were about whether or not these organisations engaged in any systematic strategy-setting exercises. The final section looked at how these organisations responded to donor funding pressures in the post 1994 period.

The interviewer took notes during the interviews. In addition she requested permission to tape-record the interviews before the interviews commenced. Participants did not object to this request. These two forms of data capturing (note taking and recording) were used to ensure the researcher captured an accurate record of what was said.

The use of the tape recorder also allowed the researcher to maintain personal contact and maintain eye contact. This helped the discussion to flow smoothly and naturally. In the case of focus group interviews, it was quite difficult to take notes or to capture everything said, especially when more than one person spoke at the same time. Finally, tape recording was useful to check the wording of any statements the respondents might have made.

The following table presents an overview of the interviews conducted at each of the three sample NGOs in terms of the two interview categories in each organisation.

Table 4: Summary of interviews

Interviewee categories	**Method of interviews**	**Organisations**			
		A	B	C	Total people interviewed
CEOs	In-depth interviews	1	1	1	3
Senior managers	Focus group interviews	1 x 2	1 x 3	1 x 1	6
Total people interviewed in each NGO		**3**	**4**	**2**	**9**

3.4.2 Document analysis

In order to improve the degree of reliability and validity of the data collected through interviews, the researcher included document analysis as a second source of data. The intention here was to determine exactly how strategies were articulated, communicated and implemented. The challenge, however, with this form of data is the unlikelihood of accessing documents. Unfortunately, organisations are often reluctant to share official records and documents because they are considered confidential, 'company secrets.'

When this information was requested, the organisation clearly refused to comply and stated in no uncertain terms that the information was 'confidential' – most especially to a researcher who worked for a competing organisation. The exact words were: "we are in a competitive business in a very competitive time of the NGOs' life history, and such information cannot be given out."

3.5 Data Analysis and Interpretation

Data collection and data analysis in qualitative methods of study are not necessarily separate processes. Data analysis begins soon after the first set of data is collected. This is because, while the researcher is collecting data and capturing it, the analysis process also takes place. It means, the researcher does not have to wait until completion of data collection to begin analysis.

Although, at this stage, the analysis could not be conclusive, the researcher still will have started to develop some general ideas about what the collected information is leading to. Although there is a level of analysis that might have

taken place during the process of data collection, a stage of proper data analysing has to occur. This is the approach applied in this study.

It must be noted there are various ways of analysing qualitative data. This study adopted the analytical comparison model referred to by Neuman (2000) and developed by British philosopher, Mill (1806-1873). In this model, the researcher develops ideas about regularities or patterned relations from pre-existing theories or induction.

The researcher then focuses on a few regularities and makes contrasts with alternative explanations, then looks for regularities not limited to a specific setting such as time, place, group etc. (Neuman, p.427). In this case, there were particular ideas, practices and beliefs emerging as common themes. These themes cannot be said to have necessarily been limited to any specific setting, time or place.

With this model in mind, the researcher undertook the following processes to analyse the data. Handwritten notes and tape-recorded data were captured into a Microsoft Access computer programme according to the questions on the interview instrument.

Although the instrument was arranged according to major thematic sections, the data was further reduced and divided to manageable sizes, as well as in a sequence allowing coherence in the presentation of data. Despite the 'proper question sequence,' the questions and responses did not necessarily follow the prescribed sequence for the simple reason that the questions were open-ended. Therefore, many responses often covered a number of questions.

This stage also dealt with identifying emerging trends and themes in the data as earlier mentioned. This stage allowed for what Neuman (2000) refers to as

the ‘method of agreement and method of difference’ to form the basis of analytic comparison in qualitative data analysis. This is where differences and similarities in the interviews were identified and generalisations were made, forming typologies. The concluding task of data analysis involved a final check of the transcripts to verify interpretation and explanation of the data.

In the case of interpreting contents of the documents, this study intended to examine strategic planning reports and minutes (managements and Board), but these could not be accessed. The only documentation examined were annual reports, newsletters and other publicly available documents such as the participating organisations' websites. These content sources were used to verify information given during interviews.

3.6 Validity and reliability

Validity and reliability are very important aspects of any research study as Merriam (2002) states: “… both producers and consumers of research want to be assured that the findings of an investigation are to be believed and trusted." This means the study must be conducted in a rigorous, systematic, ethical and bias free manner.

Reliability is the dependability or consistency of the measure of a variable in a research exercise. Validity means the truth can be applied to the logical tightness of experimental design, the ability of generalizing the findings outside a study, the quality of measurement, and the proper use of procedures (Neuman, 2002, pp.518 and 521).

According to Patton (1990, p.23), face validity and credibility in qualitative research is more concerned with whether or not the original interviewee data

presented is an accurate and true reflection of what respondents said, and whether contextually specific issues accurately locate the qualitative data.

Patton (1990, p.44) also states that inductive analysis is the basis of qualitative research, and is based on an engagement with context. – It is not based on the imposition of preconceived ideas through the setting of hypotheses or deductive constructions as is the case with quantitative research.

Various writers, such as Merriam (2002, p.25) suggest “using multiple data collection methods” to double check the consistency of responses and thus improve the degree of reliability of data. Some suggested alternative forms of data sourcing by interviewing different categories of interviewees using a combination of face-to-face interviews with one category and surveys with another. All these activities are undertaken for the purpose of cross-checking data, also known as triangulation of data for the purpose of ensuring validity and credibility of the qualitative findings.

This study employed two forms of interviews. Using exactly the same interview instrument, in-depth interviews were conducted with the CEOs of each of the target organisations and focus group interviews were conducted with management teams.. Another data source intended to be used in this study was document analysis. This task, unfortunately, failed to be conducted as organisations refused to allow access to documents such as management & board minutes and strategic planning reports when requested.

Another element designed to ensure validity and reliability of the research study is pre-testing of the instrument. Pre-testing of a research instrument involves conducting pilot use of the instrument – in this case, interviews for

purposes of clarifying the items and ensuring they are asking questions that would capture appropriate data and address the specific identified issue.

In this study, a pre-test exercise of the instrument was conducted with an out-of-Gauteng education-related NGO. That NGO is based in KwaZulu Natal. Due to time, distance and cost constraints, a telephonic interview instead of face-to-face interview, was conducted with the CEO. The process afforded the researcher the ability to clarify unclear questions and items, as well as remove unnecessary queries.

3.7 Limitations of the research

This study, like many others, inevitably experienced some difficulties that may present some limitations within the study. This study was conducted based upon a sample of only three Gauteng-based education-related NGOs, out of the nine provinces in the country.

Two categories of interviewees – CEOs and senior management teams – were targeted at each organisation. Both categories of Interviews were successfully conducted at each of the three organisations, except at organisation 'B'[1]. Here, senior management team interviews failed to be conducted. It therefore meant the researcher had to rely upon only one source for data.

This also meant triangulation of the data to reinforce the data could not be accomplished. Although there are no indications the lack of having conducted these interviews could have produced any different results, it is imperative to

[1] For anonymity and confidentiality, organizations in the study have been referred to as 'A'; 'B' & 'C'

caution readers that the findings herein may not be generalised to the study sample as well as the whole NGO sector in South Africa.

The second aspect, in terms of limitation was that the research design adopted a qualitative approach, thus making the generalisation of findings rather limited in terms of a lack of quantifying the results from a numbers perspective.

At the outset, this study had intended to use various sources of data including documents as secondary sources of data collection. These were intended to supplement the information obtained from the primary sources. Although there was access to some documentation, available in the public domain such as flyers, annual reports and the websites, there exists a lack of access to key records and documents. Documents not in the public domain, such as board and management minutes and strategic planning reports at each of the organisations, presented some level of limitation to the research finding.

Other than the above mentioned limitations, the research progressed well in terms of sufficient time to conduct the study. There were costs incurred in terms of conducting the research because all the target sample organisations were all located within the vicinity in which the researcher worked.

All three sample NGOs are located in the Braamfontein city centre of Johannesburg. Two of these organisations are in the same building but on different floors and the third was located across the street. Research meetings were conducted during lunch-time, thus reducing the level of interference with work for both the interviewees and the researcher.

3.8 Summary

This chapter focused upon describing the research methodology adopted in collecting, analysing and interpreting data. The chapter described the qualitative method, which was selected, as it was the most appropriate approach since the study required detailed explanations and interpretations of issues and strategies used by education-related NGOs which remained viable following various government policy changes in South Africa, post 1994.

CHAPTER FOUR

PRESENTATION OF FINDINGS AND ANALYSIS

4.1 Introduction

The literature review in Chapter Three was undertaken with the view of examining and supporting the research question. – What survival strategies have education-related NGOs employed to enable them to survive in post-apartheid South Africa? To achieve this, three research queries were presented. These are:

- Do surviving education-related NGOs engage in systematic strategy setting?
- What strategies have surviving education-related NGOs employed in order to successfully continue in the post 1994 period?
- How have education-related NGOs responded to more stringent donor-funding pressures?

The literature also looked at the origins of NGOs, their role in society as well as funding. The concept of strategy and how strategy processes are undertaken in organisations was also examined. The purpose of Chapter four therefore, is to present the data, interpret and discuss the findings in relation to the main research question. The discussion forms the precursor to the research question.

The chapter starts by presenting a brief background of each of the three organisations. It then presents the collected qualitative data by addressing each of the research questions. In analysing the data, the researcher used

content analysis. This approach identified themes and generally compared findings among the three organizations as collective entities.

The analysis also compared CEOs responses with those of organisational managers in each organization. A comparison was also done of CEOs and managers across the three organizations, similar to a bi-variate analysis. But while a bivariate analysis looks at comparing two variables at a time in order to determine if the variables are related, the content analysis approach adopted in this study seeks to qualify content in terms of predetermined categories in a systematic and replicable manner (Bryman, 2004, p.283). In this case, the predetermined categories are the research questions.

4.*2 Background of Surviving Education-Related NGOs*

The study identified three Gauteng-based education-related NGOs' (identified as organisations 'A', 'B' and 'C'[2]) involved in the study. Each of the three organisations were chosen on the basis of meeting the following criteria – of: being education-related NGOs; having been in existence for at least a minimum of ten years or longer and based in Gauteng.

The researcher's assumption was – if these organisations have survived beyond ten years in post apartheid South Africa, they will have had established certain "strategies" enabling them to survive. These strategies must have been established as a result of transformational changes having their genisis in governmental policy change and subsequently revised funding protocols for NGOs in post apartheid South Africa.

It was also the assumption of the researcher that with the funding protocol changes, NGOs were adversely affected to extents where most NGOs failed to survive and closed operations. To that effect therefore, the study

[2] The real names of the organisations have been withheld to retain confidentiality.

conducted various Interviews with CEOs and senior management staff at each of the three organisations. Rationale for targeting these two categories of interviewees was obvious. It is common belief this category of employees – the senior management team – in almost all organisations, are responsible for formulating and designing strategy, its plan and its implementation.

4.2.1 Organisation 'A'

Organisation 'A' was established 14 years ago, in 1992, during the apartheid period. It was one of the many education-related NGOs established at the time.

Organisation 'A' is an independent, non-profit organisation which works with government, the private sector, international development agencies and education institutions. Its mandate is to improve the quality of education and the relationship between education/skills development and the realm of the workplace. Organisation 'A' operates across the public education sector in South Africa: from schools [General Education and Training] to colleges [Further Education and Training] and universities [Higher Education].

The current CEO has been has been at the helm for thirteen years. There are twenty eight employees in organisation 'A'. Two sets of interviews were conducted. The first set of interviews, a focus group, was conducted with the two senior staff members who are members of the senior management team. The second set of in-depth interviews was conducted with each of the CEOs.

4.2.2 Organisation "B"

Organisation 'B' was formed 14 years ago; in July 1992 as an educational trust. It was formed by a group of prominent educationists who anticipated the role distance education methods could play in reconstructing South Africa's

fragmented education system. It employs a staff compliment of seventeen and two contract workers. The current CEO had been heading the organisation for the past thirteen years. The organisation is registered as an educational trust. The trustees are renowned and respected educationists from various education sectors.

Only one in-depth interview with the CEO was conducted at organisation 'B.' Despite several attempts to secure an interview with the recommended management team member, the finance manager, whom the CEO had recommended, the interview failed to materialise. The finance manager was as either too busy or ill and not in the office.

4.2.3 Organisation 'C'

Organisation 'C' was established thirteen years ago, in 1993. The organisation was established to start developing education policy for the democratic South Africa. The current CEO had been heading the organisation for ten years, since 1996. The NGO has sixteen workers, including research, administrative and finance staff. The organisation is governed by a board of trustees. Two sets of interviews were conducted at NGO 'C.' The first was in-depth interview with the CEO and the second was with three senior management staff.

4.3 *NGOs' Engagement in Systematic Strategy Setting*

The first research question was intended to learn whether or not these surviving education-related NGOs engaged in systematic strategy setting. The purpose of including this research question in the study was because the researcher wanted to investigate the types of plans NGOs engaged in, if any.

Additionally, it was important to discover how the processes contributed to the success and continued survival of these organisations.

4.4 NGOs' Funding Background

To address this research question, one of the key questions asked of the respondents -- both CEOs and management staff – was to disclose a brief background of the funding situation in the pre and post 1994 period in their organisation. The reason for this question was to compare funding scenarios during these two distinctly different periods. There is also an understanding that the change of government in the post apartheid era had been more hindering than facilitating. The question, therefore, aimed at either supporting or disproving this view.

4.4.1 Funding Background - Organisation 'A'

Both management staff and the CEO in organisation 'A' described the source of funding for the establishment of the organisation and its initial running costs. The formation of the NGO was spearheaded by the Private Sector Initiative (PSI), a consortium of 20 leading South African public and private companies, which included South African corporate world, the country's major political parties, trade unions and representative organisation of black businesses.

Some of these included AECI Limited; Anglo American Corporation; De Beers Consolidated Mines and E. Oppenheimer and son, Barlow Rand limited (now Barloworld); Caltex; First National Bank of South Africa Limited; Sanlan; Saso; Caltex; South Africa Breweries; Gencor Limited (now BHP Billiton); Johnnic Limited, Standard Bank; Sankorp Limited.

Political parties included: the African National Congress (ANC); Azanian People's Organisation (AZAPO); Inkatha Freedom Party (IFP); Pan Africanist Congress (PAC).

Numbered among trade unions were: Congress of South African Trade Unions (COSATU); National Congress of Trade Unions (NACTU); and South African Democratic Teachers Union (SADTU).

Black businesses included the Foundation for African Business and Consumer Services (FABCOS) and the National African Federated Chamber of Commerce (NAFCOC) as well as the National Education Coordinating Committee, as an education body.

Initially the NGO was established to provide grant-management and to administer a R500-million grant contribution to education development over a period of five years (1992 – 1997). This donation was intended to be a once off grant and not a renewable one. This meant the Organization was to disburse and manage grants amongst community-based organisations involved in uplifting and improving the quality of education it delivered to the poorest schools and provided skills training to adults in the workplace.

The organisation focused upon key activities including teacher development; early childhood development; adult basic education; and youth development. With this money, the organisation supported over 400 other NGOs and CBOs. The condition stipulated by the donors was that at the end of the five years, by 1997, this money should be disbursed as grants and the trust closed. During this time, the organisation did not experience any financial difficulties because of this guaranteed source of income.

Both the CEO and management team indicated the organisation had, right from the very beginning, been quite forward-looking and had been aware of the eminent end of the grant. The organisation had thus been seeking ways and means of sustaining itself beyond the end of the initial grant.

It was decided by the organisation that apart from fund-holding and funds management, the agency must also focus upon building capacity and gain experience in the fields of research, monitoring and evaluation and became the best there was in this aspect. Therefore, although this project and funds were designed to last only five years, the organisation built up enough experience as well as human and financial capacity, experience, etc. to enable it to realign and establish itself as a section 21 company after the initial mandate and contract ended.

Although the researcher did not specifically ask about what may have prompted the organisation to diversify into other activities beyond the initial objective of the trust, both the CEO and the management team found themselves justifying their existence beyond the grant period.

The researcher also deduced from the management team's discussion that as a result of the human and financial capacity and experience built over the period, the organisation had, as a by-product, also built respect and trust. This outstanding reputation grew to an extent where other donors such as the United States Agency for International Development (USAID), European Union (EU); the Department for International Development (DFID); Danish International Development Agency (DANIDA); Royal Netherlands Embassy (RNE); the Ford and Kellogg Foundations had enough confidence to entrust their money with this organisation.

Indications were, therefore, that the issue of diversifying activities was a natural progression owing to the fact the organisation had discovered a niche into the services they provided. This niche was also vital to the sector and the community at large. Therefore, this organisation naturally recognised the need for its continued existence beyond the end of the initial grant.

Both the CEO and the management staff stated many changes had taken place in the post 1994 period. One obvious change was that certain services the organisation had been providing in the apartheid years were clearly now the responsibility of the state. The organisation quickly acknowledged this fact, knowing the state was indeed responsible for such services. It also conceded knowing full well it could not compete with state resources. Therefore, the organisation regretfully had to shed some services.

New government policies and procedures also meant most of the work NGO 'A' had "monopolized" was now open for public tenders. This meant all NGOs were free to compete for the same work. One of the management team members disclosed the following:

> ...The pie, that was previously for one organisation now had to be shared across many organisations… The pie had become less and less.

These developments meant organisation 'A' had to establish new and different ways of sourcing much of its funding from various sources. Both the CEO and the management team indicated one of the strongest approaches adopted by organisation 'A' in sourcing funds was becoming very proactive. This meant actively going into the market to attract and canvas for various donor funds to bank-roll projects as well as tendering for project work. This

tradition has continued to the present day and the organisation has become accustomed to this mode of operation.

4.4.2 Funding Background - Organisation 'B'

The funding situation with organisation 'B' was similar to 'A' with respect to initial funding received for establishing the organisation. Organisation 'B' was established to run projects with a special focus of looking at the role of distance education methods in the anticipated Democratic South Africa. The CEO indicated the organisation was initially entirely funded by the European Union (EU) for an initial period of three years.

However, because funding was for such a short period, in 1995 the organisation started to diversity its funding sources. It began to take on a few other projects separately funded from core financial support provided by the EU in order, to sustain itself.

By the time the initial EU funding came to an end in 1996 – and indications were very doubtful for repeat funding – Organization 'B' had completely turned its attention to its own financial sustainability. It consolidated its project systems with financial and administrative systems by controlling activities very tightly.

The CEO pointed out the organisation adopted two kinds of strategies. One was to look for alternative donor funds. This approach had proven successful in terms of continuing to work with the donors like the Ford Foundation on smaller projects. They also established working relationships with other donors such as the Royal Netherlands Embassy and the Swiss Development Corporation for other smaller projects.

The second strategy was to seek out commissioned work projects. These included partnering with other organizations and or working for the department of education. Apart the two strategies, the CEO indicated the organisation had, since 1997, focused upon the following types of income generating sources:

- General income from agencies (organisational grants)
- Particular project income from funding agencies (project grants)
- Commissioned project income (DoE, South African Broadcasting corporations (SABC), Soul City, Council on Higher Education (CHE)
- Other incomes (including interest, royalties, use of administrative services etc).

Organisation 'B' has, since 1996 ,been carrying on with this approach of sourcing for funding., This course of action has also enabled it to retain its mission and ideological underpinnings and not to slip into becoming a consultancy, relying only on commissioned projects. This approach appears to have been very successful for the organisation.

4.4.3 Funding Background - Organisation 'C'

Similar to organisations 'A' and 'B', organisation 'C' was also given an initial grant to establish and run for a fixed time period. The CEO and management staff both indicated the initial core funding was from the Canadian International Development Agency (CIDA) intended for the establishment of the centre for conducting research in education policy, curriculum and related education aspects.

The donation was a once-off grant for a period of five years, from 1993 to 1998. This funding was specifically for the running of the centre , allowing for

everything for operations – salaries, office rent and all other overheads – leaving the organisation free to pursue as much research work as was necessary. Funding for research work was sourced from various other donors which included both local and international donors.

Much as the organisation was free to pursue further funding from other sources, it appears it did not do so as they were quite financially comfortable. One of the management team made an apt observation when she said:

> During the first five years, the organisation had no financial concerns.

Both the CEO and the management team, however, pointed to the fact that as the end of the period of the initial grant drew closer in 1997, nothing was done to change the status quo. It was clear national and international donor policies had begun to change and there were strong indications donor funding was no longer going to be directed towards NGOs, but instead, handed directly to the state, still this NGO failed to take note.

Although organisation 'C' had started to institute some small changes knowing their funding was not to be repeated, it was only at the beginning of 1998 that the organisation realised the seriousness of their funding situation. Almost failing to pay salaries made the organisation suddenly realise the seriousness of their situation. It was only then they seriously began to seek other funding sources.

After the initial shock and scarcely surviving an eminent closure, organisation 'C', quickly devised mechanisms of sourcing funds. The organisation quickly adopted two strategies. According to the CEO, these changes included

focusing on contract-based research work on one hand and non-research activities on the other.

Non-research work included fund-holding and grant management as well as conferencing, which generated adequate funds and saved the organisation. Contract-based research work included tendering for all types of projects with various government departments as well as commissioned research work.

Commissioned work meant applying and submitting tenders for project work – open tenders, limited invitation tenders, and so on. The first strategy was quite successful and the organisation continued to work with donors such as the Ford Foundation for smaller projects as well as the Royal Netherlands Embassy and the Swiss Development Corporation.

The other strategy consisted of self-initiated projects. These included direct request of funds from donors and to pursue research in areas of interest as an organisation or in a consortium group of organisations. This allowed for two sorts of funding, which the Swiss were willing to provide. One aspect of the funds was for organisational operations and the other was for organisational projects. The organisational funds were for any type of projects the NGO found necessary and interested to pursue.

Coupled with these two strategies, the organisation also introduced stringent financial and administrative systems within the organisation. These systems introduced better control measures or time spent on projects as well as better and controlled use of all resources in the organisation.

4.5 Consolidated view of funding backgrounds among the three organizations

A number of similarities emerge as well as some differences in the funding background situations of the three NGOs sampled. The first and very important one, which also links to the literature, is that of circumstances under which each the three organisations were established.

The literature indicates NGOs have been known to "emerge in order to fulfil particular needs in society and or to fill a gap not filled by government due to either lack of resources or not high priority" (Salamon, *et al*., 1999, p.4). As argued earlier, quality education provision for all sectors of society was not the priority of South Africa's apartheid government.

Therefore, these organisations were established with the primary aim of filling a particular need by ensuring a service that was not catered for a certain population in society was going to be available post 1994. In each of the three organisations, the case was to establish an organisation mandated to respond to an important issue.

The second similarity is that of the initial purpose for the establishment of these NGOs. In each of the three organisations, although with different education foci, they were established for the purpose of making some form of education-related contribution to the new and upcoming democratic South Africa.

The underlying principle in the establishment of organisation 'A,' for instance, was to contribute to solving one of the greatest challenges the new democratic South Africa would face – the restructuring of the country's education system. At the time, it was rife with the inequalities imposed by the

apartheid government. The aim, therefore, was “to respond to education development and transformation with the aim of uplifting and improving the quality of education among the poorest schools as well as providing skills to adults in the workplace.

The purpose of establishing organisation ‘B’ was to “run projects that focussed on examining the role of distance education methods in the anticipated Democratic South Africa.' The rationale behind the establishment of organisation ‘C’ was on behalf of the African National Congress to prepare, by conducting research and developing education policy framework, for education and Training for a democratic South Africa.

Another aspect linking to the reviewed literature is one of the trust and confidence. Local and international donors place a great deal of faith in private non-profit organisations as being ideally suited to fill the identified needs or gaps in society. According to Salamon (1999), it is also believed that unlike government' magnitude and bureaucracies, NGO’s small sizes, tend to have easy connections and access to citizens. They are flexible, work faster and they have the capacity to tap private initiative in support for public purposes. It is also evident, in the case of each of these organisations in South Africa, that concerned groups of people – educationists, businesses, unionists, and political parties and so on – had confidence in these organisations, believing they were well fitted to respond to specifically identified societal plights. Their confidence was not merely about running projects successfully, but also trusting that the money provided would be well utilised.

The third similarity was that each organisation received an initial once-off funding to establish operations. Specific conditions were also attached to the funding in terms of the time frames; when the funds where to be utilised, and

to achieve particular educational objectives. One of the more pertinent similarities is that in spite of the fact these NGOs were set up with limited funds and for a limited period, they realigned themselves to perpetuate their existence. Ultimately, each of the organisations diversified their funding sources as well as their activities.

In discussion with each of these organisations, another interesting feature arose. When each of the organisations introduced new operations strategies for raising funds, none referred to their actions as strategy! Due to the confines of the research questions, the researcher did not specifically ask a question directly dealing with the issue of diversifying income sources or activities. Each of the three organisations, however, indicated their need to diversify. In each case, this became imperative when the first funding tranches from respective donors was near the end or had actually run out there were no alternative sources of funding.

Nonetheless, although not explicitly stated, each of the organisations highlighted one common driving factor prompting them to diversify. Each of the NGOs indicated the significance of the services they provided. They argued the services they had come to offer had become essential and thus found it obligatory to continue to provide these services to their clients.

Organisations ‘A’ and ‘B” specifically indicated they had become aware of the significance of their services very early in the projects’ life. As a result, each had begun seeking alternative means of funding. Coupled with seeking alternative funding, organisation ‘A’ had also started to build adequate capacity, expertise, other funding sources. In addition, it engages in activities which eventually enabled them to continue operating beyond the original project life.

The case was not the same with organisation ‘C’ which only started to diversify funding sources at the end of the initial funding; when the organisation reached a crisis stage.

While there were similarities among the NGOs in their experiences with funding scenarios during the pre and post 1994 periods, there were also marked differences. One was the source of funding and conditions associated with it. While organisation ‘A,’ for instance, was funded by local South African business corporations, ‘B’ and ‘C’ were funded by international donors.

This first difference resonates with the theory of NGO funding tradition– meaning NGO funding operations came from various sources. As indicated in the literature review, the following point was made: “...Because NGOs are not affiliated to government; they most often depend on donations to perform their functions."

Such donations come from private donors as well as local businesses who sympathises with the cause; governments; foreign governments, foundations and businesses et cetera. By virtue of such a wide range of funding sources, it also implies NGOs must understand and know the various granting conditions stipulated by these donors.

Much as there is little significance to this second difference, project life periods varied with the sample organisations. Organisations ‘A’ and ‘C,’ for instance, were allowed a period of five years, while organisation B was given only three. Yet, each was expected to fulfil their respective missions, intrinsic to their particular work within the specified duration.

4.6 Organisational survival

Some might consider post 1994 as ‘the NGO Dead Zone' in South Africa. Following the shift of government, many thriving NGOs fell victim to closure. This study sought to query surviving organisations about what, in their views, contributed to their own survival, given that many NGOs had seemed to die with apartheid. Some key reasons for their continued survival and present-day existence are presented below.

4.6.1 Organizational survival - NGO ‘A’

The CEO of Organisation ‘A’ summed up the organisation’s survival in one word: ***flexibility***. The organisation survived because it was able to change with the times. It possessed flexibility, in terms of activities and services offered then and the ones they continue to offer today.

To a large extent, this organisation relies heavily upon experience acquired over the years – research and evaluation as well as an in-depth understanding of the field in which it operates. Over and beyond that, the organisation had also developed an exceptional understanding of the NGO sector, particularly about what makes things work in their sector and keeping up with new developments.

In the view of Organisation ‘A’s CEO, what makes things work for an organisation in the NGO sector is the ability to identify a niche and develop expertise in that area. This can be compared to identifying strategic initiatives and or planning and effectively implementing strategic objectives.

The management team of organisation ‘A’ identified three factors which they believed had contributed to their survival. The first was attributed to the CEO whom they said had developed working relations and partnerships with a wide range of relevant stakeholders. Of course, some of these stakeholders could be considered competitors. These included the national departments, the local and international donor community, other NGOs, etc.

The second factor contributing to their survival was the organisation’s healthy financial reserves. Here, those at the organisation's upper level had the fore thought to establish a financial buffer before initial funding came to an end. Portions of this reserve were allocated to certain key projects and cushioned the organisation during the transition period. In addition, this organisation sought new strategies for sourcing funds

Before the Trust closed, Organisation 'A' had started to plan strategically in terms of how it would continue to survive following the end of the grant. They thus decided to change from operating as a Trust to a section 21 company, but continued operating under the same mission.

When its section 21 status was established in 2001, the organisation merely carried forward the residue funds from the initial project funds. By 2003, the organisation started to diversify funding sources beyond the management fees they got from the grant management. In the finance manager’s words.

> Unlike smaller NGOs that were not financially strong and lacked sufficient working capital and financial technical support, it was difficult for such organisations to go out and apply for tenders knowing they had no funds. Most tender conditions required organisations to put up their own funds on projects before the

donors' funds came in. It is such conditions that had contributed to the demise of many NGOs.

The third factor said to have supported NGO 'A's' survival was the speed in which it realised the need to change from what was considered "normal" NGO operations to operating like a business. Typical NGO operations are characterised by a working environment of unaccountability, wastefulness and being too independent.

Glasius (2002) says the following about NGOs. "Much of the criticism that is levelled against NGOs is related to their structure and the way they exist as organisations. They are considered as tamed, bureaucratic, undemocratic, oblivious to cultural diversity, and unaccountable to their members and/or beneficiaries." He further goes on to say: "However, while some of the criticisms may be well-grounded, they do largely stem from the fact that NGOs are successful in what they do."

Perhaps based on some of these criticisms, Organisation 'A' continues to apply business principles where they have to justify their existence. They make every possible effort to make sure they run on a cost recovery basis and that they are accountable to their stakeholders. The organisation has established very strong and stringent management systems and controls which are closely monitored by an equally strong board of directors to whom the organisation is accountable.

4.6.2 Organizational survival – NGO 'B'

Organisation 'B' attributed its continued success and survival to a number of factors. These include the following:

- ‘B’ was not in service delivery, but capacity development research advocacy. This is a very traditional role for NGOs across the world. Coupled with this fact, were the good relationships ‘B’ had established with their donors including those who were never going to move into entirely supporting the state, especially, those that were not traditional funders of government.
- ‘B’ indicated it had established a wide experience working with funders and was extremely careful in the manner project and funding proposals were developed. Also, they were mindful of how to properly report to funders. Finally, they had an excellent track record as for being a highly reliable organisation.
- During the 1995/6 transition period, this organisation established new financial sustainability strategies which saw it moving into a project mode of operation. This means every single aspect of the organisation’s work was and is conceived of as project. No work is embarked upon until the organisation is certain of “project” requirements, milestones to be delivered and the income likely to be generated. Its reputation was thus being built upon delivering specific outputs and outcomes within budget and on time.
- The organisation is very rigorous in bringing in and running several projects in one single year. The organisation established financial and administrative systems that underpin a projects system. With these systems, the organisation ensures the numbers of days allocated to projects are, in fact, what employees actually utilise and do not exceed the number of budgeted days. To keep track of this, the organisation introduced a time-sheet system which requires employees to account for time spent on every activity within each project as well as any time expended on outside projects.
- All the above are based on paying necessary attention to the quality of work produced.

As with organisation ‘A’, ‘B’ had also established itself early during its’ initial funding period. Another saving factor could perhaps be attributed to good luck. Unlike many NGOs providing service delivery, NGO ‘B’ was into capacity development research advocacy. Therefore, when the new democracy arrived and delivery of services became the responsibility of the national government, NGO 'B' was unaffected.

4.6.3 Organisational survival – NGO ‘C’

CEO and management responses to this question were quite similar. They indicated when the core funding ended in 1998, the organisation found itself in serious financial problems. The organisation, which had become accustomed to receiving large sums of money and spending it as it pleased, was suddenly confronted with the crisis on having no more money and was on the verge of closure.

As a result of this crisis, organisation ‘C’ had to do a quick turn-around and adopted a number of new changes. One of the major changes adopted and has maintained to-date, was to change the funding model. This NGO moved from being fully funded from one single major donor to a multiple donor mix. As well, it adopted a self-initiated contract research.

Management indicated the organisation had to undergo a major mind shift and very quickly. When the first crisis occurred, the organisation was rescued by being contracted to do piece work. Their major shift included having to go out into the market, networking and actively seeking for work.

This approach required all those associated with the organisation to become very proactive and rigorous at seeking more funding. Methods included

constantly scanning newspapers, responding to tenders, submitting proposals as well as getting into partnerships with various corporate organisations and foreign donors. The organisation also took up non-research activities including fund-holding and grants management for various donors and even conferencing.

Coupled with this new survival approach, the organisation moved towards operating like a for-profit business and competitively sought tenders.

Organisation ‘C’ also instituted new stringent and strong financial/administrative management systems. These included proper auditing of finances, strict income and expenditures controls, meeting all South African Revenue Services (SARS) requirements, proper budget planning. The latter had to be checked and approved by the board every financial year and reviewed on a monthly basis.

It is often argued that the newly introduced government's funding policies might have lead to the demise of many NGOs, especially the smaller ones. However, considering how the three sampled NGOs explained it; it can also be argued these policies were, in fact, the best solution to change the “NGO culture” for the better. As mentioned earlier, non-accountability, improper financial management systems and a general disregard for proper governance, had become quite rampant among many NGOs in South Africa during the pre-1994 period.

However, NGOs have always been critical of other organisations committing the very same indiscretions – especially other NGOs. Hrab (2004) states: “NGOs have had a culture of non accountability, yet they are very critical of others. These days, NGOs face increasing criticism… NGOs demand accountability from corporations and governments, yet exempt themselves from similar standards of accountability."

Most authors explicitly or implicitly recognise and acknowledge the need for transformation in organisations in order to adapt to ever-changing business environments. Many writers also acknowledged the fact that much as transformation disrupts operations, it is a necessary process, but only as long as it is efficiently implemented and achieves the set objective/s. Transformation is a process of changing the culture of an organisation from one paradigm to another (Njinu, 2004, p.122).

4.7 Reasons for NGO Closures in the Post 1994 Period

Another critical issue of the study was to determine why many NGOs may have closed. This matter was, of course, to be used to consolidate the issue of survival. Although it would have been ideal to have interviewed staff who had worked for those organisations, and Board members of those defunct NGOs, it was not possible to trace these persons. And, those who were traceable were not willing to discuss the matter. For these reasons, this question was asked of the CEOs and managers of surviving NGOs – to give their opinions as to what could have lead to the closures of other NGOs.

The respondents gave varied reasons they assumed could have lead to the demise of other NGOs. The CEOs of the three organisations presented the following views:

Organisation 'A's CEO suggested many NGOs closed because they were inflexible and refused to change either in their ways of operation or in the services they provided. This argument was also raised by the CEO of organisation 'B' who noted in the previous section, that some NGOs offered 'service delivery' type of services, which had become the state's

responsibility. In the new democratic dispensation, with donor funding being directed to government, these NGOs found themselves, without work and without funds. Under these circumstances, there was no other alternative but to close.

Organisation 'A's CEO's response also reconciles with his earlier comment about where he credits his own organization's survived on flexibility. The same CEO further reiterated that some NGOs had insisted on providing services which were rightfully government's responsibilities.

A further observation made by organisation 'A's CEO was: after 1994 and new policies were introduced, many NGOs failed to plan far enough ahead as they still thought the changes were not going to stand for long and the old ways of NGOs funding and operations would continue. These NGOs also did not properly plan their income and work stream.

The CEO of NGO 'B' made some assumptions based on general observations which had affected all NGOs in the sector. Her views were captured in the following words:

> Although the funding environment cannot be said to be hostile per se, the funding environment had become less positive than it was before 1994. Funding had definitely diminished and organisations have had to work extra hard to find funding.

According to NGO 'B's observations, there were many factors and the following are some which may have contributed to the demise of numerous NGOs:

- Many education NGOs were seemingly doing business the state ought to have been attending to in the post apartheid era. Obviously, small

NGOs could not compete with the government. What further aggravated the situation for these organisations was the fact that the government was also, going through its own stages of development. It was a time when the new government had not matured enough to enter into partnerships with NGOs, agencies whom they were sceptical of and distrusted.

- The national plan which required that all funds – government and bilateral funding – to be centralised in the RDP office, later to disburse to NGOs. this resulted in a slowed disbursing process, subsequently leading to some NGOs to succumb to the pressure and close.
- Since 1994, mainly international donors, and some local donors view the situation in SA as having been normalised to such as an extent as not requiring NGO intervention. Thus, many prefer to work with the democratic government.
- Because many NGOs were well funded and often by a single donor, these organisations got accustomed to putting all their eggs in one funder's basket. When that funder eventually turned them down, all systems crumbled and those organisations were forced to close.
- Retaining staff that were not productive and ineffective in their work was another problem. As a result, funders became increasingly unwilling to put any more money into such organisations.
- General lack of accountability in most organisations.
- Lack of experience, especially in financial management caused major problems. Some NGOs have not kept their financial matters in check and let things slip. Financial management is an important factor on which the CEO should base present and future planning of an organisation.
- A general undervaluing of the education billable activities in the market place in comparison to many professions.

Management teams in organisations ‘A’ and ‘C’ made very similar observations. The first – and what was considered major – was the general shortage of money in the sector. Coupled with this was the fact that many NGOs had failed to establish financial management systems, project management skills and other requirements to be in line with the changing South African funding environment of the post-1994 era.

Management teams further noted, in the post-1994 NGO scene, many big donors had generally cut back on funding for development projects in South Africa. One management member in organisation ‘A’ specifically stated this:

> Donors opted to direct the funding to more pressing social issues such as HIV/AIDS and wars in the in other parts of the world, like the Middle East.

The above observations, especially about organisations refusing to change or being inflexible is similar so some of the observations referred to in the literature review where Bornstein (2005, p.9) states: many “NGOs struggled to create new identities, to establish relations with a democratic government…, and to redefine their relationships to their wider community."

Literature also has indicated in various articles including Bornstein (2005), the following: “there were dramatic changes in donor funding as international donors first shifted their financial support away from civil society organisations to the newly democratic government, and subsequently defined new priorities and requirements into which many South African NGOs did not fit."

Although not mentioned by the interviewees, some literatures suggest other contributing factors to the demise of many NGOs was the exodus of some of the strong leaders of these NGOs, to take up positions in government. This

left less experienced, new leaders in the NGOs who possessed little or no contacts or influence with the donors and with government officials.

Taylor (1998, p7) referring to the NGO leadership crisis asserts "… in its greatest hour of need, the sector has lost many of its most experienced leaders and managers to both the public and private sectors. While attesting to the effectiveness of the sector in attracting and training skilled people in the past, this mass exodus has contributed substantially to the deepening of the crisis in which it finds itself."

While some may argue the new NGO leaders should not have had contact problems with government officials because those in government were "comrades" who should have been understanding and empathise with the NGOs' crisis and thus should have bailed them out. However, it can also be argued that these new government officials were in a catch 22 situation. Meaning that, while the new officials may have understood and been sympathetic to the challenges facing NGOs, they also had the responsibility of ensuring effective implementation of new development policies benefiting all South Africans.

To achieve the mandate – delivery of services – assigned to government, they had to ensure policies were implemented accordingly, while also ensuring participating NGOs abided by the new guidelines. In reinforcing this logic, and as earlier highlighted in the literature review, the Minister of social development made the following statement:

> The basic twin expectations of government are that NGOs will firstly, continue to act as monitors of the public good and safeguard the interests of the disadvantaged sections of society. This performance of this social watch role requires both

> transparency and accountability on the part of NGOs. The government's second expectation is that NGOs will assist in expending access to social and economic services that create jobs and eradicate poverty among the poorest of the poor. This requires cost effective and sustainable service delivery (Zola Skweyiya, in Swilling and Russell, 2003, pp.4-5).

Swilling (2002) refers to 'social watch' and 'service delivery' as the twin roles for South African NPOs in current government policy for the sector. He further outlines the Ministers call to mean: "… government and leading NPOs have co-created an elaborate legal and policy framework that has defined a new public space for managing relations between the state and civil society, and for funding NPOs. In this new space, inevitably, some NPOs will be at an advantage in the struggle for resources to meet massive development needs."

In support of Swilling's observations, it also may be further argued that while initially, the tables might have tipped against NGOs by government taking NGO leaders, while NGOs were being disadvantaged by losing leaders. [However] equilibrium appears to have taken place over the years. The situation now is that while government initially may have thought it could deliver all services (due to its size and resources). In reality, the demand for delivery of development resources and services by the public has gained momentum over the years and has increased dramatically. These demands have compelled government to increasingly turn to the NGO sector in the hope of delivering on scale.

4.8 Systematic Planning Setting Exercises

The research question also sought to learn whether or not NGOs engaged in systematic planning exercises. This question was specifically asked of the respondents to ascertain whether or not they did, indeed, undertake strategy setting exercises. The rationale for this question was to establish if, after undergoing challenging changes, requiring them to be more accountable and transparent in their operations, the surviving NGOs had established systems to ensure systematic planning?

In today's competitive global economy, all organisations, whether they are government, big profit-making corporations or non-profit organisations, need to engage in systematic planning processes. These require regular planning for the future and preparing for unforeseen circumstances. To ensure these organisations cope in an ever-changing environment, leaders and organisations must engage in strategic management.

Ehlers and Lazenby (2004, p.2) defined strategic management as "The process whereby all the organisational functions and resources are integrated and coordinated to implement formulated strategies which are aligned with the environment, in order to achieve the long-term objectives of the organisation and therefore, gain a competitive advantage through adding value for the stakeholders" To achieve this, leaders engage in strategy setting processes. Simply defined, strategy is "… the setting of long term goals and objectives, the determination of courses of action, and the allocation of resources to achieve the objectives" (Kock, 1995, p.4). The strategy setting process is a logical flow of activities which include environmental analysis, strategy formulation and strategy implementation.

Given this definition of what strategy management or strategy setting meant, respondents in the three organisations unanimously indicated they engaged in some form of planning, looking forward, analyzing the environment and setting priorities in a manner similar to strategy-setting and management processes in their organisations. Systematic planning and setting processes as undertaken by the three organisations are discussed in the following section of the research question.

4.9 Strategies Employed by Education-Related NGOs in the Post 1994 Period

This section discusses the second research question which focuses upon the strategies education-related NGOs have employed in the post 1994 era. A number of sub questions were used to represent and address this aspect of the research question. Responses are presented below.

4.9.1 Systematic planning setting processes

Having established that all three NGOs did engage in strategic planning processes. In essence their actions were virtually the same as strategy development. The sample NGOs were asked to explain the processes they followed. The participating NGOs were not asked to state if they developed or set organizational strategy, but rather synonymous concepts were used.

The investigation approach took this form because the researcher was of the view that if the organisations were asked to specifically state if they are involved in strategy setting, they were more likely to have answered in the affirmative as such organizations are expected to do so!

However, by asking if they did ‘systematic planning,’ they had the opportunity to explain the activities or processes they were involved in. The researcher then interpreted or inferred the degree each of the organizations were involved in constituted strategic setting in its strictest sense.

As earlier stated, systematic planning simply means strategy setting. Strategy is defined as the unified, comprehensive, and integrated plan …designed to ensure that basic objectives of the enterprise are achieved” (Glueck, 1980, p.80, in Mintzberg, 1992, p.12). It has been established that all organisations, government, corporate or voluntary not-profit entities have to engage in these processes because it is the only way they can out-perform their competitors while at the same time, achieve its set objectives.

Although not exactly similar, responses among all respondents in each organisation and across organisations echoed the same themes. CEOs and managers in the three organisations indicated they do conduct systematic planning setting exercises or strategic planning exercises. These activities and processes are presented in tables 5 and 6, respectively, below.

Table 5: Types of systematic planning setting exercises

CEOs			
	NGO A	**NGO B**	**NGO C**
1	Every three years, the NGO conducts a large scale organisational development strategy session based on a business strategy. The strategy is based on the mission (the same for 13 years), which is the framing document for directing the organisation. All members of staff are involved in this exercise.	Every 18 months, the organisation conducts a strategic planning workshop where it looks at the mission and revises key developmental objectives. They address key issues facing the organisation (internal or external) in addition.	The organisation conducts annual strategic planning workshops. This exercise sets the tone for the year.
2	Annually, a business plan is developed. This is based on the divisions' inputs. The plan is guided by business strategy. The business strategy is also fine-tuned during the business plan.	Annually the organisation does sectoral strategies within various sections of the organisation.	After the strategic planning workshop sessions, ongoing (Executive management committee, staff and policy research staff) meetings are conducted on a monthly basis to ensure implementation of the strategic decisions.
3	Work-plans for every project are then developed. These lays out the activities, milestones and the budgets and invoices raised are based on these.	Divisions meet twice a year to see how things are going in relation to the strategic plans. The idea is keep projects together and focused.	At sectional levels, strategic objectives are checked through meetings. The meeting ensures that the strategic objectives are achieved through projects.
4	Do monthly income projections. Track project managers according to those projects as a way of keeping tract of how the projects are progressing and whether the money is coming in.	On a weekly basis the organisational mangers with the CEO reviews the project proposal list and drops those that have been unsuccessful and adds new ones that have been identified and follow up.	Strategic objective successes are communicated to the board.
5		All information is fed back to the board at board monthly meetings.	

Source: The table was developed by the researcher based on interviews.

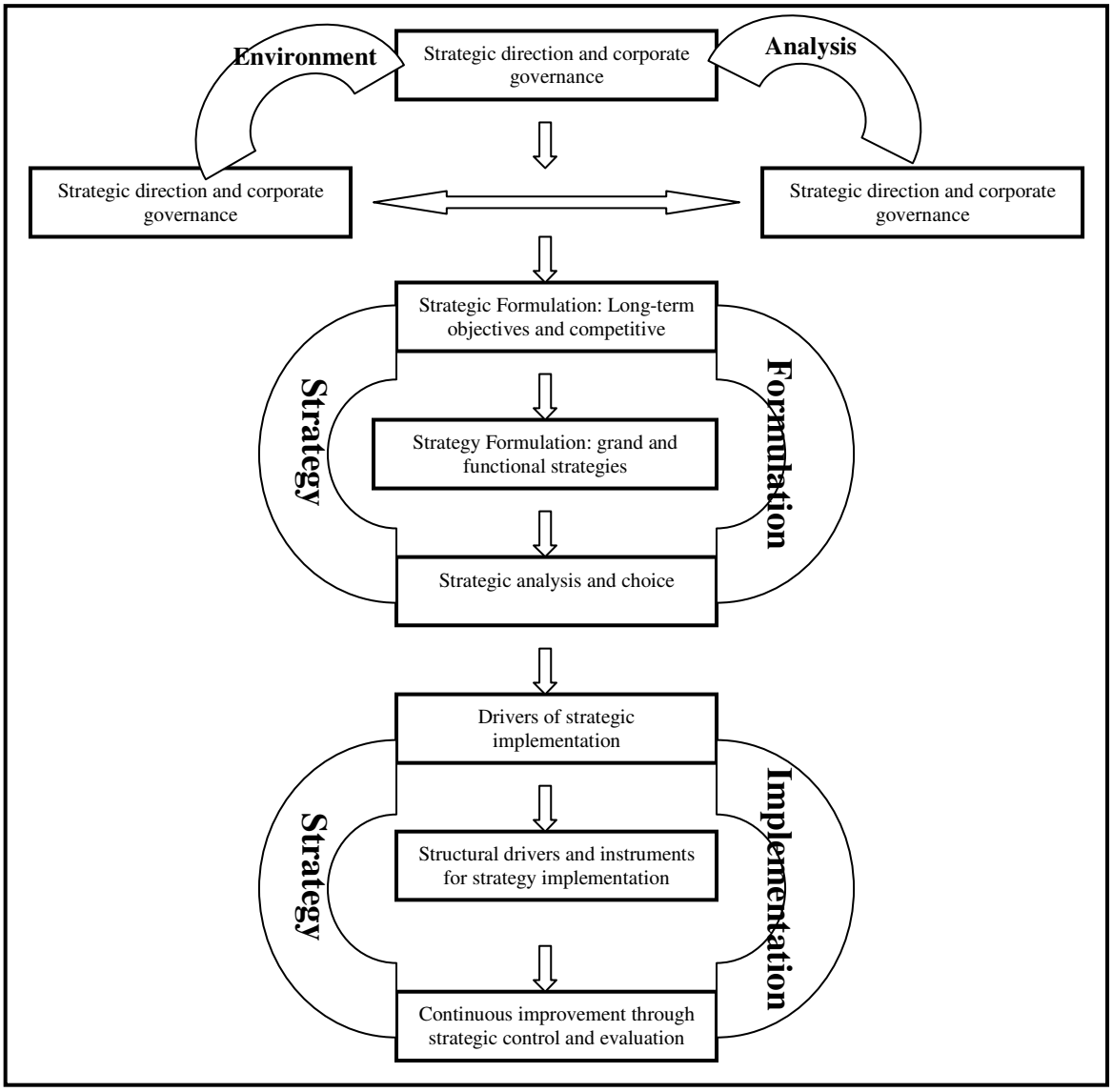
Table 6: Types of systematic planning setting exercises

Management			
	NGO A	**NGO B**	**NGO C**
1	The organisation develops business plans every 3 years at the strategic planning workshop.	No interviews with management were conducted	Annual strategy setting workshops are conducted.
2	Every year divisions update the business plans. The business plan template covers all issues of the business from marketing, to how projects are funded and source of funding.		Strategic decisions are kept on the agendas of Executive Committee Management, staff and policy research staff meetings to ensure implementation.
3	Four internal divisions go through the same process.		
4	These plans are resubmitted to the board that reviews the plans and makes the decisions if the plans can be carried out to the following year.		

Source: The table was developed by the researcher based on interviews.

Strategic planning processes as presented by the three sampled organisations are quite similar to what is presented in most literatures; which suggests a logical flow of activities. What they do not indicate however, are the strategic management processes and stages as presented in most literature. Ehlers and Lazenby (2004), for instance, present the following stages, “environmental analysis”, “strategy formulation” and “strategy implementation." This is presented in the figure 2 below.

Figure 2: Strategic Management Process



Source: Ehlers and Lazenby, (2004). Adapted for the purpose of this study...
The processes or stages by each of the organisations may not appear to be clearly delineated as to follow in an orderly manner. This might be the case as even the literature indicates that much as these processes are theoretically clearly set out, they are not neatly or sequentially performed in practice as the models might suggest.

The two processes – formulation and implementation – although depicted as separate and sequential processes, do in fact, overlap in practice. The literature also cautions inasmuch as there are these defined processes, there is no single defined strategy management process recipe. This is because the environments in each organisation vary and thus influence the processes which take place differently in each organisational context.

What is also important to note in terms of the information given by organisation 'A,' is the fact that they say their mission has not changed for 13 years; since inception. The organisation quite clearly stipulated when the initial funding was coming to an end, and they changed from a Trust to a company, they did so with the aim of retaining the original mission and vision. They merely adopted new and further-reaching activities as well as introducing new operational systems.

Coupled with the preceding question was the need to establish an understanding of how these organisations ensured their set plans were effectively implemented. Literature cautions that before delving into the implementation effort, managers should review the formulated strategy carefully. Ehlers and Lazenby (2004, pp.178–180) advise organisations to ensure delving into implementation is actually worth the effort and refers to some basic drivers. Those drivers include leadership; organisational culture; reward systems; organisational culture; and resource allocation. Each one

must be firmly in place. They further argue all formulated strategies should be worth implementing. A strategy chosen but not implemented serves no purpose at all.

In the case of the three NGOs sampled, there are no indications such steps were undertaken before implementation. Although from their explanations, it appears as though these organisations delved into implementation soon after strategic setting sessions began. Indications suggest there are systems in place which check these strategies before they are implemented.

Organisation 'A' outlined four strategy process stages prior to implementation of a strategy. 'B' described five and 'C' cited three. Each of the organisations also indicated the basic stages they use – formulation, implementation and monitoring – are strictly carried out through various outline mechanisms, including meetings.

Although the issue of monitoring and evaluating goals set out at the strategic sessions was outside of the scope of this study, it was nonetheless, evident from the above responses that the three organizations did conduct strategic planning exercises. However, what was not clear was the extent to which they monitored and evaluated these goals in relation to the actual work done.

in any event, those organizations engaged in "project-based" work have increasingly recognised the importance of monitoring and evaluation as being an integral aspect of the whole project management cycle as well as being a logical aspect of every strategic management process. As part of strategic planning, monitoring framework must be established. Additionally, the set goals and activities must be evaluated at the end of the strategic or planning cycle. Outcomes and information derived from the monitoring and evaluation exercise are then fed into the ensuing strategic planning sessions.

4.10 Linking Organisational Plans with the Vision and Mission

Mission statements are considered to have become quite fashionable in the recent past and are seen as an alternative to corporate planning (Bowman, 1990, p.6). The mission statement sets out guiding principles and values on which the organisation operates. It is from this perspective that the question about whether or not the three sampled organisations ensured their organisational plans always linked with the vision and mission. The purpose for asking this question was to establish the consistency with which NGOs strike a balance between their organisational plans and the mission if ever. The question is especially valid considering the changing and challenging environment in which NGOs have been forced to operate in the post 1994 South African era.

Findings revealed all three NGOs had strived to maintain linkages between their project work and their mission and vision. Organisation 'B' and 'C' admitted however, there had been instances when temptations to stray had been very high. The following are the NGOs' responses to this aspect of the research question.

a) Organisation 'A' CEO indicated inasmuch as their mission is very broad and the key objective was to serve disadvantaged people in society, they had never been tempted to take on any work contrary to the original mission and vision. NGO 'A's management team concurred with the CEO in this view.

   They indicated that invariably over the years, tenders the organisation pursued had always been in line with the mission and vision of the organisation. This is evidenced by the comment made by the CEO as

stated in 4.4.1 above: “the strategy is based on the mission (the same for 13 years), which is the framing document for directing the organisation."

Organisation ‘B’ waffled by saying they had tried to ensure their strategy plans are always linked to their mission as much as possible. However, because the mission is broad, it can be interpreted to suit a variety of situations. Inasmuch as the organisation strives to keep organisational plans linked to the mission, there had been one particular incident in its history.

It was at a time when the organisation desperately needed income. So, it took on a project which was “further afield” because it would lead to securing subsequent work. This eventual work was something, which otherwise would never have been offered to the organisation.

Although organisation ‘C’ had undertaken work which did not necessarily link to the mission and vision, the CEO defended this action by saying organisational principles and values were upheld at all times.

Like organisation ‘B’, ‘C’ also indicated that much as they endeavoured to always maintain linkage between the organisational plans and the mission, they sometimes were forced to stray.

While for instance the CEO for organisation ‘C’ stated the organisation had never taken any project that had not responded to the mission and vision, the management team however, indicated differently. On occasion, when the organisation had experienced some funding crisis, it had gone thorough a stage where it was felt they could not afford to be choosy about whether or not the projects tendered for were necessarily linked to the mission and vision of the organisation.

Although it was not asked of the organisations, it must also be noted organisations did not disclose whether or not they had, indeed, undertaken any work not linking to their mission. In referring to a desperate situation the organisation had faced, one management team member stated:

> … during the crisis stage, the organization had, at times, been tempted to consider taking on work that did not respond to the mission due to the desperate financial situations we found ourselves in.

It appears that as much as these NGOs have endeavoured to ensure organisational plans and projects have linkage to the organisation's mission and vision, it can also be assumed work was taken on which had no links to their original directive. Naturally, such an action would have been in response to environmental changes and challenging circumstances in the sector. The threat of eminent closure due to funding constraints is good enough cause to engage in a scramble for offered cash. By their own admission, there have been instances when two of these NGOs had been tempted, or in fact were forced to take on work or at least, considered taking on work having no links to their mission and vision statements.

It must be reiterated mission statements have become popular in organisations. However, there seems to be mixed views as to their effectiveness in the real world, especially with constantly changing environments and stiff competition for survival in the NGO sector.

Indeed, the purpose of a mission is to communicate to those involved in making strategic decisions, the broad rules the organisation has set for itself in conducting its business. However, at the same time the mission statement

should be general enough to leave room for people to exercise initiative to think outside of the box.

4.11 Donor Funding Conditions

The third research question endeavoured to investigate how education-related NGOs have responded to donor funding conditions, if any, in the post 1994 period. This question was asked to establish the environment in which NGOs have had to function and how they have dealt with these conditions and still survive. A number of sub questions were asked to investigate this issue.

4.12 NGOs Funding Status in Post 1994 South Africa

Having established the funding status of each of the participating NGOs pre-1994, the research sought to investigate their funding status in the post 1994 period. To establish this, NGOs were asked to list a minimum of five key projects they had embarked upon in the last three years.

Linked to this question, organisations were also asked to describe the nature of this funding in terms of whether it was commission, contract, self-initiated or a mix of any of these. The rationale behind this question was to establish the funding status of each organisation and where the sources of funding originated.

As indicated in the literature review by Swilling, (2002, pp.34-39) there were various kinds of funding sources on which NGOs relied. These included private donations, local businesses, local and foreign governments, foundations and businesses. Some of the most common ways NGOs source funds is through tenders or receive project funds through self-initiated proposals.

Commissioned work is the sort NGOs do on behalf of clients. This could either be in the form of open or closed tenders.

A closed tender involves cases were organisations are approached by the client to undertake a particular piece of work (project) on the bases of that organization's ability; their capacity, expertise and reputation of being able to do the job.

An open tender is where an employing agent or a client advertises in some way, a formal public offer to willing and capable persons or organisations to carry put a piece of work in exchange for payment. The willing person/s, organisation/s or groups of organisations (consortium) responds to that offer expressing an interest to carry out the work for a specific agreed upon amount.

Self-initiated work refers to the kind of activity involving organisations conceptualising a task on the basis of what they consider crucial issues in the areas their work. A concept document may be drawn up and taken to potential funders/donors or an idea discussed with potential funders for this work to be carried out. On the basis of the strength of the idea in the the concept paper being plausible in terms of persuading funders/donors to believe the necessary knowledge and expertise is available, the funder/donor may then request for a formal proposal to be submitted to them. of course, the formal proposal might or might not be accepted.

The following tables (7-9) illustrate the various sources of funding the three organisations have accessed in the last three years.

Table 7: NGOs' funding sources (**Organisation 'A'**)

COMMISSIONED		SELF-INITIATED WORK
Closed-tender	**(Open) tender**	
Intsika project - a district development project in the Eastern Cape schools funded by SIDA. (2004)	The Sisonke Project – Piloting of the implementing the white paper 6 on the Inclusive Education for the National Department of Education. (2005)	
Mvele project funded by Billiton – A school and infrastructure improvement project in the towns where the Billiton mines operate (Mpumalanga, KZN, Northern Cape and Limpopo provinces). (2003)	Khanyisa - a capacity building project in the in Limpopo Education Department funded DFID UK for 7 years. (2002 & renewed in 2006)	
The Integrated Education Programme funded by USAID (2004).		

Source: The table was developed by the researcher based on interviews.

Table 8: NGOs' funding sources (**Organisation 'B'**)

COMMISSIONED		SELF-INITIATED WORK
Closed-tender	**(open) tender**	
Study of the Council on Higher Education (CHE) on the issues of Higher education. Funded by CHE. (2003)		Teacher Education Consortium project (research and development) by the Royal Netherlands Embassy. (2005)
Materials development for the DoE, on inclusive education. (2006)		Produced a book on teaching and learning for vocational educators. (2004)
Higher Education Quality Committee (HEQC) looking at interpreting the criteria for distance education of e-learning perspective. (2005)		

Source: The table was developed by the researcher based on interviews.

Table 9: NGOs' funding sources (**Organisation 'C'**)

COMMISSIONED		SELF-INITIATED WORK
Closed-tender	**(open) tender**	
Evaluation of the National Professional Diploma in Education (NPDE). (2004)	Evaluation of the HIV/AIDS Life Skills Programme (National DoE) (2005)	Teacher Education Programme funded by the Royal Netherlands Embassy (RNE), (2005)
Evaluation of the Matthew Goniwe School of Leadership and governance and University of Johannesburg's Advanced Certificate in Education (ACE) in Education Management (2004)	SAQA evaluation project - funded by the European Union. (2005)	

Source: The table was developed by the researcher based on interviews.

It is evident from the information given above that each of the three organisations in the study have had varied sources of funding derived by various means. These funding sources also seem to vary from one organisation to another. It also appears each of the three organisations seem to be strong or perhaps has preference for one particular type of fund sourcing rather than others.

a) Organisation 'A,' for instance, seems to prefer or depend upon commissioned (tender-based) income. All but one of their projects were funded by foreign agencies in conjunction with national or provincial departments of education. A lone project was funded by a local mining company.

b) Organisation 'B' seems to prefer commissioned and self- initiated work as three of their projects are commissioned. The remaining two were self-initiated. Four of organisation 'B's donors are government related either at national level or some other government-related way. Only one project, which was self initiated, is internationally funded.

c) Organisation ‘C’ used a mix of all types of income sources, spreading across all broad categories – commissioned; open and closed as well as self initiated. Four projects were government based and one was donor based with a foreign government.

Several conclusions can be drawn from this information. One is – while the general understanding and belief is donor funding has changed and, on the surface, this is true. Currently, funds are being directed to the state rather than to NGOs. However, this study has determined NGOs have, in fact, continued to receive funding from similar donor sources just as they had before 1994.

These sources include not only international donors but South African government departments directly and/or in partnerships of governments and foreign donors. Conditions and requirements under which funds might have changed in the post 1994 era but sources of funding appear to still be the same and very much available.

The argument might also perhaps be these three organisations could be categorised as well grounded since their establishment and, thus, have developed good track records enabling them to continue accessing funds from large international organisations as well as from local government departments. Small community organisations might not be so privileged, not possessing such a sound, well-established base. Therefore they might lack expertise and management capacity to withstand the new more stringent requirements and conditions.

There is also a belief that in the NGO circles these particular NGOs have generally become more sophisticated and versatile in their fund sourcing strategies. Over the years, is possible their skills and sophistication in

funding-raising have provided them with a greater ability to manage several donor projects and no longer have to rely upon only a single key donor.

It could further be concluded, with such a wide range of funding sources, all calling for different requirements, NGOs have matured and have gained a number of skills-sets. Such areas of expertise would encompass proposal writing and budgeting; project management skills, budgeting/financial management skills and reporting. These more strident conditions have forced NGOs to become more responsible and accountable, a culture recommended by the King II Report on corporate governance and responsibility in all sector of business in South Africa. It therefore means if NGOs were to do business with any of these structures, they also would have to abide by and apply the same systems.

Participating NGOs were also asked to state the rationale behind undertaking the listed five projects in the last three years. Their reasons were quite varied, ranging from having been approached by clients to manage projects or funds, to the NGOs targeting specific types of work in the sector due to expertise and capacity built. Interest in particular projects was another reason cited for seeking contract.

a) Organisation 'A' stated most projects they undertook came to the organisation because of the well-established reputation they had built in the field and the confidence the donors had in the organisation. Although in the case of two projects funded by the EU and DoE, donor conditions had recently changed. New regulations required that if the budget exceeds a certain value, the project had to be put out to tender. This meant that as much as organisation 'A' was the preferred choice, the new conditions dictated it had to compete with other NGOs in the sector, including private accounting houses.

b) Organisation ‘B’ revealed the projects they mostly pursued had to do with sectoral strategy. As well the projects they pursued had to be in line with their organisational mission.

c) Organisation ‘C,’ on the other hand, indicated they often responded to tenders identified in the tender bulletin and targeted work in line with the organisation’s area of interest and type of work.

4.13 Criteria and Processes Followed to Pursue and Secure Funding

Having established the funding sources of the three NGOs in the post 1994 period, this study aimed to establish the criteria used to decide on these funding sources. As well, the processes these organisations followed to access the funding were examined. The rationale for this question was to find out how the internal systems, structures, policies, skills and procedures necessary for sourcing funding had been developed. A secondary question dealt with how these NGOs were coping in what has been labelled a difficult, increasingly restricted and, challenging funding environment.

a) Organisation ‘A’ indicated it did not have any set criteria per se, but targeted three types of funding sources. These were international donors, which are always tender-based and very competitive; the local corporate sector, which was often commissioned work; and lastly, grant-based funding, where it constructed its own projects and applied for grants from companies and other donors willing to support the cause.

Until September 2006, the CEO was the primary person responsible for fundraising in the organisation. The programme directors who know what their bottom lines are, are now also expected to seek funding.

Organisation 'A' did not specify the internal processes followed to seek funding. the only disclosure hew was even though the programme directors were now responsible for raising funds, the CEO was still primarily responsible for raising funds in the organisation.

b) Organisation 'B' said it had established four standard and well-internalised questions to be answered before it makes a decision to pursue any funding. These are queries about meeting the mission; whether or not it has the capacity; whether the project was a high risk; and target funders with whom it shares similar interests and values.

Organisation 'B' specified it avoids funders who tend to have time consuming demands , and those levels of demand do not necessarily assist in ensuring accountability. The organization also indicated it tends to avoid donors who tend to follow "fashion" in the funding business. When the "flavour of the month" changes, they drop you!

The people responsible for seeking funding in the organisation were all senior management staff members, also known as senior education specialist/researchers. This responsibility of accessing funds is in each of their job descriptions. Processes followed are: the CEO with the entire senior management team meet every Monday morning to report on what possible projects are available. They decide how and who should pursue these sources. These possibilities are added to the list and those proposals that might not have been successful are deleted from the list.

c) Organisation ‘C’ informed it has two types of criteria for seeking funding. One is to pursue contract research projects which must be education-related in the areas of higher education, further education and training the schooling sectors. The second criterion is pursuing long-term funding projects which run for a minimum of 3 to 5 years. Organisation ‘C’ stated that seeking funds is a great deal of work as donors no longer come running to NGOs.

Fundraising is the responsibility of the CEO in organisation 'C.' The CEO is responsible for approaching donors, although senior management staff and the librarian assist through their contacts, as well as scanning for tenders and going through adverts. These go through to the CEO who, with the management team, decides on whether or not to pursue the funding based on the set criteria mentioned above. If the decision is to pursue the project, one or a team of staff members are appointed to develop the proposal. Another avenue the organisation actively pursues funding is by approaching donors, especially for research study in areas of importance or interest.

4.14 The Current South African NGO Funding Situation

Given what has transpired with NGO funding in the period before and after 1994, and the transition that has taken place NGOs ins south Africa have traversed a rock road. Participating NGOs were asked to reflect and give their opinions of what they though was the current NGO funding situation in South Africa. This question was asked to determine whether or not the funding situation had improved.

Responses generated from this question were quite varied. While one organisation was quite positive, two were not so optimistic.

a) According to organisation ‘A’, the funding situation was quite healthy. The CEO intimated there was a lot of work in the sector with considerable contracts and commissioned work available for the picking. It was only a matter of organisations “keeping up with the game and pursuing these projects." He indicated, for instance, that the school development area, which had evolved and was evolving all the time, had a lot of work. While this CEO was positive about the funding status, the management team revealed the size of NGO projects as well as funding had shrunk considerably. The number of projects had also reduced as a result of rising competition among NGOs. Donor funding might have remained static but the same amount has had to be divided among several NGOs and thus reduced the amount alloted per organisation.

b) The CEO for organisation ‘B’ stated the funding situation in the sector was no longer easy as organisations had to work harder than they ever did in the past. This CEO indicated there was stiff competition.

c) Organisation ‘C’s CEO was quite philosophical in his response. His analysis was that survival for NGOs in today's South Africa depended on what the aim of the organisation was. If the aim was merely for survival, then the organisation could survive by doing contract work through donor funding. But if the aim was to be able to identify problems in society and conduct research, then find solutions and add to the body of knowledge, then that was an impossible dream. In today’s real-world funding environment, there are no funds available for that type of work. Organisations would have to work extremely hard to convince donors to fund research projects such as outlined above.

Although the management team for organisation ‘C’ did not explicitly indicate whether the current funding situation was positive or not, it was evident in their responses that the situation was not as easy as it once was. They stated a stringent financial state of affairs now existed, due to policy changes. In the New South Africa, NGOs have had to learn to become proactive and work extremely hard. Many NGOs have had to diversify their activities and are always looking for new ways to bring money into their organisations. The situation has become even more difficult for those NGOs providing services that are now the government's responsibility.

As much as the CEO for organisation ‘A’ was positive and upbeat about the funding situation, the remainder of the respondents, including his management team, were not so affirmative. Several conclusions can be drawn from this information. 1) NGOs today are working in a very difficult, challenging and uncertain funding environment. 2) Competition is high and 3) NGOs have to work extremely hard to secure funding to remain in the business.

4.15 NGOs Funding Recommendations

Following the previous question about the current funding situation in South Africa in the post 1994 period, respondents were asked to make recommendations about NGO funding in the country. These recommendations were either to government, the donor community (local and international) as well as the NGO sector. Asking this question was relevant because the researcher felt NGOs were in a position where they could present recommendations based on first-hand experience.

Recommendations presented by the CEO for organisation 'A' were directed at the NGO sector and the government. His/her suggestion to the NGOs sector was NGOs should keep up with the game and with the latest developments taking place in the sector. Additionally, they should acquire knowledge, upgrading their skills and improving on their efficiency in the fields of their expertise. Recommendations to government were as follows: Government should learn to be more proactive, to plan ahead and become more sensitive in the manner they deal with their tenders, particularly with the time frames in announcing tenders. Presently, tenders are always advertised at the last hour possible and NGOs are expected to respond at short notice.

a) Organisation 'A's management team's recommendations were more of cautioning the government. They were of the opinion the government has to establish partnerships with the NGO sector and endeavour to band together in the provision of services because they believe government cannot do what it needs to be done all alone. They were also of the opinion that a lot of the required expertise was not necessarily available in the government but lay outside of government in such places as NGO offices and private consultants. The government should therefore form partnerships with the NGOs best equipped to help government deliver services in an efficient and effective manner and at less cost. In addition, they suggested government could best help NGOs by ensuring they (NGOs) continue operating and building their expertise along the way.

   It is felt an understanding has to be established which reinforces the fact that while the government cannot do it alone; NGOs also cannot do the job without the support of government. It was their assertion such a cohesive partnership could also attract businesses into fulfilling their social responsibility by investing in projects that could be managed by NGOs on their behalf while they focused on their core business.

b) Organisation 'B's CEO proposed a number of strategies to address education issues. The first issue was how the Government and NGO partnerships could both be supported by donors. Under the current tender-based system, it was very difficult for NGOs today to survive entirely on tenders. This is because tenders are generally intended to be very short term work. And, unless an organisation has a number of contracts lined up, NGOs have nothing to do in between tenders. Running numerous short-term tenders is extremely difficult for an organisation to manage.

   A best case scenario would be for an NGO to have a balance of more long-term projects and few short-term projects running concurrently. To facilitate this model, a partnership between government and NGOs would have to be established for the dispensation of well funded long-term projects.

c) Organisation 'C' had several recommendations. The first point was that while funding policies have changed, donors needed to consider becoming open-minded and to start considering NGOs in their own right as well as the services they provide. Donors ought to know by now NGOs are not out to make profit and as such, must be supported to enable them to engage in research work. Unless NGOs are better supported by donors, they will only do be responding to tenders.

d) At present, government often does commission research to be conducted. However, the draw-back to these appointments is the findings of such research do not become public. This is because the government makes the choice to publish study results – or not. If research findings are not favourable in light of current policy, the government simply tucks such reports away and the public never gets to hear about it.

If NGOs, on the other hand, could have more independent funding for research, findings could be very beneficial to the education sector as they would be made public through published articles or books and conferences. In this scenario, permission would not be required to make the findings public, thus making the government more transparent and accountable.

Another suggestion to both the government and donors was to review the decision taken a few years ago about the partnership between government and donors. The original decision was funding would no longer go to NGOs directly but to government. While that was an honourable and commendable approach, to especially ensure priority projects were undertaken and to also ensure equitable services were provided to the poor and disadvantaged, a problem was created. Because governments tend to move slowly, delays in the processing and releasing the funds through their financial pipelines occurred.

Anther recommendation suggested government could use NGOs for project management services. Here, NGOs could assist government by providing support to various departments and or officials for fund-holding and management work. In this way, money for projects could be processed and released in timely manner.

Organisation 'C' presented yet another recommendation to government concerning its tendering systems. While the allocation of points is a necessary criteria used in tender processing and allocation of tenders, the system is more suited for businesses with shareholders. And the same system disadvantages NGOs which lose points on this score as they do not have shareholders. Recommendation to government was the allocation of preference points – when applicable – to NGOs.

Another recommendation to government was the need to reconsider the compulsory attendance of tender briefings. The current system limits many NGOs, especially small and out of the province NGOs as such organisations often cannot afford the air ticket to travel to Gauteng. As well, compulsory tender briefings tend to be called at very short notice and often run on for hours.

Organisations also had one recommendation to the NGOs in general. They recommended NGOs should form strategic alliances with the corporate sector. This would facilitate business in their corporate social investments responsibilities, especially in education-related activities while they keep their focus on core business. The team also observed the corporate sector invested a lot in the building of schools in various communities, especially in areas where they operated. However, very little has been done in other service aspects such as human capital development, or in sponsoring education seminars. To that effect, the NGO and corporate sectors could form alliances which would be mutually beneficial. In my personal estimation, There is no doubt the recommendations raised by the three NGOs are noble and do address a number of important issues.

One of the major issues is fragmented service delivery. The three partners targeted in these recommendations each have something to contribute to the tripartite arrangement.

The corporate sector and other donors have the money to contribute to this partnership and the government knows what sectors in society are of the greatest priority requiring urgent attention. On the flip side of the coin, NGOs with their expertise in working at the grassroots level, could ensure services are delivered effectively and efficiently. What needs to be addressed are the

creation of clear terms of reference, ones the three partners could as a basis for functioning together smoothly.

4.16 Advice to NGOs Facing Threat of Closure

The central focus of this research study is about NGOs' survival in the post 1994 era. The aim of this researcher was to investigate strategies used by the surviving NGOs enabling them to survive. It was equally imperative this study also presented some practical advice from the surviving NGOs about possible ways to avert any imminent threat of NGO closures. To that effect, interviewees were asked to give some advice about how other NGOs could continue to survive and avoid threat of closure.

The advices respondents gave in terms of this question related to strategies the organisations themselves had applied and had allowed them to survive.

a) Organisation 'A's CEO, for instance, gave very simple advice about "planning ahead, keeping up with the game and upgrading skills in the areas of the NGO's expertise." The management team presented a number of suggestions as follows:

- Ability to sustain their overheads. If organisations are not able to do this basic requirement, the obvious solution was to close.
- Alternatively, NGOs failing to sustain their overheads should propose to merge with other NGOs in a similar field of business.
- Consolidate their activities and cut areas where the organisation did not have an edge.
- Must have an ability to manage finances.
- To sharpen their competitive edge.

- Organisations must go out and hungrily look for work. Diligently scan tender bulletins, and look for all possible projects as long as it congruent with their mission and vision or the organisation.

b) The CEO for organisation 'B' gave the following advice:
   - The NGOs should be looking at diversifying its funding base on a continuous basis.
   - Use their energy on proactive activities such as keeping up to date with new developments in their sector.
   - Having a Board of Directors that has financial substance in ensuring the organisation has strong financial management systems in place.
   - Collaborating with other NGOs is mutually beneficial for all concerned.

c) Organisation 'C's advice included that of the CEO and the management team. These are presented as follows:
   - NGOs should not wait until the organisation is at the brink of closure to start looking for solutions because, by then, it is too late. There are always indications things are "not right" and management should act sooner rather than later.
   - NGOs have to learn writing and submitting proposals is a continuous activity – often a weekly activity, especially since responses for tenders make take weeks or months to come back and responses are not always positive.
   - NGOs have to make plans and change the way they operate long before their eminent closure.
   - New operations systems in the organisation must apply to everyone.
   - Keep very tight financial management systems and controls and always be very aware that income must be greater than expenditures.

- Managing the available funds and resources in the organisation is everybody's responsibility. This ensures general operations are managed properly.

It is interesting to note that the most commonly given advice by NGOs focused on financial management. Two out of six recommendations from organisation 'A,' for instance, centred upon finances. These were: "The ability to sustain overheads… the ability to manage finances". Two of the three pieces of advice offered by Organisation 'B' deals with diversification. "NGOs should be looking at diversifying their funding all the time". She further states, "… a board that has financial substance in ensuring that the organisation has strong financial management systems".

Staff at organisation 'C' says: "tight financial management systems and controls … managing the available funds" With regard to advice on finances, what also appears common is that CEOs in each organisation ensured the management team included the finance manager. In the case of organisation 'B', the CEO recommended the finance manger be the interviewed despite requesting for a team of managers.

The remaining advice was of a general nature, such as the need for organisations to understand its abilities and competencies. Through monitoring and evaluation, NGOs consistently reassess themselves in terms of their set goals as well as taking on projects aligned to its strengths. This self-awareness is developed over a period of time. Furthermore, by regularly assessing and evaluating themselves as to how they conduct core and project activities, NGOs are more likely to find their market niche and establish good practices.

This chapter aimed at presenting and discussing the findings from the data collected in this study. The chapter was based on discussions drawn from the literature in explaining strategies employed by NGOs in the post 1994 period, when funding policies for sourcing finances abruptly changed.

The following chapter will draw some conclusions on the study. As well, it will make some recommendations as to how NGOs can be facilitated to ensure their continued operation and delivery of services.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents of the summary of findings of the study and conclusions drawn from the key findings. It looks not only at recommendations for strategies to ensure NGOs continued survival, but also makes recommendations for future research.

5.2. Conclusions

This research study aimed to explore strategies NGOs have used to enable them to survive in post 1994 South Africa. Three research questions guided the study. The questions were:

- Do surviving education-related NGOs engage in systematic strategy setting?
- What strategies have surviving education-related NGOs employed in order to continue in the post 1994 period?
- How have education-related NGOs responded to donor funding conditions?

To achieve this, the literature looked at various aspects of the NGOs. These included NGO origins; their role in society; NGO funding, management of NGOs, the size of the NGO sector in South Africa, and the NGO sector in the post 1994 period. The literature also explored the concept of strategy. It explored why strategy is important to organisations and delved into the strategy management processes.

The literature also served as a basis for guiding the analysis of data and facilitated the ensuing discussion. These discussions verbally dissected strategies the sampled NGOs have used to enable them to survive the changed NGOs funding environment, post 1994.

The research employed a qualitative research methodology. Using primarily in-depth interviews CEOs of three surviving education-related NGOs in the Gauteng province were interviewed. Focus group interviews were also conducted with the senior management staff of the same organisations.

The secondary source of data – to provide enough information to help answer the research question – came from documents such as annual reports, newsletters, websites, Board and management minutes. For the purpose of this study, the three participating organisations have been referred to as organisations ‘A’, ‘B’ and ‘C.'

In conducting the study, however, this researcher did experience some challenges. For instance, the study was intended to include in-depth interviews with all three CEOs and focus group interviews with each senior management staff. What transpired in the real world proved to be quite different. One focus group interview at organisation ‘B’ failed to materialise. Therefore the primary data source at organisation ‘B’ was the CEO.

Yet another challenge was the difficulty in accessing key organizational documents such as the minutes of board and management meetings as well as strategic planning reports. The only sources of documentation/data available were annual reports, news letters and websites. Therefore, the study was not able to cross reference data accessed from interviews at Organisation ‘B,' to ensure its validity and reliability.

The third limitation was the small number of NGOs involved in the study. Due to the fact this work is part of the Masters Degree requirement, and accounts only for a small component of the overall work, the amount of time and resources expected to be expended had to be limited. Consequently only three NGOs were sampled. In spite of these short-comings it is the researchers view the findings of this study make a meaningful contribution to the body of knowledge in the field of public and development management.

This exploratory study revealed that despite their supposed successes and survival in the post 1994 period with its new funding policies, the majority of the respondents indicated they existed in a very difficult funding environment. The funding scene had dramatically changed and required far more work. This involved changing strategies and diversifying operations. NGOs have had to modify their method of operation from relying upon one single donor to seeking several funding sources.

NGOs have also had to streamline their workforce as they restructured. Old activities were dropped to take on new ones and being competitive was the order of the day. Although the size of donor funding might appear not to have changed, the pieces of the “financial pie” got smaller as more NGOs competed for the same money.

The study also revealed that although each of the NGOs employed systematic planning setting systems before 1994, they have become decidedly more stringent in how strategic planning sessions are now conducted. They have also instituted strategies to ensure some level of effective implementations.

The processes followed, although similar among the three organisations, differed somewhat in terms of actual steps followed and their regularity. It was

clear these organizations do not necessarily follow a sequential order of strategic management processes. Generally, one of the key omissions in the process of strategic management and implementation is monitoring and evaluation. Although the participating NGOs were not specifically asked about monitoring and evaluation, none of them mentioned they had specific systems in place to ensure effective monitoring and evaluation for more effective strategy implementation.

Overall findings indicate NGOs, today, operate in a more stringent operating environment in terms of accessing funds and managing projects. However, in some aspects, this alleged "harsh environment" may actually be more accommodating as it demands better governance, accountability and transparency.

Although government requirements and processes may, in some cases, have slowed the flow of funding from treasury to NGOs, these conditions and requirements have, in some respect, ensured a level of better governance, accountability, transparency and better overall management of public and donor funds by NGOs.

Although the relationship between the partners – government and NGOs – may not appear entirely positive, there seems to be relatively good relationships between NGOs and the various funding sources. Indications are NGOs have been 'forced' into situations were they have had to revise their operations and have to work harder and adopt a more business-like style of operating.

The following section on recommendations below looks at the issue of the NGOs funding and subsequent continued survival of NGOs in South Africa and presenting some recommendations for possible future research.

5.3 Recommendations for Dealing with NGOs' Funding Challenges

Based on the findings of this study, as presented in the previous chapter and summarised above, there are a number of recommendations this study has identified. They are presented below. These recommendations are divided into six areas: Self Perpetuation of NGOs; Flexibility; Strategic and Collaborative Partnerships; Tendering Systems and Monitoring & Evaluation.

5.3.1. Self Perpetuation of NGOs

Findings concerning conditions under which the three NGOs in the study were established were explicitly specific in terms of the life span of the organisations. Two organisations were given a period of five years and one was give three years to complete the projects they were established to run.

This study has, however, established that many organisations, including NGOs, tend to be self perpetuating and often aspire to exist beyond the specified project life span. The “self perpetuation syndrome” can be considered a positive attribute especially in a country like South Africa where unemployment is rife. By continuing to exist and perpetuating themselves, NGOs do actually contribute positively to the employment problem of the country. Thos positive spin-off is two-fold. First of all, NGOs are employers. Secondly, many NGOs deal directly with the problem of unemployment including job search and placement.

Therefore, it is crucial from the onset, these NGOs should engage in more effective and useful systematic strategic planning processes. Each and every NGO should assess and justify their continued existence beyond their initial given period. This assessment would naturally have to be in relation to the services they provide. The NGO in question would have to a certain how

relevant their service or product is to society; how well the service is provided. In addition they would have to be completely familiar with the environments, in which they operate, plus their own strengths and weaknesses.

Where weaknesses are identified, solutions to address them must be sought. It is therefore tremendously important for new as well as old NGOs to engage in systematic strategic planning processes, and do it by the book, as soon as they are established.

5.3.2. Flexibility

The literature review, and indeed this study, has established the environments in which all organisations, including NGOs operate are, today, constantly changing. It is therefore critical that organisations must have some form of strategy to constantly review organisational flexibility in terms of activities and services the NGOs offers. This means organisations have to constantly scan the environment to enable them to effectively change and still continue to survive.

Flexibility also applies to staff employed in these organisations. NGOs have always been known for employing versatile people with varied skills. NGOs are also well known for their investment in their human capital. They do this by regularly training their staff so they are able to cope in an ever-changing working environment, seasoned with challenges.

However, NGOs have to realise and come to terms with some hard facts of life. With such versatility and highly skilled employees, there is also the high risk of staff turn-over. Because they are versatile and highly skilled, these employees are in great demand. So, in order to prevent losing staff, NGOs must also look into creating reward systems for their employees.

5.3.3. Collaborative Partnerships

What surfaced from the study is the commitment by the various stakeholders (government, donor community and the NGO sector) to deliver services to the disadvantaged communities of our society. What seems to be lacking however, is a proper coordinated, collaborative partnership among these stakeholders to ensure effective and efficient service delivery. Supported by the findings of this study, it is recommended the three sampled NGOs should come together, to coordinate in a coherent manner. In doing so, they would form a better and coordinated strategic partnership based upon their varied strengths.

In line with their responsibility, government has identified education issues as needing urgent attention. The donor community, together with government, has the responsibility of making money available to address such issues. The NGO sector, with its grass-roots connections, expertise and skills in running and managing projects could be given the mandate to manage and deliver these services as projects on behalf of government.

What is evident from the study as well as from the literature review is, each of the three partners cannot do without the others. It is, therefore, simply a matter time before they enter into proper coordinated partnerships. These should be developed as soon as possible and maintained. The key to effective partnerships however, is the clear outlining of terms.

5.3.4. Tendering Systems

While the most equitable and transparent systems of contracting service providers for governments department jobs is through tenders, those departments need to engage in a review of the tender processes. Based

upon the study findings, a number of recommendations regarding the tendering system are presented as presented as follows:

5.3.4.1. Government departments must conduct regular reviews of the tender system. Systems such as the allocation of points in certain tender documents must be called for review, especially where NGOs are concerned. The point system, which requests and allocates points around shareholder information, disadvantages the NGO sector, because, by virtue of their business, they do not have shareholders. The recommendation therefore, is the allocation of preference points to NGOs where such is required.

5.3.4.2. Compulsory attendance to tender briefing meetings must be reviewed and reconsidered. This system disadvantages and automatically disqualifies many NGOs, especially small and out of the province NGOs not able to attend due to financial constraints. The recommendation, therefore, is for the department to do the following: request interested parties to send a self addressed return envelop with a declaration of interest to tender at a fee (amount to be determined by the department); the department to enclose tender documents together with detailed terms of reference to that tender. This information would then be mailed back to the applicant. And finally, the department must establish a call-centre office which responds to queries for each of the tenders currently on offer.

5.3.4.3. The government to plan ahead and release tenders in good time-frames to allow ample opportunity for applicants to properly respond.

5.3.5. Support for Research Work for NGOs

The government needs parties from the greater society to conduct independent research. Such studies can inform government, assisting them to create policies and initiate actions.

By definition, NGOs, particular, are not into profit making. Therefore, they should be supported and given priority to undertake such research work as described above. Unless they are supported by donors NGOs cannot conduct research. This kind of research can contribute objectively and critically to government policies and actions as well as adding to the general body of knowledge. The recommendation of this study is for government to relax regulations restricting donors from directly funding NGOs.

5.3.6. Monitoring and Evaluation

It terms of effecting strategic planning processes, none of the three target NGOs clearly or specifically indicated whether or not the third element of strategy (evaluation and control) was ever included in the strategy management process and undertaken. Strategic control, which provides feedback about the formulation and implementation phases, appears to be effectively implemented through the general management levels and meetings. What is not indicated at all, in each case however, is strategic control in terms of evaluating the chosen strategy in order to verify whether the results produced by the strategy are those intended.

According to the literature, strategies focus on the long-term future activities and time elapses between formulation, implementation and achievement of intended results. This study, therefore, recommends these NGOs must engage in conducting evaluation exercises to inform themselves about whether or not the intended strategies where actually implemented. – This is an extremely critical element of strategy management, which also completes the circle.

5.4 Recommendations for Further Research

In view of various issues that might not have been fully answered, the following recommendations for further studies are listed:

- Investigating the impact of organizational flexibility of NGOs in terms of retaining the expertise and services so the organisation still remains useful and sought after.
- An analysis of what are the NGO's most effective and efficient systems. In addition, processes for tripartite partnership among the government, NGOs; and local donors such as the private sector should be established.
- Impact of monitoring and evaluation frameworks on strategic management and survival of NGOs.

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Appendix 1: Research Instrument

This instrument will be used to collect information via two interviewee categories (CEOs and management team members) at each of the three NGOs.

Note:This questionnaire is confidential and anonymous. Your participation in this research exercise will be most appreciated because it is believed the findings might provide useful lessons for the NGO sector in facilitating their continued existence and support to government in the delivery of services.

A. Biographical Data

1. Name of the organisation
2. Years organisation has been in existence
3. Number of years current CEO has been in the organisation

B. Questions on whether education-related NGOs engage in systematic strategy setting?

1. Give a brief background about the organisational funding situation in South Africa pre and post 1994.
2. While many NGOs in similar business as yours have closed, what would you attribute your continued success and survival to?
3. What, in your opinion, has been the reason/s why many NGOs have closed since 1994?
4. Does your organisation engage in any form systematic planning setting exercise/s? If so please explain.

C. Questions on the strategies surviving education-related NGOs have continued to employ enabling them to continue in the post 1994 period.

1. If your organisation engages in systematic planning setting, please explain these processes.

2. How does the organisation ensure set plans are effectively implemented?
3. Does the organisation ensure there is always a linkage between the organisational plans with the vision and mission of the organisation?

D. Questions on how education-related NGOs responded to donor funding pressures

1. List 5 key projects your organisation has embarked upon in the last three years?
2. Does the organisation have set criteria for deciding what funding sources it will pursue? Explain.
   a) What processes does your organisation follow to pursue and secure funding?
   b) Who in the organisation is responsible for pursuing and securing funding?
3. What is your opinion of the current S.A. NGO funding environment?
4. Given an opportunity to make any recommendations concerning the NGO funding situation in S.A. today, what would those be?
5. What advice would you give other NGOs facing the threat of closure? What would you do to avoid closure?
6. Any comments?

Thank you for your participation and time.