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Organisations that transform : exploring the challenges in the emerging economy in Zimbabwe

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ORGANISATIONS THAT TRANSFORM:

EXPLORING THE CHALLENGES IN THE EMERGING ECONOMY OF ZIMBABWE

by

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I declare that

ORGANISATIONS THAT TRANSFORM:

EXPLORING THE CHALLENGES IN THE EMERGING ECONOMY OF ZIMBABWE

is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

20.7.04

Title of Thesis

ORGANISATIONS THAT TRANSFORM:

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THESIS SUMMARY

This study examines the challenges of organisational transformation in emerging economies with special reference to Zimbabwe. It is an inductive study using grounded theory, rooted in case study methodology, based on Eisenhardt's (1989) eight steps of building theory from case study research.

A longitudinal multiple case study design is used to capture transformation experiences of four companies (covering four business sectors) spanning from 1980 to 2000.

Fourteen constructs from the within-case analysis form the basis of data collection and these are refined through cross-case analysis. Nine themes and sixteen challenges emerge from the study. The challenges and themes are used to identify points of convergence and divergence. Issues that trigger organisational transformation are spotted and best practices explored.

Ultimately, the nine emerging themes are crystallized into seven. Both the emerging model - the Madzivire Transformation Model (MaTra) - and the elaborated model - the Madzivire Collaborative Transformation Model (MaCoTra) - are constructed from the seven themes.

MaCoTra is a refinement of MaTra with the following differentiating features:

- The metaphor of choruses signifies the centrality of collaboration from an African perspective;
- MaCoTra reflects non-linear and linear linkages between choruses;
- Choruses depict the significance of songs in African bonding;
- A personal commitment to transformation calls for collective bonding around values, visions, missions and strategies;
- MaCoTra is a remarkable departure from steps, phases and stages espoused in most Western change literature;
- MaCoTra's philosophical base is Ubuntu - 'I am because we are'- focusing on independence and interdependence;
- Change interventions may be through individual or multiple MaCoTra choruses;
- The organisational song connects all organisational members in a choir of transformation.

MaCoTra addresses the sixteen challenges and exceedingly covers challenges cited in enfolding literature.

MaCoTra was tested in and outside the study sample. I assert that MaCoTra is usable in Zimbabwean companies and may be generalized through replication studies in Africa and other emerging economies. Areas of further study towards the achievement of more generalisability of the theory/model are suggested.

This study addresses the existing knowledge gap and prescribes the Madzivire Collaborative Transformation Model - MaCoTra - for companies in emerging economies.

Key terms

Case study; Challenges in emerging economies; Challenges of transformation; Change; Change theory; Emerging economies; Exploratory study; Organisational transformation; Transformation; Transformation models; Transformation strategies; Transformation theory; Zimbabwean companies.

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SIGNPOSTS

EXHIBITS AND FIGURES

ABSTRACT

An intensive literature search on change theories revealed that:

- There is a knowledge gap in terms of the applicability of existing change theories in non-Western, emerging economies;
- The transformation theory arena has been driven by case studies;
- Change theories have tended to be prescriptive, with very little, if any empirical testing; and
- There has been no change theory cited which is a prescription for emerging economies.

This study examines the challenges of organisational transformation in emerging economies with special reference to Zimbabwe. It also develops a theory/model, the Madzivire Transformation Model - MaTra; and elaborates it to become the Madzivire Collaborative Transformation Model - MaCoTra.

A longitudinal multiple case study design is used to capture the experiences (in transformation) of four companies spanning from 1980 when Zimbabwe attained its independence to 2000. The four cases cover four business sectors.

To understand the thought processes underlying major decisions made along the way, perspectives of major stakeholders like business executives, worker opinion leaders, the media, customers, suppliers, government and civic society are included.

The study is, therefore, an inductive study using grounded theory, rooted in case study methodology based on Eisenhardt's (1989) eight steps of building theory from case study research. The product is consistent with Leedy's (1997:163) argument that "the theory is grounded in that it is developed from the data, as opposed to being suggested by the literature; that is, theory is an expected outcome from, rather than the starting point for the study".

Multiple data collection methods have strengthened the grounding of the theory by triangulation of evidence. Fourteen constructs from the within-case analysis form the basis of data collection and these constructs are refined through cross-case analysis. Nine themes and sixteen challenges emerge from the study. The challenges and themes are used to identify points of convergence as well as divergence. Issues that trigger organisational transformation are spotted and best practices in organisational transformation explored.

Ultimately, the nine emerging themes are crystallized into seven. Both the MaTra and MaCoTra Models are constructed from the seven themes. Case data reveals that organisational transformation revolves around:

- Changing needs and expectations of internal and external business stakeholders;
- Changing promises;
- Changing delivery processes;
- Changing structures and systems;
- Changing capacity and capability to sustain the change(s).

Further interrogation of informants through 'how' and 'why' questions revealed that two more critical elements are an integral part of the themes:

- Capturing changing needs and expectations of internal business stakeholders;
- Capturing changing needs and expectations of external business stakeholders.

MaCoTra is a refinement of MaTra with the following differentiating features:

- The metaphor of choruses signifies the centrality of collaboration from an African perspective;
- MaCoTra reflects non-linear and linear linkages between choruses;
- Choruses depict the significance of songs in African bonding;
- A personal commitment to transformation calls for collective bonding around values, visions, missions and strategies;
- MaCoTra is a remarkable departure from steps, phases and stages espoused in most Western change literature;
- MaCoTra's philosophical base is Ubuntu - 'I am because we are' focusing on independence and interdependence;
- Change interventions may be through individual or multiple MaCoTra choruses;
- The organisational song connects all organisational members in a choir of transformation.

MaCoTra addresses the sixteen challenges and more than adequately covers challenges cited in enfolding literature.

MaCoTra was tested in one study case and two other companies outside the sample. I assert that MaCoTra is usable in Zimbabwean companies and may be generalized to emerging economies through replication studies in Africa and emerging economies outside Africa. In this study, I suggest areas of further study towards the achievement of more generalisability of the theory/model.

This study addresses the existing knowledge gap and prescribes the Madzivire Collaborative Transformation Model - MaCoTra - for companies in emerging economies.

CHAPTER 1: THE PROBLEM AND ITS SETTING

1.0 Background to the Problem

The modern workplace is full of interesting paradox.

Whereas global companies are looking to emerging markets for growth, companies in emerging markets are searching for ways into the burgeoning global economy.

The globalisation of markets and rapid diffusion of technologies are fast transforming the economies of the world. Clegg and Birch (1998) suggest that businesses employing traditional management techniques are facing increasingly difficult challenges. These challenges daily demand for innovation, flexibility and constant change as well as excellent customer care, inspirational leadership and superb communication.

Secretan (1999:3) summarises the paradox by saying: "There is a growing sense of anxious anticipation in the modern workplace, of impending change: the shadow of apprehension, disenchantment and betrayal conflicts with the light of hope, opportunity and new beginnings".

There, indeed, is need to cast eyes back on the journey that transforming organisations have travelled in order to draw lessons to pave the way into the future.

Of interest is what has happened and is happening in the world of emerging economies.

One of the distinguishing characteristics of emerging economies is that they have opened up dramatically since the last twenty years. Ramamurti (2000) asserts that this has heightened competitive pressures on national firms. This exogenous increase in firm competition is a cause for change.

Although organisations get involved in change efforts, researchers have consistently sent the disturbing and recurring message that about 70% of change initiatives fail. This has resulted in an increasing number of researchers getting interested in finding out why the failure rate is so high.

Beer and Nohria (2000:133) attribute most of the failures to the rush by managers to change their organisations by "immersing themselves in an alphabet soup of initiatives. They lose focus and become mesmerised by all the advise available in print and on-line about why companies should change, what they should try to accomplish, and how they should do it". The two researchers suggest that business executives have to understand the nature and process of corporate change much better.

Other researchers share this concern.

Ferreira (1997:86), for example, points out: "over the past twenty-five years, a substantial amount of research has focused on the character, process, and content of organisational change, as well as the circumstances surrounding the change." The scanned literature confirms that the emphasis of such research efforts has been on antecedents or consequences of change. Ferreira, however, highlights that there is now growing interest in the study of processes relating to how organisational change arises, develops and progresses.

This view is supported by Greiner (1998:68) who argues that "there is still much to learn about processes of development in organisations". Of significance is the indication by Greiner (1998:68) that "researchers are just beginning to study specific developmental problems of structure, control, rewards, and management style in different industries and in a variety of cultures".

These concerns imply that an in-depth examination and understanding of challenges related to organisational transformation is warranted. Such an understanding is required in order to improve the odds of success of change initiatives.

In the cited literature, there is a distinct absence of studies focusing on exploring the challenges of organisational transformation in emerging economies.

What is critical is that organisations in emerging economies must become more flexible, more responsive, and more willing to change and adapt, if they are to survive.

Organisations in emerging economies, particularly in Africa, need to enter the global market. This realisation has inspired thinkers like Mbeki (1998), Makgoba (1999), and Mbigi (2000) to search for an African business renaissance.

Mbigi (2000:3), for example, presents Africa as an adolescent continent requiring strong parenting. He argues that "Africa was thrown into the throes and waves of transformation with limited preparation and collective knowledge to meet the challenges". The implication is that organisations in Africa need to learn faster than the rate of transformation to revitalise the economy.

This may be achieved through in-depth studies of the challenges of organisational transformation of individual companies in Southern Africa. Specifically, the experiences of companies in Zimbabwe (between 1980 when the country attained its independence and 2000) may provide interesting insights into how an organisation can thrive and prosper in a hostile and challenging global world.

The study is also inspired by Dess and Picken (2000:12) who present a Chief Executive Officer (CEO) of a global company asserting:

> Learning is at the heart of a company's ability to adapt to a rapidly changing environment. It is the key to being able both to identify opportunities that others might not see and to exploit those opportunities rapidly and fully. This means that in order to generate extraordinary value for its shareholders, a company has to learn better than its competitors and apply that knowledge throughout its businesses faster and more widely than they do.

It would appear sustaining such constant change demands understanding the sources of the challenges of change and having workable strategies to deal with such challenges.

A unique opportunity to learn from histories of companies is presenting itself. As Einhorn and Hogarth (1999) put it, "All decisions are about the future. But deciding what to do and how to do it naturally draws on past experience". Thus, looking forward involves looking backward in order to avoid making bad decisions relating to change.

On the basis of the foregoing, this study has three major objectives:

(a) To establish the similarities and differences in the experiences of Zimbabwean companies regarding organisational transformation;

(b) To find out whether theories of organisational transformation that have been successful in developed economies have been applied in the selected companies;

(c) To draw lessons from those change efforts that succeeded and those that failed so as to apply these lessons to companies in emerging economies.

1.1 The Statement of the Problem

This research proposes to examine the challenges of organisational transformation in emerging economies with special reference to Zimbabwe and to develop a theory/model to resolve such challenges.

1.2 The Subproblems

1.2.1 **The first subproblem**. The first subproblem is to examine the experiences of four Zimbabwean companies regarding organisational transformation.

1.2.2 **The second subproblem**. The second subproblem is to identify the points of convergence of the experiences of the chosen companies regarding organisational transformation.

1.2.3 **The third subproblem**. The third subproblem is to identify the points of divergence of experiences of the chosen companies regarding organisational transformation.

1.2.4 **The forth subproblem**. The fourth subproblem is to identify those issues that trigger organisational transformation.

1.2.5 **The fifth subproblem**. The fifth subproblem is to explore the Best-Practices in organisational transformation.

1.2.6 **The sixth subproblem**. The sixth subproblem is to develop a theory/model to resolve the transformation challenges of companies in emerging economies, using the four Zimbabwean companies as anchors.

1.3 The Questions

1.3.1 The first question. What have four selected Zimbabwean companies experienced during their transformation efforts?

1.3.2 The second question. What are the points of convergence of the experiences of the chosen companies regarding organisational transformation?

1.3.3 The third question. What are the points of divergence of the experiences of the chosen companies regarding organisational transformation?

1.3.4 The forth question. Which issues trigger organisational transformation?

1.3.5 The fifth question. Which are the local and global Best-Practices in organisational transformation?

1.3.6 The sixth question. What organisational transformation theory/model is suitable for companies in Zimbabwe and what general theory/model is suitable for companies in emerging economies?

1.4 The Delimitations

1.4.1 The study will focus on the business sector.

1.4.2 The study examines the experiences of four companies in Zimbabwe.

1.5 The Definition of Terms

1.5.1 Change. Change is 'in its broadest sense, a continuous, planned or unplanned response to pressures and forces' (Jick, 1993).

1.5.2 Developed economy. A 'developed economy' is an economy where most goods and services are easily accessible to most of its members, usually characterised by low inflation rates, high economic growth, relatively low unemployment rates, and good democratic governance (www.google.com).

1.5.3 Emerging/Developing economies. 'Emerging/Developing economies' refers to 'economies characterized by the following six broad features: low levels of living, low levels of productivity, high rates of population growth and dependency burdens, high and rising levels of unemployment, significant dependence on agricultural production and primary product exports, and' subject to 'dominance, dependence, and vulnerability in international relations' (Todaro, 1985).

1.5.4 Organisations. "Goal-directed, boundary-maintaining, and socially constructed systems of human activity" (Aldrich, 1999:2).

1.5.5 Transformation. Transformation refers to 'periodic, discontinuous, metamorphic, or frame-braking changes in organisations to overcome inertia or stagnation and to enable better alignment with the environment' (Ferreira, 1997).

1.6 Assumptions

1.6.1 Africa is in a transformation mode.

1.6.2 There is a need to continue searching for an African business renaissance.

1.6.3 The Zimbabwean company experiences from 1980 to 2000 are a piece of ground to learn from.

1.6.4 Organisational transformation is an intellectual, social, emotional and spiritual journey.

1.6.5 Organisational transformation is achieved through inspiring one person at a time.

1.6.6 An inspired team is composed of a number of inspired persons working together.

1.6.7 Groups of inspired teams become inspired communities.

1.6.7 A growing presence of inspired communities contributes to an inspired world.

1.7 The Importance of the Study

As we grapple with challenges of organisational change and transformation, it appears we need to be in touch with who we are. However, we cannot appreciate who we are and what we want to become if we have no understanding of where we came from.

Africa is endowed with a cultural heritage that draws significantly from spirituality. This spirituality focuses on the existence and significance of a hierarchy of spirits. Only one African thinker, Lovemore Mbigi, has concentrated his work on how an understanding of this heritage may lead to an African business renaissance.

Mbigi (2000:10) argues, "The African Business Renaissance is about our organisations finding innovative ways of doing business by harnessing cultural strengths and inspirations to meet the challenges of global competition". Mbigi potently suggests that organisations need to embark on a cultural renaissance by dealing with their negative past and grievances.

This stance is consonant with Makgoba's (1999:viii) view that "African knowledge systems, experiences and contributions remain an untapped reservoir of future innovations and solutions to some of humanity's complex problems".

This study focuses on gaining deep appreciation of the challenges (including the 'negative past and grievances' Mbigi talks about) related to organisational transformation in emerging economies. The key contribution of the study is the addition of new insights on transformation theories, models, techniques and practices needed to create organisations that are inspiring places for employees, customers and suppliers in emerging economies.

The resultant best practice theory/model should provide a practical, experience-based framework extracted from the actual practice, methods and actions of the chosen Zimbabwean companies. The emergent theory/model should help the companies effectively manage and lead the transformation process. It should provide a new sense of purpose, cultural values, standards and spirits to companies in order to energise them into an African business renaissance.

Overall, the study is an attempt to address the knowledge gap existing in terms of the applicability of existing change theories in non-Western, emerging nations.

CHAPTER 2: REVIEW OF THE RELATED LITERATURE

2.0 Introduction

For the purposes of this study, the surveyed literature covers the following broad areas:

- a survey of emerging economies;
- a survey of change theories; and
- a survey of transformational models.

At various points of the literature review, key questions will be raised linking the review aspects back to the research problem and sub-problems.

2.1 A Survey of Emerging Economies

Aldrich (1999:6) argues that 'organisations are shaped by the contexts in which they are established, and thus contemporary organisations reflect the impact of their historical origins in societies characterized by growing affluence and competition over the control and distribution of wealth'.

This implies that any study about how organisations emerge and grow may be informed by an appreciation of their political, economic, technological, and social differentiation.

2.1.1 Political Structure

The literature reviewed highlights the political features summarized below.

There were three main colonial powers in Africa in the 1950's: the French, the Portuguese, and the British. The African colonial experience demonstrates that the greater resistance to political change, the greater the potential for the destruction of the country.

There was least resistance to political change in Francophone Africa, except in Algeria. In countries where colonialists stubbornly resisted change there was a degeneration of the liberation struggle into civil war and the adoption of Marxism. Experiences in most Lusophone countries like Angola, Mozambique, Guinea-Bissau, Algeria under the French, and Zimbabwe under the British, are examples in this category.

Key features of colonial rule in Africa include political domination and oppression, lack of civil liberties/rights, lack of political freedom, economic domination and exploitation, lack of economic rights and lack of economic freedom.

A further review of the politics of Africa reveals that, evidently, the violent overthrow of a government has often been followed by a period of chaos, insurgency, and instability. The experience is that various disparate groups and/or elements join hands to dislodge a regime they do not want. However, when this regime is at the point of being ousted or has been ousted, these groups begin fighting each other.

Examples are in Liberia {conflict between Taylor and Johnson}, Angola {between Union for the Total Liberation of Angola (UNITA) and the Popular Movement for the Liberation of Angola (MPLA)}, Mozambique {between the National Resistance Movement of Mozambique (RENAMO)} and the Freedom for the Liberation of Mozambique (FRELIMO)}, South Africa {between Inkatha and the African National Congress (ANC)}, and Zimbabwe {between the Zimbabwe African People's Union (ZAPU) and the Zimbabwe African National Union (ZANU)}.

These occurrences have been witnessed outside Africa as well. A good example is the Mujihadeen people who started fighting each other after routing Soviet forces in Afghanistan.

Looking back to the African past may provide the answer to this political turmoil.

Traditionally, Africans found peaceful solutions to problems through village meetings. These were convened under a 'big tree' to debate issues until consensus was reached. The village meetings are called **pitso** by the Xhosa, **ndaba** by the Zulu, **kgotla** by the Tswana, **asetena kese** by the Asante, and **dare** by the Shona.

Citing that Westerners solve political problems by majority vote, Avittey (1999) acknowledges that Africans do so by consensus. Avittey proceeds to assert that majority vote ignores minority positions while consensual decision-making takes minority views into account.

On the basis of these observations, it is instructive to examine how this traditional political problem-solving strategy may find a place in the transformation of organisations. Part of this examination is through appreciating how Mbigi (1997 & 2000) has found a place for the **dare** concept in the Ubuntu Transformational Model. This model is discussed below.

Africa's post-colonial experience as from the 1960's provides a picture of economic disintegration, political chaos, inane civil wars, and infrastructural and institutional decay.

For example, by the beginning of the 1990's, those countries that had adopted African socialism abandoned this political positioning. Whereas African leaders blamed western aid donors or hostile international economic environments, Avittey (1999) argues that internal factors contributed more to the crisis in Africa than external factors.

It certainly is the responsibility of Africans to clean up the political mess in those countries where it exists. The African business renaissance is calling upon Africans to control their destiny since political uncertainty discourages business investment and trade.

This study aims to draw the positive from African political experiences and contribute towards a robust transformational model that exploits the rich African cultural heritage.

2.1.2 Economic Structure

Emerging economies offer a major growth opportunity in the evolving world economic order. Arnold & Quelch (1998) indicate that the potential of emerging economies has already affected a shift in multinational corporations, which now customarily highlight emerging market investments in their communications with shareholders. The two researchers point out that the proportions of global foreign direct investment inflows to developing countries increased from 18% in 1992 to 33% in 1996, when it exceeded $100 billion.

The implication is that corporate executives need to rethink their marketing policies in order to reflect the distinctively different environments of the emerging nations.

Of importance is an appreciation of the economic challenges in the emerging markets of Africa, particularly Southern Africa.

By the beginning of the 1980's, Africa was moving from one crisis to another. African leaders attending a United Nations special session on Africa in May 1986 admitted this. These leaders observed that consolidation of power was wrong and that misguided policies and economic mismanagement had played a significant role in precipitating Africa's economic crisis (Avittey, 1999).

The African leaders at this meeting agreed to restructure their economies away from statism. By 1990, more than half of the concerned African nations had signed a structural adjustment agreement with the World Bank and the International Monetary Fund (IMF). Such an agreement provided loans to a developing country to revamp its economy and reorient it to greater reliance on markets and private sector participation.

The programmes entailed selling unprofitable state enterprises, revamping the public sector to make it more efficient, reducing budget deficits, removing price controls, devaluing exchange rates, and generally dismantling the machinery of state intervention.

Avittey (1999) reports that the experience with economic restructuring in Africa has been generally disappointing. Avittey cites two conceptual flaws to the structural adjustment programmes conceived and administered by the World Bank:

(a) The supply of funds on a large scale to governments in Africa only strengthens the role of the state in the economy and undermines the trend towards a market economy and a vigorous private sector;

(b) In most cases in Africa, structural adjustment amounts to reorganising a bankrupt company and placing it, together with the massive infusion of new capital, in the hands of the same incompetent management that ruined it in the first place.

Avittey, therefore, suggests that several other requirements need to be satisfied for structural adjustment to succeed in Africa. These include installing competent leadership, improving the development environment, improving the policy environment, achieving political reform, establishing fiscal austerity, and introducing freedom of expression and consensus.

Discussing economic prosperity and liberation in Africa, Mbigi (2000) highlights that there are three developmental phases: civil liberation, political liberation, and economic liberation. Mbigi argues that the whole of the African struggle is in the third phase - the economic struggle - and no African country has won its economic struggle against poverty. From this premise, all African countries are emerging economies, with varying levels of poverty.

The Zimbabwean case is a typical illustration of the interconnectedness between political and economic liberation.

Economic analysts in Zimbabwe are generally agreed that the current economic situation in the country is the worst in decades. It would appear the main driver is the politics of the land. The socio-political concerns centre on the government's land redistribution programme.

Presenting an economic overview of Zimbabwe, Ncube (2001) points out that the country experienced a negative Gross Domestic Product (GDP) growth for 1999 and 2000.

The highlights of the Zimbabwean economic scenario paint a picture that instructs companies to think of ways to survive in hostile economic environments. Most Zimbabwean companies have responded by continuously reducing costs, disposing of what they call non-core operations and introducing highly competitive products.

This study seeks to come up with a transformational theory/model that may be used by companies to expand in emerging economies. Of greater interest is uncovering a theory/ model to be used in those emerging economies that may be considered submerging like Zimbabwe.

2.1.3 National Culture

Literature on African culture is quite revealing.

The common thread in an African's way of life is Ubuntu in Zulu - collective personhood and collective morality (Mbigi & Maree 1995, Lessem 1996, Mbigi 1997, & Mbigi 2000). The Tswana call this collective unity **botho**, the Shona **unhu**, Afrikaans **broederbond**, English **brotherhood**, Xhosa **ubuntu**, Tsonga **bunhu** and Venda **vhuthu**.

Archbishop Desmond Tutu is renowned for having given the most definitive perspective of Ubuntu in 1994. Mbigi (2000:7) quotes Tutu saying:

> Africans have a thing called Ubuntu; it is about the essence of being human, it is part of the gift Africa is going to give to the world. It embraces hospitality, caring about others, being willing to go that extra mile one for another. We believe that a person is a person through other persons; that my humanity is caught up, bound up inextricably in yours. When I dehumanize you, I dehumanize myself. The solitary human being is a contradiction in terms, and therefore you seek work for the common good because your humanity comes into its own in community, in belonging.

Exhibit 2.1: The Hierarchy of African Spirits

Source: Mbigi 1997:49

Mbigi has taken Tutu's challenge and come up with a synthesis of African culture through a hierarchy of spirits (Exhibit 2.1).

The synthesis highlights that dominant African national cultures are governed by the creation of a space for the respect, recognition, validation, celebration and affirmation of creative spirits. These creative spirits may be considered as archetypes with generic values and orientations that, when awakened, become the basis for both personal and organisational transformation.

From oral tradition, the spirit is the total being which includes the depth of the soul. A brief description of these archetypes by Mbigi is given below.

The witch spirit, lowest in the hierarchy, is a negative spirit meant to promote evil and cause human suffering.

Comparatively, the avenging spirit is one that has been wronged and as a result is filled with bitterness. The competitive spirit with killer instinct towards its opponents is encapsulated in the third spirit in the hierarchy, the war spirit.

The clan spirit, the fourth, is a spirit of a deceased relative that is good at improvisation or innovation to ensure the survival of one's group or clan.

Above the clan spirit comes the divination spirit that characterises the work of soothsayers, particularly in helping traumatised groups and societies positively to contribute to society.

The wandering spirit, endowed with the creativity and innovation, is part of a crowd yet remains distant from it. This spirit is often persecuted and marginalized.

Next in line is the hunter spirit that exhibits entrepreneurial characteristics. It is known for restlessness and courage to search for opportunities.

The highest spirit is the rainmaker spirit chosen by God as an earthly representative. Rainmakers are divine human beings, but not gods in themselves. In prayer, for example, the practice is to pray with and through others. In this regard, to reach the God of the skies and all living things, prayer is through elders and ancestors. Approaching God directly is discouraged. The essence of this is the notion of interdependence.

Afrocentric culture centred around the hierarchy of African spirits is an expression of a number of Ubuntu principles. It is a culture that is inclusive of all the spirits, accepting that each contributes to consultation and consensus building in its own unique way. Each spirit has a legitimate place requiring people to treat it with dignity, compassion and care for collective solidarity to be realised.

2.1.4 Technological Structure

Toffler (1970:34) points out "technological innovation consists of three stages, linked together into a reinforcing cycle. First, there is the creative, feasible idea. Second, its practical application. Third, its diffusion through society. There is growing evidence that the time between each cycle is shortening". This has an impact on the rate of transfer of technology from the developed to the emerging economies.

As information technology has been closely linked to transformation, the discussion below focuses on this area of technology.

Tehranian (1988) identifies four perspectives on information technologies, which are relevant to the adoption of technology in emerging economies: the technophilic, the technophobic, the technoneutralist, and the technostructuralist.

Tehranian says the technophiles are optimists who believe that the present technological revolution in information storage, processing and retrieval has already inaugurated a 'post industrial, information society' with higher productivity and plenty at world centres that will eventually trickle to the peripheries.

This perspective underlines the idea that technologies are born in developed economies and transferred at will to the emerging economies.

By contrast, Tehranian argues technophobes are rather pessimistic about such promises of widespread productivity and plenty. They point to the threats that increasing robotisation and computer assisted design and manufacturing hold for rising structural unemployment and socio-economic dualism. They also point to the perils that the new databases pose for political surveillance and individual privacy, to the dangers that homogenisation of culture by media monopolies present for cultural autonomy and diversity.

This is the general view held by disadvantaged groups in emerging economies.

According to Tehranian, technoneutrals typically tend to be consultants, who have little theoretical pretension and considerable interest at stake not to alienate their clients. They often assume a neutral position regarding the effects of technology.

For Tehranian, technostructuralists argue that technologies are by themselves neither good nor bad nor neutral. This implies that to understand the impact of information technology, an analysis has to be made of the social structures through which they produce their employment generating or reducing, political centralising or decentralising, cultural homogenising or pluralizing effects.

In this regard, technology is not merely a question of tools - hardware, skills and knowledge - software, but also an associated structure.

Literature on technology also reveals there are at least six features of the new information technologies: increasing interactivity, universality, channel capacity, content variety, low noise and high speed.

Interactivity is becoming more possible by the convergence of telecommunication and computer technologies. For example, by combining cable television with computers and telephone lines, it provides a fully interactive system for teleshopping, telebanking and teleconferencing. Because of the generally poor infrastructure in emerging economies new interactive technologies are only beginning to lay the groundwork for more horizontal modes of communication.

Universality has for long been recognised as a feature of mass communication in developed countries. While high rates of illiteracy in emerging economies have limited the print media from becoming universal, radio, and increasingly television, have begun to gain status. Universality is still a distant dream in emerging economies.

Channel capacity is slowly increasing in emerging economies through the introduction of broadband cable, satellites, fibre optics, laser technology and more efficient use of the electromagnetic spectrum and the geostationary orbit.

Content variety is a promise less fulfilled in emerging economies. Despite some increase in channel capacity, the media diet, for example, is still limited. African nations, like Zimbabwe, are crying for local content.

Low noise, which depends less on institutional arrangements, is a technological achievement gaining currency, but only to the privileged due to high costs.

High speed is also less affected by institutional arrangements. The transition from copper cable to fibre optics is slowly gathering momentum.

From the discussion above, if the world is viewed as a series of concentric circles, the most technologically and economically advanced countries stand at the centre, followed by the newly industrialised countries at the semi-peripheries and the least developed at the extreme peripheries.

A critical challenge is how to invent a development strategy for emerging economies that bypasses the economic exploitations that have been experienced so far. For the developed economies, the challenge is how to share their scientific and technological know-how with the emerging economies.

Transformation agents have much to learn from the fact that information sharing has a synergy effect. Information feeds on information, and thus grows at an accelerating rate. Technologies are, therefore, enablers of transformation efforts.

2.1.5 Generalised descriptions of emerging and developed economies

From the intensive literature search and discussion with selected members in government, civil society and business, a number of characteristics featured as general descriptors of emerging and developed economies. These descriptors have been synthesised under four variables: political, economic, socio-cultural and technological in Figure 2.1.

On the basis of these descriptions, the respondents concurred that the general descriptions of emerging economies applied to Zimbabwe in the period 1980 to 2000.

Figure 2.1: A Summary of Key Characteristics of Emerging Economies and Developed Economies

Variable	Emerging Economies	Developed Economies
Political	• A combination of democratic & authoritarian regimes • High incidences of internal conflict • Weak legislature and judiciary, often muzzled by the executive • Low to no voting powers in global institutions such as IMF, World Bank & the United Nations Security Council	• Democratic regimes • High social inclusion, including civic society • Strong legislature and judiciary, with some independence from the executive • High voting powers in global institutions such as IMF, World Bank & the United Nations Security Council
Economic	• Low economic growth trends coupled with negative trends • High domestic & external debts, mainly above 10% of GDP • Heavy reliance on primary industry & a few sectors of the economy • Low savings from investments • High imports resulting in dumping & stifling infant industry • Excessive government intervention in the market	• High & constant economic growth trends • Little or no domestic & external debts • Diversified industry & high export of finished products • High savings and high private & public investments • Heavy subsidy of local industry resulting in dumping in emerging economies, stifling those economies • Moderate government intervention in the market.
Socio-cultural	• High birth rates relative to economic growth & food production • Low life expectancy worsened by HIV/AIDS • Low income - high levels of poverty • High illiteracy levels & child mortality • High unemployment	• Low birth rates relative to economic & food production • High life expectancy • High income • High literacy levels & low mortality • Low unemployment
Technological	• Poorly developed infrastructure, particularly roads & communication systems • Low investments in R&D and scientific & technological fields • Poorly developed transport systems • Poor water supply & sanitation systems • High gender inequality in higher education & technological spheres • High military expenditure • High labour intensive technologies.	• Well developed & maintained infrastructure, particularly roads & communication systems • High investments in R&D and scientific & technological fields • Highly developed transport systems • Good water supply & sanitation systems • High gender equality in higher education & technological spheres • Relatively low military expenditure • High industrialisation

Sources: Various informants & literature evidence.

2.2 A Survey of Change Theories

Aldrich's definition of 'organisations' has been adopted for this study. Aldrich (1999:2) conceives organisations as "goal-directed, boundary-maintaining, and socially constructed systems of human activity". In this definition, 'goal-directed' reflects that organisations are purposive systems, 'boundary-maintaining' refers to enforcement of membership distinctions, and 'socially constructed systems of human activity' has to do with bounded sets of interdependent role behaviours.

This choice of definition is consonant with the intention of the study. The intention is to analyse what obtains in business organisations. Such organisations are, basically, goal-oriented organisations as distinguished from other social units, such as families or friendship circles.

Research on how organisations change emphasizes a search for answers to two broad questions:

(a) Through what process do organisations emerge?

(b) Taking the existence of organisations as given, how do the organisations transform?

A brief discussion on the emergence of organisations is going to be followed by a more detailed analysis on how existing organisations transform. This approach is used since the focus of the study is on existing organisations. Additionally, the approach provides an opportunity to link organisational transformation to founding conditions and the growth of organisational knowledge.

2.2.1 How organisations emerge

Empirical evidence from studies quoted in Aldrich 1999 (e.g. Baum 1996, Fichman & Levinthal 1991, Levinthal 1991, Duncan & Handler 1994, and Spilling 1996) indicates that most organisations start small and most change little, if at all, over their lifetimes. Such start-ups are a result of entrepreneurial pursuit of organisational knowledge and mobilization of resources around an activity system.

Reynolds, in Aldrich 1999, positions the emergence of organisations (from conception to established new firm) as beginning with someone thinking about starting a new business, alone or with others, and therefore, engaging in activities to further the objective. Some of the activities include looking for facilities/equipment, initiating savings to invest, investing own money in the new firm, organizing start-up team, writing business plan, or initiating other start-up behaviours.

Presenting that the founding process is not linear but complex and chaotic, Reynolds, in Aldrich 1999, argues that the outcomes of the process are highly uncertain. Reynolds also suggests that this is because the intentions of the entrepreneurs are misguided, or they cannot mobilize needed resources or, in other cases, many cannot achieve the level of control necessary to gain mastery over organisational boundaries.

Aldrich (1999) concludes that for those organizing attempts that succeed, the entrepreneurs will have discovered how to maintain organisation boundaries and will have learnt how to reproduce their portion of organisational knowledge. Aldrich also classifies start-up organisations as either reproducer or innovator organisations.

Under reproducer organisations falls those organisations started from an established population whose routines and competencies vary only minimally, if at all, from those of existing organisations. On the other hand, innovator organisations are started by entrepreneurs whose routines and competencies vary significantly from those of existing organisations (Aldrich, 1999).

The activities of entrepreneurs that relate to founding of organisations are definitely a pointer in the direction of how creative moves by organisation members may generate unforeseen consequences. This study investigates how these creative moves impact organisational transformations.

In addition, of significance is the point Aldrich (1999) raises in connection with how social networks affect organisational emergence by structuring the context within which entrepreneurs must act. Aldrich suggests that disadvantaged network circumstances limit entrepreneurial possibilities for many people. For example, those entrepreneurs occupying advantageous social locations have access to emerging opportunities and critical resources, whereas those in impoverished locations must rely much more on their personal networking abilities.

Although these remarks refer to emerging organisations, there may be inferences to established organisations that may be tested. For example, in connection with the challenges of organisational transformation in emerging economies, it will be interesting to find out whether social networks are disadvantaged by virtue of their location. If so, what limitations are imposed on the ability to deal with the challenges?

2.2.2 How organisations change

Transformation refers to 'periodic, discontinuous, metamorphic, or frame-braking changes in organisations to overcome inertia or stagnation and to enable better alignment with the environment' (Ferreira, 1997). Ferreira's definition implies that to qualify as transformations, changes have to include a qualitative break with routines and a shift to new kinds of competencies that challenge existing organisational knowledge.

Linking back to the definition of organisations by Aldrich (1999) adopted above, the 'periodic, discontinuous, metamorphic, or frame-breaking changes' may be considered as occurring in three dimensions. These are: changes in goals (in the domain claimed or in breadth of products and services), boundaries (expansion or contraction involving members or other organisations) and activities (administrative or human resource systems, or major technological innovations).

Two models have been chosen to highlight key features on empirical evidence on how organisations grow. The first is Aldrich's (1999) variation-selection-retention model and the second is Greiner's (1998) evolution-revolution model. A critical analysis of these two approaches, among others, demonstrates that researchers no longer frame transformations as **either-or** issues but are considering the conditions under which change occurs from a **both-and** paradigm.

In this regard, Aldrich's work gives fresh dimensions on what Greiner takes as the evolutionary phase of transformation, as will be summarized below.

The survey of change theories also includes an overview of change implementation strategies.

2.2.2.1 Aldrich's contribution

Aldrich (1999) argues that many empirical studies like McKelvey & Baum 1999, Weick 1969, McKelvey 1982, March 1981, and Campbell 1994 have contributed towards the evolutionary perspective. Aldrich (1999:21) singles out Campbell as the greatest influencer of his own thinking since Campbell was the first to note that "evolution results from the operation of four generic processes: variation, selection, retention and diffusion, and the struggle over scarce resources".

Exhibit 2.2: Evolutionary Processes

Evolutionary Process	Definition	Example
Variation	Change from current routines and competencies; change in organisation forms • **Intentional:** occurs when people actively attempt to generate alternatives and seek solutions to problems. • **Blind:** occurs independently of environments or selection pressures.	• Within organisations: problemistic search. • Between organisations: founding of new organisation by outsiders to industry. • Mistakes, misunderstandings, surprises, and idle curiosity.
Selection	Differential elimination of certain types of variations • **External selection:** Forces external to an organisation that affect its routines and competencies. • **Internal selection:** Forces internal to an organisation that affect its routines and competencies.	• Market forces, competitive pressures, and conformity to institutionalised norms. • Pressures toward stability and homogeneity, and the persistence of past selection criteria that are no longer relevant in a new environment.
Retention	Selected variations are preserved, duplicated, or otherwise reproduced.	• Within organisations: specialization and standardization of roles that limit discretion. • Between organisations: institutionalisation of practices in cultural beliefs and values.
Struggle	Contest to obtain scarce resources because their supply is limited	• Struggle over capital or legitimacy

Source: Aldrich 1999:22

These processes are presented in Exhibit 2.2, together with definitions and examples. Of significance is the point that variation is presented as either intentional or blind and selection as either external or internal.

It has to be noted that, as organisations change, variation, selection, retention and struggle occur simultaneously rather than sequentially. This is consistent with the observation attributed to Reynolds above where the founding of organisations is considered as complex and chaotic.

Aldrich (1999) argues that this evolutionary perspective is a substantive development from Darwin's variation-selection-retention model. Aldrich justifies this position by pointing out that lucid explanations of evolutionary thinking have been provided by researchers like Boyd & Richerson 1985, Dawkins 1986, Depew & Weber 1995, and Dennett 1996.

Aldrich (1999:42) goes further to compare the evolutionary approach to other approaches and concludes, "the evolutionary approach is an overarching framework within which the value of other approaches can be recognized and appreciated". Population ecology, institutional theory, the interpretive approach, organisational learning theory, resource dependence, and transaction cost economics are the six approaches that Aldrich chooses to reveal how the chosen perspectives deal with issues of variation, selection, retention and transformation.

Exhibit 2.3: Six Perspectives on Organisations: Relation to evolutionary theory

Perspective	Variation, selection, and retention	Transformation
Ecological	• Variation introduced via new organisations. • Selection results from fit between organisations and environment. • Retention through external pressures and inertia.	• Organisations are structurally inert and slow to change. • Selection and transformations are fundamentally related.
Institutional	• Variation introduced from external origins, such as imitation. • Selection via conformity. • Retention through transmission of shared understandings.	• Organisations change when forced to do so. • Institutionalization makes many kind of change unimaginable.
Interpretive	• Variation introduced as people negotiate meaning through interaction. • Selection via emergent understandings and compromise. • Retention is problematic; depends on learning and sharing.	• Organisations are not very inert. • Discontinuities are frequent.
Organisational Learning	• Variation introduced via problemistic search or information discontinuities. • Selection results from fit to target aspiration level or existing organisational knowledge. • Retention in programs, routines, and culture.	• Organisations are open to change. • Most change is incremental, rather than radical.
Resource dependence	• Variation introduced as managers try to avoid dependence. • Selection via asymmetric power relations. • Retention a temporary result of coalitions and bargaining.	• Organisations are strongly subject to external control. • But, managers are active agents in trying to control their environments.
Transaction cost economics	• Variation introduced via intendedly rational action. • Selection involves actions to minimize transaction costs. • Retention via transaction-specific investments.	• Organisations are open to change in response to market conditions. • But, transaction-specific investments limit adaptability.

Source: Aldrich 1999:44

Exhibit 2.3 summarizes the relation of the six perspectives to evolutionary theory and positions evolutionary theory as providing an integrated understanding - not necessarily an integrated theory - of how organisations change.

Exhibit 2.4: Six Perspectives: Contributions to understanding organisational evolution

Perspective	Evolutionary implications
Ecological	• Emphasis on long-term volatility at population level: founding and disbandings, • Focused on building empirical generalizations through cumulative research and hypothesis testing.
Institutional	• Emphasis on the socially constructed nature of organisations and populations, • Allows theorists to link events at multiple levels of analysis.
Interpretive	• Allows room for the play of chance and creativity, • Treats people as active agents determining their own fate, • Emphasizes direct observation of social life in the field.
Organisational Learning	• Builds explicit models of how environments affect organisations, • Allows theorists to link multiple levels of analysis, • Implicitly based on a variation-selection-retention model.
Resource dependence	• Emphasizes strategies used by organisations to change their own environments, • Allows theorists to link multiple levels of analysis.
Transaction cost economics	• Advocates the explicit statement of assumptions and propositions, • Emphasizes examining the costs and benefits of alternative organisational arrangements.

Source: Aldrich, 1999:73

Aldrich (1999) also proceeds to summarize some of the key contributions the six chosen perspectives make to the understanding of organisation evolution (Exhibit 2.4).

It is evident that the evolutionary perspective is open to multiple approaches for explaining particular kinds of change.

Exhibit 2.5: Variation-Selection-Retention Mode

Evolutionary Process	Evolutionary Explanations
Variation	The greater the frequency of variations, the greater the opportunities for transformation. • Level of variation dampened by internal selection criteria favoring inertia, • Level of variation increased by institutionalised experimentation, incentives to innovate, official tolerance of unfocused variation, and creative enactment of organisational practices, especially group-based action.
Selection	Changes in selection criteria open avenues for new practices. • Internal selection criteria not linked to environmental fitness may be realigned, • External discontinuities may trigger changes in selection pressures, such as changes in competitive conditions, government regulations, or technological breakthroughs.
Retention	Transformations are completed when knowledge required for reproducing the new form is embodied in a community of practice. Retention by: • Individuals and groups, • Structures, policies, and programs, • Networks.

Source: Aldrich, 1999:171

The variation-selection-retention model (Exhibit 2.5) resulting from an appreciation of the evolutionary processes, highlighted in Exhibits 2.2 through 2.4 above, provides evolutionary explanations of transformation at the organisation level.

This study provides an opportunity to assess whether any of these approaches have informed the transformation of any of the chosen companies.

Aldrich (1999:196) also highlights that "when transformations occur within the life of organisations, observers naturally look to that organisation's unique history for explanation, examining its age, size, industry, and other distinctive characteristics".

On the basis of this observation, a review of Greiner's contribution to organisational change is warranted.

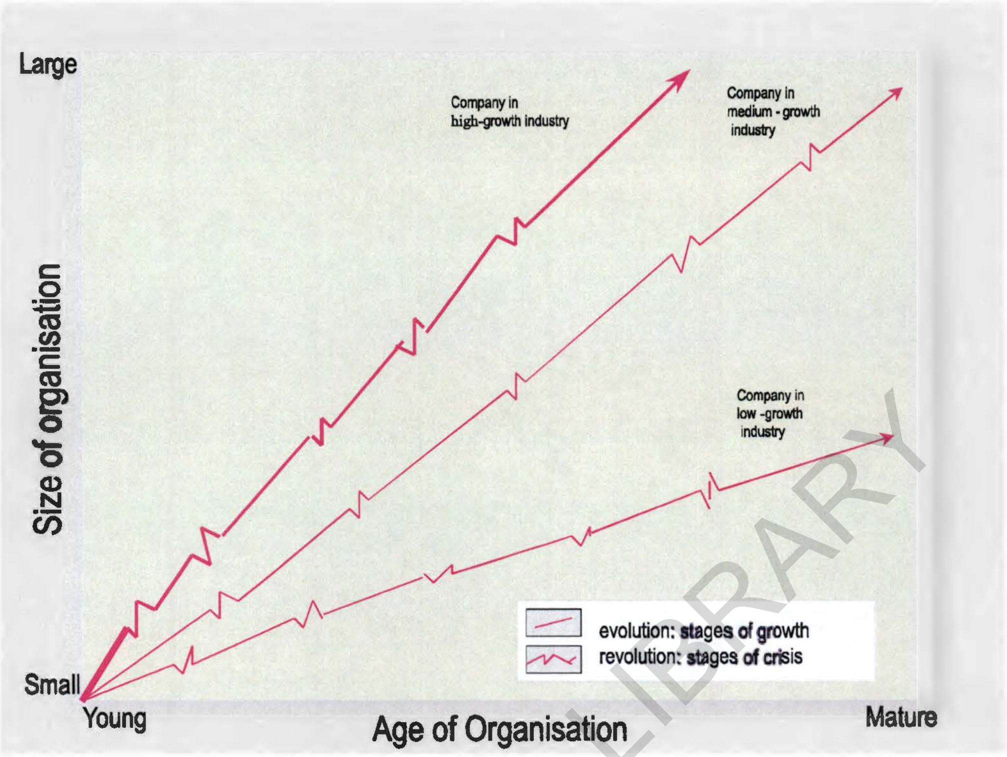
2.2.2.2 Greiner's Contribution

Greiner (1998:55-68) extensively analyses contributions from empirical studies of what happens as organisations grow. A summary of his analysis is illustrated through three exhibits below.

The exhibits are based on the conclusion that, as organisations grow, a series of developmental phases can be identified. Each phase starts with a period of evolution characterized by steady growth and stability. This period then ends with a revolutionary period characterized by substantial organisational turmoil necessitating further change.

Greiner presents that empirical research on organisational development highlights five key dimensions: an organisation's size and age, its stages of evolution and revolution, and the growth rate of its industry.

Exhibit 2.6: How Organisations Grow



Source: Greiner 1998:56

Exhibit 2.6 illustrates how the five elements above interact as the organisation develops.

Greiner suggests that management principles and problems are rooted in time and the age of the organisation. Such passage of time contributes to the institutionalisation of managerial attitudes. As these attitudes become rigid and eventually outdated, employees' behaviour becomes more predictable and more difficult to change.

With regards to organisation size, an increase in the number of employees and sales volume has a direct relationship with the organisation's resultant problems and solutions. For example, such increases create problems of coordination and communication that may warrant changes in the organisation's structure.

As organisations grow in terms of both age and size, there is a period of prolonged growth, the evolutionary period, during which only modest adjustments appear. Aldrich's (1999) analysis (above) of the complexities underlying what Greiner presents as 'modest adjustments' during the evolution of organisations is ample evidence that there is still much to learn about growth of organisations.

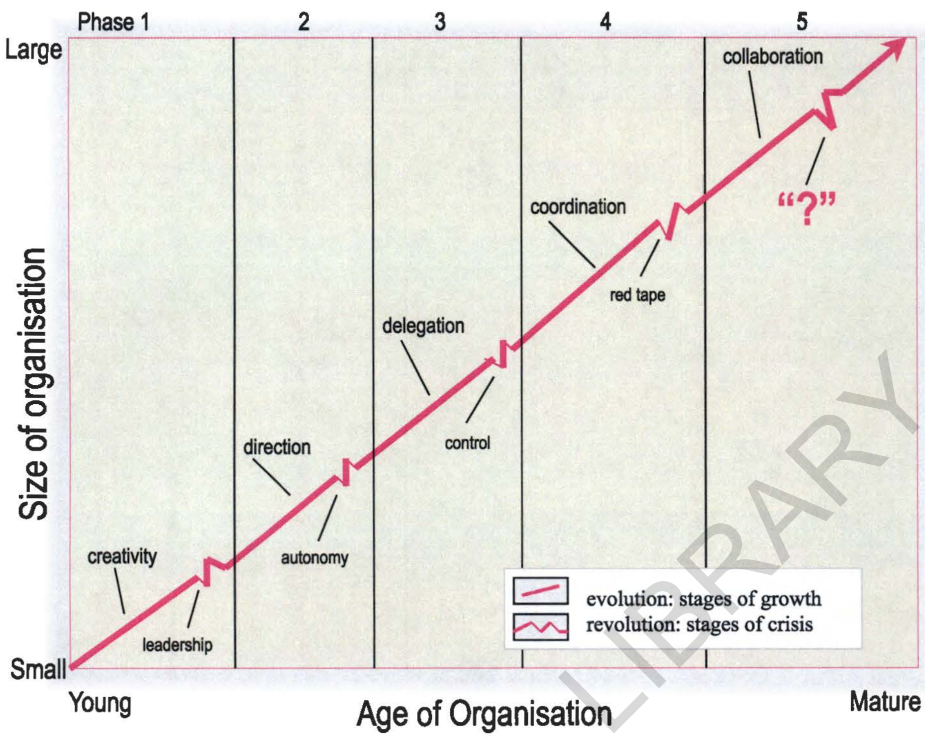
Greiner continues to highlight that the evolutionary periods are punctuated by periods of substantial turbulence exhibiting a serious upheaval of management practices. A typical example of such turbulence is the turnover rate of Fortune 500 companies in the last five decades.

The challenge for management during each revolutionary period is to create a new set of practices to catapult the organisation into the next phase of evolution.

The fifth dimension, growth rate of industry, relates to the speed with which an organisation moves across its evolutionary and revolutionary phases in response to the dictates of the market environment. The graph indicates that companies in higher growth industries experience having to go through steeper growth curves.

This study examines the experiences of four Zimbabwean companies to find out whether the five dimensions apply.

Exhibit 2.7: The Five Phases of Growth



Source: Greiner 1998:58

Greiner's analysis proceeds to examine five specific phases of evolution and revolution as illustrated in Exhibit 2.7.

The exhibit shows that management adopt a dominant style during each evolutionary period in order to achieve growth. Similarly, management have to resolve a specific dominant problem related to each revolutionary period in order for the next evolutionary period to set in.

Exhibit 2.7 links back to Exhibit 2.6 in that management in companies in faster-growing industries tend to experience the phases more rapidly as compared to those in slower-growing industries.

Also critical to note is that each phase is not only a result of the previous phase but also the cause for the next. For example, Phase 2 is a result of the establishment of directive techniques to channel the energy of employees for sustained growth.This is an outcome of the leadership crisis that terminates individualistic management style dominant in Phase 1. At the same time, such directive style results in the autonomy crisis heralding the need to move into Phase 3.

Exhibit 2.8: Organisational Practices in the Five Phases of Growth

CATEGORY	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5
Management Focus	Make and sell	Efficiency of operations	Expansion of markets	Consolidation of organization	Problem solving and innovation
Organizational Structure	Informal	Centralized and functional	Decentralized and geographical	Line staff and product groups	Matrix of teams
Top -Management Style	Individualistic and entrepreneurial	Directive	Delegative	Watchdog	Participative
Control System	Market results	Standards and cost centres	Reports and profit centres	Plans and Investment centres	Mutual goal setting
Management Reward Emphasis	Ownership	Salary and merit increases	Individual bonus	Profit sharing and stock options	Team bonus

Source: Greiner 1998:66

The rest of the organisational practices in the five phases are summarized in Exhibit 2.8.

Greiner (1998:65) admits that 'A sixth phase may be evolving in which growth depends on the design of extra-organisational solutions, such as creating a holding company or a network organisation composed of alliances and cross-ownership.'

This study investigates whether, in fact, any of the selected companies has experienced these phases and also seeks to find out if at all any of the companies is seeking opportunities to go beyond Phase 5.

2.2.2.3 Change theory implementation strategies

Beer & Nohria (2000:133-141) indicate that their study of corporate change over more than four decades suggests there are two archetypes, or theories, of why and how change should be made.

The proposition that shareholder value is the only legitimate measure of corporate success has resulted in the adoption of Theory E. Such an adoption usually involves heavy use of economic incentives, drastic layoffs, downsizing, and restructuring.

On the other hand, when the organisation's ability to learn from its experiences is taken as a legitimate yardstick of corporate success, Theory O is adopted. Theory O change strategies aim to build corporate culture with special focus on employee behaviours, attitudes, and commitment.

Exhibit 2.9: A Comparison of Theories of Change

Dimensions	Theory E	Theory O	Theory E and O Combined
Goals	Maximize shareholder value	Develop organizational capabilities	Explicitly embrace the paradox between economic value and organizational capability
Leadership	Manage change from the top down	Encourage participation from the bottom up	Set direction from the top and engage the people below
Focus	Emphasize structure and systems	Build up corporate culture: employees' behaviour and attitudes	Focus simultaneously on the hard (structures and systems) and the soft (corporate culture)
Process	Plan and establish programs	Experiment and evolve	Plan for spontaneity
Reward System	Motivate through financial incentives	Motivate through commitment - use pay as fair exchange	Use incentives to reinforce change but not to drive it
Use of Consultants	Consultants analyze problems and shape solutions	Consultants support management in shaping their own solutions	Consultants are expert resources who empower employees

Source: Beer & Nohria 2000:137

Exhibit 2.9 compares and contrasts these theories along key dimensions of goals, leadership, focus, process, reward system, and use of consultants.

The exhibit also reflects how the two may be combined.

Beer & Nohria suggest the combination after investigating the impact of adopting almost pure forms of each archetype in the paper industry. The two researchers report that Scott Paper's CEO trebled shareholder returns in 1994 but failed to build the capabilities needed for sustained competitive advantage through the adoption of Theory E. Employee commitment, coordination, communication and creativity were low. The result was that Scott Paper had to be sold to its competitor Kimberly-Clark in 1995.

By embracing Theory O, Champion International CEO improved the loyalty and commitment between the company and its employees. The result was that, although the company became one of the leaders in the industry on most performance measures in 1997, Champion shareholders had not seen a significant increase in the economic value of the company for over a decade. Consequently, Champion was acquired by Finland-based UPM-Kymmene for a mere 1.5 times its original share value.

Drawing from the two cases, as examples, Beer & Nohria (2000) suggest that radical change in business should combine, in a relevant manner, the 'hard' and 'soft' instead of approaching radical changes as an ***either-or*** proposition.

The other organisational cases considered below also illustrate how the two archetypes may be combined. The General Electric case illustrates the sequential combination of Theory E and Theory O whereas the Mount Carmel case illustrates a concurrent combination.

Further, given the theory on how organisations emerge and grow, it is necessary to consider a selection of transformational models that organisations have attempted to apply and link back to the two theories. Such an analysis provides a lens through which to critically view the initiatives the companies have experienced.

2.3 A Survey of Transformation Models

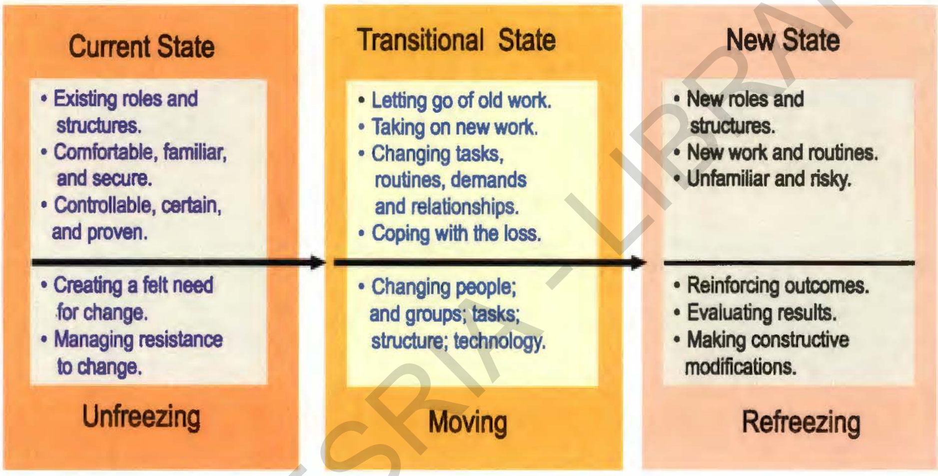
For the purposes of this study, six transformational models have been selected. These are hereunder referred to as: The Kurt Lewin Model of Change, The Tichy & Sherman Model of Change, The Kotter Model of Change, The Spector Model of Change, The Secretan Values-Centred Model of Change, and the Mbigi Ubuntu Transformation Model. Such reference is meant to recognize and acknowledge the developers of the models.

The survey of transformational models also includes an overview of transformational techniques and organisational cases.

2.3.1 The Kurt Lewin-based Models

From the selected models, the Kurt Lewin model is the earliest. It appears this model has been the basis on which The Tichy & Sherman, the Kotter and the Spector models have been constructed.

Exhibit 2.10: The Kurt Lewin Model of Change



Source: Cook, Hunsaker & Coffey 1997:542

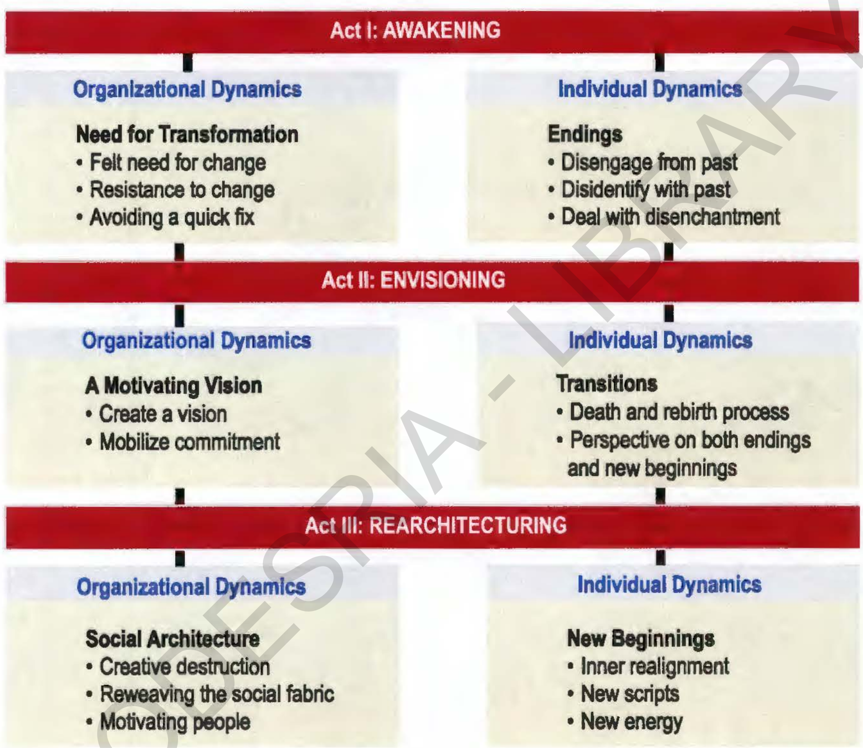
The Kurt Lewin Model of Change, illustrated in Exhibit 2.10, has three phases: Unfreezing, Moving and Refreezing.

Unfreezing involves raising awareness of the inadequacy of the current conditions and reducing resistance to desired change. Resistance to change may be minimized through altering existing attitudes and behaviours.

Moving involves making the change by letting go of old ways of doing things and adopting new behaviours.

The third phase of this model, **Refreezing**, involves reinforcing the changes made in order to stabilize the new behaviours. The intention of this phase is to cause desired attitudes and behaviours to be a natural and self-reinforcing pattern.

Exhibit 2.11: Tichy & Sherman's Model of Change



Source: Tichy & Sherman 1993:305

Comparatively, the Tichy & Sherman model, illustrated in Exhibit 2.11, also has three phases. What is interesting is that Tichy & Sherman have chosen to construct the model using a drama metaphor. Organisational transformation, in this model, is exemplified as a drama where ideas, dialogue and actions flow among the cast in three acts: **awakening**, **envisioning** and **rearchitecturing**.

Of importance is that the model portrays the drama playing out at organisational and individual levels. For example, while the organisation is awakening to new challenges in Act I, the individual is grappling with loss in the same Act.

This Act I (Awakening) in the Tichy & Sherman model closely matches Kurt Lewin's first phase (Unfreezing). Both activities require employees to untangle their old loyalties and relationships with that which has to end.

Act II (Envisioning) is similar to Kurt Lewin's 'Moving' as both relate to some defined transition stage. During this stage, employees must be given time to gain perspective on both the endings of one era (at both organisational and individual levels) and the new beginnings of another era.

On completing the transition stage, employees need to be prepared for the frustration that accompanies failure as they replace old mastered routines with new ones. Again, therein lies the similarity between Tichy & Sherman's 'Rearchitecturing' and Kurt Lewin's 'Refreezing'.

Exhibit 2.12: The Kotter Model of Change

1. ESTABILISHING A SENSE OF URGENCY
   - Examining the market and competitive realities;
   - Identifying and discussing crises, potential crises, or major opportunities.

2. CREATING THE GUIDING COALITION
   - Putting together a group with enough power to lead the change;
   - Getting the group to work together like a team.

3. DEVELOPING A VISION AND STRATEGY
   - Creating a vision to help direct the change effort;
   - Developing strategies for achieving that vision.

4. COMMUNICATING THE CHANGE VISION
   - Using every vehicle possible to constantly communicate the new vision and strategies;
   - Having the guiding coalition role model the behaviour expected of employees.

5. EMPOWERING BROAD-BASED ACTION
   - Getting rid of obstacles;
   - Changing systems or structures that undermine the change vision;
   - Encouraging risk and non-traditional ideas, activities, and actions.

6. GENERATING SHORT-TERM WINS
   - Planning for visible improvements in performance, or 'wins';
   - Creating those wins;
   - Visibly recognizing and rewarding people who made the wins possible.

7. CONSOLIDATING GAINS AND PRODUCING MORE CHANGE
   - Using increased credibility to change all systems, structures, and policies that don't fit together and that don't fit the organisation vision;
   - Hiring, promoting, and developing people who can implement the change vision;
   - Reinvigorating the process with new projects, themes, and change agents.

8. ANCHORING NEW APPROACHES IN THE NEW CULTURE
   - Creating better performance through customer- and productivity-oriented behaviour, more and better leadership, and more effective management;
   - Articulating the connections between new behaviours and organisational success;
   - Developing means to ensure leadership development and succession.

Source: Kotter 1996:21

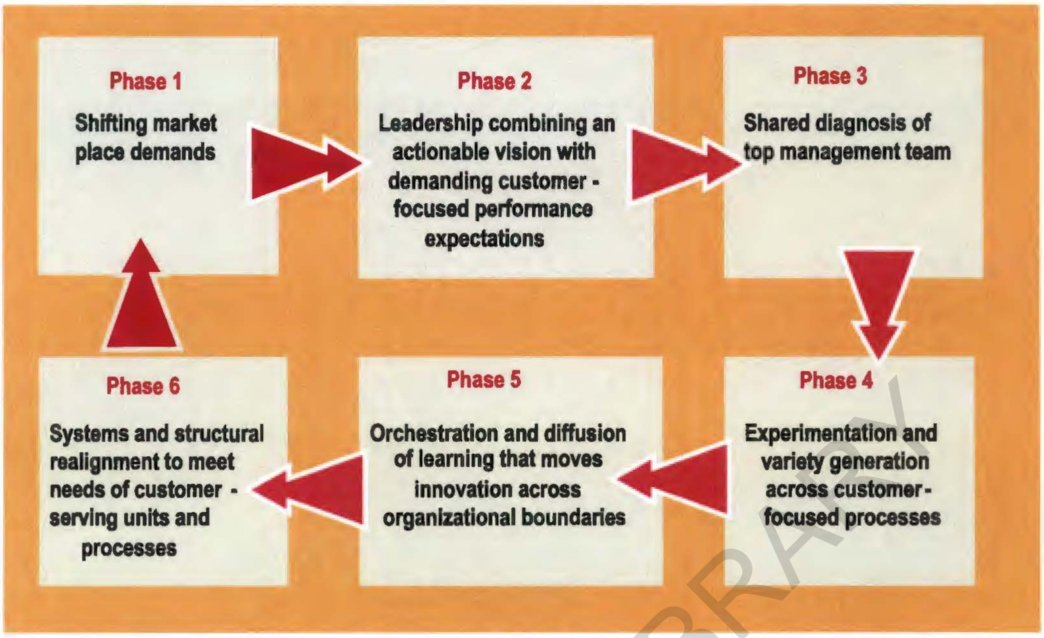
Comparing and contrasting the Kotter Model, illustrated in Exhibit 2.12, with either the Kurt Lewin or Tichy & Sherman models, reveals that the eight stages in Kotter's model may be clustered into three broad categories.

Clearly, what Kotter calls 'Establishing a Sense of Urgency' aligns with either 'Unfreezing' or 'Awakening' since it deals with creating a need for change.

Essentially, 'Creating the Guiding Coalition', 'Developing a Vision and Strategy', 'Communicating the Change Vision', and ' Empowering Broad-based Action' express mobilization to emotionally commit to a desired future. Thus, Kotter's stages 2 through 5, may be collapsed into either 'Moving' or 'Envisioning'.

To all intents and purposes, Kotter's stage 6 (Generating Short-term Wins) is the beginning of redirecting the emotional energy at both organisational and individual levels to anchor new approaches. Therefore, this stage may be taken as the initial stage of either 'Refreezing' or 'Rearchitecturing'. From this premise, Kotter's stages 6 through 8 may be considered as a reflection of either Kurt Lewin's third phase or Tichy & Sherman's Act III.

Exhibit 2.13: The Spector Model of Transformation



Source: Spector 1995:382-389

Spector (1995:382-389) developed a model of change, illustrated in Exhibit 2.13 and referred to it as 'A Sequential Model for Corporate Revitilization'. The model is designed on the basis of three organisational concepts: customer alignment, sequencing and learning.

Customer alignment involves looking at all transformation efforts as starting from an understanding of how customers define the value of the services and/or products offered by an organisation. From this perspective, whatever else follows is only an alignment of internal processes with external contingencies.

Spector argues that there is need to understand the sequencing of events during and after any transformation effort. This understanding is followed by the third organizing concept, learning. Such learning involves sequencing interventions that maximize the ability of the organisation to learn from its customers and the marketplace, and from itself.

An analysis of each of the phases of the model reveals that even this model has its roots in the Kurt Lewin model.

Essentially, Spector's Phase 1 (Shifting Marketplace Demands) is comparable to 'Unfreezing'. Shifting marketplace demands is all about market-driven dissatisfaction with the status quo that can lead to transformation. Spector highlights that there is need to deal with an important blocker called defensiveness. The defensiveness is rooted in an organisation's managers becoming used to certain ways of doing things. Defensiveness, then, reflects a way of resisting change that characterizes what has to be dealt with in 'Unfreezing'.

Phase 2 relates to the translation of competitive pressures from the environment into an explicit demand for fundamental internal realignment. Such internal realignment enables innovation and experimentation that is focused on enhancing value from the perspective of the customer.

For all intents and purposes, Phase 2 through 5 constitute Kert Lewin's 'Moving'. Phase 2 marks the beginning of 'Moving' since it is the energy prompted by the vision that triggers the start of the transition stage. The shared commitment and responsibility implicit in Phase 3 confirms that this stage is still part of 'Moving.' 'Moving' also extends into Spector's Phases 4 and 5 which involve the extension of innovation and learning to all levels of the organisation and subsequent diffusion of such innovation and learning.

The learning that evolves across Spector's first five phases gets anchored during Phase 6. In the Spector model Phase 6, formal information and measurement systems, in particular, serve to reinforce new patterns of behaviour and interaction and so provide a more permanent foundation for the transforming organisation. Phase 6 is, therefore, similar to what Kurt Lewin presents as 'Refreezing'.

The above discussion highlights that in the field of transformational models, there are a number of models that are amplifications of the Kurt Lewin model.

Figure 2.2: A Synthesis of Kurt Lewin-based Change Models

Model	Phase 1	Phase 2	Phase 3
Kurt Lewin	Unfreezing	Moving	Refreezing
Tichy & Sherman	Awakening	Envisioning	Rearchitecturing
Kotter	• Sense of urgency	• Guiding coalition • Vision & strategy • Communicating vision • Empowerment	• Short-term wins • Consolidation • Anchoring
Spector	• Shifting market place demands	• Leadership combining vision • Shared diagnosis • Experimentation • Orchestration and diffusion	• Systems & structural realignment

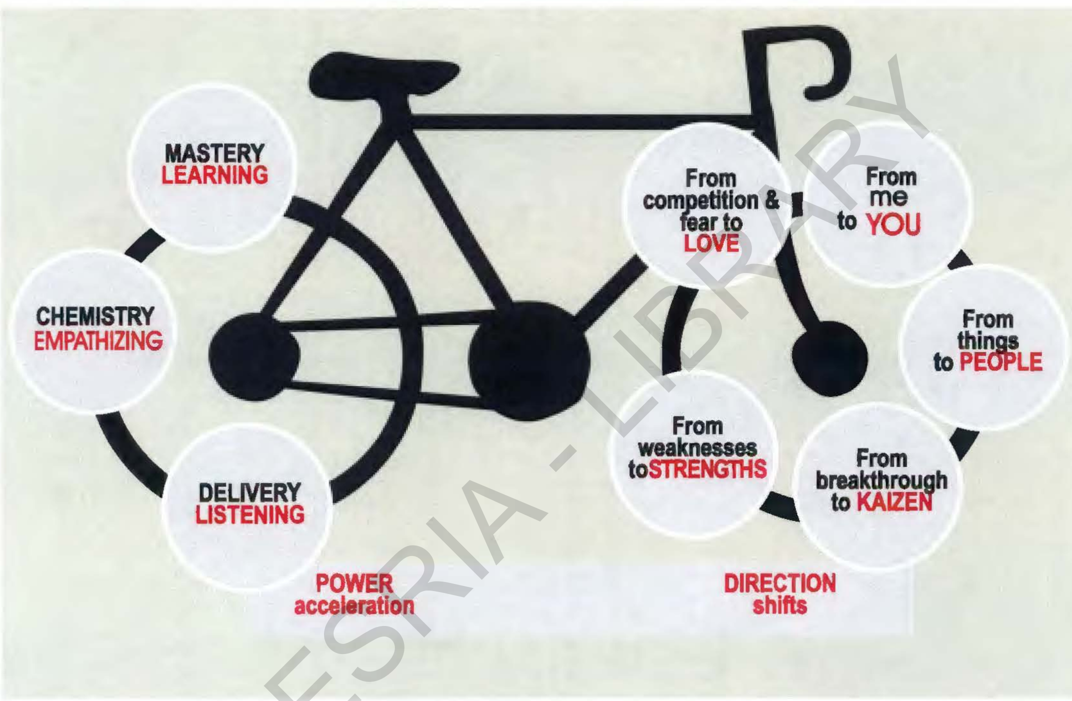
A synthetic conceptual framework of the Lewin-based models as analysed above is reflected in Figure 2.2.

The question to address is whether or not any of the chosen Zimbabwean companies has applied any of these Kurt Lewin - based models. If any has, what success stories have been registered?

2.3.2 The Soul/Spirit-based Models

Two soul/spirit-based models (the Secretan and Mbigi models) have been selected for this study. I have called them soul/spirit-based as the emphasis is on honouring the sacredness of humans.

Exhibit 2.14: The Secretan Values-Centred Model of Change



Source: Secretan 1997:45

The Secretan Values-Centred Model, illustrated in Exhibit 2.14, conceives an organisation as a bicycle with the back wheel providing the power and the front wheel providing the direction.

From the back wheel are derived the life skill values (*Mastery*, *Chemistry*, and *Delivery*) that are the source of personal and organisational power. These values are called Primary Values and they help kick-start personal growth and change corporate culture.

According to Secretan, the Primary Values are defined as follows:

(a) *Mastery means undertaking whatever one does to the highest standards of which one is capable;*

(b) *Chemistry means the capability of a person to relate so well with other people to an extent that those people actively seek to associate themselves with the person; and*

(c) *Delivery refers to identifying the needs of others, meeting those needs and a passion for being of service.*

According to this model, becoming proficient in Mastery, Chemistry and Delivery depends on the adoption of three Accelerators that drive these Primary Values. The accelerators are Learning, Empathizing and Listening.

Secretan also defines each of the Accelerators and what it drives as follows:

(a) *Learning means seeking and practicing knowledge and wisdom. Learning drives Mastery.*

(b) *Empathizing is considering the thoughts, feelings and perspectives of others. Empathy drives Chemistry.*

(c) *Listening refers to hearing and understanding the communications of others. Listening drives Delivery.*

Whereas the back wheel provides the power, the front wheel contains values that give the direction. This direction provides the shifts from "old" values to new ones.

The five 'Values Shifts' the model reflects as critical for organisational change are summarized in line with Secretan (1997):

(a) **You Before Me.** A shift 'from me to you' offers a change of focus from increasing market share, sales, cash flow, or power to being of service to others and the planet.

(b) **People Before Things.** Secretan contends that the genius of Western management has been an unsurpassed ability to acquire, measure, analyze and count things and that, in doing so, organisations have forgotten that organisations are the sum of people, not of things. The people approach recognizes the universal desire of people to be trusted, respected and loved.

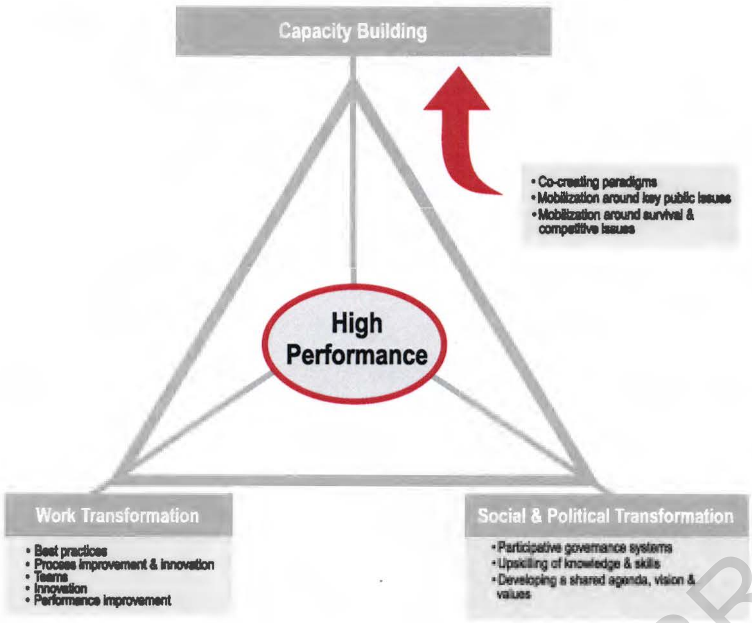
(c) **Kaizen and Breakthrough.** Under this shift, Secretan argues that creativity nourishes the soul and there are two ways to grow: through innovation and breakthrough (doing things differently) and kaizen (doing the same things better). This subtle difference propels transforming organisations into a class of their own.

(d) **Strengths Before Weaknesses.** Secretan points out researchers claim that during an average business meeting each idea proposed receives nine criticisms. Self-esteem is sucked from the souls of individuals, and therefore organisations by criticizing, judging, and jeering. There is need to celebrate strengths or to study and perfect successes.

(e) **Love Before Competition, Hostility and Fear.** Winning has come to mean defeating one's opponent - it seems there must always be a loser. Management vocabulary is laced with the metaphors of war and competition like 'beat/eliminate/ kill the competition'. Secretan argues that what are considered competitors are neighbours and colleagues since life is not a battleground - BUT a playground.

The Mount Carmel case, discussed below, illustrates how the Secretan model has been applied.

Exhibit 2.15: The Mbigi Ubuntu Transformation Model



Source: Mbigi 1997:115

Mbigi (1997:113) argues "In transitional societies where issues of governance and redistribution have not been resolved, the political reform of organisations has to be tackled simultaneously with issues of reform and efficiency". Concluding that this emphasis on political reform marks the difference between the Afrocentric approach and the global approach to organisational transformation, Mbigi proceeds to suggest the Ubuntu Transformation Model, Exhibit 2.15.

According to this model, successful organisational transformation involves three key activities: capacity building, work transformation, and political and social transformation. At the heart of this model is the need to achieve creative high performance and competitive alignment.

Capacity building aims at increasing the capability of a worker to understand survival challenges at five levels: the global perspective, the national perspective, the industry perspective, the organisation perspective, and the personal perspective. This process emphasizes the shifting of mindsets around governance and public accountability through participative co-creation of new paradigms.

Work transformation emphasizes the management of work, product development and technology.

Political and social transformation involves the creation of inclusive practices focusing on issues of governance, distribution, economic, justice and fairness. It is this aspect of the transformation model that is value laden and is critical for the creation of the legitimacy of the change effort on the other dimensions of work transformation and capacity building.

This model is a typical integration of Theory E and Theory O discussed above. A critical assessment of the three elements (capacity building, work transformation, and social and political transformation) gives the impression that Mbigi's model combines the two theories with a heavy slant towards Theory O. The Eastern Highlands Tea Estates and South African Post Office cases discussed below amplify this impression.

2.5 A Survey of Transformation Techniques

The most relevant model under which to survey transformational techniques is Mbigi's. This is because Mbigi has one of his transformation pillars as 'Work reform'.

Work reform centres around the management of work and the continuous improvement and intervention of work methods. The focus is the management of value-adding processes.

Transformational techniques that have been used in business operations include Statistical Process Control (SPC), Just-in-time manufacturing (JIT), Total Quality Management (TQM), Group Technology (GT)/ Optimum Production Techniques (OPT), Total Productive Maintenance (TPM) and Core Competencies. Key features of these techniques will be discussed below.

Exhibit 2.16 summarizes the generic best operating practices and their appropriate operations environments, structures, and implementation methodologies as conceived by Derek van de Riet of Competitive Capabilities Africa (Mbigi, 1997).

Exhibit 2.16: Evolution of Layers of Competitive Advantage

Technique(s)	Industry Type	Aimed at improving	Organisational structures - Team-based changes	Implementation Methodology
SPC	Assembly	Reliability	Quality Circles	Breakthrough Strategy
JIT	Assembly	Reliability	Autonomous Work groups	Breakthrough Strategy
TQM	Assembly	Reliability	Autonomous Work Groups	Breakthrough Strategy
GT/OPT	Job shops	Lead Time	Cellular manufacturing	Pilot Projects
TPM	Continuous Process	Cost	Multi-disciplinary teams	Pilot Projects
Core Competencies	All industry Types	Focus on order winners	Cross-functional teams	Business Process Reengineering

Source: Derek van der Riet, quoted in Mbigi 1997:117

Melnyk & Denzler (1996:386) define JIT as "an organisation wide quest to produce output within the minimum possible lead time and at the lowest possible total cost by continuously identifying and eliminating all forms of waste and variance."

This definition reflects that JIT requires a broad reorganisation of operations to evolve a vital transformation system embodying the notions of value and waste control throughout its design, structure and maintenance. The full implementation of JIT produces a complex and interlinked web of activities emphasizing continuous improvement.

In this regard, employees in JIT environments need to apply analytical tools to monitor process performance and evaluate their control of the process. Herein comes the relevance of SPC. SPC is a technique whereby a series of readings are taken and plotted on a graph to see whether the process is still centred and whether the variation is normal. All assignable problems are identified proactively and eliminated to keep the process under control. In essence, SPC tells an employee about three things: where the employee is doing something that should not be done, when the employee is not doing what should be done, and when the employee is doing the right thing.

The third technique, TQM, infuses quality principles into every company principle. It breeds a culture of total commitment to quality and an attitude expressed by everyone's involvement in the process of continuous improvement of products and services through the use of innovative scientific methods.

GT is "an equipment layout dedicated to the complete production of a family of similar parts by linking together all operations in a particular process" (Melnyk & Denzler, 1996:415). Typically, the layout forms a U-shaped sequence that allows the operator, from a position in the middle, to perform all operations required to build each unit output. This often sharply reduces lead-time.

Melynk & Denzler (1996:885) consider OPT to be "a complete information system for production planning and control through which operations managers create detailed schedule for the transformation process". OPT procedures embody the theory of constraints helping users focus on bottleneck resources.

TPM is a JIT method designed to identify and attack all causes of equipment breakdowns and system downtime.

According to Melynk & Denzler (1996), a core competency is a firm's uniquely effective business process on which its strategic success depends. These two authors suggest that firms can identify core competencies around skills or knowledge sets, value for targeted customers, resistance to duplication, focus on a few core competencies, extending skills to new markets and dynamic skills.

Having highlighted the features of the identified transformational techniques, it is necessary to reflect how to apply them in an African context.

Mbigi (2000) suggests that work reform in Africa be done in cross-functional teams, multi-disciplinary teams, and shop-floor teams. When the focus is on shop-floor teams, it soon dawns on transformation champions in Africa that managing these techniques need to consider the cultural endowments. This is more so since most shop-floor workers have limited schooling. The emphasis should, therefore, be on oral and visual communication. This approach would demystify the techniques, measurements, language, concepts and practices, making the techniques understandable to all workers.

The multi-disciplinary teams, consisting of managers of key disciplines should support shop-floor teams in their efforts to achieve the market agenda of cost reduction, flexibility, service, waste reduction and equipment availability.

In Africa, the cross-functional teams often show up as executive management meetings attended by top functional leaders. Their role should be to mobilise resources, set performance, and support the effort by the other teams.

This study seeks to establish whether the selected companies have applied any of these techniques and whether oral and visual communication have been used at shop-floor level.

2.6 A Review of Organisational Cases

Four organisational cases (Figure 2.3) have been chosen as a platform to reflect on the key issues raised in this chapter. Two of the cases (General Electric - GE and Mount Carmel) are from the developed economies whereas the other two (Eastern Highlands Tea Estates - EHTE and South African Post Office - SAPO) are from the emerging economies.

Figure 2.3: A Summary of Organisational Cases

CASE	NEED	INTERVENTION	THEORY	LESSON/OUTCOME
GE	• A strong balance sheet, • Slow-moving bureaucracy, • Annual productivity improvements of 1% to 2%, • Non-global businesses, • Modest technology.	• Hard issues dealt with, • Soft issues worked on later.	• E followed by O	• Boundaryless engagement, • Best practice benchmarking in and outside company, • Human resource practice integration, • Stretch goals, • Tichy & Sherman model, • Five commandments: - know the business engine, - understand human connection, - have a performance bias, - be candid & forthcoming, - and never be a bully.
MOUNT CARMEL	• Soul care and sacredness, • Efficient operation.	• Higher Ground leadership, and • Soulful Six Sigma.	• Heavy O and E .	• Integration of Kurt Lewin- & Soul-based models into Soulful Six Sigma, • Quality health service delivery, • Mount Carmel profitability.
EHTE	• Company turn-around	• Ubuntu.	• Heavy O and light E.	• Transformation is a spiritual, emotional, social & intellectual journey, • Social capital mobilization requires the artistic creation of relevant rituals, • EHTE turn-around, • Consistent use of various multi-level & cross-functional teams of facilitators & change champions.
SAPO	• Diversity and inclusion	• Ubuntu-based Strategic Diversity Transformation (SDT).	• Heavy O and light E.	• Integration of Kurt Lewin- & Spirit-based models, • Survival agenda for minority groups, • Survival agenda for majority groups, • Celebration of both similarities and differences, • Consistent use of various multi-level & cross-functional teams of facilitators & change champions.

2.6.1 The General Electric (GE) Case

GE is generally recognized for having pioneered approaches to organisational change and for recognizing that significant change is a result of profound shifts in people's attitudes and behaviours.

Tichy & Sherman (1993) succinctly summarize why GE needed a revolution under four major areas: key characteristics of the company, GE's 100-year-old heritage, the level of GE bureaucracy, and the core problems for GE.

In 1980, Jack Welch inherited a GE with a strong balance sheet, slow-moving bureaucracy, annual productivity improvements of 1% to 2 %, non-global businesses and modest technology.

GE's 100-year-old heritage included that it was always considered a company of creative ideas and also grew to be the most diverse company in the United States. It became the business school model for financial management, organisational design, strategic planning, development, and succession planning. Consequently, its culture became very inward-focused and very bureaucratic under the fabric of scientific management.

The level of bureaucracy was in the form of nine layers of management from CEO to shop floor. These layers reflected a wedding cake shape company that had a military-like nomenclature and was similar across the company. The layers were composed of sector executives and staffs who were responsible for putting layers of reviews and procedures between CEO and the actual people running the business. The strategic planning process with over one hundred planning staff headquarters produced volumes of books and data for presentations.

In any organisation, there are two kinds of issues: hard and soft. Finance, marketing, engineering, and manufacturing are some of the hard issues whereas soft issues include values, morale, and communication. Tichy & Sherman (1993:311) suggest "hard issues generally have the greatest effect on the bottom line (profits), whereas the soft issues have the greatest impact on the top line (total sales)". This suggestion is consistent with Beer & Nohria's Theory E discussed above.

For GE, the hard issues included that earnings growth were average, cash flow was a persistent problem because of high capital expenditures and working capital expansions, slow-growing electrical equipment core businesses still dominated GE, productivity growth was 1% to 2 % as indicated above, and operating margins stayed in the 7% to 9% range.

Tichy & Sherman (1993:318) point out three large uncertainties in: "power systems where the energy crisis and Three Mile Island had devastated backlogs, Utah International because the Japanese were developing new coal supplies", and "International mini-GE's (Brazil, Canada, Spain, Mexico), which were high-cost entities not ready for the new emerging global competition".

Beer & Nohria (2000) agree with Tichy & Sherman (1993) that Jack Welch's change strategy was sequenced. In the first phase, GE applied an E-type restructuring in which Welch moved quickly and aggressively on the hard issues: Welch took the fat out of the bureaucracies, downsized, divested businesses in which GE could not win, and invested where GE could win. Tichy & Sherman (1993) call this GE's first big idea where 'the strategy was to be Number 1 or Number 2 in any GE business and to get there by fixing, closing or selling each of GE's businesses. This was the technical idea.

After wringing out redundancies and achieving a more positive bottom line profitability, Welch adopted an O strategy in 1985 in the form of a series of organisational initiatives to change GE's culture. Beer & Nohria's concept of such sequenced change (from applying Theory E to Theory O) is consistent with Tichy & Sherman's (1993) presentation on two other GE ideas: the political and cultural.

The political idea was the adoption of a corporate structure that pushed most power out into the businesses, giving the businesses control over their destiny while at the same time integrating and holding certain powers at the centre of GE. The cultural idea was encapsulated under Welch's notion of 'boundaryless' values and behaviour.

Senge (1999:74-82) aptly summarizes the wisdom that other organisations may derive from the GE experience. The summary emphasizes four key lessons around employee engagement, best practices, integration, and goals.

The involvement and engagement of all employees needs to be boundaryless, including customers, partners, and suppliers. Such boundaryless engagement should focus on developing win-win solutions across levels, functions, businesses, and companies.

Best practices need to be identified and transferred from inside and outside of the company. Antennae should be kept tuned to anyone who can help the company become productive and successful.

The above two initiatives need to be integrated with key human resource practices such that the sourcing, development, and rewarding of employees is consistent with business objectives.

The fourth lesson concerns the setting of stretch goals. This is recommended since employees tend to be creative and innovative and design new processes when they let go of conventional wisdom.

Whereas Senge (1999) views the contribution of the GE case in terms of the four lessons above, Tichy & Sherman were concerned with the crystallization of a model for change and drawing out five commandments of a revolution from the GE experience. The model that was crystallized has been discussed above as the Tichy & Sherman model.

A brief look at the Tichy & Sherman model of change, given GE, reveals that:

- during Act 1, employees experienced disengagement when they were laid off and businesses were bought and sold;

- during Act 2, employees gained perspective on both endings and the new beginnings in the early and mid-1980's as they spent time envisioning the future;

- during Act 3, employees became more comfortable with new GE precepts such as ownership and boundarylessness and needed to have their goals stretched to sustain the momentum of change.

Besides the Tichy & Sherman model and Senge's four lessons from GE above, Tichy & Sherman indicate that the GE case has also contributed five commandments of revolution for any organisation: knowing the business engine, understanding the human connection, never compromising on performance, being candid and forthcoming, and never being a bully.

Knowing the business engine concerns having a clear understanding of the interaction between an organisation's capital and technical resources in the creation of value. For the business engine to work, there must be a clearly and carefully articulated vision of the support between the technical, political and cultural systems of the organisation.

Face-to-face constructive conflict is used to enhance decision-making in order not to compromise on performance. However, making tough decisions requires the balance between being hard-headed and soft-hearted.

2.6.2 The Mount Carmel Health System Case

In a **Business First** article on 27 July 2001 entitled *'Seeking a Higher Ground: Mount Carmel CEO employs new leadership model to inspire, retain employees and boost operations'*, Jeff Bell summarizes findings from his interview with Joseph Calvaruso, the Mount Carmel CEO.

Bell highlights that Calvaruso, with classical music playing softly in the background, now talks about 'the kinder, gentler, yet more effective, change leadership model that his organisation is adopting'. The transformational model adopted is the Secretan Value-Centred Model that is described under transformational models above.

Mount Carmel has been in existence for almost 120 years. Because of its religious roots, Mount Carmel always has been an organisation that people felt had a spirit and soul to it. Calvaruso says 'We feel that spirit and soul gives us a position of higher ground'.

To fortify its cultural heritage, Mount Carmel launched the Secretan Value-Centred Change Model in September 2000, and prefer to call it the Higher Ground model. As at the date of publication of the article, more than 100 Mount Carmel executives, managers and physicians had completed weeklong Higher Ground retreats. Calvaruso, who became a believer in Secretan's philosophy in 1999 after attending one Secretan-run retreat about a year after being named Mount Carmel's CEO, has attended each of them.

Asked by Bell how what was learned from Secretan was transferred to the staff at Mount Carmel, Calvaruso had this to say:

> We've had a series of seven- to eight-day meetings, starting with our senior vice presidents and medical staff leadership. They were unanimously supportive of us moving to what we are now calling Higher Ground Leadership.
>
> Then we began taking people from other parts of the organisation. In January we began a process that is going to involve all 400 of our managers. We will take each and every one to a weeklong retreat where we reawaken those values they all have.
>
> We spend a lot of time on the concepts of inspirational leadership and value-centered leadership. We talk about values that leaders need. One is courage. A good leader needs to be courageous and do the right things, even though it may not be popular. Authenticity is another value. People love authentic leaders - people who take off the mask and can be themselves.
>
> And love is a word that many people feel doesn't belong in the workplace. But we ask our people, "How many of you want more fear in your life?" No one raises his or her hand. Then we ask, "How many people want more love in your life?" It's unanimous. Showing love to each other in the workplace is one of the most powerful instruments of inspiring people.
>
> Truth telling is a value we talk a lot about. There is a tremendous cost to teams that don't tell the truth to each other and don't keep promises.

Focusing on a **both-and** paradigm, Mount Carmel has simultaneously adopted the Six Sigma process improvement model that gained attention through its deployment by Motorola and General Electric. Six Sigma takes a scientific approach to smoothing out an organisation's operational snags and consequently reducing expenses. Mount Carmel had the objective of reducing expenses through introducing Six Sigma.

Mount Carmel call their change initiative Soulful Six Sigma since management has made a commitment that no one will lose their job because of Six Sigma. There are times when work is redesigned for more efficiency and requiring less people. Mount Carmel will help those people find other things in the organisation that fit their calling. 'In other industries, they slash and trash people. We won't do that', Calvaruso retorts.

Commenting on how Soulful Six Sigma is being implemented, Calvaruso says:

> We have taken a dramatic, bold approach. We were not going to do this in an incremental way. We've taken 44 people in our organisation and given them four weeks of intense training over a four-month period. The first class of 20 graduated in March. The next wave of 24 is graduating in July.
>
> Our projected savings for the first wave of 20 was $440,000 through three months. We were at about $1.2 million from end of March to mid-June in terms of financial benefit savings and revenue increases. We spent about $650,000 on training, so it has more than paid for itself already.
>
> We expect a $4 million financial benefit next fiscal year and $10 million to $16 million the second year.

Calvaruso indicates that a combination of talented managers and the adoption of the Higher Ground model that shapes Soulful Six Sigma now contributes to the dramatic improvement of both health care delivery and profitability at Mount Carmel.

The essence of reawakening the spirit and values at Mount Carmel is encapsulated in Calvaruso's interview closing remarks:

> The final thing is (Higher Ground) is a standard by which we can make decisions. We can sit around a table and say, "Will this money we are about to spend honor every soul? Is it loving?" And the final question is, "Whom does it serve? Does it serve us or ennoble others?" If we get bad answers on a few of those questions, we stop and think about if this is the right decision.

The Mount Carmel case highlights that a CEO needs to move from being a change champion to role modeling the behaviour change that he expects. Mount Carmel is demonstrating how Kotter's model may be applied in organisations intuitively. What is also notable is how Mount Carmel has, not only benchmarked externally with Motorala and General Electric on Six Sigma, but also infused Value-Centred leadership into the process. This approach to radical change demonstrates the concurrent application of Theory E and Theory O as suggested by Beer & Nohria (2000) above.

It is instructive to check whether any of the selected companies has experienced such interweaving of interventions.

2.6.3 The Eastern Highlands Tea Estates Case

This case reflects how organisational spirits were harnessed and transformed at Eastern Highlands Tea Estates (EHTE), using the Mbigi Ubuntu Transformation Model, resulting in a competitive and high-performing powerful organisation.

Mbigi (2000:95) chronicles his experiences with EHTE after asserting "Western management techniques were limited in managing rapid and large-scale change involving the creation of new worldviews of entire communities to move from the known to the unknown". The experience summarized below started in the late 1970's, when Zimbabwe was at the height of its liberation war.

EHTE is a tea manufacturing company in Zimbabwe in an area bordering with Mozambique. This location placed the company near some of the Zimbabwean guerrilla training bases in Mozambique, not far away from EHTE. Due to war activities in Zimbabwe at that time, EHTE's production fell below 10% as a result of key workers and managers running away to urban zones of comparative safety. The British holding company, listed on the London Stock Exchange that owned EHTE, wrote off the company at one pound.

Mbigi (2000:97) points out that the strategic challenge for EHTE, in the early 1980's, was to harness the positive organisational spirits in order to release energy and create enterprising community needed for high performance, as well as value creation. EHTE, therefore adopted some of the Shona tribal management and spiritual practices, values and philosophies discussed above, consciously integrating them with Western management techniques

The thrust of EHTE transformation included a focus on a new being of the organisation covering application of best operating practices, change of mindsets and creation of a new atmosphere. The key activities were around creating a new collective community worldview, an organisational and enterprising community spirit based on inspiring collective business rituals, songs, symbols, dances, drumming, myths, heroes (mediums) and story-telling.

The content of all initiatives aimed at improving performance through doing new, better and different business activities. A key driver for organisational design was a new worker plot system. All tea fields were divided into small plots with each plot allocated to an individual worker. Each worker was assigned a plot.

A lot of collective dialogue and debate was used to reach consensus on production standards, systems and targets as well as reward system. This worker plot system was aimed at inculcating a sense of collective and individual accountability. This approach is a cornerstone of African agricultural worker participation, stewardship and industrial democracy.

The Shona tribal collective renewal and bonding ceremony, called **Dandaro**,was used as a strategic forum for the debates and mobilisation. A Dandaro session is an open-air forum that is critical of all company activities. It is similar to the 'Work-out sessions' that GE adopted. Dandaro sessions, however, are punctuated with singing, dancing, drumming, collective story telling, and high performance slogans.

The employees voluntarily created their own teams consisting of family members, friends and work mates. The workers worked on flextime arrangements, creating a free enterprising community.

EHTE was affiliated to the African Tea Foundation based in Malawi. The scientific findings of the Malawi organisation were used to pioneer EHTE's best operating practices. For example, the Malawi findings urged EHTE to embark on coffee growing. The successful implementation of this idea provided a solution to one of the key business problems around capacity utilisation when tea is out of season.

Tea brokers in London also sent samples of top selling teas for each batch. EHTE multi-level teams met every Thursday in the afternoon for four hours to test tea in order to discover new ways of improving tea manufacturing. In this way, EHTE was involved in competitive benchmarking and experimentation as part of developing and implementing best operating practices.

The EHTE case illustrates how transformation may be taken as not only an intellectual journey, but also a spiritual and emotional one. In this regard, Mbigi (2000:100) strongly suggests, "social capital mobilisation requires the artistic creation of relevant rituals and collective singing, rhythmic dancing and drumming".

This case demonstrates the concurrent application of Theory E and Theory O as suggested by Beer & Nohria (2000) above. It is apparent that the emphasis is tilted towards Theory O.

This emphasis was particularly reflected by EHTE's annual merry-making production festival. The festival was a major strategic ceremony, not only to award and honour best workers, best departments and best estates as production heroes, but also to celebrate agricultural achievements of the past season and plan for the next. Traditional chiefs, traditional healers, managers, spirit mediums, church leaders, community leaders, all employees and their families, political and government leaders would attend with the rituals carried out by the traditional Rainmaker.

EHTE is currently performing well.

2.6.4 The South African Post Office (SAPO) Case

The Strategic Diversity Transformation (SDT) programme for SAPO provides another example of the application of Mbigi's Ubuntu Transformation model.

SDT is modular based and run by transformation champions and facilitators. The facilitators were trained and provided with a new multi-disciplinary knowledge base including management consulting, mobilisation skills and presentation and training skills.

The three modules for the two day SDT programme were: 'The challenge of economic liberation, Managing our heritage and the past', and 'Survival strategies for minority and majority groups in South Africa'.

'The challenge for economic liberation' module was divided into three phases.
Phase one focused on civil liberties, Phase two on political liberation and Phase three on economic liberation to produce an efficient, prosperous and fair society.

In Phase two, the heroic struggles of both Afrikaners and the black people of South Africa were narrated in a mythical way to show the similarities in both struggles. A shared sense of cultural heritage was created in the process.

The key emphasis in the third phase was developing a shared agenda for development. This was necessary as Mbigi (2000:75) observes "a lot of African struggles lost their direction after the second phase of political liberation".

The 'Managing our heritage and the past' module was run towards the end of the day. The intention of the module was to create discomfort with the past. It was used to leave the white participants with a complete state of disgust of their past and black participants very angry about their past. The night would allow participants to reflect on their emotions and let go of their past and come ready to travel into the future the next day. The approach used is consistent with the 'Unfreezing' concept in the Lewin-based models discussed above.

The night, therefore, was a platform to move into the transition stage where the module 'Survival strategies for minority and majority groups in South Africa' would be presented the following day.

In this module, the whites would be assisted in crafting a survival strategy to thrive and prosper in a hostile political environment without political power. Examples of minority groups, like Jews, who prospered and succeeded in hostile environments, were quoted to reinforce possibilities of survival at all odds. Elements of the survival strategy included partnering with the majority and developing a new patriotic agenda that includes the majority groups.

The majority group strategy was around shifting mindsets from a victimhood mentality to a victorhood mentality. Thus, the new positive agenda for the majority group was to be decisive and resolve to focus on governing the country efficiently and fairly.

The second day was, therefore, mainly concerned with the 'Moving' stage of Lewin -based models. The ending of the day would 'Refreeze' new behaviours through a bonding ceremony around an outdoor fire. It involved sharing food and drinks punctuated by collective singing and dancing. The intention was to create the social capital needed to chart the course for a diverse and inclusive work community.

The two Ubuntu-based cases are an expression of how the experience of liberation struggles and organisations in Southern Africa can provide lessons on managing complex, rapid and integrated transformation efforts.

As Mbigi (2000) summarizes, social capital formation is in three parts: 'collective intellectual capital formation, collective emotional capital formation', and 'collective spiritual capital formation in the form of trust'. To achieve this rapid mass transformation based on African cultural heritages demands a rethinking of how to speed up the upskilling and deployment of multi-level and cross-functional facilitators to embed transformation in organisations.

Chapter Summary

From the literature search, there are four broad revelations:

- There is a knowledge gap in terms of the applicability of existing change theories in non-Western, emerging economies;
- The transformation theory arena has been driven by case studies;
- Change theories have tended to be prescriptive, with very little, if any empirical testing; and
- There has been no change theory cited which is a prescription for emerging economies.

This study addresses the existing knowledge gap with a view to finding a theory that will be a prescription for emerging economies.

This is critical since Jones & Blunt (1993) warn researchers that Western approaches to Organisational Development (OD) tend to reflect their cultural milieu and may contain elements that are irrelevant or inimical to African contexts. The two researchers suggest that there is a need to develop concepts and approaches to OD and change that are effective and sensitive to African contexts.

As far as Zimbabwe is concerned, only one study, by Posthuma in 1995, examining the process of organisational restructuring in a sample of six Zimbabwean companies, was cited. These companies introduced a package of Japanese techniques, including total quality control, just-in-time, and cellular manufacturing. The findings highlight that organisational reform should be treated not only as a set of technical solutions but also as a process which involves social innovations.

The introduced techniques were found to yield rapid and tangible improvements in production indicators. However, those companies that lacked participation of upper management and had inadequate policies for human resources development and training had difficulties sustaining and advancing these improvements over time.

The cited study is limited to the usefulness of Japanese techniques in Zimbabwe. It does not look at the relevance of existing theories and models.

There is need to search for a transformation theory or model that is suitable for Zimbabwe, in particular, and emerging nations in general.

CHAPTER 3: RESEARCH METHODOLOGY

3.0 The Approach

Due to the lack of prior research on the suitability of existing change theories in non-Western, emerging economies, the desire to understand transformation within organisational contexts and the sensitive nature of data needed, a qualitative approach has been chosen (Yin, 1984). The choice of this approach has also been influenced by the focus of the study. The focus is the events associated with the transformation of companies over time.

I use a multiple longitudinal case design (Newman & Nollen, 1998) to capture the experiences of companies spanning from 1980 when Zimbabwe attained its independence to 2000.

In order to understand the thought processes underlying major decisions made along the way, it was necessary to include the perspectives of major stakeholders like business executives, worker opinion leaders, the media and customers.

This study is, therefore, an inductive study using grounded theory, rooted in case study methodology, to examine how the chosen Zimbabwean organisations engaged in change.

Strauss & Corbin (1990:24) define the grounded theory approach as "a qualitative research method that uses a systematic set of procedures to develop an inductively derived grounded theory about a phenomenon". This involves inducting insights from field based, case data.

Grounded theory has been selected since the study is looking at a rarely explored area for which extant theory does not appear to be useful. Brown & Eisenhardt (1997:2), (quoting from Glaser & Strauss, 1967), point out that "in such situations, a grounded theory-building approach is more likely to generate novel and accurate insights into the phenomenon under study than reliance on either past research or office-bound thought experiments".

The results from this study are insights into a theory/model of organisational transformation suitable for companies in Zimbabwe, and more broadly, in emerging economies. It was also expected that the product(s) would be, and it is, consistent with the argument Leedy (1997:163) makes: "the theory is 'grounded' in that it is developed from the data, as opposed to being suggested by the literature; that is, theory is an expected outcome from, rather than the starting point for, the study".

3.1 The Research design

Exhibit 3.1: Process of Building Theory from Case Study Research

STEP	ACTIVITY	REASON
Getting started	• Definition of research question; • Possibly a priori constructs; • Neither theory nor hypothesis.	• Focuses efforts; • Provides better grounding of construct measures; • Retains theoretical flexibility.
Selecting cases	• Specified population; • Theoretical, not random, sampling	• Constrains extraneous variation and sharpens external validity; • Focuses efforts on theoretically useful cases i.e. those that replicate or extend theory by filling conceptual categories.
Crafting instruments & protocols	• Multiple data collection methods. • Qualitative and quantitative data combined • Multiple investigators	• Strengthens grounding of theory by triangulation of evidence. • Synergistic view of evidence • Foster divergent perspectives and, stregthens grounding.
Entering the field	• Overlap data collection and analysis, including field notes; • Flexible and opportunistic data collection methods.	• Speeds analyses and reveals helpful adjustments to data collection; • Allows investigators to take advantage of emergent themes and unique case features.
Analysing the data	• Within-case analysis; • Cross-case pattern search using divergent techniques.	• Gains familiarity with data and preliminary theory generation; • Forces investigators to look beyond initial impressions and see evidence through multiple lenses.
Shaping hypothesis	• Iterative tabulation of evidence for each construct; • Replication, not sampling, logic across cases; • Search evidence for 'why' behind relationships.	• Sharpens construct definition, validity, and measurability; • Confirms, extends, and sharpens theory; • Builds internal validity.
Enfolding literature	• Comparison with conflicting literature; • Comparison with similar literature.	• Builds internal validity, raises theoretical level, and sharpens construct definitions; • Sharpens generalizability, improves construct definition, and raises theoretical level.
Reaching closure	• Theoretical saturation when possible.	• Ends process when marginal improvement becomes small.

Source: Eisenhardt 1989:533

Exhibit 3.1 summarises what Eisenhardt (1989:533) conceives as the process of inducting theory using case studies. Eisenhardt (1989:532-3) argues that "this roadmap synthesizes previous work on qualitative methods (e.g. Miles & Huberman, 1984), the design of case study research (e.g. Yin, 1981, 1984), and grounded theory building (e.g. Glauss & Strauss, 1967)".

The process involves eight steps ranging from the specification of the research questions to reaching closure. Eisenhardt (1989:548-9) concludes: Firstly, "theory developed from case study research is likely to have important strengths like novelty, testability, and empirical validity, which arise from intimate linkage with empirical evidence". Secondly, this process is "particularly well-suited to new research areas or research areas for which existing theory seems inadequate".

On the basis of these remarks, the process above was adopted to inform the research design since the roadmap is quite robust and fit for use in this study.

The adoption of this process was stimulated by Eisenhardt's (1989:549) challenge to other researchers. The challenge is that since "most empirical studies lead from theory to data", other researchers should realise "the accumulation of knowledge involves a continual cycling between theory and data". Hence, some researchers need to "complete the cycle by conducting research that goes in the less common direction from data to theory…".

Consonant with the roadmap above, the eight steps of the design for this study are outlined below.

3.1.1 Getting started

The first step of the design process concerned the definition of the research question and a possible priori specification of constructs.

The key research question is: **Do existing theories, of how organisations change, apply to organisations in non-Western, emerging nations?**

From the literature on change, there were twelve tentative constructs that were used as a basis for exploring this question. Ten of these fall under the challenges of initiating, the challenges of sustaining, and the challenges of redesigning the transformation (Senge, 1999; Chowdhury, 2000).

Initiation of a change effort refers to the start-up of the effort. Three tentative constructs under initiation included **time** (time available for the effort), **help** (the kind and quality of help provided), **relevance** (the extent to which the effort was considered relevant) and **walking the talk** (the credibility of the leader(s)).

Sustenance of the change initiative refers to maintaining the momentum of the change. The tentative constructs under sustenance included **fear and uncertainty** (how fear and uncertainty were managed), **measurement** (how progress was measured and assessed), and **belief in the change effort** (the extent of polarisation in belief about the effort).

Redesigning refers to developing the capacity of people to reshape the change process taking into account the interdependencies within which they operate. The tentative constructs included **governance** (power and accountability of actors), **diffusion** (how learning pervaded the company during the change), and **purpose and strategy** (rethinking company purpose and strategy).

Two other possible constructs came up during the literature search: **triggers of transformation** and **best practices of transformation.**

The twelve constructs were initially used to design the semi-structured interview and focus group discussion guide as reflected in Appendix 1. The semi-structured interview guide was used to begin the capturing of experiences of the chosen companies under the twelve tentative constructs. This guide also provided a frame for the other data collection methods used. However, as the iteration between data collection and analysis continued, two more constructs (**key players** and **success**) surfaced. The data collection instrument was therefore modified to include these other two possible constructs resulting in fourteen tentative constructs.

3.1.2 Selecting cases

To explore the key research question, multiple case studies were conducted. In this context, each case is considered analogous to an experiment in traditional hypothesis testing research. Multiple cases, then, are analogous to multiple experiments. This permits a 'replication' logic (Yin, 1984), "in which the cases are treated as a series of independent experiments that confirm or disconfirm emerging conceptual insights" (Brown & Eisenhardt, 1997:3).

The initial four cases were selected from a population of Zimbabwean companies in four business sectors.

Zimbabwe was selected since it is an emerging economy currently in a state of decline. However, it has huge opportunities to be a strong economy. In the Economist of 24 April 1999, anonymous authors suggest that there is every possibility that emerging economies will, in the long run, do better as a result of their crises. In this regard, the

Zimbabwean company experiences may be laboratories from which to learn about the challenges of organisational transformation in emerging economies.

The initial four sectors chosen were financial services, mining, agriculture and tourism.

Building theory from case studies relies on theoretical sampling in which cases are chosen for theoretical, not statistical, reasons (Eisenhardt, 1989). Thus, the sectors were chosen to fill in theoretical categories of industry and provide examples of polar types (Eisenhardt, 1989). Towards the late 1990's, the financial services sector in Zimbabwe was successful whereas the other sectors were declining. This sampling plan was designed to build theory given the lessons of success and failure.

The initial multiple cases were selected based on the combination of accessibility and cross-case diversity factors (Sabherwal, Hirschheim & Goles, 2001). In this study, cross-case diversity covers company size, industry, and performance issues.

One company was initially chosen from each of the sectors mentioned above. This number is consistent with the minimum cases Eisenhardt (1989:545) suggests when she retorts:"…, there is no ideal number of cases, a number between 4 and 10 cases usually works well. Fewer than 4 cases, it is often difficult to generate theory with much complexity, and its empirical grounding is likely to be unconvincing, unless the case has several mini-cases within it, …".

Due to problems faced in getting access into the mining company initially, the case was dropped from the study for reasons mentioned in this section below. The study cases still cover four sectors, with a specific slant. The four sectors now are agriculture, manufacturing, financial services, and tourism.

Pseudonyms are used for both company and individual confidentiality. The initial company code-names were changed as it was perceived the code names were not masking the companies enough. There was also a need to mask the case to replace the mining company and to mask further the two companies in the same industry.

The code names for the study cases are now CROP, FINANCE, LEISURE and PLEASURE. CROP is agro-industrial and represents both the agriculture and manufacturing sectors. FINANCE represents the financial services sector. LEISURE and PLEASURE represent the tourism sector. Whereas LEISURE was once a parastatal, PLEASURE has been a part of a conglomerate that has been and continuous to be unbundled.

CROP and a mining company had been selected as representative of a global conglomerate. Permission to study the two companies was granted at Group level. However, the leaders of the two companies had a final say on accessibility. CROP leadership allowed the study to continue. The mining company leadership were hesitant to allow access and set out conditions that would otherwise have restricted and clouded data collection and analysis. The mining company was consequently dropped from the study and replaced by PLEASURE from the tourism industry.

PLEASURE was considered a suitable replacement as it would allow for within industry (with LEISURE also from the tourism industry) comparison as well as represent another conglomerate. Access was easy as I was involved in running a company-wide transformation process for PLEASURE. The study allowed not only data collection and analysis but also confirming emerging themes and testing of the emerging theory.

CROP covers the agriculture and manufacturing sectors, is small but part of a global conglomerate.

FINANCE is relatively new in the financial services sector in Zimbabwe, has been turned around and has grown large of late. FINANCE has also earned a partnership with another company in the same sector in South Africa and is poised for global expansion.

As highlighted above, LEISURE and PLEASURE are both in the tourism sector. Both are part of two Zimbabwean owned Groups of companies.

3.1.3 Crafting Instruments and Protocols

Multiple data collection methods are employed. These include interviews, focus group discussions, observations, archival sources and intensive literature search. The triangulation that is made possible by "multiple data collection methods provides stronger substantiation of constructs." (Eisenhardt, 1989:538).

Qualitative evidence is combined with quantitative evidence in a synergistic way. Besides indicating relationships that may be less obvious to a researcher, quantitative evidence can keep researchers "from being carried away by vivid, but false, impressions in qualitative data, and it can bolster findings when it corroborates those findings from qualitative evidence" (Eisenhardt, 1989:538). At the same time, qualitative data is useful for understanding the rationale behind those relationships revealed in quantitative data. Qualitative data may also suggest directly those theoretical insights to be strengthened by quantitative data (Jick, 1979).

Of special note is that focus group discussions were held particularly to capture data from shopfloor workers who are unskilled. This is consonant with the recommendation by Hofmeyr, Templer & Beaty (1994) that, given the problems of accurately measuring attitudes at the unskilled level in the organisation, qualitative methods such as focus groups be used to complement other methods.

The composition of focus groups was in some cases multi-level and cross-functional and in others for employees at the same level. This approach permitted rich conversations on the various issues and provided an opportunity to observe the interpersonal interaction dynamics in the companies. Data collection was opportunistic.

Multiple investigators were employed to enhance the creative potential of the study. The convergence of observations from multiple investigators enhances confidence in the findings (Eisenhardt, 1989). The two other investigators were kept out of the field altogether and assigned the roles of resident devil's advocates. This strategy allowed for a very different and possibly more objective eye to the evidence (Eisenhardt, 1989).

Observations were made during site visits and focus group discussions.

Archival data was drawn from a variety of company documentation including annual reports, workers' committee and management meeting minutes, as well as media reports. Media reports about the companies assisted in understanding the forces exerted on the companies by various stakeholders.

3.1.3.1 Semi-structured interview and focus group discussion guide

The semi-structured interview and focus group discussion guide (Appendix 1) includes questions on the punctuated equilibrium paradigm, initial stages of changes, sustenance of the changes, and redesigning of the changes.

3.1.3.2 Protocols

Samples of written requests to gain entry into a company (APPENDIX 2), invite individuals to participate in interviews or focus group discussions (APPENDIX 3), and potential research assistants (APPENDIX 4) are attached.

3.1.4 Entering the field

A variety of data were collected based on the fourteen constructs from a variety of sources for each company. Data was collected through semi-structured interviews, focus group discussions, observations, and from company documentation as well as media reports. Data collection overlapped with data analysis. This enhanced flexible data collection to trap the emergence of new themes to improve resultant theory.

Observations were captured as field notes. There were running commentaries against the field notes. The running commentaries were in the form of hunches about relationships, cross-case comparisons, anecdotes and informal observations. Such observations provided real-time data as presented by activities such as lunches, tea breaks, product demonstrations and meetings.

Interviews provided an opportunity for participants to relate their stories of how the organisation evolved. Probing questions were mostly in the form of WHY questions to search for more insights.

For CROP, annual reports and media reports in company files from 1980 to 2000 were the platform for a one-week in-depth study in the company. The week provided ample time to make direct observations of the mill, office and field tours.

During the week, 5 personal one-on-one interviews as well as 5 focus group discussions were conducted. Each of these was 1.5 hours long giving a total time of 15 hours for interviews and focus group discussions

A total of 39 staff {3 (from same department) + 9 (from across functions and levels with 1 white) + 11 (middle managers with 1 female and 1 white) + 5 (from across functions and levels) + 11 (shopfloor workers)} participated in the 5 focus group discussions.

Several visits to FINANCE and informal discussions with staff and ex-employees pointed in the direction that annual reports and strategy documents were comprehensive sources of data for the company turnaround. Time was therefore devoted to in-depth analysis of the annual reports from 1995 to 2000 and strategy documents.

One senior executive who was part to the turnaround and is now with another financial institution confirmed that the evidence from the two documentation sources sufficiently saturated the issues. The same sentiment was expressed by three other ex-employees who were followed up for evidence. Repeat discussions were held with these ex-employees to confirm/disconfirm the evidence from documents.

The first executive interviewed in LEISURE confirmed and substantiated information contained in an annual report and the prospectus for listing. The interviewee expressed that reliable data would be got from ex-staff members who had witnessed the changes and provided leads.

Two ex-staff were followed up and willing to provide one-on-one interview evidence. A total of 3 (1.5 + 1.5) hours were spent on interviews in LEISURE.

Four LEISURE units were visited for observations and informal discussions held with customers in the units.

Focus group discussions were the primary source of evidence for PLEASURE. This was because the first three one-on-one interviews provided only indicators of what had happened and company documents were not readily available. A transformation process that I was running for the whole organisation provided an opportunity to engage 359 organisation members in learning about their organisation.

Two hours were set aside for each of the 11 groups to use the unstructured focus group discussion guide to recreate the history of PLEASURE. The total focus group time was 22 hours.

Participants for each group were drawn from the 4 units. Of the 11 groups, 3 groups were constituted by 86 (29 + 29 + 28) middle managers, 7 groups by 261 (15 + 25 + 48 + 48 + 45 + 36 + 44) shopfloor workers and 1 group by 12 executives.

All groups held discussions in Shona, English and Ndebele. Necessary translations were made to keep all participants engaged.

I also relied on my experiences as a Group Training Manager for the conglomerate from 1995 to 1997 to confirm/disconfirm the evidence. During that time I trained staff in PLEASURE in Zimbabwe and Botswana and interacted with most staff in the company.

One informant indicated that all company documents were archived at the time of the hostile take-over and were not available. The informant managed to eventually avail a few files and folders after about one month of searching. The files, labelled 'Strategy', and folders contained unit-by-unit budgets and a few references to strategy.

A rich source of data was the former financial director who also provided two documents in the form of masters' degree study group assignments detailing experiences in PLEASURE.

3.1.5 Analysing the Data

The data are analysed in two stages: firstly, building detailed case study write-ups for each company; and secondly, comparing across cases to construct conceptual frameworks.

3.1.5.1 Within-case Data Analysis

All transcribed interview responses were entered into a database indexed by interview number, and question number and responses. Next, all responses to the same question were collected from the individual interview database as a single response in a composite database. The responses from focus groups were treated similarly.

With the information from the two composite databases, observations, company documentation and media reports, a case description for each company was made based on the constructs. This analysis provided intimate familiarity with each case as a stand-alone entity, allowed the unique patterns of each case to emerge and accelerated cross-case comparisons (Eisenhardt, 1989).

At this stage of the analysis, two research assistants, playing the roles of devil's advocates, individually read through the original evidence and formed independent views of each case. The views were then used to cross check the emerging story for each company.

The analytical methodology used in this study can be described as iterative, replicative and triangular. I alternated between data collection from visits to companies and building theory from the data collected. New lines of investigation were opportunistically determined. This was followed by new explanations for the new data and a development of new theory to existing models.

The iteration between building theory and data collection was repeated until data saturation was achieved. There were repeat discussions with some of the respondents in the same companies in order to trace unfolding events over time.

Although the same semi-structured interview guide was used across the four companies, data collection became particular to each company on the basis of initial evidence. For example, most data was available in annual reports and strategy documents in FINANCE and focus group discussions were the most appropriate source in PLEASURE.

New theory was used as a basis for teaching Zimbabwe Open University (ZOU) Masters' Degree students change management.

The new theory was refined during data collection in PLEASURE as I provided consultancy services in a company-wide transformation process.

The new theory became theory-in-use as it was tested and further refined in 2 financial institutions, code-named TEST 1 and TEST 2. In TEST 2 I provided consultancy services in transformation for all the six hundred staff whereas in TEST 1 I provided consultancy services for strategic planning.

In TEST 2, at the end of each of the 16 three-day sessions, participants commented that the theory was relevant to TEST 2. Visits to TEST 1 and informal discussions with employees in TEST 2 are confirming that the organisations have started applying the theory with great excitement. Both organisations have also adopted the integration of servant leadership principles into their business operations.

3.1.5.2 Searching for Cross-case Patterns

Using the constructs as defining categories, a search for cross-case patterns was done at two levels. The first level was paired comparisons and the second was searching for patterns by data source.

Points of convergence and divergence formed most of the basis for cross-case analysis.

Overall, the idea behind the two levels of cross-case search tactics was to allow the investigation to go beyond the first impressions. This improved the likelihood of obtaining an accurate and reliable theory or model that closely fitted with the data.

3.1.6 Shaping Hypothesis/Measuring Constructs and Verifying Relationships

Challenges, tentative themes, concepts and possible relationships between constructs emerged from the within-case data analysis, the cross-case paired and data source comparisons, and overall impressions. This emergent frame was systematically compared with evidence from each case reflecting the iteration between theory and data.

The first part of shaping the theory was the sharpening of constructs. The definitions of the constructs were refined and evidence measuring the construct built in each case.

The second part in shaping the theory was the verification of whether the emergent relationships between constructs fitted with the evidence in each case.
Eisenhardt (1989:542) points out: "In replication logic, cases which confirm emergent relationships enhance confidence in the validity of the relationships. Cases which disconfirm the relationships often can provide an opportunity to refine and extend the theory".

The strength and consistency of relationships within and across cases were judged and further assessed by two research assistants. Above all, the exhibits and figures display the evidence and procedures fully in Chapter 4. This will permit other readers to apply their own standards when reviewing the evidence.

3.1.7 Enfolding Literature

Eisenhardt (1989:544) suggests: "An essential feature of theory building is comparison of the emergent concepts, theory, or hypothesis with extant literature. This involves asking what is similar to, what does it contradict, and why".

A broad range of literature was examined in order to identify that literature which conflicts with the emergent theory as well as that which discusses similar findings. Conflicting literature was considered in order to increase the confidence in the findings. Such consideration deepened insights into the emergent theory and conflicting literature and sharpened the limits of generalizability of this study.

Dealing with literature on similar findings created an opportunity to tie together similarities in concepts normally not associated with each other. "The result is often a theory with stronger internal validity, wider generalizability, and higher conceptual level (Eisenhardt, 1989:544).

3.1.8 Reaching Closure

The iteration between theory and data was stopped when theoretical saturation was reached. Eisenhardt (1989:545) defines theoretical saturation as "the point at which incremental learning is minimal because the researchers are observing phenomenon seen before".

The final products of this study are a theory/model of organisational transformation suitable for Zimbabwean companies in particular, and also a prescription as a general theory/model for emerging economies.

3.2 Chapter Summary

This chapter reflects that this is a longitudinal, multiple case study based on Eisenhardt's (1989) process of building theory from case study. The theory development process is summarised in Figure 3.1 below.

Figure 3.1: A Summary of the Theory Development Process

Date	Case Data Collection	Theory Development
October 2000	Started organisational transformation literature search & found study promoter.	
May 2001		Presented background and setting of study at colloquium.
October 2001		Presented review of related literature at colloquium.
November 2001	Prospect of studying a global company failed. Attempts to study another global company in the same industry failed.	
February 2002	Four companies identified for study signalled accessibility.	Presented research methodology at colloquium.
July 2002	One week in CROP.	Tentatively defined constructs; Developed data collection instrument; Started iteration between data collection and analysis.
July 2002 - August 2003	Field work in CROP, FINANCE, LEISURE.	Redefined constructs; Sharpened framework for data collection and analysis; Captured emerging challenges and emerging themes.
July 2002 - November 2002	Several attempts to get access into mining company failed.	Assessment of possible reasons of failure to gain access resulted in resolution to find alternative company.
February 2003 - March 2003		Used emerging theory as basis to teach ZOU Masters Degree students change management.
March 2003		Presented initial findings of study & emerging theory at colloquium.
April 2003	PLEASURE became fourth company for study replacing the mining company. Testing elements of emerging theory outside the 4 cases.	PLEASURE executives accepted data collection and testing of emerging theory. Used & tested emerging theory as basis for 'strategy formulation' consultancy work in a financial institution (TEST 1)
April 2003 - September 2003	Field work in all 4 PLEASURE sites.	Used & tested emerging theory as basis for 'transformation' consultancy work & data collection in PLEASURE.
July 2003 - November 2003	Testing theory outside the 4 cases.	Used & tested theory as a basis for transformation consultancy work in another financial institution (TEST 2).
August 2003	Field testing for & confirming saturation.	Presented within-case data analysis & emerging theory at colloquium.
November 2003		Presented cross-case data analysis and theory at colloquium.
November 2003		Thesis completed.

CHAPTER 4: WITHIN CASE ANALYSIS

4.0 Introduction

The main objective of this chapter is to appreciate the richness of unfolding events and complexities of Zimbabwean company reactions to internal and external pressures for change.

Detailed case histories of the four Zimbabwean companies studied are presented.

The within case analysis reflects that there is need to develop a deeper understanding of the Zimbabwean, regional and global environment within which the companies operated. The four company case histories are therefore followed by a comprehensive analysis of the social, political and historical context within which managers acted.

CASE A: CROP

Brainstorming sessions were held including everyone for ownership. These sessions were a platform for raising complaints. This was allowed for. Employees were involved even in the selection of the name of the change effort: 58 names were suggested and finally a Shona name, 'Shanduko' meaning 'change effort', was chosen. Ideas were structured with an indication of the amount of money to be saved by the ideas. High value ideas, easy to implement, were submitted to the steering committee with key performance indicators. Quality ideas were signed off for implementation.
Excerpts from an interview on the 1999 'Shanduko' change effort.

As from 1980, CROP is renowned for its humanitarian approach to business with a very strong focus on safety, health and environmental issues. Emphasising this point in an early morning induction session for visitors to CROP, a safety officer said:

> We want to make money but not bloody money.

Continuous learning underpinned all the change efforts that CROP engaged in.

Significantly, CROP managed to forge solid relationships with the government, community at large, staff and relevant stakeholders. CROP was able to benchmark and be benchmarked against internationally for best practices through exchange programmes and tours. One media report in 1980 says:

> A party of sugar cane extension officials from the Umbombo ranches in Swaziland have returned home with very high impressions of the lowveld sugar estates after spending a week at CROP and its neighbour and observing their operations. The visit was reciprocal to the one made in July by senior field officers from CROP.
>
> The sugar growing conditions in Swaziland are not very dissimilar to those in the lowveld. They too grow cane under irrigation and their climatic conditions are in many respects identical to those in Zimbabwe.

Another 1980 media report covered the 14-day tour of cane growing areas of Queensland and New South Wales in Australia by a team of 8 Zimbabweans led by the marketing manager of Farm Mechanisation. The reporter reflected on the tour:

> The mechanisation of sugar cane harvesting in this country is inevitable; most established cane growing countries well advanced in total mechanisation and, surprisingly, many countries in Africa, far less developed than this one (Zimbabwe) have already installed mechanical harvesters.

CROP was founded in 1956 and listed in 1964. CROP is a member of an international conglomerate. It is in the Agro-industrial sector of the economy and engages primarily in the growing and milling of sugar cane.

Notably, during the period 1980 to 2000, CROP became an international model for farmer resettlement. CROP also won the 1998 and was runner-up to the 1999 Cairns Corporate Care Award for sound environmental management. It has in place solid safety, health, environment and manufacturing performance measures.

Exhibit 4.A.1: Time Line of Major Events in the History of CROP

YEAR	Major Events
1980	High world sugar prices force dramatic change in the sugar market. Zimbabwe is accepted as a member of the International Sugar Organisation opening up many new export opportunities.
1981	National Railways of Zimbabwe (NRZ) fails to cope with moving all export sugar to port.
1982	World sugar price declines steadily. Profit for 1982 is achieved as a result of 1981 forward sales.
1983	Zimbabwe is allocated a US sugar quota at prices substantially higher than world levels.
1984	New Chairman is appointed for CROP. Moving export sugar direct to Maputo is problematic.
1985	CROP breaks 14 milling efficiency records.
1986	Government announces new minimum wage for agro-industrial operations.
1987	CROP achieves a first time record overall recovery of more than 90% in its history.
1988	World market prices improve. Moving cane to Maputo via South Africa is constantly disrupted.
1989	High mill efficiency levels compensate for drop in cane quality. General Manager (GM) retires after 8 years in position; new GM is appointed after serving CROP for some19 years.
1990	Local market sugar consumption increases by 6%; Unreliable local distribution company vehicle fleet fails to fully service the local sugar market.
1991	Drought and fire affect CROP.
1992	Cost-cutting measures are focused on non-human resources.
1993	Zimbabwe is unable to meet local & export demand due to the drought.
1994	CROP is rebuilt after the drought.
1995	An Environmental Management System is established.
1996	A mill refurbishment & expansion programme starts. Joint venture with 2 companies aimed at improving operations to produce high quality alcohol proves satisfactory. CROP improves corporate governance reporting. Chairman retires from & new chairman is appointed to board.
1997	The first black person is appointed a Director & Deputy Managing Director (DMD). Zimbabwe Sugar Refineries (ZSR) agrees to a new 3-year domestic raw sugar pricing. The Zimbabwe dollar depreciates in November.
1998	An unstable economic situation threatens the private sector. CROP wins the 1998 Cairns Corporate Care Award for sound environmental management. The Board adopts an IT strategy.
1999	The DMD becomes first black MD. CROP is runner-up for the 1999 Cairns Corporate Care Award. CROP initiates 'Shanduko' & installs new IT System. The 2 associated companies continue to perform well. The C-line evaporator completed in 1998 is decommissioned.
2000	Zimbabwe faces general economic decline in all sectors except the finance sector.

Sources: Annual Reports & Media Reports 1980 - 2000.

4.A.1 The Changes That Took Place

CROP engaged in a variety of change initiatives from 1980 to 2000, most of which were tied to continuous improvement. The changes were around improving promises, processes, structures, systems and capacity.

Changes in promises made to employees included provision of accommodation, medical facilities, working conditions, black empowerment, gender balance and development of a code of conduct. These were efforts towards improving the quality of life of employees.

The development of a code of conduct was large scale, had an impact on the structures in the Human Resources department and communication systems. This change in promises to employees will, therefore, be isolated for further discussion below.

From a customer perspective, CROP changed its promise foci from a citrus to sugar cane business and from ranching to game farming.

The major process change often mentioned was 'Shanduko'.

Structural and system changes included the restructuring of the Human Resources (HR) department, empowerment of blacks at management level and computerisation. The restructuring in HR will be looked at as it was interwoven with changes in operating systems.

Another change in systems that affected all key stakeholders was the development of a sound safety, health and environmental system around the 'SHE' initiative. 'SHE' (an acronym from the first letters of the words Safety, Health, Environment) is popular in CROP as it represents the Number 1 value.

On the purely business side, a large-scale effort that affected the efficiencies in CROP were the haulage system changes.

Related to the 'Shanduko' effort was an outsourcing initiative that was concerned with building capacity to deliver promises effectively. The 'SHE' initiative also qualifies as a capacity change.

The evidence on the changes in CROP suggests that an organisation needs to capture needs and expectations of key stakeholders and address these. Besides employees, there appears to be three blocks of stakeholders emerging: government, business and the community at large.

CROP attempted to use multiple approaches to change. Some of the changes, when taken in isolation, appear small-scale. Taken as interconnected, the changes resulted in large-scale change spanning across two businesses: agriculture and manufacturing industries. The changes are clearly interconnected, although in a non-linear manner. The case provides lessons in managing change in an African value pipeline.

4.A.2 Triggers of Change

Environmental triggers to change included natural disasters, globalisation (world-class practices), technological advances (computerisation), the government (promises to change quality of people's lives), economic climate (work process best practices), heightened competition,

Agriculture is susceptible to natural disasters like drought/excessive rainfall and fire. CROP was not spared by these disasters. CROP took advantage of its networks to find ways of coping with these as highlighted in Exhibit 4.A.2 below.

It would appear CROP, in particular and Zimbabwe in general, experiences drought on a 10-year cycle. The organisation has collaborated with relevant stakeholders, particularly the government, workers and the community to minimise the impact of drought. CROP also experienced excessive rainfall, overcast conditions and higher than normal temperatures that encouraged cane growth rather than sucrose storage.

These experiences resulted in the improvement of standards of irrigation and manufacturing practices. Irrigation practices improved through collaborative construction of dams and sinking of boreholes. Manufacturing practices were improved by work methods aimed at higher mill efficiencies.

Because of the relationships CROP has built with the surrounding community and employees' families, voluntary assistance was forthcoming when major disasters befell CROP.

On one hand, the 1991 annual report narrated the story about a fire that broke up in CROP that year:

> Fire severely damaged the bulk sugar store resulting in over 3 thousand tonnes of sugar being lost. The balance of over 45 thousand tonnes was saved by prompt action by staff and neighbours who contained the fire. Repairs to the store commenced almost immediately. There was no delay to start up of the 1992 season as a result of the prompt action. Cost of repairs and loss of sugar was adequately covered by insurance.

On the other hand, after the 1992/3 devastating drought, a media report said:

> Women at CROP surprised management by offering to help their husbands in replanting a new crop of sugar.

Exhibit 4.A.2: Impact of Major Natural Disasters on CROP & CROP's Responses

YEAR	Major Events
1982	Province in which CROP is situated is drought affected.
1983	Drought causes abnormally high evaporation levels & cane stress; Power cut to the area precludes the use of pump stations to irrigate from the right bank canal, river and regeneration water.
1984	3 years of drought severely deplete water supplies necessitating the improvement of high standards of irrigation practices for CROP. A new record overall recovery achieved. Workers, aware of drought-related problems the company faces, adopt a positive attitude.
1987	Drought prompts decision to abandon hectares of cane.
1989	Land ploughed & abandoned after cutting during 1987 is replanted. High mill efficiency levels compensate for drop in cane quality. Water application is reduced to 70% of normal.
1990	Reduced water application continues; Collaborative stakeholder studies on improving the water supply are initiated.
1991	Fire severely damages the bulk sugar store.
1992	1991/92 rains turn out to be the worst in the history of CROP resulting in cane harvested being in a severely stressed state; 89% of cane dies; Water for CROP's basic requirements includes that from existing & new boreholes. Training is severely curtailed by the effects of the drought; Communications training continues. Cost-cutting measures are focused on non-human resources.
1993	GM makes a special report to employees. The costly replanting of cane remains prime objective, is ahead of target & completed by mid-October. Zimbabwe is unable to meet local & export demand due to the drought.
1994	Workers & management respond positively to the challenges of rebuilding CROP after the drought. Drought emphasizes the critical importance of storing water wherever & whenever possible.
1995	Training is intensified. An Environmental Management System is established.
1997	Low cane yield results in low throughput in the mill
1998	Construction commences on a pump station on the banks of an adjacent river & the construction of the second dam starts in order to reduce the risk from drought.
1999	Incessant rainfall, overcast conditions & higher than normal temperatures encourage cane growth rather than sucrose storage.

Sources: Annual Reports & Media Reports 1980 - 2000

Exhibit 4.A.3: Impact of Globalisation & Technological Advances on CROP Activities

YEAR	Major Events
1980	High world sugar prices force dramatic change in the sugar market. Zimbabwe is accepted as a member of the International Sugar Organisation opening up many new export opportunities.
1981	National Railways of Zimbabwe (NRZ) fails to cope with moving all export sugar to port.
1982	World sugar price declines steadily. Forward sales of a substantial portion of exports made during 1981 when price levels were still relatively high contribute to CROP's profits.
1983	Zimbabwe is allocated a United States sugar quota at prices much higher than world levels.
1984	Economic problems of developing countries force sugar imports to be cut back. CROP faces serious problems in moving export sugar direct to Maputo; Direct railway link closes; Movements to Maputo are through South Africa; cooperation with NRZ remains close.
1988	World market prices improve. Movements of cane to Maputo via South Africa are constantly disrupted.
1990	Operating profit more than doubles as a result of overall price in export operations being 79% higher than local market sales. Consumption declines in some Eastern European countries, China & Argentina due to political and economic factors; Developing countries which account for over 50% of world sugar demand are unable to afford higher prices resulting in constant consumption figures. NRZ is unable to move raw sugar to refineries and to port for export.
1992	1991/92 rains turn out to be the worst in the history of CROP resulting in cane harvested being in a severely stressed state; 89% of cane dies.
1993	Zimbabwe is unable to meet local & export demand due to the drought.
1995	An Environmental Management System is established.
1996	CROP implements some recommendations on corporate governance contained in the King Report published in South Africa and Cadbury Report published in the United Kingdom.
1997	The Zimbabwe dollar depreciates in November.
1998	The CROP board adopts an information technology strategy to address the issue of Year 2000 compliance & provide a world-class business solution to support the company's human resources, financial & operational activities.
1999	CROP conducts an in-depth review of its processes running from cane production to sugar milling & installs a $ 55 million new Information Technology System as part of the adoption of 'best practices' in work processes.
2000	Severe foreign currency shortages & an overvalued Zimbabwe dollar fixed at US$ 1 to Z$ 38,50 make Zimbabwean sugar unaffordably expensive in regional export markets; Inflation averages 51% for the year to 31 March 2000; Erratic fuel supplies further undermine prospects; Operating cost increases are in line with the level of inflation.

Sources: Annual Reports & Media Reports 1980 - 2000, Interview & Focus Group Evidence

Exhibit 4.A.3 above highlights the manner in which global issues, government actions and technological advances triggered reactions in CROP. The pricing of sugar internationally impacted on the Zimbabwean pricing policy. The socio-political and economic activities of government also influenced the direction of the changes.

CROP put in place mechanisms along its own value chain to align with the changes. These included setting up partnerships to deal with transporting sugar for local consumption and export and forward selling.

Global concerns in connection with environmental management had a huge impact on the need to maintain high standards in this area. The 'SHE' initiative was an attempt towards addressing this issue.

About safety and health in CROP, one employee remarked:

> International safety standards are adhered to.

The 1995 annual report had this to say about environmental management:

> An environmental management system established to help CROP continue to operate in an environmentally responsible manner had the following initiatives supported by employees:
> a) monitoring of noise and emissions,
> b) waste recycling,
> c) water and effluent management and conservation,
> d) planting of vetiver grass along drains to prevent soil erosion.

The 1997 annual report proceeds to detail how the prevention of soil erosion was extended to the surrounding community:

> CROP embarked on an outreach programme in which vetiver grass is supplied to communal farmers for planting in susceptible areas to prevent soil erosion - an increasing number of communal farmers participate in the programme.

CROP did not only respond to process issues through implementing recommendations on corporate governance but also through the 'Shanduko' initiative. This initiative was enhanced by the computerisation of CROP and Year 2000 compliance project.
One interviewee summarised 'Shanduko' as follows:

> Shanduko is a continuous improvement initiative that focuses on 'waste reduction'. An international consultant helped us.

Regarding technology, one employee admitted:

> There was work pressure using manual systems. CROP is a technology trend follower.

Internal triggers included quality of leadership, changes in leadership, need for departmental synergy, manufacturing best operating practices in CROP and the need to create value for shareholders.

Concerning the development of the code of conduct, one interviewee said:

> The initiative started at the Group level and then moved into CROP as part of the Group companies.

Other respondents concurred and reflected that top leadership at either Group or CROP level or both initiated changes in response to concerns from key stakeholders.

One employee mentioned:

> Change in the haulage system was prompted by improvements in mill operations - there was need for adequate delivery of cane.

About the need for functional/departmental synergy as a trigger for the computerisation of HR and operating systems, one focus group agreed:

> IT was very much within the Accounts Department. A lot of programmes were in place with no links. Departments need to be interlinked. There was need to synergise and share knowledge.

4.A.3 Key Players

The government of Zimbabwe stands out as one of the most significant players in the history of CROP. Key activities by government are summarised in Exhibit 4.A.4 below:

The other players include all employees, management, business unit leaders, external and internal consultants, steering committee, change champions and any community member who interacts with CROP.

The involvement of all employees was particularly evidenced by comments on the 'Shanduko' and SHE efforts. Excerpts captured at the beginning of this case are examples.

The role of managers and business unit leaders in changes was tracked as far back as 1976 under the initial changes in the haulage system. Evidently leadership played significant roles in sanctioning each of the efforts and also took on the role of a steering committee for the 'Shanduko' initiative.

Exhibit 4.A.4: Major Government Activities that Affected CROP & CROP's Responses

YEAR	Major Events
1980	Government reduces retail price of sugar & agrees to subsidise the sugar industry; Uniform industrial wage scale is adopted; unit cost of production rises; Sugar industry proposes sugar annual retail pricing. CROP plans to settle about 200 African cane growers on 10-hectare farms.
1981	Consumers resist sugar prices & dramatic drop of sugar price follows production of substitutes.
1982	Zimbabwe dollar is devalued; Revenue increases on a big proportion of sugar yet to be exported.
1983	Government assists to resolve problems of the first 120 farmers resettled; Phase 2 of resettlement is postponed pending an improvement in sugar prices. Government partners in formation of unified workers' committee; Communication between management & workers improves.
1984	After 15 months of negotiations, government approves an increase in the retail price of sugar; Retail price of Zimbabwe sugar is lowest in region fuelling negotiations for further increase.
1985	Government expresses concern over slow pace of black advancement in the private sector.
1986	Government announces new minimum wage for agro-industrial operations. CROP acknowledges government's desire to increase the resettlement of small-scale farmers & following the improvement of world prices, agrees to complete scheme over the next two years.
1989	Settlement scheme & independent review of how the sales proceeds are divided between millers & independent cane growers is completed.
1990	A Sugar Milling Industry Employment Board is set up through collaboration of key stakeholders. CROP's agricultural settlement scheme becomes a model, attracting visitors from international agencies & other developing countries; Settler cooperation remains good.
1991	State is committed to black advancement.
1993	Sugar price control regulations are repealed & become a welcome development for CROP. Zimbabwe President praises spirit of commitment by sugar producers in his first tour of CROP.
1994	Given the 1993 repealing of sugar price regulations, a medium term agreement for the pricing of sugar to ZSR is reached.
1995	The Zimbabwe Sugar Milling Industry Workers' Union is accredited & some employees join it.
1996	One dam in the area is completed.
1997	Conditions of service are for the first time negotiated at industry National Employment Council (NEC) level. Government, CROP and a neighbour agree to build a second dam after close contact & consultations. Zimbabwe dollar depreciates in November.
1998	Government decides to move fiscal year-end to December; CROP applies for exemption & gets authority to retain a 31 March year-end in common with other sugar producers in the region.
1999	Sugar is sold at less than half its price in surrounding countries resulting in uncontrollable legal & illegal export. Government interventions pose a serious threat to the sugar industry.
2000	Turnover increase results from the lifting of 'de facto' controls on local market sugar prices.

Sources: Annual Reports & Media Reports 1980 - 2000

There was a deliberate capability creation process put in place. For example, as far as the computerisation changes were concerned, management and steering committee went for training by program owners in South Africa. Those trained then provided training to clerks from other departments before running the system. Champions were trained by a consultant and in place to sustain the momentum of the initiative after the departure of the consultant. HR staff who now understand the system can help when there are problems.

As far as the 'SHE' initiative was concerned, all employees were re-inducted, given an induction label as part of identification and then issued with personal protective equipment (PPE). Security personnel check on the use of PPE all the time.

CROP benchmarked for best practices and contextualised changed efforts. Several focus groups concurred:

> Help came from Swaziland - 'we copy and improve on the Swazi system'. Director went to Swaziland for external benchmarking and brought back videos highlighting advantages and disadvantages of changing the haulage system.

Concerning 'Shanduko', indigenous examples were used to sell the process, including the name that was adopted for the effort.

Changes assisted develop diagnostic skills. One-to-one discussions/meetings were held to assess where there were problems. Original safety policy was revised to be consistent with CROP values.

On one occasion suppliers had to be called in to sort out faulty software and they discovered that there was a cable problem.

4.A.4 Time Available for Initial Stages of Changes

The nature and type of change effort determined the time available for the initial stages of the effort. Overall, the initial stages were either immediate or allowed to stretch over a period of a maximum of 3 years.

Where top management thought there was need to create a sense of urgency over the change, like the 'SHE' initiative and computerisation, very little time was given. Decisions were made by managers and top leadership and communicated across the organisation. As far as the computerisation changes were concerned, an 8-month period was allowed for a parallel run of the new computer system against the original manual system.

For the Shanduko initiative, the initiative started in 1999 with a time window of one year for the initial phases. Within this period, a 4 to 6 month period was set aside for training aimed at kick-starting the process. The pay back period for the effort was set at 2 years.

4.A.5 The Kind and Quality of Help Needed

Generally, some one-to-one interview evidence points in the direction that there was employee sensitisation and inculcation of a sense of inclusivity when changes were initiated. Other one-to-one interview respondents, however, suggest that lower level employees were not aware of the quality and kind of help that was needed for the changes. These respondents argue that saturated communication was needed and all employees had to be educated on the need for the changes.

Focus group evidence suggests staff were conscientised before the changes, building trust between owners and employees. An example given is that employees were shown videos on the contemplated haulage system changes.

When changes affected people's jobs, relocation was based on the health status of employees. One focus group noted:

> There was need to relocate employees - alternative employment opportunities should be looked for when change reduces numbers. When cutting becomes a health problem with age, there is need to relocate to lighter duties.

4.A.6 Relevance of Change to Personal and Business Goals

The change efforts for CROP benefited key stakeholders including staff, government and the surrounding community.

Exhibit 4.A.5 below highlights some of the benefits that accrued to stakeholders at a personal level.

Beyond the Exhibit 4.A.5 benefits, case evidence confirms that staff generally considered the changes relevant to them. Further examples cited include the healthier and smarter approach to work provided by the 'SHE' initiative. The swipe cards provide effective data access to resolve queries and pay overtime on time. The quality of swipe cards has been challenged. Employees have suggested that swipe cards be clipped on dress like is done with identity cards to reduce chances of damage.

An incentive scheme was set up for the 'Shanduko' initiative with rewards paid on time at 30%, 60% and 100% of target achievement. All executives and staff supported the project champion for this initiative.

Haulage system changes brought with them reduction in health related complaints such as backache. There was also an employment opportunity for those who had to operate the new machinery.

Exhibit 4.A.5: Relevance of Changes to Personal Goals

YEAR	Major Events
1980	End of war improves internal market, induces high levels of staff turnover & serious industrial unrest. CROP aggressively introduces initiatives to improve quality of life of people.
1981	High 1980 sugar prices lead to consumer resistance & accelerate the production of substitute sweeteners resulting in dramatic drop of sugar price.
1983	Sugar production exceeds target due to higher cane quality & increased mill efficiency - continuing training of skilled & semi-skilled considered a contributor. Agricultural training school opens.
1984	New Chairman is appointed for CROP. First products of Agricultural training school complete diplomas.
1986	Government announces new minimum wage for agro-industrial operations. CROP spends close to $2 million on staff housing.
1988	CROP focuses on Safety & Health at work.
1989	General manager (GM) retires after 8 years in position; new GM is appointed after serving CROP for some19 years.
1990	CROP wins national premier safety award.
1991	CROP puts muscle into housing for employees
1992	Cost-cutting measures are focused on non-human resources.
1993	Sunsweet sugar is distributed throughout the country providing a slightly cheaper alternative product to the consumer. Zimbabwe is unable to meet local & export demand due to the drought.
1995	Training is intensified. An Environmental Management System is established.
1996	Chairman retires from board after holding the post for 11 years; new chairman is appointed to board.
1997	The first black person is appointed a director & Deputy Managing Director of CROP. CROP spends $ 410,2 million constructing new houses for employees. Training & development is intensified. CROP embarks on an outreach programme in which vetiver grass is supplied to communal farmers for planting in susceptible areas to prevent soil erosion.
1998	Collective bargaining is successfully conducted & concluded under an independent chairperson; Close liaison is being maintained with employees through regular meetings with both union representatives & workers' committees. $ 6 million is spent on the construction of new employee houses. Training emphasises communication skills & environmental issues.
1999	First black Managing Director is appointed from position of Deputy Managing Director.
2000	Severe foreign currency shortages coupled with an overvalued Zimbabwe dollar fixed at US$ 1 to Z$ 38,50 make Zimbabwean sugar highly expensive in regional export markets.

Source: Annual Reports & Media Reports 1980 - 2000.

Evidently, the changes benefited the business. CROP is a responsible corporate citizen with 'safety' as value number 1. Accidents are reported immediately, investigations carried out, accidents categorised and measures taken to minimise or eliminate recurrence.

The new haulage system, 'Shanduko', outsourcing, computerisation enabled CROP catch up with modern business practices. The development of a code of conduct brought in a sense of common purpose to both CROP management and staff, guided by the Zimbabwean legal framework.

4.A.7 Advocates "Walking-the-talk"

There was mixed evidence regarding advocates 'walking-the-talk'. Where the change was perceived as directed by Group leadership, advocates walked the talk. For example, in connection with 'SHE' one interviewee said:

> If there is a fatality, CEO has to go to South Africa to explain; CEO in South Africa has to explain in the Group's London office.

The development of the code of conduct enjoyed similar positioning. Said one interviewee:

> The executive at CROP and Group level supported the champion.

Those who initiated changes walked the talk as they believed in the need for such changes. Comparing and contrasting HR managers' relationship to HR system changes, one interviewee said:

> HR manager who left associated with employees, would come to shopfloor and sometimes cleaned with cleaners, motivating employees. He sought advice from employees and practiced the ideas and praised employees for ideas even if idea failed.
>
> Old HR manager walked the talk. New HR manager partly walks the talk and parts of the system are not working. The new HR manager does not come down. Contact is with his immediate superior.

Both interview and focus group evidence confirm that change efforts were part of meeting agendas to stress that advocates meant what they said.

However, other evidence suggests that there was no clear evidence of walking the talk. Examples highlighted to support this include what one employee said:

> Maintenance people were told they would be outsourced in 1998. No-one has come back with another message.

And focus groups reflected:

> Management commitment is key. Management should walk around. Protective clothing was not provided as a Shanduko initiative to cut costs. There is little feedback on results of each initiative. Ideas from the shop-floor are not accepted. Some ideas then filter back as the manager's - thinking employees have forgotten. Paterson Band C+ employees are considered as human beings, Bands A and B as semi-human.

> Current HR maintains an open door policy BUT does not go to the fields,. People do not like it. People want him to go out and understand operations.

Staff associated the success of change efforts with advocates who walk-the-talk, maintain live lines of communication across the organisation, have a business sense, are open, flexible and appreciate learning. On the other hand, staff also expressed the negative impact of advocates' inconsistent behaviours. One interviewee narrated how he felt about his own circumstance:

> Managers responsible changed things and even by-passed employees in career management - took someone else to become my manager. I had to train my new manager.

4.A.8 Acknowledgement of Fear and Anxiety

Views on fear and anxiety were polarised. During some focus group discussions, staff were not comfortable expressing their positions because participants were drawn across levels of the organisation. For example in one focus group discussion, one staff remarked:

What guarantee is there that there will be no victimisation since we are mixed across levels.

The general impression across focus groups was that fear and anxiety were acknowledged as part of the change initiatives. Comments like 'fear and anxiety were allayed through active communication and involvement of all those affected'; 'fear was acknowledged - there was an exodus of white employees'; 'some whites who were anxious moved their children and remained behind in employment'; and 'fear was acknowledged and training was concentrated on a small group of super users' dominated the focus group responses.

One-to-one interview evidence also reflected the polarisation. Comments like 'Victimisation leads to fear. CEO has to advise colleagues not to threaten employees across the organisation. Ideas should be raised freely'; 'CEO should go down to employees, address employees area by area. They know the name of the CEO not the person'; 'There was acknowledgement of fear and anxiety: do not lie to employees. If you are not sure, say so' characterised the perceptions. A new language emerged when things were not working as planned. For example, employees called one manager 'Machonyongo', a derogatory term for a disrupter.

As far as the 'SHE' initiative was concerned, employees agreed that there was no fear or anxiety as this was considered a life/death change initiative.

4.A.9 Assessment of Progress

Assessment of progress was both informal and formal.

As far as 'SHE' was concerned, international safety standards were adhered to. A CROP 'SHE' committee was set up, chaired by the Chief Operating Officer (COO). This committee meets once a month and no SHE item should reappear on the agenda. Once raised, an item should be dealt with and resolved. Each department has a 5-minute review on each of the 3 SHE (safety, health and environment) elements at the start of each day and/or shift. The

5-minute review has to be documented. SHE contributes 20% of the bonus and 80% on target performance.

HR system changes were tracked through quality of reports and documents as well as system data retrieval capability. Ideas were tested continually and collaboratively.

Training progress is reviewed. However, one focus group mentioned there is need to go to the shop-floor for feedback on HR issues.

In relation to 'Shanduko,' one focus group agreed:

> Shanduko had rigorous reporting procedures. The company was reorganised into business units (BU's). Each (Head of Department) executive was ultimately responsible for BU performance. There was a business change manager.

Whereas one interviewee suggested BU feedback was ongoing, another said of Shanduko:

> With hindsight, a questionnaire could have been administered twice per year for better assessment.

Concerning black advancement, there was agreement that:

> There was informal measurement. There was a mention of employment ratio of 60%:40% in favour of blacks at the top like was being advocated in school ratios for private schools.

One participant remarked:

> Are we doing enough to develop our own blacks?

The impact of haulage system changes was tracked through productivity assessments, for example, crushing rate of mill per hour/per day/per season as measure of effectiveness of cane haulage to mill. Exhibit 4.A.6 below details mill performance measures. These ratios were produced and published annually (with a running commentary) in annual reports.

Exhibit 4.A.6: CROP Mill Performance

Year	Number of crushing days	Throughput: Tonnes per hour	Overall time efficiency	Extraction (%)	Boiling house recovery (%)	Overall recovery (%)	Factory performance index (%)	Tonnes cane per tonne sugar
1980	216	302	87,41	97,19	89,52	87,01	100,36	7,98
1981	220	376	84,27	97,39	90,14	87,79	99,35	9,87
1982	241	399	88,64	97,36	90,37	87,98	100,14	8,05
1983	239	390	90,14	97,12	91,09	88,47	101,16	7,88
1984	234	382	89,16	97,37	91,08	88,68	102,05	7,68
1985	226	289	91,97	97,88	91,34	89,41	101,52	7,64
1986	223	380	93,85	97,99	91,07	89,23	100,80	7,68
1987	218	419	94,75	97,70	92,16	90,04	101,02	7,52
1988	208	394	93,17	97,74	91,29	89,23	101,09	7,65
1989	190	408	93,87	97,70	91,40	89,52	99,73	7,57
1990/91	215	410,93	94,20	97,77	89,63	87,62	98,25	7,62
1991/92	178	386,71	94,25	97,51	86,68	84,52	96,35	8,09
1992/93	24	94,45	92,92	97,44	60,28	58,74	100,03	14,32
1993/94	57	321,39	73,20	97,31	82,65	80,19	100,00	11,31
1994/95	245	442,18	90,82	97,81	90,31	88,34	100,89	7,80
1995/96	228	424,36	85,85	97,67	89,43	87,35	99,80	7,63
1996/97	189	321,64	92,03	97,89	88,70	86,82	99,42	8,13
1997/98	260	415,56	87,03	96,60	89,29	86,25	98,61	8,13
1998/99	262	421,75	88,25	97,02	87,44	84,84	98,36	8,46
1999/2000	230	429,97	87,83	96,50	87,34	84,28	95,75	8,18

Source: Annual Reports 1980 - 2000

Exhibit 4.A.7 also paints a broad picture of measures from a financial point of view. Clearly, the financial performance was affected by drought and CROP has forged partnerships to deal with a future recurrence of this natural disaster through alternative water supply strategies like boreholes, more dams and more effective water application methods as highlighted earlier.

Exhibit 4.A.7: CROP Earnings and Dividends

Year	Shares in issue	Profit/ (Loss) for the year ($'000)	Dividends paid ($'000)	Dividend cover	Dividend return on shareholders' funds (%)	Earnings/ (Loss) per share (cents)	Dividends per share (cents)
1980	23 964 600	2 713	959	2,83	2,71	4,0	1,3
1981	24 013 850	22 365	6 002	3,73	7,51	31,0	8,3
1982	72 041 550	7 957	3 122	2,55	3,68	11,0	4,3
1983	72 041 550	(41)	-	-	-	-	-
1984	72 041 550	5 090	2 161	2,36	2,47	7,0	3,0
1985	72 041 550	6 581	2 882	2,28	2,35	9,0	4,0
1986	72 041 550	9 237	3 602	2,56	2,80	12,8	5,0
1987	72 041 550	11 831	3 602	3,28	2,64	12,9*	5,0
1988	72 041 550	9 940	4 322	2,30	2,09	13,8	6,0
1989	72 041 550	7 102	4 322	1,64	1,89	9,9	6,0
1990	72 041 550	20 753	8 645	2,40	3,24	10,8*	4,5*
1991	192 110 814	25 632	5 763	4,45	1,19	13,3	3,0
1992	192 110 814	(270)	-	-	-	(0,1)	-
1993	192 110 814	(10 095)	-	-	-	(5,2)	-
1994	192 110 814	(35 323)	-	-	-	(18,4)	-
1995	192 110 814	240 398	98 056	2,5	10,31	125,1	50,0
1996	192 110 814	227 402	96 056	2,4	9,03	118,4	50,0
1997	192 110 814	136 113	53 812	2,5	2,83	70,8	28,0
1998	192 439 564	204 539	84 662	2,4	5,29	106	44,0
1999	192 504 314	384 686	153 996	2,5	8,19	200	80
2000	192 761 064	361 000	193 000	1,8	6,0	188	100

Source: Annual Reports 1980 - 2000

4.A.10 Belief in Change

There were mixed reactions to questions concerning the degree of polarisation of belief in the change efforts.

Interview evidence suggests that all employees believed in the 'SHE' initiative.

Interviewees and focus groups, however, pointed out there were either 2 or 3 groups of staff. In connection with changes in HR systems, one interviewee said:

> There were 2 groups: opposers were almost 90%. It was war to convince them. Type of payslips converted most non-believers.

Focus group evidence confirms the existence of 2 groups in response to HR system changes:

> Because of problems, a big group think it does not work. Many times manual system is being used. Approximately 50% of the time system is not working. There are two camps and the negative camp is gaining momentum.

Regarding computerisation, one focus group agreed:

> There were two groups: those computer illiterate who feared change and those who considered change relevant.

About the haulage system changes, an interviewee commented:

> Even the COO did not believe the system would work.

And a focus group admitted:

> There were two groups with one against doubling cutting load and fearing the unknown haulage system and another group supporting the change.

Two other interviewees identified three broad categories of staff. One concluded:

> There were three groups of employees:
> - Those who felt there was no need;
> - Those who felt we have an opportunity;
> - Those who felt management will still do what they want (focus was on this group).

The other said:

> I did not consciously assess existence of believers and non-believers. I can say there were 3 categories of people:
> - The committed;
> - The doubting group - they became 'disciples' after explanation;
> - The pretenders - moved back to 'old ways' of working.

The existence of a third group is also suggested by focus group evidence to the effect that there are 'people not showing they are in any kind of group'.

Focus group comments on black advancement were quite telling. One group said:

> For some blacks that got into promotion positions, employees said they were blacks thinking like whites and used terms like 'chasara iganda' meaning 'what remains is the colour change'.

Another group added:

> Employees were busy assessing managers. For example, some were saying 'managers should leave politics and consider business. Local employees cannot even get the sugar they process due to politicking'.

4.A.11 Power and Accountability Structures

Each change effort had defined power and accountability structures.

For the haulage system, the Agriculture Director was the champion. The organisational structure changed to fit into the change. Work shifts also changed to fit into the mechanisation process.

A structure from Chief Operating Officer (COO) to Agriculture Director, cane haulage manager, cane haulage foreman, cane haulage co-ordinator, centralised trains controller, gantry supervisor, locomotive driver and general workers was put place. There also is a rail inspector reporting to the cane haulage foreman. The inspector has a team comprising rail hand supervisor, welder and builder who have general workers reporting to them.

A broad framework was provided by Group leadership for the development of a code of conduct. An internal champion experienced in industrial relations was accountable for the change. CROP formed Workers committees and a CROP Works Council was constituted. This Works Council linked up with other Works Council in the Group to create the Group Code of Conduct.

The HR manager had a steering committee and a team of clerks from departments to install the new human resource system. The steering committee and select clerks were called super users who then transferred the skills across the departments.

CROP put in place a 'SHE' committee. However accountability was devolved to departments and the individual. There is 1 'SHE' representative for every 50 employees and 1 first-aider for every 10 employees.

'Shanduko' and resultant outsourcing had ultimate accountability in the CEO. The CEO and executive team formed the steering committee. This committee assisted the HOD's empower the BUL's to run with the initiative. A champion, the Finance Director, was accountable to the steering committee. BUL's were accountable to the champion and involved all staff. BUL's were young and knowledgeable about business and were assisted by a second-in-charge with analytical skills.

One focus group argued that although top management has been relocated to the site, CROP is 'still run by people in Harare. CROP management should be given decision-making powers'.

4.A.12 Organisational Learning

The 'SHE' initiative stands as a model around which CROP staff can benchmark internally about how to diffuse learning on change efforts. This initiative had all staff mobilised from the individual to departments and CROP as a whole. 5-minute inclusive forums are held daily/per shift and learnings documented and spread across the organisation.

A safe environmental policy with an outreach programme component (grass project) has also enabled CROP become a visible corporate citizen in the community around. An outstanding achievement is that through the learning afforded by the 'SHE' effort, there is no water contamination and soil erosion in the neighbourhood.

It would appear there was selective communication relating to haulage system changes. Those directly affected by haulage system changes were more aware of the changes. Focus group evidence points out:

> There was structured communication to all concerned parties, particularly on how to work together in a change situation. A process of managing up and down was put in place. Those not directly involved were not given details but only the necessary information. Those in management positions, even when not involved, were given details to win their support.

There were mixed impressions on how computer skills were diffused across the organisation. Whereas one interviewee said:

> Those trained in South Africa passed on skills to departments through clerks using the system.

Focus group evidence on computerisation and HR systems reflects the following comments:

> This was different from the Grab loading change effort. There was no champion to drive the training of other users. Some staff cannot even go onto a computer. In some departments there were no super users. Training department had no formal training; they went on trial and error, relying on own competence.

Further evidence suggests there were informal communication networks on HR systems. As far as swipe cards were concerned, a select few were given a chance to try. Introduction of new payslips and clocking cards signalled a new era.

Focus groups expressed the following sentiments for future initiatives:

> CEO needs to communicate with people, have Town Halls, be close to people, and walk around even to recreational centres. There is need for clear communication throughout the change effort.
>
> Bring back training programmes, which were scrapped and accelerate those in place.

Concerning the development of a code of conduct, a workers' representative confirmed a local best practice:

> 520 Workers' Committee members were trained on New Code. Each of the 520 cascaded the information to fellow employees.

'Shanduko' learning was transferred through a continuous improvement cycle.

One executive remarked:

> A continuous improvement cycle was established as a basis for learning. This cycle was built into everyday lives of all staff. The cycle is based on assessing budget items with a view to implementing ideas on saving costs.

The general impression was that communication and leadership of department is key to fostering new learning.

4.A.13 New Ideas about Purpose and Strategy

The 'SHE' initiative influenced the way of doing business in a safe environment. A local best practice is the manner in which 45 minutes (09h00 to 09h45) have been set aside daily for the induction of new employees and any visitors. An induction checklist is used to track the aspects covered. A 'SHE' advisor/officer uses English and Shona for induction depending on the literacy of individuals under induction.

The officer took me together with 2 new employees through a familiarisation with 'SHE' vocabulary including: safety procedures (18 safety standards were covered); accident classifications; emergency preparedness (for example, assembly points); types of safety signs (safe condition signs, warning signs, prohibition signs, fire equipment signs, special signs) and a medical questionnaire.

There was a demonstration on the use of fire equipment focusing on 4 different types of fire extinguishers. These were dry powder, water/gas, carbon dioxide and foam extinguishers. An explanation of housekeeping programme in place for tools and equipment was followed by do's and don'ts clarifying acceptable and unacceptable behaviours. For example running around is not allowed and sober habits are expected in the premises. I was issued protective clothes for the one-week duration of my visit.

From an HR perspective, computerising HR systems indicated that CROP could catch up on technological advancements such as networks. Managers also realised there were ideas of strategic importance from A1, A2 Paterson grade level employees because employees had been allowed to question and contribute to the development of the Code of Conduct.

One interviewee indicated:

> Lessons learnt include the following:
> - Whatever change initiative, management must own the process;
> - Involve workers, instead of giving, sell change and engage them;
> - Every change initiative should benefit the workers.

Interview evidence suggests that CROP was a test case for Group of companies and the former CEO for the Group of companies is now implementing the same ideas for Group in South Africa as well as the London head office.

Focus group evidence provides further insights. Some participants felt that the focus of efforts was efficiency and effectiveness and there was a lot of groundwork to mobilise support for change. Others were of the opinion that change efforts were not clearly linked to CROP strategy. Some participants said change looked like a haphazard process and employees need clarity on linkages of initiatives to strategy.

One said:

> Each initiative should have clear objectives, shared by all stakeholders. Train and define assessment criteria.

Another retorted:

> We are too vertically integrated, why not have focused strategic BU. We need to coordinate change efforts. Focus on crushing and milling!

In as far as black advancement was concerned, one focus group participant quipped:

> There was talk of black advancement to address the new political demands.

Evidently, external benchmarking for best practices fast-tracked the haulage system and 'Shanduko' initiatives.

One focus group agreed there was need for a super user to design a system that fits the business.

4.A.14 Success of Change Efforts

There were mixed impressions during focus groups regarding the success of the computerisation process. Comments featuring during discussions included:

> There are less people controlling payroll. The function moved from Accounts department to HR. IT staff were not sure of the change leading to lack of support from IT staff. Now IT department is functional. We still do not have what we chose. Still system is not user friendly. Regarding the network program, supplying company did not do well in installing system.

For the clocking system, one can only record OUT to IN movements per day and can be abused. With manual system there was an entry for each passage and it was difficult to abuse.

However interview data paints a positive picture including comments like 'information retrieval was good', 'HR system led to CROP network'.

The development of a code of conduct is generally considered a success story. Each of the 52 sections had a constituted Workers' Committee, each of the 7 areas covering the 52 sections had an area Workers' Committee and a central Workers committee has been constituted covering the 7 areas. There is ownership of the Code of Conduct.

One worker representative was, however, critical of the code saying:

> Code of conduct has not been updated for over 15 years. Code of conduct is only about employees. For example, '*if employee does this, then, ... To the extent that employees now resent being in the Workers' Committee.*'

The 'SHE' initiative is an outstanding success story that has positioned CROP as a good corporate citizen. The outreach program has resulted in no water contamination in the surrounding community. A local best practice is around the application of filter cake (mud). The mud has soil nutrients, which local villagers use to feed gardens for free. The rest of the filter cake is used back in the cane fields.

The success of the haulage system has resulted in nothing, except the replacement of one grab loader, being changed since 1983. This has been largely attributed to the successful local modifications to the Swazi system. One focus group heard one participant remarking:

> What is happening is because of people involvement at every stage of the process.

'Shanduko' and the resultant outsourcing are also considered a success. Interview evidence includes:

> 'Shanduko' was extremely successful. Results were presented to the Board. The Board accepted and authorized payment of incentives.
>
> Shanduko champions have been requested to help in other initiatives as part of change skills transfer. Grab loading is now being re-looked at from a 'Shanduko' perspective. There is still need to look at the structure of incentives for future change efforts. For example, how soon incentives are paid.
>
> Outsourcing as a result of 'Shanduko' was a huge success. Busing, security, canteen and beer-halls have been successfully outsourced.

These comments are also supported by focus group evidence and are consistent with the continuous improvement intention:

> Ideally 'Shanduko' should have come before IT effort. 'Shanduko' emphasis was more on proving saving. Bonus payment was not paid early and this damaged employee morale.
>
> The incentive scheme design needs to be simple, clear and reward to follow behind. Ideally, this should have been a Finance function. Agriculture department carried the whole company. We are not accountants.

Mention is made of the need to move to a flatter organisation structure informed by the change efforts. Overall, live communication is considered a necessity.

4.A.15 Case A Summary

Figure 4.A.1: Summary of CROP Evidence

CONSTRUCT	CROP EVIDENCE
Triggers	Environmental (natural disasters); Globalization (world-class best practices); Technological advances (computerization); Government (promises to electorate); Economic climate (work process best practices); Heightened competition.
Best practices	Benchmarking in & outside Africa (Swaziland & Australia); SHE 5-minute daily documented inclusive forums; Land redistribution; Community engagement in SHE; Winning Safety awards on environmental management systems; Communicating the code of conduct.
Key players	Government; All employees; Management; Business Unit leaders; External & Internal consultants; Steering committee; Change champions & Community members.
Time	SHE (immediate); Shanduko (one year time window, 4-6 months training to kick-start process); computerization (immediate with 8 month parallel run).
Help	Employee sensitisation & inculcation of a sense of inclusivity (lower level employees not aware of quality & kind of help required); Saturated communication required; Capability creation (all changes); Relocation of employees with health problems.
Relevance	Changes benefited key stakeholders (staff, government, community); Improved quality of life of employees; Employment creation; Code of conduct brought sense of common purpose; Business was value-based (e.g. we want to make money but not bloody money).
Walking-the-talk	Mixed evidence (where initiative directed from Group/top management, advocates walked the talk e.g. SHE, Shanduko, Haulage system); One HR manager walked the talk & the other did partially.
Fear & anxiety	Views were polarized (focus groups generally said there was acknowledgment, within mixed focus groups a sense of fear was expressed, individual respondents had mixed answers); A new language emerged when things were not working.
Assessment & measurement	Informal & formal: Black advancement was informally assessed; Shanduko & SHE had rigorous reporting procedures; Mill performance measures documented in annual reports.
Belief	Three groups of people {the committed, doubters (became disciples once convinced) & pretenders (moved back to old ways)}.
Governance	Each change had defined power & accountability structures (e.g. Haulage system changes under Agriculture Director resulted in structural changes in shifts, SHE & Code of conduct had committees, HR system changes directed by steering committee, Shanduko & Resultant outsourcing under CEO had executives as steering committee).
Diffusion	Learning included SHE inclusive forums; Shanduko continuous improvement cycle model about diffusing; Communication networks during development of code of conduct (520 workers committee members cascaded messages to all after training). Haulage system changes communicated selectively.
Strategy & purpose	'SHE' influenced ecological harmony & corporate citizenship focus in running business. Link of other changes to strategy & purpose not clear to lower level employees.
Success	Shanduko incentives could have been paid earlier. Shanduko & resultant outsourcing, SHE, Haulage system changes, Development of code of conduct considered huge success stories. Mixed reactions expressed over Computerization.

The CROP case evidence is summarised through Figure 4.A.1 above.

Eleven challenges, eight themes and four propositions (prospects for further study) emerge from the evidence.

Emerging Challenge 1: Role of national cultures in transformation

Organisations that transform in Zimbabwe have to anchor such change on national culture.

Emerging Challenge 2: Use of relevant national languages

Organisations that transform in Zimbabwe have to use relevant national languages to convey and embed the new different ways of doing business to all relevant stakeholders.

Emerging Challenge 3: Land redistribution

Organisations that transform in Zimbabwe will have to promote an equitable pattern of land redistribution.

Emerging Challenge 4: Economic reform and poverty reduction

Organisations that transform in Zimbabwe have to conduct business aimed at sustaining long-term high rates of economic growth driven by agriculture in order to reduce poverty.

Emerging Challenge 5: Employment creation and entrepreneurship

Organisations that transform in Zimbabwe have to create employment and upscale entrepreneurship to enable the state restructure its economy and compete globally.

Emerging Challenge 6: Ecological harmony

Organisations that transform in Zimbabwe have to engage in safety, health and environmental programmes to enhance the quality-of-life of employees and communities.

Emerging Challenge 7: Boosting investor confidence

Organisations that transform in Zimbabwe have to contribute towards the reduction/elimination of (trans)national conflicts and crime (including corruption) in order to boost investor confidence.

Emerging Challenge 8: Value-enhanced products and services

Organisations that transform in Zimbabwe have to (re)brand value-enhanced products and services for the global market.

Emerging Challenge 9: Consensus building amongst stakeholders

To succeed in leading change in their companies in Zimbabwe, managers need to forge an institutional framework and process for consultation and consensus building amongst stakeholders on the make up of reform programmes.

Emerging Challenge 10: Institutional capacity building

Organisations that transform in Zimbabwe need to build institutional capacity to minimise /eliminate the gap between designed plans and their implementation.

Emerging Challenge 11: Gender consciousness

Organisations that transform in Zimbabwe need to move to a higher level of consciousness in gender relations by engaging in gender analysis in order to empower women.

Emerging Theme 1: Collaboration with key stakeholders

Intense collaboration with key stakeholders leads to the success of transformation efforts.

Emerging Theme 2: Stakeholder needs and expectations

Organisational transformation revolves around changing stakeholder needs and expectations.

Emerging Theme 3: Stakeholder promises

Organisational transformation revolves around changing promises to address changing stakeholder needs and expectations.

Emerging Theme 4: Delivery processes

Organisational transformation revolves around changing processes to deliver changing promises.

Emerging Theme 5: Structures and systems

Organisational transformation revolves around changing structures and systems to align with changing processes.

Emerging Theme 6: Capacity and capability

Organisational transformation revolves around changing capacity and capability to sustain the momentum of the change.

Proposition 1: Contextualisation of business issues

Contextualisation of business issues is a prerequisite for the success of transformation efforts.

Proposition 2: Impact of natural disasters

Natural disasters like drought trigger major change. There appears to be a 10-year drought cycle for Zimbabwe.

Proposition 3: Interface between government, business and civic society

Transformational business leaders need to thoroughly understand the interface between business, government and civic society.

Proposition 4: Managing the interface between key power blocks

Success in business transformation is dependent on the ability to manage the interface between key power blocks.

CASE B: FINANCE

Our vision of tomorrow dictates that today, we identify ourselves with those growth sectors and sections of our community from whose midst we expect the emergence of tomorrow's economic giants and conglomerates i.e. the small - to medium - scale entrepreneurs, the majority of whom are in the informal sector. This is also one way through which FINANCE can help in the job creation process.

Annual Report, 1995

FINANCE operated on negative capital as far back as the late 1980's since it was associated with an internationally disgraced bank, SUSPECT. A new chairman was appointed to the board of directors in 1993 with a specific mandate from the government of Zimbabwe to see to the turnaround of the bank.

Between 1993 and 1995, the chairman led the board in a search for a managing director to replace the one who was running the operations of FINANCE in an acting capacity. In 1994, the bank was on the verge of collapsing. However, the board found a suitable candidate to lead the transformation process in early 1995. The candidate was tasked to perform a dual role of managing director and CEO.

Reviewing the background of FINANCE in the 1995 annual report, the newly appointed managing director and CEO indicated:

> Stakeholders the world over had their confidence in SUSPECT, and indeed in the whole financial system in general, shaken as others lost money through illegal, unethical and all other despicable acts of financial misconduct as revealed and levelled against SUSPECT. Such was the background to the discomfort which by history and association also affected the bank.
>
> Although the Zimbabwean operation of SUSPECT and now FINANCE was not actually involved in the kind of scandals that its half parent (SUSPECT) was accused of, it was not spared from either the local or international confidence backlash.

After analysing and understanding the challenges FINANCE faced, the managing director led in the crafting and implementation of a 5-year vision to turnaround the bank. Given the lack of transparency in previous dealings, the bank committed itself to high levels of

transparency in all its operations within acceptable levels of banking practice.
The 5-year vision was achieved one year earlier, in 1998. The board chairman retired from the board in this year convinced he had contributed to the strategic positioning of the bank for growth.

An overlapping 5-year vision was developed in 1998 and is being implemented.

FINANCE prides itself of good performance in a declining economy. The bank started turning around as from 1995, was recapitalised and privatised by 1997 and started focusing on strengthening itself through global networking and smart partnerships in 1998. FINANCE was voted 'the best domestic bank in Zimbabwe' twice in succession in 1999 and 2000.

4.B.1 The Changes That Took Place

Exhibit 4.B.1: Time Line of Major Events in the History of FINANCE

Year	Major Events
1991	FINANCE loses technical support from the SUSPECT London office.
1993	Chairman is appointed, with FINANCE having no Managing Director.
1994	FINANCE is on the verge of collapsing. Directors do not recommend any dividend; FINANCE does not publish its annual report.
1995	Managing Director is appointed; Incumbent also assumes role of CEO. Eight areas of need for a 5-year strategic plan are identified; FINANCE adopts formal strategic planning and management techniques as a way of running affairs. FINANCE closes the year on a negative net worth position and the directors do not recommend any dividend. Through tender, there is a change in FINANCE's external auditors.
1996	FINANCE predominantly focuses on: Internal risk management; Further technology upgrading and enhancement; Reaching out beyond boarders for correspondent bank networks; Creating necessary confidence and credibility so vital to business of banking; Intensified image clean-up and marketing exercises as part of the groundwork preparations for the all important recapitalisation exercise scheduled for 1997; Further strengthening of human resource skills and improvement in policies, systems and procedures.
1997	FINANCE witnesses the first positive results of the turn-around strategy: Successes are registered in the areas of human resources development, technology enhancements, internal restructuring and improvements in risk management, image profiling and marketing. Recapitalisation assumes centre-stage; Government agrees to idea, dilutes its shareholding from 100% to 20%, agrees to concept of recapitalising through a privatisation route and further extends an invitation to foreign investors to invest in FINANCE.
1998	Considered FINANCE's watershed year which seals the first phase of the turnaround strategy and sees the start of a new 5-year strategic plan. Two technical partners are signed on. FINANCE is privatised and restructured; Board membership increases from 5 to 14, with 3 executive directors; Various board committees are established; Joint auditors engaged to establish and maintain ultra-transparency.
1999	Devoted to the consolidation and the implementation of the technical partnership agreement. FINANCE is voted "Best Domestic Bank in Zimbabwe by the world-wide Euromoney annual country surveys and awards for banking excellence".
2000	Focus shifts from survival and consolidation towards leadership among financial institutions in Zimbabwe; FINANCE starts benchmarking against one or two market leaders in Zimbabwe while not losing sight of regional aspirations. FINANCE establishes a properly defined and stand-alone marketing and sales division. FINANCE becomes third largest bank in Zimbabwe and the largest locally owned in terms of market share and balance sheet size. FINANCE manages to create a powerful brand for its products based on a differentiation strategy. Through a smart-partnership alliance, FINANCE is first bank in Zimbabwe to launch assurance products and provide a one-stop shop for financial products and services. FINANCE is again voted "Best Domestic Bank in Zimbabwe by the world-wide Euromoney annual country surveys and awards for banking excellence". FINANCE goes through its first ever restructuring to a leaner and more effective organisation with no disputes recorded.

Source: Annual Reports

Broadly, the changes FINANCE experienced may be classified under turnaround to profitability and solvency, privatisation and growth.

4.B.1.1 Turnaround

As noted in the 1997 annual report, "throughout the period 1995 - 1997, FINANCE remained focused on its strategic plan and progressively recorded steady improvements in its financial results which gradually returned the bank to profitability and solvency".

Exhibit 4.B.2 below shows the steady improvements.

4.B.1.2 Privatisation

The privatisation process is aptly summarised in the managing director's review of operations in the 1997 annual report:

> Being one of the first state institutions to be privatised, the process leading to this exercise involved detailed discussions and intensive consultations with government, covering such issues as the objectives behind proposals to privatise and recapitalise the bank, the benefits of having a technical partner, targeted beneficiaries of the privatisation process and the modalities of the process, the timing of the issue and pricing of the shares, their tradability and vehicle for their trading. A number of inter-ministerial committees had to deal with different aspects of the issues mentioned above, the conclusion of which was the green light to proceed in July 1997. By the end of 1997 FINANCE was privatised and successfully recapitalised in what was viewed as 'record time' by local standards.

4.B.1.3 Growth

Having achieved its Vision 2000 in 1998, FINANCE poised itself for corporate re-engineering, all-round growth and stability through smart-partnerships in the same year. Vision 2003 for the bank captures the intentions:

> FINANCE has embarked on a drive to strengthen and expand its market base by the year 2003. This will be achieved through a strategy of networking and joint ventures with other key players in the market. FINANCE plans to become a regional and international banking force by the year 2003.

4.B.2 Triggers of Change

Given its originally battered image, the main drivers of change for FINANCE were the government and the need for good corporate governance.

From the appointment of a new board chairman in 1993, the bank took an approach of reporting on its condition in as transparent a manner as possible to enable all the stakeholders to make informed decisions in their dealings with the bank. Evidence in every annual report from 1995 clearly highlights this.

Significantly, the opening paragraph on corporate governance in the 1999 annual report is repeated in 2000:

> FINANCE is fully committed to the principles of openness, integrity and accountability. Accordingly the directors recognise the need to conduct the business with integrity in accordance with generally accepted corporate practices as set out in the King Committee Report on Corporate Governance. The Audit Committee is mandated to review compliance with the principles of good corporate governance ...

4.B.3 Key Players

The key players in the FINANCE transformation efforts are best summarised in the bank's annual reports under appreciation statements. For example, the 1995 annual report reflecting the initial successes of the turnaround has the managing director appreciating:

- All clients of the bank, old and new, for their unflinching and growing support respectively.
- The government of Zimbabwe as represented by the Ministry of Finance and in particular, the office of the registrar of banks and financial institutions.
- The Reserve Bank of Zimbabwe, as both supervisory and regulatory authority.
- The chairman and board of directors of FINANCE for their leadership support and guidance …
- All local and international financial institutions and correspondents.
- Prospective new shareholders who have shown interest in supporting the bank in the coming year.
- The public in general and, last but not least, management and staff members of the … team - without whose support and commitment to doing the right thing, the bank would never have made the kind of remarkable progress registered so far.

Evidence of the significant contribution made by these key players runs in the annual reports over the years. Even in 2000, considered by economists as one of the most difficult years since Zimbabwe's independence, a similar set of key players appears in the annual report.

For example, the managing director links the key players to the bank's vision in the 2000 annual report by stating:

> Mindful that these results would not have been achieved without the unwavering support of the bank's customers and all other stakeholders, we wish to extend our special and heartfelt gratitude to the following:
>
> - The bank's existing and new customers for keeping the vision alive.
> - The bank's shareholders for the continued support and faith in the leadership of the crew during the very dark hours of the storm.
> - The Reserve Bank of Zimbabwe and the Ministry of Finance for their wise counsel and guidance.
> - The bank chairman and his team for their commitment to the cause of the bank.
> - The FINANCE family for their commitment with each one of them keeping the individual pledges of commitment and hard work calculated to ensure that the battle is won as promised at the Great Indaba.

4.B.4 Time Available for Initial Stages of Changes

Strategically, very little time, if any, was available for the initial stages of the changes. Although it took the Board a little over 1 year to search and attract a suitable candidate to lead the operations of the bank, the candidate integrated strategic planning and strategic implementation.

For example, in the second month of his appointment, he was out with a team of staff to work on Vision 2000. Further, within the turnaround strategy was built in the recapitalisation and privatisation change initiatives. Also, an overlapping growth strategy was encapsulated in Vision 2003 since the first vision had been achieved ahead of plan.

Operationally, foreign investors and due diligence exercises were carried out over the first 6 months of 1998. The exercises were viability and feasibility assessments by potential external investors who had shown interest in investing in FINANCE in line with its privatisation programme carried forward from 1997.

4.B.5 The Kind and Quality of Help Needed

The help needed was related to the challenge areas isolated in Vision 2000 and Vision 2003.

Given the 'market image of the bank' challenge, FINANCE engaged an independent firm of market research consultants. The consultants compared the bank's image at the beginning and at the end of 1995. The consultants reported that the bank's public image and market profile had improved during the period.

Under the 'human resource balance sheet', a broad-based staff development and skills enhancement programme was put in place.

Internal and external expertise helped deal with the 'systems and procedures' challenge. The managing director reported in the 1995 annual report:

> Specifically, documented policies, systems and procedures are now in place in respect of treasury operations, accounting, international, personnel, marketing, lending and follow-up operations, auditing, information systems and technology, administration, organisation and methods, economic research, strategic planning, corporate services, branch level activities, delinquent loans and extensions services, community banking and card-based products, among others.

A joint team of local and South African based international consultants helped set up the treasury systems. An international non-governmental organisation twinned with a British consulting team to set up systems and procedures for the new community-based lending programme while Irish consultants were contracted to put up the most-up-to-date systems and procedures for the management of a non-performing book, including the extension services to it. A local team of external consultants helped survey and advise on personnel remuneration systems, procedures and levels while another helped develop personnel and job evaluation techniques.

Yet another international team was the bank's information technology consultants while another was used as a sounding board for strategic thinking and planning seminars. Notably, staff went for local and international courses and attachments aimed at underpinning the bank's capabilities in technology.

The rest of the banking systems, manuals and procedures were produced in-house.

Evidently, the approach to system and procedure development was both intense and multi-pronged. At close of 1995, every aspect of systems documentation, staff training and implementation had been completed. The notes to the financial statements for the year ended 31 December 1995 by the bank's external auditors confirm this:

> In previous years, the bank's risk management systems and procedures were not followed. ...
>
> This led to the granting of a high level of non-performing loans which have continued to affect the overall performance of the bank in 1995. ...
>
> During the course of 1995, a number of strategies were put in place to deal with the system weaknesses and the management of the non-performing book. Without these measures, the continued existence of the bank would have been threatened.

The refurbishment programme started in 1994 resulted in modern face-lifts to the head office and two branches. Staff and customer service facilities were upgraded at four of the banks sites, resulting in a positive public and market image. I toured the head office and two branches and confirmed this.

In the 1995 annual report, the managing director noted that chief executives and staff of correspondent banks, especially the dealers and treasury controllers, helped by supporting the change initiatives. Further, "most local financial institutions began to express some calculated measure of confidence in the bank. These moves helped us to overcome the pressures that had started to build on the bank at the beginning of the year" (Managing Director, in 1995 annual report).

The government of Zimbabwe, through the Ministry of Finance, helped by appointing and giving a mandate to turnaround the bank to the chairman in 1993. Through the Reserve Bank of Zimbabwe (RBZ), the government proceeded to audit the affairs of the bank in 1997. This was part of the RBZ's new approach to banking supervision and prudential regulation. The audit helped position FINANCE for privatisation. An inter-ministerial committee assisted in dealing with issues relating to the privatisation.

4.B.6 Relevance of Changes to Personal and Business Goals

The changes were relevant to business goals as shown in Exhibits 4.B.2 and 4.B.7.

The bank is quite specific in terms of its focus on personal issues. A section on employment and development in the 1999 annual report reads:

> The following principles underlie the Employment and Development policy:
> - All people have the need and potential to grow and to influence their own destinies, and should be given the opportunities and exposure to do so;
> - All employees should be treated as individuals regardless of race, sex and creed;
> - All employees are capable of making their own decisions regarding their lives and development and should be encouraged to do so;
> - In defining and refining the policy, all relevant stakeholders are consulted continuously.
>
> The bank endeavours to employ, empower and develop competent people in order to utilise their potential, expand their careers and assist them in becoming valuable contributors to sustainable competitive advantage.

Of significance is the position that FINANCE took in assisting government with the much-needed foreign currency to deal with the fuel crisis towards the close of the century. Government would have further borrowed from international lending institutions deepening the foreign debt. FINANCE managers consider this gesture as the organisation's contribution towards resolving the economic problems the country is facing.

4.B.7 Advocates "Walking-the-talk"

There is strong evidence that the advocates of change walked the talk. Notably, the board searched for a suitable candidate to take on the role of managing director and CEO, the chairman resigned from the board after making his contribution to the turnaround, and the board established various committees which were reconfigured as and when necessary.

Clearly, the new managing director and CEO and his team led by example. For example, in the 1995 annual report, he, on behalf of the bank at large, cautioned habitual defaulters:

> ... I wish to reiterate the Bank's position with respect to defaulting borrowers of FINANCE, new and old, who do not take seriously their contractual obligations in the mistaken hope, and false belief that the Bank will "write-off" such outstanding balances.
>
> ...
>
> I am of the belief our economy cannot prosper to its maximum potential, if financial indiscipline and delinquency on the part of those who have been availed depositors' funds is tolerated. Furthermore, I believe it is a bad omen for any economy to have a distressed financial system emanating from poor debt recovery.
>
> ...
>
> Furthermore, in the context of our turnaround programme and Vision 2000, the team charged with the task of project rehabilitation and debt recovery treat their Bank and regard the mission with a passion, viewing this institution with pride to be defended at all costs against borrower delinquency without fear or favour.

4.B.8 Acknowledgement of Fear and Anxiety

Fear and anxiety were acknowledged. The managing director had this to say in the 1999 annual report:

> The 1995-1999 turnaround journey involved tests of our staff's character and calculation, their courage and determination in the face of adversity and uncertainty that prevailed then. After privatisation in 1997, the map began to unfold, with the initial goal and objectives of the turnaround programme becoming clearer and clearer to many stakeholders. The consolidation period 1998/9 which has just been completed involved a lot of adaptation to change.
>
> The ability to change with times is a function of attitude, confidence and clarity about what the future holds in store for an individual, group or organisation.

4.B.9 Assessment of Progress

Progress was assessed continually through the various teams that were set up to manage the challenges identified. Such assessments are highlighted quite visibly in annual reports. A typical example is Exhibit 4.B.2 below.

Exhibit 4.B.2 FINANCE's Six Year 31 December Highlights

	1995	1996	1997	1998	1999	2000
Total Assets (Z$ m)	779	3 186	6 471	8 463	10 118	18 400
Total Deposits (Z$ m)	636	2 816	4 669	3 628	7 416	13 350
Loan Portfolio (Z$ m)	733	858	2 241	3 898	5 913	8 251
Cumulative Provisions (Z$ m)	5	58	110	267	458	1 143
Profit Before Provisions (Z$ m)	67	85	141	260	341	1 067
Profit after Tax & Provisions (Z$ m)	62	84	109	130	137	256
Shareholders' Funds (Z$ m)	105	180	597	676	773	977
Dividends Paid (Z$ m)	NIL	NIL	44	52	60	90
Number of Commercial Banks in Zimbabwe	5	5	7	7	9	11
Market-Share Deposits	5.3	18.4	20.3	15.4	18.1	22.5
Number of FINANCE Branch Outlets	9	11	14	17	21	24
Staff Complement	391	474	650	722	808	716
% Provisions/Total Loans	1	7	5	7	8	14
Investment in Technology (Z$ m)	7	25	69	128	280	316
Number of FINANCE's International Correspondent Banks & Partners	8	24	32	46	46	47

Source: Annual Report 2000

FINANCE put in place rigorous assessment systems and reported on these in a detailed fashion. For example, a section of the 1997 annual report reads:

> One major aspect achieved was the setting up of quarterly personal, department, branch and divisional quantitative and qualitative targets focusing on profitability, liquidity, interest and exchange rate risk, credit risk, earnings and solvency areas. These targets were combined with intensive follow-ups and checks for achievement and compliance by the Bank's strategic planning unit and internal audit departments respectively, with both departments reporting directly to the chief executive.

The bank not only had internal assessment systems in place but also benefited from the assessments by RBZ. For example, the excerpts of the RBZ 1997 annual report by the Banking Supervision Division read:

> A landmark development was the first ever full examination of a commercial bank. This involved an evaluation of the bank's entire operations in order to determine capital adequacy; asset quality; management competence; profitability; effectiveness of liquidity management systems, adequacy of accounting and internal control systems, applicable guidelines as well as the verification of information submitted through prudential returns ....

There was vigilance at FINANCE as indicated in the 1997 annual report:

> To this end, a technical committee chaired at the highest level in the bank has been established and a detailed project plan, which includes the most stringent test and certification procedures, has been put in place in order to validate all claims made by FINANCE's suppliers and, at the same time, to check that all its other sub-systems comply.

FINANCE went beyond financial assessments. For example, on the managerial human resource base, pertinent statistics reported in the 1999 annual report reflect:

• % of bank managers with degrees and professional qualifications (10% in 1995)	65%
• % of bank managers with advanced degrees (2% in 1995)	6.75%
• Average age of permanent employees	29 years
• Average age with the bank	4.3 years
• Annual staff turn-over	13%
• % of expatriate bank managers (nil in 1995)	0.5%
• % female bank managers (2% in 1995)	20%
• Staff retention rate	94.02%

On the bank's reward restructuring front, FINANCE seeks to link rewards to individual performance

4.B.10 Belief in Change

Some ex-employees interviewed considered the demands of the turnaround too tough and left the organisation. On the contrary, in the 1995 annual report, the new managing director and CEO indicates "quite a number of staff either left the bank service for greener pastures or retired".

FINANCE managed to retain the staff who believed in the turnaround and only went through a retrenchment process in the year 2000. The 1999 retention rate of 94.02% of the 1995 staff figure is quite significant. The CEO pointed out in the 1999 annual report:

> The new year will unfortunately witness, for the first time in the history of the bank, a staff retrenchment process arising out of an exercise which seeks to align our technological status and investment in centralised activities with the optimal staff numbers required to drive the re-engineered organisation.

4.B.11 Power and Accountability Structures

A new board chairman was appointed to lead in the restructuring of FINANCE in order to restore the bank's viability. The restructuring was centred on capital adequacy, recruitment, placement and retention of competent management and staff, internal systems development and enhancement.

The chairman identified upon appointment that by 1993, FINANCE's capital position was under stress, primarily because of a deteriorating loan portfolio. This deteriorating loan quality position was demanding large provisions and write-offs, which in turn ate into profits, reserves and initial capital.

Between 1993 and 1995, the board worked on arresting the problem by improving the quality of the loan portfolio through security enhancement on all existing loans. The board also applied stricter loan approval guidelines and instituted tougher loan recovery policies and programmes than had been the case before. To this effect, the bank continued with the policy of 'instant provision' for bad loans and sought never to report unduly inflated profits.

By 1995, recommendations to the shareholder to introduce new capital into the bank had been approved.

Notable on the issue of recruitment, placement and retention of competent management was the search for a managing director between 1993 and 1995. When the board chairman was appointed, the managing director was in an acting capacity. The result of the search was the appointment of a managing director who doubled up duties as CEO as from 1995. The incumbent is generally considered to have been the brains behind the bank's success story after near collapse in 1994.

For example, the chairman commented on the capability of the new managing director and CEO in the 1995 annual report:

> By December 1995, we were already enjoying some of the fruits of his general superintendence and management of the bank's affairs. I am pleased to report that, since his arrival, the bank is now firmly in control of all its operations, especially its loan portfolio management.

The acting managing director resigned from the bank after 5 months of the new appointment in 1995 and subsequently from the board in 1996. It would appear there was enough time for the new incumbent to take over and compress the time to re-launch the bank.

A feature that highly distinguishes FINANCE is the manner in which organisational structure followed strategy. Particularly, the initial stage of the implementation of Vision 2000 was the streamlining of structures within the head office.

Additionally, having broadly classified the major risk areas classified under interest, liquidity, currency, credit, default and operations risks including off-balance sheet risks, bank-wide committees were created around these areas. This was meant to better manage these areas as well as enhance communication.

Members of these committees were drawn from relevant or directly affected divisions and departments as well as other divisions of the bank whose activities impacted on each other. Membership of each committee was limited to 8.

Frequency of meetings differed from weekly, monthly, quarterly, half-yearly to yearly intervals.

Exhibit 4.B.3: 1995 Turnaround Management Committees and Responsibilities

Committee	Responsibilities
Strategic Planning & Review Committee	Develops strategic direction in conjunction with the board, serves as a platform for sharing the vision and reaffirming commitment to FINANCE, reviews progress and develops strategies to consolidate progress and redress weaknesses.
The Executive Management Committee	Top executive decision making body chaired by managing director, composed of general management, creates commonality of vision for FINANCE and sets the specific direction the bank should take to reach the agreed vision and broad objectives as set by the board.
The Central Treasury Management Committee	Principal committee that devises, regulates and implements investment policies and reviews the profile of risks associated with the bank's overall assets and liabilities.
Central Credit Committee	Main agency in directing and monitoring the bank's lending activity throughout the branches, ensuring that all advance proposals conform to laid down policies and criteria and that strict monitoring of these facilities is done in adherence with laid down policies and procedures; further, it improves the overall quality of the bank's previously poor loan portfolio administration.
Central Recoveries Committee	Manages, rehabilitates and/or recovers the bank's money from those loans and advances that have been identified and classified as delinquent and needing special attention.
Central Accounts & Budget Review Committee	Formulates the bank's budget projections for both operational and capital expenditure, with key functions of planning, implementing, monitoring and achieving the bank's profitability, liquidity and solvency targets, preparing accurate and timely financial statements which comply with relevant statutory and non-statutory regulations and standards.
Central Marketing & Deposit Mobilisation Committee	Creates conditions that stimulate internal creativity to bring about continuous improvements to marketing and sales methods and to generally alter the make-up of the bank's deposit mix.
Central Procurements Committee	Evaluates requests for the procurement of goods and related expenditure including standardisation of internal requirements, ensuring that the procurement process is effective and transparent.
Information Technology Committee	Determines the role of banking technology applications, devises and implements strategies to ensure FINANCE's technical support systems continue to enable the bank to effectively compete in the local and international banking arena.
Human Resources Committee	Primarily responsible for staff welfare through the development, review and enhancement of staff related policies dealing with recruitment procedures, remuneration, grading, discipline, training and performance appraisal.
Extended Management Committee	An information sharing committee of head office and branch management that meets quarterly to consider and resolve problems and generally share information on bank wide developments and ideas and, to ensure a process of continuous quality improvement.

Source: Annual Report 1995

Following the privatisation of the bank and its tie-up with external technical partners and shareholders, new directors were appointed to the board. This expanded the board from 5 to 14 {from 4 non-executive directors to 11 and from 1 executive director (managing & CEO) to 3}. This necessitated the implementation of an earlier board decision to establish a number of board committees with specific terms of reference and mandates aimed at improving the bank's corporate governance structures and risk management.

Exhibit 4.B.4: 1998 Vision 2003 Committees and Responsibilities

Committee	Membership	Responsibilities
Audit Committee	1 executive director (managing & CEO), 4 non-executive directors	Reviews the company's audited financial statements and liaises with external auditors.
Credit Committee	2 executive directors (managing & CEO and Credit director), 1 senior general manager Credit, 4 non-executive directors.	Assesses and approves project proposals for recommendation to the board.
Remuneration Committee	1 executive director (managing & CEO), 5 non-executive directors.	Sets the remuneration of the executive directors and approves guidelines for the company annual pay reviews.
Strategic Planning & Technology Committee	1 executive director (managing & CEO), 5 non-executive directors.	Reviews the bank's future strategies and allocation of resources.
Asset & Liability Management Committee (ALCO)	1 executive director (managing & CEO), 4 non-executive directors.	Meets once quarterly to review various risks and strategies adopted by management in running the bank's operations and complements the management's own ALCO committee which meets weekly.

Source: Annual Report 1998

The focus on good corporate governance is further amplified in the 1999 annual report:

> Directors are appointed to the board on a consensus basis by the existing board. The board is confirmed/reconstituted annually at the General Meeting of shareholders. The requirements of the Zimbabwe Stock Exchange Regulations are followed in this process.
>
> The board comprising both executive and non-executive directors, meets regularly (at least quarterly), retains full and effective control over the bank and monitors executive management. All directors have access to the advice and services of the Bank Secretary and are entitled to obtain independent professional advice at the bank's expense, should they deem this necessary. Committee chairpersons are all non-executive directors. The chairman and managing director respectively provide leadership and guidance to the board, two thirds of whom are non-executive directors. A comprehensive framework setting authorities and responsibilities in regard to information, recommendations, confirmation and approval of all matters affecting the business of the board and its committees assists in the control of decision-making and risk management processes. The directors bring a wealth of experience from their own fields of business and ensure that debate on matters of strategy, policy, progress and performance is robust, informed and constructive.
>
> A third of the longest serving directors since their election retire by rotation each year.

Corporate governance is also enhanced through participation of workers. The 1999 annual report highlights this:

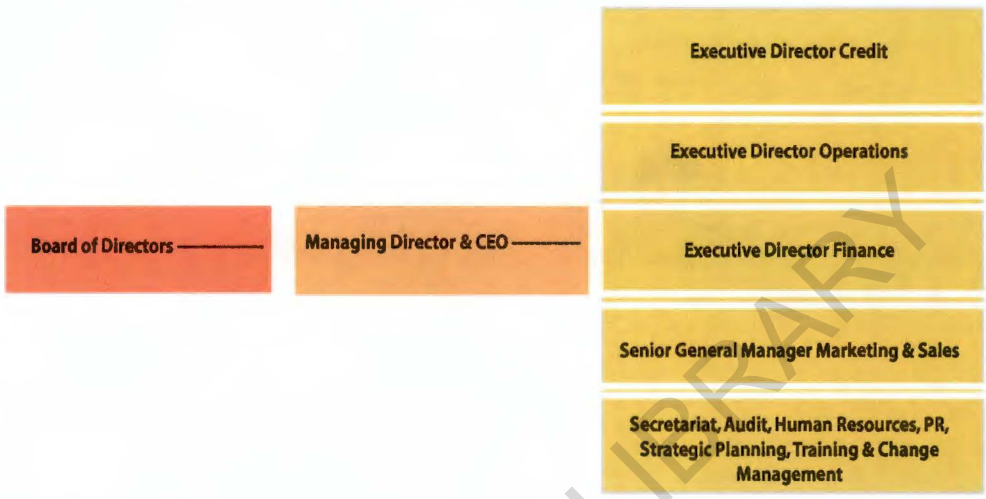
> Worker participation is enhanced by a network of communication champions nominated by their colleagues to act as communication facilitators between management and staff.
>
> The workers committee exists to provide a platform for employees and their recognised trade union representatives to consult meaningfully on issues that affect them. The parties are committed to good faith bargaining based on full disclosure of information, detailed motivation of proposals and the generation of alternative options, with the objective of reaching consensus.

Power and accountability structures were not only at board level. The FINANCE organisation structures were aligned to the challenges and the strategy. The 1999 annual report spells this out.

Having identified seven categories of stakeholders {Shareholders; Customers (both depositors and borrowers); Board, management and staff; Regulatory and Supervisory

Authorities; Correspondent Banks and Financial Markets in general; Suppliers of Goods and Services; Government and the General Public at large}, FINANCE proceeded to organise itself functionally as reflected in Exhibit 4.B.5 below.

Exhibit 4.B.5: 1999 Functional Organisation Structure



Source: Annual Report 1999

Specifically, departments below went through radical changes influenced by stakeholder expectations. The new accountability structures are reflected in

Exhibit 4.B.6

Exhibit 4.B.6: 1999 Department Accountabilities

Stakeholder Expectations	Accountability	Focus & Intended Outcome
Improve the profitability of the bank; Create an even better image of the bank; enhance its stability and create the necessary strong security in the eyes of depositors, correspondent banks and the financial markets in general	Marketing & Sales Division	Implementation of a product diversification strategy: The bank has historically had a skewed deposit mix in favour of high-cost funds to the detriment of its profitability aspirations. The transformation of this structure ranks high on the priority list of the division.
The optimal restructuring of the advances mix, coupled with a quality lending approach.	Credit and Advisory Services	Development of additional fee-based income through offering tailor-made financial solutions to large corporate borrowers as well as advisory services on privatisations, mergers & acquisitions, debt restructuring & rehabilitations. The services will be a precursor to the formal application for a merchant banking licence.
Systems stability, reliability, timeliness & accuracy of reports.	Operations Division	Operational services unit: reduce costs by removing the current stand-alone back office work in branches to centralised facility; Information technology department: provide I.T. solutions to all branches & head-office departments and look after the bank's electronic banking & card delivery systems; Logistical services department: identify viable sites for the bank's branch network.
Productivity of staff in terms of income, total deposits and total assets per employee per year.	Human Resources	A motivated & quality FINANCE human resource balance sheet.
Ensure business risks and opportunities for improvement are properly identified and managed through appropriate management action, implementation & controls.	Internal Audit	Tracking down transactions to source documents, checking on compliance issues & ensuring systems weaknesses are brought to the attention of senior management for immediate & appropriate rectification.
Ensure that appropriate management, board & shareholder meetings are properly held & proceedings thereat are adequately minuted, provide legal opinions to various bank departments & maintain constant liaison with external parties such as Board members, Shareholders, lawyers, ZSE, the Law Society and Share Register Administrators.	Bank Secretariat	Drive the corporate governance charter of the bank

Source: Annual Report 1999

4.B.12 Organisational Learning

Evidence in annual reports reflects that the newly appointed managing director and CEO engaged a team of staff in identifying and isolating the challenges FINANCE faced. This was in the second month of his appointment to the position when the team set out on a strategic planning workshop to turnaround the bank.

The evidence also indicates that the workshop captured the expectations of all stakeholders who included shareholders, customers, the board, management and staff, correspondent financial institutions, the government, the Reserve Bank of Zimbabwe, the media and public in general.

The team learnt from the strategic planning process that the major challenges the bank faced as at 1 January 1995, a month before the appointment of the managing director and CEO, included:

- Strategic planning (There had been no vision and mission before);
- Recapitalisation (Capital base had been seriously eroded by past poor performance as evidenced by the negative net worth of the bank as at 31st December 1994);
- Image building (There was need to cleanse the internal and external market stigma of SUSPECT, whose shadow was still lingering in the minds of many stakeholders. The challenge included the need to refurbish and upgrade the physical facilities of the bank following several years of neglect);
- Human resource development (There was need to reconstruct the bank's human resource balance sheet by building a competent and capable team. The challenge included the need to motivate staff, instil a sense of pride in and passion for their organisation after years of scorn and isolation. Performance standards also needed to be established);
- Systems and procedures (There was need to document appropriate systems and procedures for managing the bank given the loss of technical support from the SUSPECT London office in 1991);
- Technology (The bank was lagging behind technologically. There was need to introduce appropriate technology as a driving force towards competitiveness);
- Internal structures (There was need to restructure the bank's organograms from head office to branches and to appoint staff with the right skills for the positions created at all levels of the branch);
- Re-launching the bank locally and abroad (There was need to re-launch the bank given its low profile in order to integrate it into the community of key financial players);

- Performing and non-performing loan portfolios (There was need to assess the overall quality of the bank's total assets and specifically its loan portfolio, to isolate and distinguish between performing and non-performing clients in the bank's books to facilitate the development of appropriate strategies to manage each category);
- Deposit mobilisation and the broadening of the resource base (There was need to broaden the bank's deposit base and mix from an almost total dependence on a few institutions to a broad-based balance sheet funding base which would yield positive results in terms of the bank's overall liquidity, profitability, capital adequacy and solvency aspirations).

FINANCE team leaders are proud that the privatisation of the bank was not only a learning experience for the organisation but also for others. This is echoed by the managing director in his 1997 review of operations:

> Without their understanding of the processes involved and their assistance, the bank would never have recorded the achievements it has to date. The bank stands as a positive reference point for future privatisation in Zimbabwe and the knowledge and experience gained in the process is available to be tapped into by many.

Of major significance under organisational learning is FINANCE's total involvement programme. This relates to sharing its vision, mission, objectives and strategies with every staff member. The managing director indicated in the 1997 annual report that "it is believed" this had "a very positive influence on internal stability and management is committed to upholding this openness and transparency in running the affairs of the bank".

4.B.13 New Ideas about Purpose and Strategy

FINANCE adopted formal strategic planning and management techniques as a way of running the affairs of the financial institution for the first time in 1995. Eight areas of need for a 5-year strategic plan popularly known as 'Vision 2000' by FINANCE staff were identified.

Reviewing the 1998 performance, the managing director highlighted the eight areas as:

- The need to embrace strategic thinking as a way of life in FINANCE and to act accordingly;
- The need to rebuild a credible human resource base in FINANCE;
- The need to rebuild and restore FINANCE's battered image locally and abroad and to reconnect with the outside world;
- The need to re-establish, introduce, install and rebuild a credible set of bank policies, systems and procedures to safeguard client/bank operations given that previous systems had fallen apart;
- The need to identify, acquire and install a credible, secure and reliable technology base in the face of the antiquated base which was in place;
- The need to streamline internal structures and introduce new ones commensurate with strategy given that these structures had broken down and no strategy was in place;
- The need to identify and separate the non-performing from performing loan portfolio and to devise strategies for rehabilitating the said non-performing loan book;
- The need to recapitalise FINANCE, return it to profitability and solvency.

Having achieved Vision 2000 in 1998, FINANCE developed another plan called Vision 2003 focusing on growth as highlighted earlier. The intentions were clarified in the 1998 annual report:

> We intend to achieve the above Vision through unparalleled dedication to duty and commitment to quality as will be achieved by:
> - The retention and/or recruitment of a highly motivated, customer-focused and appropriately skilled management and staff who shall at all times be competently rewarded for its efforts.
> - The establishment and maintenance of a stable, user-friendly and reliable information technology base.
> - The provision of secure, customer friendly and accessible service/product delivery channels.
> - The adoption, upholding and implementation of best practice methods of corporate governance.
> - By placing our customers at the centre of all our endeavours.

A new department in charge of corporate planning, change management and staff training was also established to take responsibility for the overall coordination and monitoring of the implementation aspects of the new strategic plan. The department is also responsible for spearheading the Bank's strategy driven change management programme and associated human resource development and training.

4.B.14 Success of Change

Overall, the changes FINANCE has experienced have been successful as reflected in the Exhibits. Not only has the bank learnt from its successes but also from its challenges. Some of the specifics are shown below.

Exhibit 4.B.7 gives the net profit story while Exhibit 4.B.8 highlights selected productivity measures and percentage growth figures.

Exhibit 4.B.7: Net Profit Story

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Net Profit (Loss) after Provisions (Z$ m)	11.7	7.8	2.9	(81.4)	10.0	84	109	130	137	256

Source: Annual Report 2000

Exhibit 4.B.8: Selected Productivity Measures & Percentage Growth Figures

Productivity Measures	1995	1996	1997
Assets per employee ($000)	2 830	7 542	12 238
Total loans per employee ($000)	1 153	1 688	3 378
Total deposits per employee ($000)	1 627	5 942	7 399
Total income per employee ($000)	290	361	523
Total expenses per employee ($000)	119	181	301
Total costs per employee ($000)	59	89	104
Total profit per employee ($000)	171	180	222
Percentage Growth Over Previous Years			
Assets per employee	0.90	2.67	1.58
Total loans per employee	1.04	1.47	1.95
Total deposits per employee	1.79	3.66	1.21
Total income per employee	1.26	1.25	1.41
Total expenses per employee	1.42	1.52	1.62
Staff costs per employee	1.44	1.51	1.14
Operating profit per employee	1.16	1.06	1.20

Source: FINANCE Human Resources Division Highlights quoted in 1997 Annual Report

FINANCE considered micro-and-small enterprise sector as one of the most dynamic sectors in Zimbabwe and started assisting this sector as part of a contribution towards overcoming the unemployment problem facing the country.

The 1995 annual report highlights sentiments from 3 clients.

One client who started a company employing 800 staff and had 22 vehicles in his fleet through partnering with FINANCE in 1995 said:

> Some banks did not even have the courtesy to reply to my application.

Another client who got assistance from FINANCE to boost his small business from a staff complement of 30 in 1985 to 285 in 1995 had this to say:

> The Bank's service is excellent, and I am what I am today because of FINANCE.

A third client employing 36 staff in 1995 from the original 6 at the inception of the company in 1985 commended on FINANCE:

> The bank has helped me tremendously and I have nothing but praise for FINANCE.

Although these testimonies reflect the positive aspects of the marketing strategy, this focus had limitations related to credit risk. The limitations were an opportunity for breakthrough thinking. The managing director points out in the 1999 annual report:

> The harsh economic environment we are operating in has meant that a number of our clients have been adversely affected by the high interest, high inflation and low foreign currency situation which existed in the country for the whole of 1999. Accordingly, in order to both protect the bank from high credit default rates and at the same time assist clients to trade through these difficulties, a special technical rehabilitation and collection department was established. The outcome of that move has so far been positive.

The limitations were also influential in determining the marketing strategy. The managing director highlights this in the 1999 annual report:

> Historically the Bank's loans and advances book has been skewed in favour of the small to medium scale enterprises who are quite vulnerable in times of stress. Our vision 2003 Strategic Plan and the supporting annual business plans articulate how this anomaly will be addressed to achieve an optimal advances mix by the year 2003. In the year under review, a great deal was achieved to move towards the desired book structure without neglecting to support our traditional clients.

Commenting specifically on staff retention, the managing director had this to say in the 1998 annual report:

> To some extent, the bank is becoming a victim of its own successful human resource development efforts in that it has become a fertile hunting ground for virtually all financial institutions from new to the established, from small to large, from locally owned to foreign and from junior level right up to the top. Three years ago and before, FINANCE staff were shunned by the market.
>
> While obviously regretting the loss of the … family to competition, the Bank cannot help but feel highly complimented and flattered by this new development.

4.B.15 Case B Summary

The FINANCE case evidence is summarised through Figure 4.B.1 below.

Figure 4.B.1: Summary of FINANCE Evidence

CONSTRUCT	FINANCE EVIDENCE
Triggers	Government; The need for good corporate governance based on openness, integrity & accountability.
Best practices	High levels of transparency; Vision 2000 achieved 1 year earlier, Vision 2003 overlapping with Vision 2000; Voted Best Bank in Zimbabwe by world-wide Euromoney annual surveys and awards for banking excellence in 1999 & 2000; Integrated strategic planning & implementation; Bank-wide committees created around challenge areas, Departments restructured as informed by stakeholder expectations; Forging strategic alliances with key stakeholders; supporting small-scale business; emphasis on individual contributors, destiny & cause.
Key players	All Bank clients; Government; RBZ; Chairman & Board; Local & International financial institutions & Correspondents; Prospective new shareholders; Public in general.
Time	Very little time for turnaround, 1 year to find CEO, 6 months for privatisation.
Help	Help organized around challenge areas (External consultants for image-building, human resources, treasury systems, IT, strategic planning; External & internal consultants for systems & procedures; International NGO for new community-based lending; Moral support from CEOs & staff of correspondent banks; 1997 RBZ audit.
Relevance	Business turnaround & growth; Bank tries to employ, empower & develop people (a human resource balance sheet approach used).
Walking-the-talk	Chairman, MD & CEO's team walked the talk & led by example (e.g. Chairman resigned from Board after making contribution to the turnaround; MD & CEO cautioned habitual defaulters on behalf of Bank).
Fear & anxiety	Fear & anxiety were acknowledged (CEO said turnaround journey involved tests of staff's character & calculation, courage & determination in the face of adversity & uncertainty).
Assessment & measurement	Various teams assessed progress on challenge areas under them & assessments featured in annual reports; 1997 RBZ audit; Rewards linked to performance.
Belief	Some ex-employees considered turnaround too tough; Those who believed in the change stayed on until opportunity arose for retrenchment packages - 1999 staff retention rate was 94.2%.
Governance	New Board chairmen led restructuring; MD & CEO brains behind the success of FINANCE. Turnaround committees set up. New directors appointed on privatization increasing number from 5 to 14 (Vision 2003 committees established, Governance enhanced through worker participation, Bank organized functionally to reflect new focus).
Diffusion	1995 & 1998 strategy workshops were followed by diffusion of challenges & supporting structures through a total involvement programme. Privatization provided learning to FINANCE & other organizations intending to go that route.
Strategy & purpose	Vision 2000 & Vision 2003 guided the operations; A department in charge of corporate planning, change management & staff training was created.
Success	Turnaround, Privatization & Growth were successful

The FINANCE case confirms challenges 4, 5, and 7 through 11 that emerged in the CROP evidence and highlights three other challenges as listed below.

The 6 themes that emerged in the CROP case are strongly reinforced by the FINANCE evidence.

One other theme also emerges from the FINANCE case and is reflected below.

Propositions 1, 3 and 4 from the CROP case stand out more clearly in the FINANCE evidence.

Emerging Challenge 12: Role of international lending institutions

In the design and implementation of reform programmes in Zimbabwe, non-state actors will have to assist governments assess the role of international lending institutions. Business leaders, in particular, will have to play a pivotal role.

Emerging Challenge 13: Privatisation

Managers of companies to be privatised in Zimbabwe are to undertake the privatisation process transparently, informed by a stakeholder driven team. Such privatisation is to be an effective vehicle for indigenisation of the economy.

Emerging Challenge 14: Culture of non-performance

There is need to attract and retain capable staff to arrest movement of non-performing staff across Zimbabwean companies.

Emerging Theme 7: Active listening

Staff need to actively listen to business stakeholders' needs and expectations.

CASE C: LEISURE

In the process of creating a new corporate image and culture, the theme of cultural tourism was born within the Group. The LEISURE Board and management took a bold decision not to go the traditional way of franchising international brand names. The team rather sought to create a new image centred on a home-grown brand name.

Prospectus 1999

LEISURE was formed to acquire the commercial business and assets of a parastatal. The assets and business consisted of hotels, tour operations, conference operations and investments. The parastatal was responsible for promoting tourism in Zimbabwe. This was far from being an ideal corporate arrangement as the parastatal found itself competing with companies it was supposed to promote.

One executive said:

> The parastatal was like a referee who owned a team in the tournament.

At inception in 1991, LEISURE was faced with formidable challenges including poor financial performance, poor physical products, weak skills base, lack of business culture, negative image and lack of a saleable tourist circuit.

The board and management put together a recovery programme to address these problems. They also put in place a growth strategy aimed at increasing the company's presence in key strategic tourist locations while creating an optimal critical mass on which to spread overheads.

This paid off as the company, which was previously subsidised by government, made profits in 1992, its first year of operation.

LEISURE has grown over the years from being a government parastatal to a private company listed on the Zimbabwe Stock Exchange in 1999.

Exhibit 4.C.1: Time Line of Major Events in the History of LEISURE

YEAR	SIGNPOST(S)
1981	Zimbabwe Tourist Board is formed as a body corporate, quasi-government with some staff civil servants and others not civil servants.
1984	Parastatal is formed.
1986	Parastatal takes over a hotel closed during Zimbabwe's liberation war. Hotel closes again due to security problems; government asks for its reopening. Parastatal acquires 2 hotels to avert their closure.
1986/87	Norm with parastatals is to justify losses. Government realise state is losing money.
1987	Parastatal establishes touring division as a joint venture under a different name with a Mauritian strategic partner managing it.
1989	Act is amended to hive off commercial side of parastatal operations.
1991	A company wholly owned by government is registered under the Companies Act, Chapter 190.
1992	First Board & CEO are appointed. Operations start.
1994	Witnesses first appearance of name LEISURE with LEISURE still wholly owned by government.
1995	Acquisitions include a lodge and a hotel with conference centre. A services unit is formed on a shareholding structure of 60% for LEISURE & 40% for a strategic partner Alfa.
1996	A hotel is acquired on a shareholding of 25% for LEISURE & 25% for a strategic partner Beta; a set of lodges is commissioned on a shareholding of 50% for LEISURE & 50% for a strategic partner Theta.
1997	A hotel is disposed of. Another hotel is purchased
1998	A set of lodges is acquired on a shareholding structure of 60% for LEISURE & 40% for Alfa
1999	LEISURE is restructured into four business units. A voluntary retirement scheme is offered. Cabinet approval for LEISURE privatisation is given. LEISURE's strategic partnership with Omega is approved. LEISURE is quoted on the Zimbabwe Stock Exchange.
2000	LEISURE/Omega strategic partner agreement is concluded; Omega's 35% shareholding becomes fully subscribed.

Source: Interview Evidence & Annual Report 1999

4.C.1 The Changes That Took Place

Broadly, the changes LEISURE experienced may be classified under turnaround, growth, privatisation and retarded growth.

4.C.1.1 Turnaround: 1992 - 1994

Evidence from company documents, confirmed by interviewees, reflects that the hotel operation suffered from lack of resources and poor management, which resulted in rundown facilities, loss making operations and a generally bad service image in the tourism industry.

In 1992, the new management drew up a Five Year Strategic Plan incorporating clear comprehensive solutions to these problems. This recovery programme focused on the following elements reflected in the 1999 Privatisation Prospectus:

- Management restructuring: Management was rationalised in order to facilitate the development of a customer and business centred culture. Experienced personnel from the private sector were recruited to fill the senior positions in Finance, Sales & Marketing, Public relations, Operations and Human Resources and Hotel Operations.
- Staff Training: Comprehensive training and induction programmes were implemented at all levels, to develop a measurable new sense of Customer Care culture at all levels of staff.
- Rehabilitation and Upgrading of Facilities: A major rehabilitation and upgrading exercise was implemented in all business units. The profile of the new company LEISURE was aggressively promoted to project a new dynamic image.
- Financial controls: A budgeting system, cost control measures and treasury management were introduced to control costs at sustainable levels.

The 1999 Privatisation Prospectus further highlights:

> The programmes outlined above resulted in both a dramatic performance turnaround and a remarkable and positive change in corporate culture and mindset of employees and other shareholders alike. For the next 3 years, LEISURE consolidated its operations and built on the strengths generated by the strategies implemented.

4.C.1.2 Growth: 1994 - 1998

This phase of the business plan saw LEISURE grow through strategic acquisitions and disposals. Evidence in the Privatisation Prospectus indicates acquisitions and disposals, highlighted in Exhibit 4.C.1 above, were motivated by the following factors:

- The need to create a presence in major tourist destinations as well as enhancing LEISURE's tourist circuit across the country;
- The need to be the country's largest conference organiser;
- The need to rationalise the product portfolio in recognition of the fact that the future of tourism lies in Eco-Tourism.

The dramatic performance turnaround from the appointment of a new board and CEO and subsequent growth is reflected in Exhibit 4.C.2

Exhibit 4.C.2: LEISURE Growth Statistics

	1 April 1992	31 December 1998
Number of Hotel rooms	528	893
Number of eco-tourism lodge beds	Nil	158
Number of buses for the tour operation business	7	15
Number of boats for commercial boat cruises	Nil	2
Turnover (Z$ millions)	25	605
Operating Profit (Z$ millions)	Nil	99

Source: Privatisation Prospectus 1999

4.C.1.3 Privatisation: 1998 - 1999

According to the 1999 Privatisation Prospectus, the objectives behind the privatisation of LEISURE were:

- To secure the company's future growth by broadening its capital base and improving its access to new markets;
- To enable LEISURE to establish a shareholding relationship with a strategic investor;
- To raise funds to redeem LEISURE's debt thereby strengthening the Group's balance sheet and raise funds for the government.

The government approved the privatisation by way of reducing its shareholding from 100% to 30% through an offer of shares to institutional investors and the general public. It was the government's intention to encourage the widest possible cross-section of Zimbabwean population to acquire LEISURE shares. The intention was signalled by setting the minimum subscription at 100 shares (Z$150).

The simultaneous privatisation and listing of LEISURE was successful. An 8% over-subscription of the public issue resulted in $9 million being paid back to all investors who had subscribed more than 750 000 shares. Key benefits are reflected under the 'relevance of changes' section below.

Commenting on the group financial results in the 1999 annual report, the chairman said:

> Despite the impact of the unfavourable task environment ..., I am pleased to report that the Group had a very successful year, meeting and even exceeding the forecasts presented in the Privatisation Prospectus.
>
> Turnover was 46% up on the last Financial Year. Profit before exceptional items is up 158% on last year at $127 million. The exceptional item of $23 million relates to a voluntary retirement scheme offered to make the company leaner and more effective in future.
>
> Pre-tax profit at $115million is up 7% on the Prospectus forecast of $107 million, and is 69% up on the last Financial Year. Expenses have been contained in spite of rising inflation and the pegged dollar. Debtors have been maintained at 60 days of sales.
>
> Following its successful privatisation during the year, the company held cash resources at the year-end amounting to $156million. ...

4.C.1.4 Retarded Growth: 2000

According to economists, Zimbabwe's tourism industry experienced its worst tourist arrivals in a decade during 2000 - a 60% decline compared to 1999. Contributing factors included the fuel crisis, the perception of Zimbabwe being an unsafe destination, the furore of the land question and the withdrawal of some direct overseas airline arrivals.

The decline in tourist arrivals impacted the tourism industry particularly and the economy in general. The LEISURE chairman indicated in the 2000 annual report that there was:

- Reduction of occupancies to well below viability levels;
- Decline in revenues;
- Substantial operating losses;
- An estimated 80% reduction in foreign currency for the country;
- Direct loss of approximately 5 000 jobs, and
- Direct closing down of well over 100 registered tourism operations.

Exhibit 4.C.3 shows the effects of the decline on the LEISURE financials.

Exhibit 4.C.3: Extracts from Financial Highlights

	Inflation adjusted			Historical cost		
	% Inc./ (dec.)	31Dec. 2000	31 Dec. 1999	% Inc./ (dec.)	31Dec. 2000	31 Dec. 1999
In Z$ 000's						
Group Turnover	(44)	897 148	1 604 475	(14)	759 202	884 616
Group Operating Profit/(Loss)	(165)	127 385	196 484	(194)	(121 119)	128 393
Profit/(Loss) before taxation	(239)	(157 536)	112 937	(167)	(77 846)	115 547
Profit/(Loss) after taxation	(390)	(151 663)	52 264	(185)	(71 973)	84 101
In Z cents Dividend proposed per share	(100)	0	10.60	(100)	0	5.82

Source: Annual Report 2000

LEISURE responded to the decline by embarking on an aggressive cost cutting exercise and shifted its marketing-mix towards more regional and domestic clients. The chairman justified the shift in the 2000 annual report:

> Traditionally, 60% of the Group's revenue is generated from international market segment, which experienced the most significant decline as a result of the poor image of the country. However, the Company increased its domestic and regional marketing efforts considerably in recognition of the fact that these markets are more likely to respond favourably to the company's marketing efforts, due to their higher awareness of the actual situation in the country.

The shift helped to recover occupancies to some extent but impacted negatively on the average room rates due to their lower yields. The impact of the promotion of regional and domestic tourism was also reduced by the continued fuel shortages and declining discretionary incomes.

Under cost-reduction, a voluntary retrenchment exercise resulted in 380 employees leaving the company. All new capital expenditure as well as capital work in progress was suspended. The Omega branding exercise was postponed. Two lodges were temporarily closed. In the larger hotels, several floors were closed to save energy and other direct costs.

The company also successfully negotiated for a temporary reduction in management fees and a shareholders loan using cash reserves from management fees with Omega.

4.C.2 Triggers of Change

Environmental triggers to change included the government (turnaround, growth, privatisation and retarded growth), economic climate (retarded growth) and globalisation (e-commerce capability demands).

The government wanted the parastatal to be profitable. One executive said of the pressure for a turnaround:

> There was need to run 4 hotels owned by government professionally and turn these around from loss making entities.

Another interviewee confirmed:

> There was need to turnaround 4 hotels run by a parastatal from loss making.

A key internal trigger was the leadership who wanted to demonstrate their abilities to turnaround and grow a failing parastatal and have it listed on the ZSE. They achieved these objectives.

One interviewee said:

> There was need to raise money for expansion, have more shareholders and improve shareholder return.

Another interviewee confirmed:

> There was need to grow and expand business after turnaround.

In 1999, the government, through the then Minister of Mines, Environment and Tourism, also wanted to gain mileage financially and politically through the privatisation exercise as already highlighted.

4.C.3 Key Players

The government, board, CEO, management, staff, customers and strategic partners were key players in the changes in LEISURE. The chairman singles out the then Minister of Mines, Environment and Tourism and his officials in the 1999 annual report saying they had "... tremendous dedication and single-mindedness in facilitating and expediting the Privatisation process."

4.C.4 Time Available for Initial Stages of Changes

The new CEO had very little time to start work on turning around LEISURE. He took about 2 years to cultivate a corporate culture. LEISURE became profitable in the first year of the turnaround initiative. Although the growth time (1994 - 1998) was considered adequate by interviewees, they argued that the time (1998 -1999) to prepare for privatisation and listing of the company was not enough.

4.C.5 The Kind and Quality of Help Needed

Help around the three strategy areas (marketing and branding, skills development and operational excellence) came mainly from strategic alliances and consultants.

Summarising the kind and quality of help needed, one former middle manager interviewed had a mixed bag in comments:

> A consultant experienced in hospitality business was seconded to assist the CEO come up with world-class standard operating procedures. The consultant went to all 4 hotels to assess the situation on the ground. 1993/4 image building was through external consultants assisting internal consultants. Areas that needed rehabilitation were identified. The image building started from the worst of the 4 hotels which could have pulled down the whole Group if the image building had started elsewhere.
>
> There was management by walking around by CEO and directors. However preparation for listing on ZSE was only at the top. The only attempt was to explain employee share option scheme. The partner, Omega, was hungry for money and had little focus on staff issues. There was no external facilitator to help with the change management. Not even the CEO explained to everyone. In preparation for listing, there was no local benchmarking with a competitor who was performing well.

Similar sentiments were expressed by a former general manager:

> Very little, if any, help was given during the turnaround period. During the growth period, there were a lot of training programmes to close gaps that had been identified. Assurance came from Operations that there was an opportunity for personal growth during the same period.
>
> From 1998, leadership should have identified key persons to drive the change and disseminate information through these to the bottom. Communication was poor. We sold the employee share option, over 90% bought into it without understanding it.
>
> 2000 process of personal survival was key: Emotions were not managed properly. Head office support was zero. For example, the bus for employee transport broke down and I was told to find a solution on my own. I ended up arranging for employees to get bicycles.

Another view from an executive in LEISURE was:

> We hired a Tanzanian lawyer who had similar experience in writing up a Tourism Act in 1982. We discovered that the Tanzanian Act was a failure after the lawyer had done the work -we had not done investigations on the lawyer's experience.
>
> Various consultants were used for strategic planning, marketing plan, operating systems and procedures, team building, project planning and appraisals (looking at acquisitions and bringing them into one culture was not easy).

Company documents reflect that under marketing, strategic alliances between LEISURE and three international partners brought in a huge and experienced global e-commerce capacity. Co-branding international brands, particularly Omega's, with LEISURE's, assisted in maintaining the acclaimed African-ethnic positioning admired by local and foreign tourists.

Since people constitute an important component of the product-delivery process, Omega made its tourism university available for the training of managerial employees. LEISURE's technical staff were trained in Zimbabwe by Omega trainers. Interviewees indicated that a train-the-trainer facility for Zimbabweans should have been put in place for technical staff at the Omega university. This would have provided Zimbabweans an opportunity to then import Omega standards.

One interviewee said:

> One general manager was identified for a masters' degree in UK. The GM was appointed operations manager for the group upon completion of the studies.

The operations manager left to start his own business in the same industry.

4.C.6 Relevance of Change to Personal and Business Goals

Having started with only four hotels and a handful of dilapidated safari vehicles in 1992, seven years later (in 1999), the company had grown to 14 hotels and lodges and over 100 safari-related vehicles.

Reports by the chairman and CEO in the 1999 annual report indicate:

> While 80% of the public offer was taken up by institutional investors, the offer attracted a remarkable 1400 individual investors, many of whom were first time equity investors.

The privatisation saw a cash injection of $120 million through the sale of new shares, retirement of all debts resulting in a debt-free balance sheet and the selection of a strategic partner, Omega, subscribing 35% equity and gaining a management contract for the LEISURE brand.

It would appear the privatisation process and visibility of LEISURE is further enhanced by the networks built by the Board chairman and his participation in the constitutional debate as an analyst and commentator.

Whereas the changes were viewed as relevant to business goals, interviewees expressed mixed reactions over relevance of changes to personal goals.

Respondents generally argued personal goals and organisational goals needed to be married.

Concerning relevance to personal goals, one interviewee said:

> People wanted to grow as the organisation grew. There was slow movement. Some were acting managers for 2 years. In one case someone was called assistant manager when there was no manager in place. In another case the industrial relations climate was so bad there had to be an out of court settlement. Changes were not very relevant to personal goals.

One former GM had a different view:

> During the growth period, there was some succession planning and recognition of internal talent. There were internal promotions.
>
> Upon listing, 2 regional operations manager posts were created. Strategic partner did not believe in the positions. The regional managers were insecure and ended up doing GM's work leaving the GM's, who were their subordinates, frustrated. After I resigned, one of the regional managers came back to work as GM, filling the post I left. This confirmed that there was a lot of dysfunctional politics.
>
> There was a lot of dissatisfaction at personal levels. Rate of turnover was very high at higher levels.

4.C.7 Advocates "Walking-the-talk"

Evidence suggests advocates walked the talk initially, particularly because systems had to be put in place to achieve the turnaround. Walking the talk faded with the passing of time

One former general manager said:

> With growth came complacency. I left LEISURE because guys were not walking their talk. I was not learning anything positive anymore. But a lot of dirty politics. Opportunities for personal growth were limited as you could be moved at any time. This could disrupt studies like MBA which I am now doing outside LEISURE.

4.C.8 Acknowledgement of Fear and Anxiety

The CEO indicates in the 1999 annual report:

> The collective bargaining process was marred by a disruptive and sometimes violent collective job action which lasted for 7 days.

Interviewees suggested there was fear and anxiety induced through intimidation and victimisation, particularly during the turnaround period.

One said:

> Human nature is very afraid of change - everyone wants to go to heaven but do not want to die. Personal goals were threatened by the unknown. Fear and anxiety were acknowledged and had to be managed.
>
> Statements like 'if you can't see things this way, you leave' characterised communication in 1992 - 1994. Only those who could see the link between organisational and personal goals had to remain. Period of harsh talk was short. This was followed by a process of rehabilitation.
>
> Acceptance is now high and employees are on our values statement.

A former employee indicated:

> Leaders were ruthless. There was worry over the structure from 1992 to 1994.

Another former employee said:

> Partner would even say 'if you cannot work for us, go to our competitors. Change or leave. A lot of suspicion existed around different camps. You could tell who was next to go Fear and anxiety were not managed properly and product quality went down.
>
> Informants were appointed and there was a lot of GM dissatisfaction over the management style of the new operations director.

4.C.9 Assessment of Progress

There were six key areas of assessment: revenue growth, cost containment, skills retention and turnover, competitive analysis, product rationalisation and refurbishment.

Revenue growth was assessed per operating division through the following dimensions: growth in volume (room nights sold), average room rate, market mix and market share analysis.

The operating divisions for LEISURE are code-named Hotels, Lodges, Investments and Tours.

Exhibits 4.C.4 through 4.C.7 are typical examples of measures classified under revenue growth. The target was to increase room occupancies and average room rates, grow revenue through high-yielding-hard-currency international market segment and improve market share.

Exhibit 4.C.4: Growth in Volume (Room nights sold)

	1999	1998	Change (%)
Hotels	129 922	126 564	3
Lodges	13 990	9 056	54
Investments	49 556	58 684	(16)
Tours (Passengers)	57 298	57 303	-

Source: Annual Report 1999

Exhibit 4.C.5: Average Room Rate (Z$)

	1999	1998	Change (%)
Hotels	1 595	1 008	58
Lodges	3 228	2 486	29
Investments	2 681	1 855	44
Tours	2 490	1 000	149

Source: Annual Report 1999

Exhibit 4.C.6: Market Mix

	1999 Domestic	1999 Regional	1999 International	1998 Domestic	1998 Regional	1998 International
Hotels	67	9	24	69	10	21
Lodges	50	11	39	49	12	39
Investments	73	6	21	48	8	44
Tours (Yield per Passenger)	65	7	28	40	12	48

Source: Annual Report 1999

Exhibit 4.C.7: Market Share Analysis

	1999 (%)	1998 (%)
Hotels	17	16
Lodges	5	12
Investments	21	26
Tours	20	20

Source: Annual Report 1999

For LEISURE, market share is calculated against products competing in the same basket or product market. Market share declined for Lodges and Investments, there was no improvement for Tours, and only 1% increase for Hotels.

Exhibit 4.C.8: Headcount

	1999	1998	Change (%)
Hotels	587	682	16
Lodges	276	298	8
Investments	426	502	18
Tours	80	85	6

Source: Annual Report 1999

Exhibit 4.C.9: Manning levels

	1999 Group	1999 Industry Average	1999 Variance	1998 Group	1998 Industry Average	1998 Variance
Hotels	1:1.0	1:1.3	23%	1:1.2	1:1.3	8%
Lodges	1:2.6	1:2.1	(24%)	1:2.8	1:2.1	(33%)
Investments	1:1.4	1:1.3	8%	1:1.6	1:1.3	(23%)

Source: Annual Report 1999

4.C.9.1 Competitive Analysis

Exhibit 4.C.10: Competitive Analysis

Strategic Positioning and Competitive Differentiation	
Unit 1	Located near centre of Victoria Falls town; within walking distance of the falls; rooms the most spacious in Zimbabwe's 3 star hotel category; unique with its Moorish architecture.
Unit 2	Unique river bank location; thatched and presented as a typically African ethnic rustic lodge; a favourite with regional and international tourists desiring a typically African ambience.
Unit 3	Largest hotel in Bulawayo, located strategically in the city centre, most suitable and best suited for conferencing.
Unit 4	Centrally situated in Zimbabwe, has reputation as one of the best conference venues in the country.
Unit 5	Offers 2 star affordable accommodation for middle income corporate, conference and tourist clients in central Harare.
Unit 6	One of Africa's finest and best equipped conference venues with state of the art facilities including full air-conditioning, 24-hour close circuit television monitoring system, simultaneous interpretations and a fully equipped media centre; adjacent to Unit 7.
Unit 7	Adjacent to Unit 6; one of the most exquisite and elegant 5 star hotels in Africa, managed by an international strategic partner leading as a luxury hotel Group in the world.
Unit 8	Upcoming destination management company; offers airport transfers tailor- made tours and packages to Zimbabwe, Botswana and Zambia; offers multi-lingual guides in French, German and Italian; operates hospitality desks at most major hotels; management contract with an international partner gives this unit a regional and international network second to none in Zimbabwe.
Unit 9	Managed by an international partner; boasts of 6 five star exclusive, comfortable, quality lodges located in Masvingo, Bulawayo and Hwange.

Source: Annual Report 1999 & Observation Evidence

4.C.9.2 Product Rationalisation

The board and management made decisions on acquisition and disposals based on the ability of a hotel or lodge to achieve above industry average returns.

4.C.9.3 Refurbishment

Exhibit 4.C.11: Refurbishment Progress Assessment

	1999 Condition & Requirements	2000 Status
Hotels	Structurally good condition; Need soft refurbishment to match products with strategic partner Omega specifications.	Omega branding exercise postponed as part of cost reduction
Lodges	Soft refurbishment completed during 1999. An annual replacement programme for division's fleet of safari vehicles in place on an ongoing basis.	No significant refurbishment required for next 4 years.
Investments	Comprehensive refurbishment completed in 1998.	No significant refurbishment required for next 3 to 4 years to benefit fully from the stipulated 6-year refurbishment cycle.
Tours	Vehicle replacement programme on-going.	Vehicle replacement programme on-going.

Source: Annual Reports 1999 & 2000

The assessment of progress relating to refurbishment had an influence on the maintenance of the status descriptions of LEISURE's strategic business units or divisions as reflected in Exhibit 4.C.12 below.

Exhibit 4.C.12: Positioning of Strategic Business Unit or Division

	1999 Description	2000 Status
Hotels	3 or 4 star, home grown brand, leader in cultural hospitality.	Same as 1999
Lodges	Strongest 5 star brand name in Zimbabwe's eco- and heritage tourism.	Same as 1999
Investments	5 star world leader in luxury business and resort hotels.	Same as 1999
Tours	Leading upmarket tour operator with a strong regional network	Same as 1999

Source: Annual Reports 1999 & 2000

The evidence above was supported by interview data. Further interview evidence indicated consultants also helped in job evaluations and setting up a performance appraisal system. Performance appraisal is continuous, starting with joint consultation and agreement of objectives between team leader and team member.

One respondent however said skills audits were done during the growth period and then fizzled out after.

4.C.10 Belief in Change

All interviewees agreed there were groups of believers and non-believers. One summarised:

> You see a lot of characters around the period of change - pretenders run around doing others down. Some fell and never picked up.

Another commented:

> 1992 to 1994 the believers were at the top. From 1998 to 1999, senior management left. There was a gap in top leadership. New people brought into the organisation at head office level took over positions that could have been promotion posts for middle managers. New faces brought anxiety.

4.C.11 Power and Accountability Structures

LEISURE operated under a board and CEO appointed in 1992. This board was dissolved in 1999 to usher in a new board representing the new equity partners. The new board established the committees detailed in Exhibit 4.C.13 below

Exhibit 4.C.13: LEISURE 1999 Board Committees

Committee	Membership	Responsibilities
Directorate and Executive Management	3 executive directors; 9 non-executive directors (1 of these being overseas based)	Make decisions on strategy, operational performance, significant acquisitions and disposal of assets, approval of annual budget, capital projects, general treasury and risk management policies.
The Audit and Finance Committee	3 Executive directors; 3 non-executive directors (chairperson drawn from these); Group Internal Audit Manager attends.	Meets 6 times a year; Reviews the company's interim and annual financial statements before submission to the board for approval; reviews reports from both internal and external auditors on accounting and internal controls matters and monitors action taken where necessary; recommends the appointment of and reviews the fees of the external auditors.
The Human Resources and Remuneration Committee	3 Executive directors; 3 non-executive directors (chairperson drawn from these); Group Human Resources Director attends.	Meets 6 times a year; Reviews and approves remuneration for non-unionised employees including salaries, share options and other terms of remuneration packages and conditions of service.

Source: Annual Report 1999

Interviewees compared and contrasted the power and accountability structures before and after 1998.

One said:

> Before 1998, CEO was more of a consultant for government with very pronounced presence in the hotels division. CEO had level of power that controlled the Group strategically but not operationally. Heads of divisions for investments only consulted CEO but reported elsewhere. CEO was ceremonial as far as investments were concerned, was like a board member. Group financial director was not in charge of investments.

Interviewees indicated there was a Group executive committee after 1998 made up of divisional heads in head office and the whole company operated through functional divisions. A Group management committee was made up of general managers of all units. There also were unit management committees.

Scepticism was expressed around the structure. For example, one remarked:

> This structure was a quick-fix structure with 4 divisions with divisional GM's reporting to the CEO. There was a corporate head office with directors at par with divisional heads. There was no rationalisation of HR policies across divisions. A lot of remuneration imbalances existed e.g. hotels division made a lot of money although on the average, hotel staff remuneration was lower. This created a lot of tension.
>
> There was head office at unit level to the extent that when management fees were taken into account, units made losses. Units of different sizes and in different locations were measured from a blanket unit measure.

Another respondent added some further detail:

> HR is the worst enemy for LEISURE. HR died when the HR director left. Units had HR function. This role was then taken over by GM's. GM's had not been prepared to take on this additional responsibility. It was a quick fix and repercussions have been enormous.

There also was a workers committee in line with legislation.

4.C.12 Organisational Learning

Interview evidence points out:

> In 1992/3, there was a quarterly in-house magazine for communication. In 1993/4 people were excited about growth with no learning. 1998 - 2000 learning has been after the period. For example, trainers from international partner came to Zimbabwe instead of Zimbabweans going out to get exposure to competencies and capabilities of partner from partner's home base. Now Zimbabweans are sent for this exposure.
>
> Communication is still a problem. There is talk that CEO now wants a black operations director to deal with the culture difference between locals and partners.

Further comments said there was panic related achievements. One said:

> We learn the hard way. Many times we had to react when results came earlier than expected e.g. Sustainability of ZTIC: objective was to turnaround into a profitable entity. We thought it was going to take a few years. Turning around in 1 year was a surprise. The challenge was to cope with early success.
>
> Employees' expectations were raised. As profit rose, expectations rose faster than the profits. There was pressure from outside to buy off talent that had led to the early success - competitors poached staff. How do you calm staff that the success is not the same as viability?
>
> Some left to join organisations where they were offered more money but ended up limiting their career progression.
>
> We are a transparent organisation. There are announcements at all levels, discussing challenges each time. Performance results are announced by workers' committee members. Works' Council and workers' committee have played a major role in the communication of the strategy.

4.C.13 New Ideas about Purpose and Strategy

In the 1999 annual report, the CEO said:

> Management and the board of LEISURE recognised very early in the history of the company the importance of forging strategic alliances with global operators in the tourism industry. This belief has become a core philosophy for LEISURE which has made the company unique and has given it characteristics that are second to none in terms of potential to create a lasting, growing, stable and viable corporate entity.
>
> This corporate strategy, which now forms LEISURE's core ideology, arose from an analysis of tourism's key value drivers (below) and an appraisal of the best strategy to achieve them.
> - Marketing and branding
> - Skills development
> - Operational excellence

There was another strategic planning workshop prior to privatisation.

Interview data suggests that the CEO played a critical role in the creation of new ideas. One GM said:

> The new CEO drove all processes. He was the only person with a vision of where we wanted to go. He came from the private sector with a mandate to turn the organisation into profitability. His mind was not tied to the past - we had lived in a luxurious past of explaining losses.

The same GM also explained how he has engaged staff:

> I have 2.5-hour lunch outside the premises with small groups of employees from departments. This is an opportunity for employees to informally talk about what we can do that we are not doing. There is a lot of strategic information I get from these sessions. There is no note taking. If there is need, one of the employees does the writing on any piece of paper and the information is kept on the table for all to see as we have lunch. Ideas translated into strategy are given back to a volunteer implementation team. I let them do it. Confidence is rising in staff as a result.
>
> New ideas from informal lunches and formal staff meetings help in strategy formulation. Before 1998, vision and mission were good. It made sense to have employees as a part of developing vision and mission but there was no implementation of this idea.

The issue of 'a customer is king' was pronounced during 1992-4 and there was a focus on eco-tourism.

One respondent claimed:

> 1998 strategic partner was hungry for money and had little focus on staff issues. There was no external facilitator to help with change management Not even the CEO explained to everyone.

4.C.14 Success of Change

One GM painted a broad picture of the events in an assessment of the success of the changes:

> ZTIC was able to turnaround business into profitability, identified loss-making units and disposed of them and acquired units with profit potential. The company grew from nothing to second largest destination management company in Zimbabwe. We brought in a strong strategic partner (one of the top 2 hospitalities in the world), tapped into the partner's reservation system and improved profitability.
>
> We have created the second largest hospitality Group in Zimbabwe and the most profitable Group in the country. Competitors poached staff because of our success, staff retention became a problem. The employee share ownership scheme is changing mindsets fundamentally, particularly at the lower levels. A lot of undesirable behaviours have been eliminated.

Other respondents concurred there was success from a financial perspective, LEISURE turned around, growth had been achieved by 1998 (through acquisitions, there was more geographic spread and representation) and LEISURE was debt free after listing.

Turning to HR issues, interviewees indicated sound HR systems were in place before 1998 as HR was a serious function even at unit level. They considered growth up to 1998 as having focused more on investments and not operations.

One lamented:

> From an employee motivation perspective, change was not successful as talented employees are now running competitors' businesses and have taken ideas with them.
>
> Technical partner at listing took 35% and made demands for senior management positions in LEISURE at the exclusion of locals. Locals, who were already not cohesive in the different units, had to accommodate externals with new standards. Partner is highly automated and imposed same levels of efficiency without considering the inadequacies of the IT system in Zimbabwean units. For example, the partner demanded financial reports early in the month.

One former middle manager agreed that after 1998, HR was not given opportunity to assist in the culture change and there were no clear-cut remuneration policies for middle managers. This informant highlighted:

> There was a culture conflict when the partner came onto the scene. The partner was more interested in financials and had little interest in people. A lot of people left. There was mass departure at senior levels e.g. 3 of the most profitable units lost GMs. One unit had no GM for 2 years.
>
> There were ad hoc replacements with some coming to run hotels with no prior experience. One such appointee was fired within 1 year for incompetence.

A former GM confirmed the sentiments adding;

> 1998-2000, LEISURE did not handle issues well. Integration with partner was done poorly. Guys who had been given top positions were motivated initially until partner came with new procedures, deadlines and harassment shifted from top down.
>
> Operations died late 1998 when director with right qualifications left. There was no coherent operations strategy from there on. Sales and marketing had lots of changes and has never succeeded in LEISURE. Systems thinking was not applied.

4.C.15 Case C Summary

The LEISURE case evidence is summarised through Figure 4.C.1 below.

Figure 4.C.1: Summary of LEISURE Evidence

CONSTRUCT	LEISURE EVIDENCE
Triggers	Government (turnaround, growth, privatization & retarded growth); Economic climate (retarded growth); Globalization (e-commerce capability demands).
Best practices	Previously subsidized by Government, LEISURE was profitable in 1992 - Its first year of operation.
Key players	Government (particularly Minister of Mines, Environment & Tourism); Board; CEO; Management, Staff; Customers & Strategic partners.
Time	Very little time.
Help	Help was around 3 strategy areas (marketing & branding, skills development & operational excellence) - External consultants assisted.
Relevance	4 hotels in 1992 to 14 in 1999; A handful of dilapidated safari vehicles to 100 safari-related vehicles in same period. Privatization saw a cash injection of $120 million. Interviewees had mixed reactions on relevance to personal goals.
Walking-the-talk	CEO walked the talk initially. Respondents claim CEO is increasingly invisible with the growth of the business.
Fear & anxiety	Fear & anxiety were acknowledged & often stepped up.
Assessment & measurement	6 areas of assessment (revenue growth, cost containment, skills retention & turnover, competitive analysis, product rationalization and refurbishment) were foci.
Belief	Some senior managers tasked to champion change left when their view points were not accepted.
Governance	First 1992 Board dissolved & replaced in 1999 to usher in another representing the new equity partners after privatisation.
Diffusion	One-to-one interview respondents generally agreed there was insufficient learning that took place.
Strategy & purpose	Forging strategic alliances was considered critical early in the history of LEISURE. Strategy formulation was driven by tourism's key value drivers (marketing & branding, skills development & operational excellence).
Success	LEISURE turned around, was privatized & listed simultaneously & successfully, grew & then went into retarded growth.

The LEISURE case evidence confirms emerging challenges 5, 8, 9, 10, 12 through 14 from CROP and FINANCE evidence and highlights one further challenge.

The evidence also reflects elements of all the emerging themes 1 to 7 from CROP and FINANCE. The informal part of theme 7 was louder in LEISURE than in FINANCE. An eighth theme has also emerged from LEISURE data.

Emerging Challenge 15: Consensus building systems

The cultivation of trust and credibility between key stakeholders in the constitution making process is critical. Business leaders in Zimbabwe have to play a critical role.

Emerging Theme 8: Capturing changing needs and expectations

Formal and informal promise delivery forums with staff need to be held to prepare staff capture changing needs and expectations of key business stakeholders.

CASE D: PLEASURE

Practice without theory is blind and theory without practice is dead.

Workers' Committee Chairman Evidence in a Focus Group Discussion

Employees emotionally recount the sad story of PLEASURE. They spell, crisis after crisis, what happened after the death of what they considered a managing director (herein referred to as PLEASURE LEADER 1 and abbreviated PL1) with a heart, hands and head of a servant leader. The late managing director was white and male. His successor, who survived in this position for about one and a half years, was black and female (herein referred to as PLEASURE LEADER 2 and abbreviated PL2).

Deep mixed feelings relating to the balance between qualifications and experience, gender, colour, masculine and feminine leadership are splashed all over as they narrate the changes that took place.

In one focus group discussion, one employee said:

> PL1 was a hotelier.

and the other retorted:

> PL2 was a marketer.

In another focus group discussion, one employee said:

> Whites left in protest to the appointment of a black MD.

and the other rejected:

> PL2 came, brought her team, superceding internal candidates who left under frustration.

In yet another focus group discussion, one employee quipped:

> PL2 did not implement white man's strategy, whites reacted to the appointment of a black lady.

and the other commented about PL2:

> Competent people do not like to be led by someone who wants results but does not understand the business.

PLEASURE, like LEISURE, is also in the tourism industry. PLEASURE had only 2 hotels in 1980. It started as one hotel, code-named Unit P1, bought in 1958 by a hunter, farmer and miner. The second hotel, code-named Unit P2, was created out of a block of flats in 1979.

PLEASURE is part of a conglomerate that has been in the process of unbundling as from 1995. PLEASURE experienced high management turnover and a leadership crisis after the death of PL1. However, PLEASURE is still one of the companies considered by shareholders to be part of the core business of the conglomerate.

Exhibit 4.D.1: Time Line of Major Events in the History of PLEASURE

YEAR	Major Events
1979-81	Name PLEASURE comes into being.
1980	A workers committee is formed in 1980 in response to government legislation.
1981	A third hotel, code named Unit P3 is opened.
1987	A safari lodge, code named Unit P5, becomes part of PLEASURE & name changes to PLEASURE Hotels & Safaris. Group of companies of which PLEASURE is part starts work on expanding hotel business into Botswana through a negotiated management contract to run the failing 8 hotels there.
1992	A lodge, code named Unit P4, is opened after 3.5 years of construction using proceeds from Unit P1. A cleansing ceremony is held before construction as the place is sacred & used by locals for rainmaking ceremonies. Some trees are not to be cut & are a part of the site up to today. The lodge is a haunted place initially. Head office moves to site outside PLEASURE in a move considered by employees as "moving PLEASURE out of PLEASURE"
1993	PLEASURE attempts to move into Mozambique but fails.
1994	A new strategy is put in place to take company to 2000. PLEASURE buys a property in Mutare to build a hotel. Project fails to take off.
1995	PL1 introduces a strategic alliance franchise for marketing purposes. PLEASURE, under franchise brand, runs 4 hotels in South Africa.
1996	Unit P5 is sold. External consultants upskill internal training managers together with the GM training to run World-Class Action Programme (WAP) for the Group of companies.
1997	Plans to build hotels in Victoria Falls & Bulawayo fail.
1998	PL1 dies. Head office comes to Unit P1. Strategic alliance is discontinued as the business is failing & PLEASURE brand has taken back seat. PLEASURE needs to be re-launched as a distinct brand
1999	Franchise is cancelled & South African properties released. PLEASURE makes good profits.
2000	Head office moves out of Unit P1 to a site in town. There are mass resignations at head office level.

Sources: Focus Group Discussions

4.D.1 The Changes That Took Place

PLEASURE engaged in a variety of changes from 1980 to 2000, most of which were tied to growth, total quality management and continuous improvement. These changes included an inclusive (World-class Action Programme) WAP, promise changes, process changes, system changes and structural changes.

WAP was a change initiative which was an adaptation of the Tichy & Sherman Model. It was a 2-day intervention targeted at training multi-level and cross-functional groups for the whole conglomerate. It had three stages: awakening/sensitisation, mobilisation/ building a vision community and entrenching a new culture. The intervention was meant to create awareness of critical business and competitive issues through burning platforms and mobilise staff to implement best-operating practices.

With the advent of independence, the customer base changed from predominantly white to black. This resulted in PLEASURE having 'to teach black customers how to sit in and eat from a hotel'.

Of significance is that PL1 developed a 'Bill of Rights' for customers. This was scrapped when PL2 took over.

Commenting on how understanding of value stream activities has changed, participants in one group agreed:

> PLEASURE used to have farmer clients. 2 complementary bed nights were given per farmer per month. There were ethnic promotion weeks. For example British week during which food, dressing and music would be British. We had Irish week and Kenya week. There was an understanding of customer culture. PLEASURE had key customers like city council and our neighbours.
>
> We used to visit suppliers to understand supplier value chain as well as products to be used in the hotel. For example, National Breweries would finance and run training and tests on their products in their premises. This enabled us to effectively market their products.
>
> Understanding of key customers has changed and there is little training on products from suppliers.

Confirming changes in promises to customers, one focus group highlighted:

> We used to have theme dinners weekly. For example, 'potato night' where even the attire of staff was around the 'potato' theme and the 3 courses were around the 'potato'.

Another group further indicated that there were a variety of customer offerings:

> Customer promise changes included change from menu to buffet. We used to have ethnic weeks representative of chosen countries and related promotions in open vehicles in the streets. For example Tanzanian food ('ugari wasukuma' meaning 'good food' was popular) and country dances would be offered for customers. Our hotels would be fully booked and country ambassadors would vet the quality of performance. We also had an 'Africa Night' where all African embassies would be invited. A 'British Pub' night was organised for white customers. Children's functions were held particularly when business was failing. Children are easy to influence.

Promises to staff changed. All focus groups lamented that a 'Bill of Rights' for staff created by PL1 was 'thrown out of the window' by PL2.

However, one focus group commented on the changes in working hours:

> We used to work 8 hours in a 5.5-day week and given 1.5 days off. Now it is 7.5 hours over a 6-day week and 1 day off. Staff are working standing most of the time and this causes leg and feet problems.

A more detailed comparison on staff benefits drawn from PL1 and PL2 is contained under the 'relevance of changes' section 4.D.6 below.

In 1994, PLEASURE came up with a new strategy to see it through to 2000. One former financial director suggested that this strategy was meant to focus on enhancing customer value through total quality and continuous improvement initiatives. However, tactics deployed to grow profits by an external consultant did not include simplification and redesigning of processes. More detailed evidence on this is under the strategy section 4.D.13 below.

The 1980-90 manual systems were changed to electronic as from 1990.

Closely linked to the change in systems was the strategic alliance forged as part of a marketing strategy to attract tourists. One employee said:

> There was need to log into an international booking system to capture tourists.

One focus group added more detail on this:

> Most business was local and regional without international contact. A 5-year franchise was negotiated with a foreign partner where management fees had to be paid to the partner. PL1 convinced people that it would take time for the alliance to bear fruit. Performance improved after 2 years. However the alliance operated only for 3 years instead of 5 since PL2 cancelled it in favour of developing a local PLEASURE brand. PLEASURE had to pay for the breach of the remaining 2 years of the contract.

Evidence confirms that customers were not impressed by the change of logo and name after the strategic alliance. One employee said to the other focus group participants:

> ...Management discovered the franchise was the worst in America as performance started dropping.

The major worrying evidence were the structural changes PLEASURE went through during the period. The leadership changes, particularly, were too frequent. One employee said:

> Top leadership changed from predominantly white to black. Whereas whites stayed longer in management positions, blacks came, stayed for 2 or so years and left.

Further evidence suggests each manager/leader came in with a different strategy and management/leadership style.

Some of the major leadership changes are reflected in Exhibit 4.D.2

Exhibit 4.D.2 Major Leadership Changes in the History of PLEASURE

YEAR	Major Leadership Changes
1980	Unit P1 & Unit P2 are headed by GMs. Each GM reports to a different organisation.
1981	Unit P3 is also headed by a GM. The 3 GMs now report to a company owned by the Group of companies.
1982	PLEASURE Hotels are under an MD, who had been Unit P1 GM.
1983	Unit P3 has a new GM.
1983-84	Unit P1 has new GM.
1984-85	Unit P1 GM is promoted to MD, Unit P1 gets new GM, PL1 is appointed Unit P2 GM, Unit P3 changes GM.
1985	Unit P3 changes GM.
1986	Unit P1 changes GM, Unit P2 changes GM (new GM stayed longest as GM - 8 years in the history of PLEASURE) replacing PL1 promoted to work on projects at head office.
1987	Unit P1 GM in post, Unit P2 changes GM, Unit P3 changes GM, a new Unit P4 GM is appointed.
1988	Unit P1 GM in post, Unit P2 GM in post, Unit P3 gets first black GM from a competitor, Unit P4 changes GM. Group of companies is invited to run hotels in Botswana & appoints PL1 GM for the hotels.
1989	A black new Deputy MD is appointed in PLEASURE for the first time, GM for all Units in post.
1990-91	Unit P2 gets first black female as GM, rest of Units remain with 1988 GMs in post.
1992	Unit P5, a lodge, opens under GM on transfer from Unit P2, Unit P2 gets first black GM, Unit P3 changes GM as former black GM goes back to his original competitor position, rest of GMs in post.
1993	PL1 becomes MD of PLEASURE based in Botswana, Unit P4 changes GMs twice, high turnover prompts adoption of policy to promote from within, a GM is appointed for a unit in South Africa.
1994	Unit P1 GM in post, Unit P2 changes GMs twice, Unit P3 gets GM on transfer from Unit P2, Unit P4 GM in post, Unit P5 GM appointed in second half of 1993 in place, a unit opens in Botswana with new GM.
1995	Units P1, P3 & P4 GMs in place, Unit P2 changes GM twice, Unit P5 changes GM.
1996	PL1 relocates from Botswana to Zimbabwe still in MD position, GMs in Units P1 to P4 in post.
1997	Unit P4 GM resigns & is replaced by GM on transfer from Unit P3, Unit P1 gets new GM doubling roles with operations function, Unit P2 GM in post, Unit P3 gets new GM to replace the one transferred.
1998	PL1 dies, an Acting MD is appointed & a Botswana lady is promoted to direct operations from Botswana. Unit P1 gets GM on transfer from Unit P4, Unit P2 gets new GM to replace one on transfer, Unit P3 gets new GM on transfer from Unit P2, Unit P4 GM in post.
1999	New MD is appointed ahead of internal candidates by mid-year. Franchise is taken off & South Africa properties released. Unit P1 gets new GM & Unit P4 changes GMs twice.
2000	The Botswana Executive Directing Operations, Financial Director (FD), & Unit P1 GM resign. PL2 resigns & in come an Operations Director & Sales Director who alternate positions as MDs. Unit P3 changes GMs 5 times, Unit P2 changes GMs twice and Unit P4 GM changes once. Unit P1 GM in post.

Sources: Focus Group Disscussions

4.D.2 Triggers of Change

Environmental triggers to change included technological advances, the government and economic climate.

The potential to attract tourists was responsible for the forging of a strategic alliance with a foreign partner. PLEASURE saw this as a marketing opportunity that would lead to profitability and growth through tapping into an international database of the partner.

At independence, the government made promises to change the quality of working lives of workers. Legislation was passed, for example, to facilitate the formation of workers' committees. PLEASURE proceeded to have one such committee.

Leadership changes that were colour-related were a result of the government's focus on black empowerment. One employee told other focus group participants:

> Only whites from school were promoted to managers before independence. These 'picnin bossses' (a term used to refer to young whites) were then trained by subordinate blacks. Blacks could be fired for holding meetings. Things had to change.

According to economists, and as mentioned under the LEISURE case, Zimbabwe's tourism industry experienced its worst tourist arrivals in a decade during 2000 - registering a 60% decline compared to 1999. Contributing factors included the fuel crisis, the perception of Zimbabwe being an unsafe destination, the furore of the land question and the withdrawal of some direct overseas airline arrivals.

The decline in tourist arrivals impacted the tourism industry particularly and the economy in general. The economic climate in Zimbabwe triggered the retarded growth for PLEASURE.

Internal triggers included quality of leadership, change in leadership and the need to create value for the shareholders.

Concerning the quality of leadership, all focus groups agreed that PL1 had qualities of a servant leader and the changes initiated during his era were motivated by these qualities. The 'Bill of Rights' for customers and a 'Bill of Rights' for staff were referred to often as significant promise changes which were reversed by PL2.

A GM under PL1 was also singled out as a servant leader. One group agreed:

> Some GMs had business understanding. For example, there was one who was hands-on and spent about 3 hours in the office and the rest on the shopfloor. He knew peak hours and was there working with us, serving customers.

Changes in leadership were closely linked to changes in strategic focus and what the different leaders viewed as the best method to create value for stakeholders.

The death of PL1 and the incoming of a new shareholder were significant causes of leadership changes in the late 1990's.

4.D.3 Key Players

The government, PL1 and PL2, general managers, top leadership, staff, new shareholder and three different chairmen were singled out as key players in the changes in PLEASURE.

One group chairman had a total quality focus and was greatly influenced by how Jack Welch transformed GE. Three focus groups suggested:

> Group chairman came with TQM and started selling group companies that were non-performing to relatives. He talked about focusing on core business.

Another confirmed, adding some detail:

> Group chairman came with TQM and started selling Group companies that were non-performing. He talked of core business and divided core business into three divisions (Food, Hotel and Finance).

One other focus group concurred, indicating change of shareholder and chairman:

> Group chairman started unbundling the conglomerate which was under-performing. No new business was opened at Group level. There was a shareholder revolt, a new group chairman took over and continued to sell assets. PLEASURE remained as part of Group core business.

The coming in of a new shareholder was considered a significant trigger of leadership changes together with reversal of the gains from PL1's time.

One focus group indicated:

> New shareholder accelerated unbundling of the conglomerate which had stretched itself too far, negatively affecting the share price.

4.D.4 Time Available for Initial Stages of Changes

Strategically, very little time was available for the initial stages of changes. One example cited often across focus groups is that there was no time for the establishment of the strategic alliance.

One group said:

> No time. T-shirts, flags, posters were brought in at short notice to launch the franchise.

And another pointed out:

> After hostile take-over, things changed drastically.

Generally, participants in focus groups agreed it took about six months to replace PL1.

4.D.5 The Kind and Quality of Help Needed

The external consultants, with the exception of one, were accused of having failed to contextualise business issues and recommending an inappropriate brand.

Help came in various forms. One example cited was:

> External consultant in the form of inspector from the strategic partner would meet other inspectors in South Africa. There were inspections to check on whether the franchise standards were being maintained. Reports were sent to the strategic partner.

Another reflected:

> External consultant launched franchise at a PLEASURE unit in Bulawayo in the presence of representatives from 9 countries. Videos covering the franchise were shown to staff, followed by television adverts, renovation of units and training of staff on the franchise standards.

In connection with changes to create shareholder value, focus groups highlighted:

> External consultant did not conceptualise how to have JIT suit local conditions. The JIT system introduced to reduce stock levels and improve recording system was aimed at having 2 days stock. There was comparison between Zimbabwe Iron and Steel Company (ZISCO) that had tonnes and tonnes of stock tying up capital.
>
> In Zimbabwe you cannot order and get supplies immediately as can be done in developed countries. JIT was not suited to Zimbabwean supply environment.

Rainmaker Management Consultancy (RMC) was one external consultancy singled out as having contextualised business issues. The RMC consultants ran executive development programmes and focused on blending Western management theories with African management. One of them, Mbigi, suggested that the GE model be adapted to the local environment by the conglomerate.

In particular, Mbigi challenged PLEASURE to harness African material culture and market African mythology.

RMC ran a change management workshop to upskill all trainers in the Group Training Centre with skills to assist the conglomerate transform. The trainers then conducted 2-day workshops called World-class Action Programmes (WAP) for multi-level, cross functional groups.

I was one of the WAP trainers and participated in running this programme for PLEASURE staff. WAP was based on burning platforms aimed at mobilising staff to articulate business order qualifiers, order winners and order retainers. Any local language could be used and songs were created by staff to bond themselves with the organisation.

Not all PLEASURE staff attended WAP as the whole of the GROUP Training Centre were retrenched in 1997 as part of the focus on core business. A decision was made that training was not part of core business and would be provided as and when required by external consultants.

During PL1's time, suppliers trained staff on products to be sold by PLEASURE and HR director was considered effective. Staff visited suppliers and other hotels for familiarisation. Hotel school had attachment programmes where PLEASURE appraisals were sent back to the school.

Over and above training on food preparation, workers were trained in ethnic dances and performed for customers. On some occasions, staff went to Zambia on hire to train Zambians on customer care. Training included cross-posting based on career and succession planning during PL1's time.

On the need to balance qualifications and experience, participants highlighted:

> Management has a lot of theory. They need training by experienced staff. Some experienced staff have little formal education (highest qualification in some cases is Standard 6). There is need for the less experienced but highly educated to respect the highly experienced but less educated if proper teaching/learning has to occur.

4.D.6 Relevance of Change to Personal and Business Goals

Under relevance of changes to personal and business goals, focus group participants chronicled the differences as experienced under the leadership of PL1 and PL2.

Highlights are reflected in Exhibit 4.D.3 below

Exhibit 4.D.3: Evidence under 'Relevance of Changes'

	PL1's era	PL2's Era & Thereafter
Relevance to personal goals	• Strategic alliance brought in increases in salaries and scholarships for deserving children of staff. Franchise was relevant initially, staff salaries were reviewed, salaries were reviewed on the basis of performance, incentives were given to performing departments, promotion was based on performance and there was job rotation. • Incentives for good performance included weekend away with family, drinks and transport home, trips to Kariba with family for worker of the month/year, end of the month parties. • Employees had sporting teams competing in the Region in countries where PLEASURE operated, the sporting activities included netball, soccer and indoor games. • Tours by employees, cross-posting out of Zimbabwe helped in benchmarking for best practice. • PLEASURE assisted with the acquisition of stands, houses, bicycles and employees would pay later; • T-shirts were sold to staff at subsidised prices and old equipment at reduced prices. • PL1 acted to pre-empt or resolve staff grievances/problems. • There was training by suppliers, tours for staff in order to refer customers professionally to tourist/resort centres. • We used to work 8-hour shifts with split shifts and paid overtime. • There were company cars for staff, managers had cars, food in the canteen was good. • One had to have uniform in company premises.	• There was deterioration of personal gains, in-house training was stopped, head office collapsed and therewere too many structural changes. • Incentives were stooped immediately. • Benefits were scrapped by new leader PL2 after death of people - oriented leader PL1. • People care and communication collapsed and morale went down.
Relevance to business goals	• Those customers who knew the operations of the strategic partner described it as poor. Sentiments like 'where they are operating overseas, they are the worst. You will not last with such an alliance' were made by customers. Strategic alliance brought in business initially. Management costs were high and the alliance was not sustainable. • Financially hotels were doing well. • Value placed on being responsible citizens of the communities and environmental protection.	• Staff numbers were cut and engagement of casuals set in resulting in falling of standards

Sources: Focus Group Discussions & Company Documents

Individual testimonies during focus group discussions were quite revealing. One employee said:

> When I think of people care, I think of the first chairman after independence. Others think of PL1. Lets look after our people.

An executive had this to say:

> After PL1, I came and found bruised people. Making money through people's misery! Lets not do this. A bird in hand is worth two in the bush. The group of companies has the right people but does not seem to see them

Another executive observed a pattern to be dealt with at Group level:

> There seems to be a pattern. Group leadership has been unable to set up a consistent structure after PL1. Now they want another PL1. When are we going to see visionary leadership?

Executives who had resigned from PLEASURE and found themselves back in the organisation also narrated why.

One summarised the reason in one line:

> I left to join something that was dying and was attracted back by the 'Bill of Rights'.

Another confirmed, adding some detail:

> I left for greener pastures. I was approached by the then Minister of Tourism to join competition. I came back for a better package. It was worthwhile to come back.

Yet another executive had a more telling story:

> I was trained by PLEASURE and had just been appointed deputy GM. Management style of GM frustrated me out. I saw an opportunity at a smaller competitor site and left to demonstrate my potential. After 4 years in that company, there was no more growth at a personal level. I realised my heart was still with PLEASURE and came back. Now I am a GM.

4.D.7 Advocates "Walking-the-talk"

There was unanimous agreement across focus groups that PL1's team walked the talk as opposed to PL2's team.

Some of the highlights of the responses are reflected in Exhibit 4.D.4 below.

Exhibit 4.D.4: Evidence under 'Walking the talk'

PL1 & Team	PL2 & Team & Thereafter
• PL1 supported his team and staff. • PL1's popular saying was 'In PLEASURE we do not pay 'Mickey Mouse salaries'. • PL1's team walked the talk. An example was a GM who insisted 'I will walk into managers offices. Managers have to walk their departments. All staff have to eat from the same canteen'. Managers were hands on. Everyone mourned upon PL1's death because he was hands on; he started working from the shopfloor and motivated employees. • PL1 and team implemented what they promised. Staff benefits were clear, policies were clear. Expressions like 'Dai PL1 amuka zvinake', meaning 'I wish PL1 would rise from the dead, things would improve' were made often. • Outstanding performance was acknowledged. They promised rewards for meeting targets and kept their promises. Managers used to meet every Friday and used the different units as venues in rotation. They were the best communicators and moved to units for inspection. • PL1 focused on staff welfare and was considered a 'gamba' meaning 'hero'. Whenever we approach management for salary increases we think of PL1. Managers then were performers and stayed longer. NEC increase was always topped up by PLEASURE leaving employees earning above industry figures. There was a focus on competence, appraisals and succession planning and managers knew employees by name. • One GM's open office system required managers to be constantly in touch with the people. His popular saying to managers was 'gara mukati mevanhu' meaning 'stay within the people'.	• There was significant difference after PL1. • PL2's team did not walk the talk. Benefits from PL1's era were removed. Whatever was promised employees was not implemented. • When PL1 died, things crumpled. There were massive inflows of people. PL2 brought in her team superceding internal candidates who could have been promoted to senior positions. • PL2 did not appreciate what had been done by predecessors. 'It is like marrying a second wife who does not appreciate the good that the first wife was doing'. • 'After cancellation of the franchise, there was an exodus of white management who then formed their own businesses. If they were walking the talk, they would have joined the strategic partner whose franchise they were marketing. • Black management after PL1 was corrupt and did not give staff benefits.

Sources: Focus Group Discussions

4.D.8 Acknowledgement of Fear and Anxiety

There was unanimous agreement across focus groups that PL1's team acknowledged anxiety and staff were generally not afraid. Where staff were afraid, this was acknowledged and dealt with.

After the death of PL1, however, staff became more anxious as the future was not communicated. According to staff, the new shareholder, PL2 and her team created fear and anxiety through their actions or inactions.

Some of the highlights of the responses are reflected in Exhibit 4.D.5 below

Exhibit 4.D.5: Evidence under 'Acknowledgement of Fear and Anxiety'

Before & During PL1's Era	PL2's Era & Thereafter
• When we had white managers, reporting lines were not followed as people feared even the very junior whites. • There was no fear during PL1's time. There was peace and tranguility. Fear and anxiety were acknowledged and there was 'team spirit'. • PL1 was generous and there was no fear then. People enjoyed their work. HR director during PL1's time acknowledged fear and anxiety. Departure of this director was received like a funeral message. 'You feel you had a father'. • The alliance partner wanted to milk PLEASURE, take away the cream and leave nothing behind. We ended up with no communication about the initiative. Staff feared jackets on hangers.	• After PL1's death, whites left in protest to the appointment of a black, female MD, PL2. PL2 moved into reverse gear and dismantled everything PL1 had put into place and people were uncertain of the future. A lot of fear and anxiety were experienced. There was 'a dirty spirit'. • After PL1's death, fear and anxiety were present but not acknowledged. No-one explained developments, leading to turnover. There was nepotism during PL2's time - experienced and competent staff were asked to train incoming relatives of senior managers who had theoretical knowledge only. • Almost entire team left with the death of PL1. Process of exits was not humane. There was lack of confidence in leadership at Group and PLEASURE levels. From the time of the death of PL1, there has been mistrust between all leaders and employees ('leaders wanted to win on their own and employees also wanted to win on their own'). • There was white/black tension. The general belief in the white community was that PL1 died because of a heated debate in the boardroom. Business was affected by this perception. • There was victimisation through redundancy packages after a National strike. • After PL2, there was no substantive MD in place and appointments were not communicated.

Sources: Focus Group Disscussions

Staff were particularly angry and bitter about how they were treated after a National strike.

A worker representative recounted the events:

> There was a National Hotel Industry strike during PL2's time. When we went on strike, people were suspended. PL2 had 1-hour long separate meetings for managers and staff to resolve the National dispute. The workers had to demand the second separate meeting after PL2 had held first meeting with managers and wanted a second meeting combining staff and managers. Staff wanted to save PLEASURE from collapsing. PL2 saw staff were right but wanted to side with managers. Group chairman had to intervene. PL2 resigned 2 months after the strike after deducting 7 days salary from staff for going on a National strike.

Source: Focus Group Discussions

4.D.9 Assessment of Progress

Targets were used to assess progress before and during PL1's time whereas assessment procedures were unclear afterwards. Respondents suggested the intention was to contract PLEASURE business in line with the contraction of business at group level.

Some of the highlights of the responses are reflected in Exhibit 4.D.6. below

Exhibit 4.D.6: Evidence under 'Assessment of Progress'

Before & During PL1's Time	PL2 & Team's Time & Thereafter
• Customers assessed quality of performance of strategic alliance partner and predicted that continuing the partnership would destroy PLEASURE locally. • PL1 had progress assessed unit by unit, involving all staff in visual performance measurement. Everyone was educated from the person at the bottom to those at the top. There was on-the-job assessment and morale was high. • Employees had specific responsibilities. For example, if you had 120 customers, you had to know the retention rate, defection rate and customer acquisition rate. • Achievement of targets was a prerequisite for awarding incentives. • There was a lot of growth and expansion in the units, particularly during the strategic alliance.	• Change in shareholder was terrifying. Statements like 'The results you were declaring were wrong and you need to produce results' did not go down well with old staff. • Politics influenced the direction of the company. PL1's Botswana based possible successor had political clout in Botswana. There was conflict between this lady and PL2 when PL2 took over. The conflict was followed by mass resignations at senior level. Some of those who resigned are now our competitors and are a serious threat to us. • PL2's assessment criteria were unclear to staff. 'I do not believe PL2 assessed any progress. She was interested in saving money'. • Drop in ethnic promotions signalled lack of business understanding. 'You need customers for hotel promotions. If there is no business, what do you promote'. • After PL1, there were deals with renovations and irrelevant decorations not related to 4-star hotel. Auditors were brought in to check on staff allegations on possible back-hand deals. Outcomes were not communicated to staff. • Post 1998, major changes were directed at contracting PLEASURE like the group of companies was, the franchise was discontinued and a PLEASURE brand started.

Source: Focus Group Discussions

One former FD provided what he called strategic formulae (Exhibit 4.D.7) used by PLEASURE to track progress before and during PL1's time.

Exhibit 4.D.7: Key to Strategic Formulae

Return on investment	Profit after tax/Shareholder equity
Profit margin	Profit after tax/Total sales
Sales growth	Incremental yearly sales/Previous year sales
Fair market share	Number of hotel rooms per day/Total hotel rooms in the area = F
Actual market share	Rooms sold by PLEASURE/Total rooms sold in the city = M
Fair market share excess	F - M
Staff turnover	Number of resignations per annum/Average staff in year
Room night	Number of rooms occupied per day
Staff per room per day	Total number of staff/Number of rooms PLEASURE has
Occupancy	Number of rooms occupied/Total number of rooms
Average room rate	Average selling price of room

The former FD painted another story on PLEASURE performance (Exhibit 4.D.8).

Exhibit 4.D.8: Selected Performance Measures on Key Targets

Key Target	1994	1995	1996	1997	1998
Return on investment	11%	21%	25%	9%	8%
Profit margin	4%	10%	19%	11%	10%
Sales growth	31%	34%	23%	16%	20%
Fair market share	-2%	+2%	+3%	-3%	-5%
Staff turnover overall	1%	0.8%	2%	6%	10%

Source: Former FD

The former FD was one of the key members who assessed the progress in the company for his Masters Degree research working paper. Some highlights from his documented assessments on performance between 1994 and 1998 include:

> From 1994 to 1996, on paper, the company made significant gains in the generation of shareholder wealth. The company improved from a small profit in 1994 of $0.4 million to a profit of $23 million in 1996. The return on shareholders' investment more than doubled to 25% in 1996. The profit margin also improved significantly in the same period. Management were given significant bonuses and the managing director promoted to a bigger company whilst nearly all critical executives were promoted in one way or the other. The consultant from the United Kingdom who facilitated the implementation of the 1994 to 1996 'return on investment strategies' was paid off and is long gone.
>
> The 1994 to 1996 trend could not however be sustained into 1997 and 1998. The honeymoon only lasted for two years. By the end of 1998, the return on shareholders' investment had more than halved and so did the profit margins.

Management by 1998 therefore had failed to achieve its objective of shareholder value maximisation. The main reason was its failure to manage the value exchange. The strategies employed only focused on the shareholder return - employing short term cost strategies at the expense of customer value delivery.

The tactics deployed by the company in its pursuit of its investor value maximisation mission were typical of a management focused at pleasing its employer in the least possible time in direct conflict with the need to maximise customer value in the long term.

The company defined its value as profit to shareholders divided by investment by shareholder. The profit was to be delivered in cash terms.

The former FD also aptly documented investment reduction tactics and tactics deployed to grow profits from 1994 to 1998.

The former FD's comprehensive assessment on investment ratio tactics says:

Over the period, the investment in assets that underpinned the services and quality delivered by the company to the customer was greatly reduced.

In a drive to reduce cash tied in working capital, stock levels were reduced from 28 to 9 days. Customers credit periods were reduced from 35 days to less than 17 days.

These tactics, over a period of 8 months greatly reduced cash tied up in working capital and thus investment and in turn improved the return to shareholders. Value to customers however suffered. The selection of wines, drinks or food became very narrow. All meals were reduced to buffet. Quality of product was inconsistent. Customers complained of the rude and interrogative debt collectors.

Another investment reduction tactic employed was the extending of supplier payment terms from under 32 days to over 90 days by 1996. This tactic improved the cashflow available to the company and also reduced total investment into the business and thus increased shareholder value.

The impact to the customer was however equally bad. Suppliers changed rating of PLEASURE from first class to last. Supply of key inputs at the right quality was not always guaranteed. Discounts were eliminated and penalties introduced.

The third tactic which was employed to reduce investment was to freeze all refurbishments and capital expenditure and selling of unproductive assets for cash. In this regard, some vital parking space was sold to real estate developers. Courtesy cars for VIP customers were sold. This also reduced investment and thus improved return on shareholders investment, but only for a while. Some of the assets sold supported vital services delivered to customers and gave the hotel flexibility to meet unforeseen high demand peaks. This flexibility was also eroded.

There were a lot of other tactics which were deployed but with equally same short term gains and long term problems for customer value.

Assessing tactics deployed to grow profits, the former FD said:

> The main tactics for improving profit focused on cost cutting.
>
> Staffing levels, which contribute, directly or indirectly to about 52% of hotel costs were the first to be hit. Staff numbers were reduced from 724 in 1994 to fewer than 432 by December 1997. This was done without a corresponding simplification and redesigning of processes and outputs. Staff that remained were not trained for multi-skilling. Pay to staff was not increased to justify increased workload.
>
> The effect of staff reduction was a significant reduction in the wage and related payroll burden costs. Indeed profits went up in 1995 and 1996 and so did the return on shareholders funds. Unfortunately, the quality of service delivery suffered. Staff were overworked, undermanaged and underpaid. By 1997 there were significant staff turnovers both at management and line of customer visibility levels. Service delivery superiority, which had been established under the program of 'Your Personal Host' or 'Siyaliyamukela' (means welcome) were eroded over the two years.
>
> The second tactic which was deployed to improve profits was outsourcing of 'costly activities'. To this end, restaurants, airport transfers and housekeeping departments were outsourced, together with the assets like cars which were being utilised to deliver the service. Management of PLEASURE then focused on the delivery of rooms.
>
> Significant cost savings and investment reductions were achieved in 1995 and 1996, which improved the return to the shareholders enormously from 11% to 25%. The main problem was that some of the activities outsourced supported vital parts of the customer's experience and thus underpinned PLEASURE's value promise to the customer.
>
> Services like housekeeping, airport transfers and provision of food and beverages were critical to total guest experience. This entailed that PLEASURE promised what it could not guarantee was going to be delivered. The companies that took over the contracts were not as experienced as PLEASURE and could not perform to PLEASURE's standards.
>
> Zimbabwe is a small economy and thus outsourcing players are few. When time came for the renewal of these contracts, the prices on the contracts increased substantially knowing too well that PLEASURE did not have much choice. The cost benefits which were achieved in 1994, 1995 and 1996 were eroded on the renewal in 1997 with no corresponding value addition to the customer.
>
> The third tactic deployed was to increase prices to cover the rate of inflation and devaluation Zimbabwe was experiencing. Prices under this strategy were increased every quarter. As inflation was 70% in December 1999, these increases in local currency were substantial. The result of this strategy was that revenue was okay in 1995 and 1996 as customers took a gradual approach to cancelling off their long-standing contracts.
>
> The 1994 top 10 customers had almost disappeared by December 1997 whilst the new entrants did not fill up the vacuum created. ... Customers left because they perceived that the products and services offered by the company did not have any value.

4.D.10 Belief in Change

Focus group evidence strongly suggests staff believed in the changes before PL2 took over.

There were divisions after.

Some of the highlights of the responses are reflected in Exhibit 4.D.9 below.

Exhibit 4.D.9: Evidence under 'Belief in Changes'

Before & During PL1's Time	PL2's Time & After
• During PL1's era, everyone believed in what was going on. Everyone loved PL1. Guests now ask why there is no progress after PL1. They want to know the whereabouts of those managers under PL1 who resigned. • Everyone liked the franchise idea since it was explained. However, when customers started giving feedback on the performance of the partner, staff swung to one group who wanted the franchise to go. Tourists were comparing services across the globe. Zimbabwean politics also discouraged the continuance of the alliance. • People were groomed for positions from the lowest level. • PL1 supported workers, was hands-on as MD across functions. He led by example. He had experience in the industry. When workers wanted to go on strike, he would negotiate and settle with workers before the strike. Sports teams were established in Botswana, South Africa and Zimbabwe to keep PLEASURE staff united. • PL1 supported all units. He had concern for workers, resolved their problems and did not want to lose competent staff. He listened to staff. 'He was like a doctor. He did not ignore anyone'. • The family type recruitment and career and succession process resulted in those who had no relatives being afraid of victimisation. Those who had come into PLEASURE through referrals by relatives were disciplined as they did not want to let down their relatives. 'Vaityamarelatives' meaning ''they were afraid of letting down those who had influenced their recruitment into the company'.	• PL2 brought own team and PLEASURE was split into 2 camps. It was 'shape in or shape out'. PL2 brought in her own team that eventually revolted against her, leading to her resignation. Noone loved PL2. • The Group had employed an MD from a different industry. Hospitality is special. The problem was nepotism - we need people who lead by example. PL2 brought in senior appointments for people unfamiliar with the hospitality industry. Divisions were the order of the day. • PL2 brought in her team generally referred to as a 'firing squad'. Employees argued that the disciplinary committee had been converted into a 'firing squad'. • After the hostile take-over and subsequent appointment of PL2 the business was being run by the Group leadership instead of PLEASURE management. Trust between management and shareholders was low level. • The appointment of PL2 was met with resentment.

Source: Focus Group Discussions

4.D.11 Power and Accountability Structures

There were 4 substantive MD's for PLEASURE between 1980 and 2000.

Respondents in focus groups summarised their assessment of the impact of power and accountability structures.

One said:

> You need key skills to fit into structures, not colour. Look for suitable person irrespective of colour. Who brings 4 star customers? It is top leadership with solid business connections. How can we get 4 star customers? It is allowed to give 5 star service in a 3 star hotel. A customer makes business with an individual. PL2 was worse.

And the other added:

> There is need to link up security systems and check access rights. We are now taking hotel as church. A hotel is for pleasure. Disruptive customers need to be dealt with. One GM engaged such elements, warning them or telling them to go elsewhere. The elements changed their behaviour realising that PLEASURE is best.

In connection with the level of hierarchy and control after PL1, one respondent was of the opinion:

> There were too many management changes after PL1. A hotel has 3 departments: Front Office, Housekeeping, and Food and Beverage (F&B). Functions was under F&B. Now there are too many departments.

One respondent thought that females were better marketers and remarked:

> Sales and marketing dominated by females performed better than the male dominated one that followed.

Focus group participants concentrated their conversations around a comparative analysis of the structures set up by PL1 and after.

Some of the highlights of the responses are reflected in Exhibit 4.D.10 below.

Exhibit 4.D.10: Evidence under 'Power and Accountability Structures'

Before & During PL1's Time	PL2's Time & After
• During PL1's time, general managers were responsible for the performance of their units, supported by unit-level managers including personnel managers. The head office team was lean and composed of only 5 people. • There were clear head office and unit structures and everyone knew the structures. There was no evidence of structures to monitor the performance of the franchise. • PL1 served under 3 different chairmen from the time of his appointment as MD to his death.	• PL2 brought in her own team, enlarged head office team and centralised decision-making. Hotel industry requires specialised skills - some people coming in at the top are not experts in the industry. Foreigners with no understanding of local culture come and then go. Now we have only one hotelier in PLEASURE. • Power was in camps and there was lack of accountability. There was a lot of finger-pointing. No clear structures were set up. There was so much change. Appointments were made without any job descriptions. • PL2 had no control over business. Management were carrying out orders they did not understand/buy into. • There was need for HR to be in touch with people, operating at unit as well as head office levels.

Source: Focus Group Discussions

4.D.12 Organisational Learning

Between 1980 and 1998, PLEASURE actively communicated what was happening. There were updates on developments posted on canteen notice boards for staff. Such updates included financial performance at unit and PLEASURE levels.

Staff complimented PL1 and his team for having kept the organisation informed. They said after the death of PL1, 'everyone came with a bullish attitude and some new managers only showed face when being introduced'. PLEASURE had no MD from the time PL2 resigned.

Some recurring comparative evidence across focus groups is shown in Exhibit 4.D.11.

Exhibit 4.D.11: Evidence under 'Organisational Learning'

Before & During PL1's Time	During PL2's Time & After
• PL1 was a hands-on hotelier and maintained live communication across the organisation. • PL1 insisted on training, attachments as a means of diffusing learning.	• PL2 did not communicate what was happening. • Organisation learnt of changes through the grape vine or rumours.

Source: Focus Group Discussions

The general perception of respondents was that the organisation did not learn from what had happened before PL2 took over.

One suggested that since documents containing company history have been archived:

> New managers have to learn from organisational historians first.

PLEASURE leaders took advantage of UNISA students doing Masters' Degree in Business Leadership assignments to learn about their business. One such student was the former FD extensively quoted above.

Commenting on how PLEASURE could have created shareholder value on a sustainable basis through enhancing customer value, the former FD indicated that managers need to understand the different definitions of value from the perspective of both the customer and the investor. He said shareholder value is 'profit per dollar of investment' whereas customer value is 'performance per dollar of price paid.'

He asserted:

> It is fundamental that management clearly understands their role. Their role is to ensure that both value definitions are optimised, core-exist and the relationship is sustainable into the future.
>
> In PLEASURE's case, management considered themselves to be part of the shareholders and only focused at increasing shareholder value at the expense of customers. As could be seen from the case, the situation was not sustainable and both parties suffered in the end.
>
> Some companies on the other hand focus on the customer only - 'market driven - customer driven etc' and neglect the shareholder's need for decent returns with the same disastrous consequences.

4.D.13 New Ideas about Purpose and Strategy

Between 1980 and 1998, PLEASURE relied on external consultants for strategy formulation. Senior managers were involved in the budgeting process and budgets were communicated to the units.

Focus groups compared the manner in which new ideas about purpose and strategy were handled before and after the death of PL1. The general impression was that junior staff want to know the future of the company if there is turnover at executive level.

Exhibit 4.D.12 highlights some of the recurring messages from respondents.

Exhibit 4.D.12: Evidence under 'New Ideas about Purpose and Strategy'

Before & During PL1's Time	During and After PL2's Time
• Strategy during PL1's time was around specific customer segments with emphasis on ethnicity. • PL1 was visionary, PLEASURE expanded across borders and PL1 wanted PLEASURE to be a stand-alone business out of Group of companies.	• New appointees came with their own strategies. PL2 did not implement white man's strategy, created a new structure and whites reacted to the appointment of a black lady. Change of directors followed and old directors took away customers.
• Era was characterised by active communication and implementation, small booklets were distributed to employees, there were canteen publications on vision and objectives as well as performance targets.	• New board after shareholder takeover never appreciated what PL1 was doing. There was erosion of values. New team never implemented what PL1 had come up with.
• One unit was referred to as 'SaManyika Hotel' meaning 'a hotel for workers predominantly from Manicaland region. 'There is need to focus on competence and not regionalism or nepotism during recruitment as nepotism leads to no teamwork'.	• There was lack of purpose and strategy. Whereas the organisation was running in a specific direction, core messages were thrown out and purpose and strategy never explained. Vision was not clear. 'Takangoona zvinhu zvaipa' meaning 'We just found things deteriorating'
	• 1999-2000 was dramatic, each set of leadership had its own purpose and strategy. In February 2000, a strategy workshop was run by people who did not understand business. This workshop was a disaster with GMs being told 'I will kick your backside'.

Source: Focus Group Discussions

Some individuals from focus groups had more to tell.

Regarding developments after the death of PL1, one middle manager burst out:

> The new strategy did not work and we lost customers and key staff. PL2 was an outsider who bypassed performing insiders. You take someone from an unrelated industry to the hospitality industry. It does not work. When head office changes, all lower structures change! How many head office staff appreciate hospitality?

One shopfloor worker had another input:

> There was need to keep staff informed of changes. We need to know needs and expectations of our customers, reintroduce ethnic, cultural promotions. Every product feature should add value to the business. Managers should interact with customers in bars and restaurants to get strategic information. Customers are asking for the presence of managers.

Another quipped:

> Structures are very important in communicating changes. When you get to a new place, do not claim you know everything. Do not listen to gossip.

And yet another summarised:

> We need a platform for discussing key strategic issues. It was a matter of new people, new things, no continuation. There was no perpetuity of strategy and purpose. The PLEASURE history is hazy. We need to tap into existing resources. Learn from history! No-one has taken time to learn and learn from the past.

Archival evidence suggests there was a new strategy hatched in 1994 to see the company through to 2000. The mission statement gave a very clear direction for enhancing customer value through quality and service. PLEASURE was meant to be a company led by its customers and staff.

PLEASURE set five strategic objectives:

- To achieve a return on investment of at least 23%,
- To grow sales by at least 45% per annum,
- To achieve net profit margins of at least 20%,
- To be fair market share leaders by 2%,
- To be the best employer.

The former FD also referred to ideas about purpose and strategy. He proposed an overall model that PLEASURE needed to adopt, which is detailed under Chapter 6, section 6.1. He suggested that management have to know and understand the key parties to value exchange and what it takes to optimise their specific value requirements.

4.D.14 Success of Change

Focus groups agreed success stories between 1980 and 1998 included PLEASURE business growth, focus on people issues, transparency and keeping of promises. The franchise, initially succeeded but failed. The most significant success of the strategic alliance was the renovations of 3 hotels to meet international standards.

After the expansion witnessed during PL1's era, business contracted with the appointment of PL2 after the shareholder take-over. Business started picking up again towards the end of 2000 with a new focus on business customers and conferences.

Some of the highlights of the responses are reflected in Exhibit 4.D.13 below.

Exhibit 4.D.13: Evidence under 'Success of Changes'

Before & During PL1's Time	During & After PL2's Time
• Group of companies created PLEASURE as part of expansion strategy into hotel industry. Growth and investment into new units was a measure of success and a great reason for joy. Between 1980 and 1998, business grew and expanded into Botswana and South Africa. • A 'Bill of rights for staff' and 'Bill of rights for customers' guided business operations and clearly outlined people processes. These were sacred. Promises to customers and employees were met. Morale of staff was high given the variety of incentives. • Strategic alliance resulted in renovations of units to international standards. The franchise was too expensive and viewed by the international traveller as a poor brand. Customers complained the choice of the strategic alliance partner was ill-advised as the partner had the 'worst performance internationally. They advised PLEASURE to discontinue the arrangement if PLEASURE was to remain in business. • Quality people were developed and even poached by competitors.	• PLEASURE gains were reversed, business contracted. • Both 'Bill of Rights' for staff and 'Bill of Rights' for customers were thrown out of the window. • 'Takararama nenyasha dzamwari' meaning 'We were saved by the grace of God'. The national strike was a key determinant of PL2's departure. She could have taken action. She evaded action and went to Botswana instead. • Strategic alliance was discontinued. It failed after 2 years. Change of company names affects business and reputation • There was staff retrenchment and high turnover at executive level.

Source: Focus Group Discussions

Focus groups also drew parallel lessons (Exhibit 4.D.14) covering time before and after PL1's death. These lessons are possible pointers in the direction of why change efforts may succeed or fail.

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Source: Focus Group Discussions

Focus groups also drew parallel lessons (Exhibit 4.D.14) covering time before and after PL1's death. These lessons are possible pointers in the direction of why change efforts may succeed or fail.

Exhibit 4.D.14: Key Lessons from Focus Groups

Before & During PL1's Time	During & After PL2's Time
• A strong organisation culture based on a shared vision and mission are critically important. Vision/ mission were there but being pursued by managers only. These managers were threatened by the shareholder take-over. Workers should continue driving change processes as managers come and go. • PL1 had many guys in the team. He did not groom anyone to take over. If there is no successor, infighting grows. Power should be shared. PL1 was PLEASURE. • A leader should inform others of plans. Departmental meetings should be a means for communicating strategy and particularly the financial performance of the company. • PL1 knew he was dying and subordinates should have known. It appears there was no time for planning as there was a shareholder take-over. • Have a culture of succession planning. PL1 appreciated values and had succession plans in place. Recruitment, selection, placement and development have to be focused. • There should be value congruency. Have values that are worker-centred instead of manager-centred. • Change of management affects business. • Staff morale is pivotal to success. Incentives were performance-based. Performance was based on GM's leadership and GM's offices were accessible. There were familiarisation tours for staff, job rotation and product promotions. • Communication of strategy and structure is essential. There was a clear structure. Contributions from staff were respected. • PL1 emphasised competence not nepotism. Employment took account of relevant skills. • Relationships with suppliers breaks/keeps business. Key customers were followed up to maintain retention. The profitability of Unit 1 contributed towards the construction of Unit 4. • Good leaders make an effort to meet all staff, attend staff funerals. HR Director had good communication.	• There is power in strategy/purpose/vision/ mission. Understand the organisation when you get into it. There is need to eliminate fear during changes. There is need for continuity at leadership level. Relationship between share holder and management needs positive management. • There is need for good leadership at Group level. In 1999, leadership lost control. We need leaders with a human heart. Turnover at management level was too high. • Communication is key. There was communication breakdown. Information blackout lowered staff morale. • People feel cheated and betrayed by leaders who do not deliver promises. Lead by example. Management needs to be hands-on and responsive. Management sacrifised salary increases so as to allow low-level staff to have increases. • There was no succession planning and supercession of inside performers. One thing that changed was people - always have the right people at the right time. People are critically important. Gender and colour should not be an issue and leaders need to confront not evade issues. • Management changes and staff stay on. There is need to keep staff coherence. • As management changes there is need to understand processes and systems. • Appreciate the experience of workers to maintain service standards. Instead of product promotions, management brought in relatives/family members instead of customers for lunches/dinner. • There were unclear reporting structures. • There was need to balance qualifications and experience. Internal promotions should take precedence of recruitment from outside. • Removal of HR from units was not strategic. There was need for HR at unit level. Staff should never be ignored as they remain united after changes. There was need to retain staff. The question is 'Are we changing for the better?

Source: Focus Group Discussions

The former FD's concluding remarks were even more telling:

> PLEASURE is typical of a lot of Southern African companies which are 'shareholder driven' and thus focus on pleasing their employers - the investor at the expense of the customer.
>
> This is a short term strategy which is self defeating and cannot be sustained in a competitive environment.
>
> To create shareholder value on a sustainable basis, companies should learn to enhance customer value also on a sustainable basis. ....
>
> This is a fundamental win-win principle that should be extended to all facets of business and life in general. Examples are supplier relationships, people relationships etc.

4.D.15 Case D Summary

The PLEASURE case evidence is summarised through Figure 4.D.1 below.

Figure 4.D.1: Summary of PLEASURE Evidence

CONSTRUCT	PLEASURE EVIDENCE
Triggers	Government; Profitability; Potential to attract tourists; Quality of leadership; Death of a leader.
Best practices	Theme dinners; Ethnic promotions; PLEASURE vehicle/street promotions; World-class Action Programme for capability creation; Servant leadership; Supplier product-driven training by supplier at supplier's cost & premises; Bill of Rights for staff, Bill of Rights for customers.
Key players	Government; PL1 & PL2; GMs; Top leadership; Staff; New shareholder; 3 different Group Chairmen.
Time	Very little time for franchise; No time after shareholder take-over; 6 months to replace PL1.
Help	Consultants (1 high quality trained internal change agents for WAP & 2 poor (1 recommended poor quality franchise, another introduced & failed to contextualise JIT); Suppliers provided quality training on their products at own sites & own costs.
Relevance	Changes during PL1 except franchise & JIT were relevant to business goals, PL1 had people care at heart - employees, suppliers & customers; Company was a good corporate citizen; PL2 reversed all the gains from the past - both business & personal goals suffered; Corporate citizenship.
Walking-the-talk	PL1 & team walked the talk; PL2 & team had a different agenda.
Fear & anxiety	PL1 & team fostered trust. New shareholder; PL2 & team created fear & anxiety; There was perceived nepotism & victimization; Trust between management & shareholder was low.
Assessment & measurement	Targets were used to assess progress during PL1's time. Assessment during PL2 was unclear - appeared as if intention was to contract PLEASURE business to be in line with contraction at Group level.
Belief	Staff got clear communication on changes & believed leaders who delivered to promise during PL1's time. Camps were created when new shareholder appointed an outsider PL2 ahead of internal candidates resulting in mass resignations at senior levels.
Governance	PL1 had clear reporting lines. Power was in camps when PL2 took over & changed structures; Accountability was unheard of.
Diffusion	Hands-on management style during PL1's era encouraged live communication across the organization. There was communication blackout afterwards - grapevine & rumour mongering were rampant.
Strategy & purpose	PL1 was a visionary & indicated intention to have PLEASURE expand & listed as a separate entity out of the Group. After PL2, each leader brought in their own ideas & disregarded anything that had been planned for before them.
Success	Bill of Rights for staff & Bill of Rights for customers propped all changes initiated by PL1. After PL1, the strategic alliance was cancelled & business contracted, morale of staff fell. Business performance was achieved through a bruised staff compliment after what the staff call a ruthless retrenchment process aimed at those who were critical of the new team leaders.

Besides confirming all emerging themes and challenges 1, 2, 5 through 14, PLEASURE evidence highlights yet another emerging challenge, theme and proposition.

Emerging Challenge 16: Transfer of positive lessons from political to economic liberation

Companies have to harness positive methodologies used during struggles for political liberation to foster economic liberation.

Emerging Theme 9: People care

Hands-on leaders who exhibit a high level of appreciation of the contribution of staff, customers and suppliers to business survival leave a legacy of people care in the businesses they are responsible over.

Proposition 5: Effective management of conversations

Successful organisational transformation is a function of the effective management of conversations.

4.E THE SOCIAL, POLITICAL AND HISTORICAL CONTEXT

This within case analysis prompted a need for deeper understanding of the context within which managers had to act in the four companies studied.

An intensive literature search was done to appreciate the key Zimbabwean dimensions, regional dimensions and global dimensions that could have influenced the changes in the companies.

The major sources of evidence for the intensive literature search on contextual issues were:

- The Human Development Report Zimbabwe (ZHDR) 2000;
- SADC Regional Human Development Report (SADC HDR) 2000;
- African Intellectual Resources (AIR) 2003.

The participant observation technique was used to confirm some of the evidence as I am a Zimbabwean.

There was a heavier focus on Zimbabwean history from 1980 to 2000 since the four cases on which the study is based are all from Zimbabwe.The longitudinal study covers the same period.The evidence from the four cases strongly suggests a need to comprehend some of the characteristics of Zimbabwean history and culture.

4.E.1 Key Zimbabwean Dimensions

The advent of Zimbabwean independence in 1980 brought with it significant economic, political and social change. An understanding of the economic, political and social changes provides the context within which large-scale change occurred in Zimbabwean companies.

4.E.1.1 Key Economic Dimensions

The key economic dimensions are discussed under two blocks - the first decade and second decade after independence.

4.E.1.1a First Independence Decade: 1980 - 1990

Zimbabwe experienced polarised fortunes in its economic performance within this decade. On the one extreme, expansion was realised in education, health service delivery, land resettlement, road and dam construction. On the other extreme, the economy grew at an average rate of 4.1 per cent between 1980 and 1985 compared to 4.6 per cent between 1985 and 1990. The population growth rate was 3 per cent.

The 1982-83 drought came at a time when there was a world recession, contributing to problems in balance of payments. Early attempts at redressing the anomalies and inequities inherited at independence were abandoned. Kanyenze, cited in ZHDR 2000, suggests the economy tended to be managed on a reactive, management by crisis basis thereafter.

Other analysts like Stoneman (1998), cited in ZHDR 2000, indicate the contradictory approach to economic and social policies. For example, the government pronounced socialist ideals whilst preserving and consolidating the inherited capitalist system. Another example cited is that while government suspected the intentions of foreign investors, it nevertheless proceeded to attract such investment.

In reaction, the World Bank (WB) and International Monetary Fund (IMF) exerted a lot of pressure on the government to adopt economic reforms such as trade liberalisation. A typical example is when the WB refused to sign an agreement for extension of an export revolving fund in 1987. The result was that the government signed the Multilateral Investment Guarantee Agency (MIGA) convention and Overseas Private Investment Cooperation (OPIC) agreement in 1990 in order to reassure investors.

Towards the end of this decade, key players in government and business accepted the need for reforms to boost the depressed investment, streamline labour regulations, create employment and stimulate export growth.

4.E.1.1b Second Independence Decade: 1990 - 2000

In this decade, the socialist governments in the Soviet Union and Eastern Europe collapsed, the role of the WB and IMF grew and the dominant role of government in economic and social policy-making got eroded.

Three major reforms {Economic Structural Adjustment Programme (ESAP), Zimbabwe Programme for Economic and Social Transformation (ZIMPREST) and Millenium Economic Recovery Programme (MERP)} were adopted in this decade.

ESAP ran from 1990 to 1995 and is considered by analysts the most substantive of the three. Two extracts below spell what it was all about.

> ESAP was an orthodox structural adjustment programme, which sought a fundamental shift from a pervasive state intervention system in the economy to one largely driven by market forces. The key targets of ESAP were to:
> - achieve annual GDP growth of 5 per cent during 1991-95;
> - raise savings to 25 per cent of GDP;
> - raise investment to 25 per cent of GDP;
> - achieve export growth of 9 per cent per annum during 1991-95;
> - reduce the budget deficit from over 10 per cent of GDP to 5 per cent by 1995; and
> - reduce inflation from over 17 per cent to 10 per cent by 1995.

Source: Zimbabwe Government 1991, cited in ZHDR 2000

> In order to achieve these objectives, ESAP had, as its main components, competition-enhancing measures. These included trade and exchange rate liberalisation, domestic de-regulation, financial sector reform and related institutional reforms. Fiscal reforms sought to reduce the huge parastatal deficit, and to implement the commercialisation and privatisation of public enterprises. The ESAP programme also included measures to mitigate the social costs of adjustment through the Social Dimension of Adjustment programme.

Source: Zimbabwe Government, Framework for Economic Reform, 1991, cited in ZHDR 2000

Assessing whether ESAP achieved the intended objectives, ZHDR 2000 says ESAP by and large failed and points out:

- Overall growth during the reform period was erratic, attaining an average annual growth rate of less than 1 per cent;
- The budget deficit remained stubbornly high, increasing to 13 per cent of GDP in 1994/5;
- The deficit problem was compounded by a decline in tax revenues from 39 per cent of GDP in 1990 to 28 per cent in 1995;
- Inflation rose substantially peaking at 42 per cent in 1992 before declining to 22 per cent in 1995 and then rising much higher in subsequent years;
- High inflation levels contributed to excessively high interest rates;
- A major drought in 1992 worsened the situation;
- Parastatal losses mounted rather than declined;
- Public sector reforms were slow.

From these failures, ZHDR 2000 highlights the lessons:

- Lack of fiscal discipline resulted in excessive borrowings which fuelled inflation and exacerbated poverty - the resultant macro-economic environment was not conducive to investment;
- Parastatal reform, public service reform and financial service reform were major elements of unfinished business under ESAP;
- To succeed, comprehensive reforms had to be embedded in the aspirations of the people: reforms should empower people to participate in the economy - whatever sacrifices were required for successful implementation of the reforms ought to be shared.

On the basis of these outcomes, the government went on to launch ZIMPREST belatedly in 1998. As a departure from ESAP, ZIMPREST argued that droughts had to be provided for in programmes instead of being reacted to. Reduction of poverty was classified as a challenge given that in 1998 about 61 per cent of Zimbabweans lived in poverty. Employment creation, fostering an entrepreneurial culture, investing in human resource development and building partnerships with other stakeholders were given top priority.

ZIMPREST sought:

- urgent restoration of macro-economic stability (low inflation and interest rates, and a stable exchange rate);
- facilitating of public and private savings and investment needed to attain growth;
- and pursuing economic empowerment and poverty alleviation by generating opportunities for employment and encouraging entrepreneurial initiative.

ZIMPREST then specified what it termed 'a minimum target growth scenario'. Specifically, it sought:

- a consistent reduction in the budget deficit (from 10 per cent to under 5 per cent of GDP) with a corresponding fall in inflation (from over 20 per cent to a single digit level by 2000);
- a sustained improvement in savings and investment performance (higher domestic savings, more efficient investment and an average level of at least 23 per cent of GDP;
- a continuous growth in exports of at least 9 per cent per annum.

Source: ZHDR 2000

ZHDR 2000 identifies fundamental flaws of ZIMPREST:

- Whereas ZIMPREST covered 1996 - 2000, it was only launched in April 1998,
- 2 years behind schedule;
- ZIMPREST was inaugurated at a time when resources had already been allocated through the 3-year rolling budget system;
- ZIMPREST "was about everything", namely poverty reduction, land reform, employment creation, institutional reforms, decentralisation, without spelling out clearly budgetary implications of these policy objectives;
- Judging from past experience, it was unlikely that the projected 6 per cent annual growth rate would be achieved.

An overview of the developments during the ZIMPREST period indicate:

- Real GDP decelerated from 8.5 per cent in 1996 to a negative 2 per cent in 1999 and a projected negative 4 per cent in 2000;
- Two years into ZIMPREST, the budget deficit was still above 10 per cent with inflation well above 50 per cent;
- Unemployment loosely defined hovered between 40 and 50 per cent;
- Savings and investment as a proportion of GDP declined markedly from about 18 per cent in 1996 to 9 per cent and 13 per cent respectively in 1999;
- Export growth in US$ terms collapsed from about 12 per cent in 1996 to 20 percent in 1999. During this period, exports declined at an annual average rate of 2,7 per cent compared with the growth target of 9 per cent per year;
- There was a mismatch between supply and demand of foreign currency forex reserves deteriorated from 4,2 months cover in 1995 to only 1,6 months in 1999, and the situation worsened in 2000.

Source: ZHDR 2000

MERP, launched in 2000, intended to mobilise all stakeholders - government, business, labour and civil society. MERP appraised ESAP and ZIMPREST and concluded, firstly, that the implementation lacked both co-ordination and commitment at all institutional levels resulting in the missing of targets by a wide margin. Secondly, it was necessary to focus on qualitative, human-centred indicators.

MERP was an 18-month programme to run concurrently with the millenium budget with foci as described below.

> The restoration of macro-economic stability would be achieved through the following set of measures:
>
> - consolidation of the fiscus;
> - price stabilisation;
> - exchange rate stabilisation and resolution of the forex crisis;
> - deepening of financial sector reforms;
> - lowering interest rates;
> - acceleration of public enterprise reform;
> - protection of vulnerable groups;
> - establishment of implementation, accountability and monitoring institutions; and
> - building confidence .
>
> With regard to the central issue of consolidating the fiscus, MERP intended to achieve that by improving the credibility and ownership of the budget, rationalisation and reduction of government expenditure, improving budget management performance, and implementing revenue-enhancing measures. The medium-term plan of MERP would focus on:
>
> - sustainable macro economic stability and growth;
> - land reform and agricultural development;
> - infrastructure development and
> - human resource development (including health).

Source: Zimbabwe Government, Millenium Economic Recovery Programme, 2000, cited in ZHDR 2000

By the end of 2000, there was still scepticism as to whether government would implement MERP given the results of ESAP and ZIMPREST.

4.E.1.1c Key Issues Related to Economic Policy and Implementation

Various institutions regarded consensus building as a key issue in economic reforms. For example, the Zimbabwe Congress of Trade Unions (ZCTU) argued:

> A truly national compromise can only be arrived at when all interest groups and stakeholders participate in policy formulation, decision making and implementation ... Participation and decision-making by all levels of society has to be guaranteed through a broad, participatory and decentralised approach.

Source: ZCTU 1996, cited in ZHDR 2000

The Zimbabwe government, as reflected above, affirmed that economic reform programmes should be embedded in the aspirations of the whole community.

The Bretton Woods institutions themselves also talked of the national ownership of reform programmes.

A typical example of the response to these observations was the founding of the National Economic Consultative Forum (NECF) in 1997. Inspite of the fact that the NECF was made up of members from organised business, labour and government, it was viewed as lacking an institutional mandate. Equal representation by government, labour, organised business and other civil groups was called for.

Challenge 9 Refined: Consensus building amongst stakeholders

To succeed in leading change in their companies in emerging nations, managers need to forge an institutional framework and process for consultation and consensus building amongst stakeholders on the make up of reform programmes.

From the overview above, it is evident that there have been gaps between reform plans and outcomes. One of the contributing factors has been the lack of capacity to implement the reforms. The government, for example, acknowledged this in connection with ZIMPREST:

> Under ZIMPREST, the government is in the process of strengthening management at inter-ministerial and ministerial levels, establishing stronger linkages between policy formulation, implementation and financial management. It will also be necessary to strengthen information management systems.

Source: Zimbabwe Government 1998, cited in ZHDR 2000

Challenge 10 Refined: Institutional capacity building

Organisations in emerging nations need to build institutional capacity to minimise/eliminate the gap between designed plans and their implementation.

Evidently, international lending institutions were key players in reform programmes. Zimbabwe sought assistance from the WB and IMF. The role of these institutions has been debated widely. The institutions have also expressed themselves on this issue. For example, Allen (1999), cited in ZHDR 2000, quotes a WB resident representative saying:

> Growth needs to be inclusive. Partial de-regulation without restructuring of the dual economy creates social tensions and not enough jobs. Social sector expenditure needs to be protected, and targeted measures to deal with poverty should not be 'add ons' but made an integral part of the reforms.
>
> State intervention is necessary. Getting prices right and making markets work is important, but these need to be complemented with measures to ensure that the 'unequal' balance of power of those who can readily engage in the market and those who cannot, does not lead to dangerous levels of social tensions.

Challenge 12 Refined: Role of international lending institutions

In the design and implementation of reform programmes in emerging nations, non-state actors will have to assist governments assess the role of international lending institutions. Business leaders, in particular, will have to play a pivotal role.

As far as privatisation was concerned, government wanted to reduce its massive subsidies to parastatals from Z$ 629 million in 1990/91 to Z$ 40 million by 1994/95. In this regard, public sector monopolies would remain under government control as rehabilitated commercial entities or be liquidated.

However, in 1997/98 the eight largest parastatals had a combined deficit of Z$ 11 billion due to management inefficiencies, exchange rate depreciation, inadequate pricing policies, inappropriate investments and the generally unfavourably macro-economic environment (Zimbabwe Government, 1998 cited in ZHDR 2000). In 1999 the total parastatal debt amounted to over Z$ 45 billion over half of which was foreign. Nevertheless, the government had netted over Z$ 2 billion through the privatisation of five entities.

In September 1999, the Zimbabwe Privatisation Agency was set up. The agency was assessed to be lacking adequate support from interested stakeholders because it was considered not representative of these.

Challenge 13 Refined: Privatisation

Managers of companies to be privatised in emerging economies are to undertake the privatisation process transparently, informed by a stakeholder-driven team. Such privatisation is to be an effective vehicle for indigenising the economies.

4.E.1.2 Key Political and Institutional Dimensions

Zimbabwe attained independence in 1980 after many Zimbabweans had exercised their right to vote for the first time. As the new state was in the process of consolidating independence, conflict broke up in Matabeleland and Midlands provinces. This conflict was eventually resolved with the signing of the Unity Accord in 1987. From the late 1980's to the mid-1990's, Zimbabwe was considered stable in a relatively turbulent region.

Masunungure (2000), cited in ZHDR 2000, among other analysts, argues the most far-reaching political development in the late 1980's was the establishment of a powerful Executive Presidency which fused the two roles of Head of State and Head of Government.

A state of emergency was scrapped in 1990 resulting in the proliferation of political parties, civic organisations, independent newspapers and magazines. Zimbabwe remained a multi-party state during the period.

ZANU-PF commanded an overwhelming majority in the 1990 and 1995 elections. Political analysts then called Zimbabwe a de facto one party state where the winning of 95 per cent seats in parliament by ZANU-PF converted parliament into a weak and 'rubber stamping' institution (ZHDR, 2000).

In 2000, the Movement for Democratic Change (MDC) won 57 out of 120 seats in parliamentary elections. This resulted in a radical shift in the composition, role and nature of debate in parliament.

The 2000 parliamentary elections were a turning point in voter turnout as reflected by the following statistics (Exhibit 4.E.1).

Exhibit 4.E.1: Voter Turnout in Post Independence Elections: 1980 - 2000

Year	Potential voting population	Registered voters	Voter turnout	% of potential voters	% of registered voters
1980	2 900 000	2 900 000	2 702 275	93	93
1985	4 000 000	3 500 000	2 972 146	74	85
1990	5 300 000	4 800 000	2 237 524	42	47
1995	6 000 000	2 600 000	1 482 660	25	57
2000	5 500 000	5 049 815	2 552 844	46	50
		Presidential			
1995	6 000 000	4 902 244	1 557 651	26	32

Sources: Sithole1999, 12-13; EU Election Observer Mission July 2000, 12 & 20, cited in ZHDR 2000

From the statistics, it is apparent that voters had disengaged from the electoral process up to 2000. Political scientists suggest the following as contributing factors to the apathy: voter ignorance, suspicion of manipulation of the electoral process, biased and unequal media coverage and the certainty of the electoral outcome. These suggestions have had an impact on the image of the state and government.

Of significance is the role media played in casting a shadow on the state of governance in the country. A typical example was the stand-off between the state and 'The Standard' newspaper in 1999. The newspaper reported the detention and alleged torture of two journalists, considerably tarnishing Zimbabwe's international reputation. ZHDR 2000 argues that the media has an important role in the dissemination of information through 'accurate and balanced reporting rather than sensational and partisan reporting'.

Constitutional reform became a leading national issue in the late 1990's as it was generally agreed that the 1979 Lancaster House independence constitution had outlived its usefulness. Civic organisations, such as the National Constitutional Assembly (NCA) founded in 1998, spearheaded constitutional reform. ZANU-PF also had this item as part of its 1998 congress. The congress endorsed the need for such a reform.

There were differences over the process, however, resulting in NCA and ZANU-PF engaging in two parallel processes in 1999. The outreach programmes ended with the rejection of a draft constitution in the February 2000 referendum. The vote against is publicly considered to have been a vote both against the draft content and prevailing conditions of economic and social hardships.

The rejection of the draft constitution was not a signal that the Lancaster Constitution was better. The debate on constitutional reforms continues. The LEISURE chairman has been an active political analyst on constitutional issues.

Challenge 16 Refined: Consensus based systems

The cultivation of trust and credibility between key stakeholders in the constitution-making process is critical. Business leaders in emerging nations have to play a pivotal role.

4.E.1.2a Capacity Issues in the Zimbabwe Public Service

At independence there were about 46 000 civil servants. As a matter of policy, very few Africans were adequately trained for management positions. For example, out of the approximately 10 000 established officers, only 3 000 were blacks.

With a focus on creating developmental functions for the whole community, the new government had to build capacity. Quantitatively, the service expanded from 46 000 in 1980 to 79 000 in 1983 and 190 000 in 1990. There was a shift from 30% African established officers in 1980 to 86% black in 1983. All 30 permanent secretaries were white in 1980. The colour composition changed drastically to all permanent secretaries, except four, being black. These drastic changes brought with them concerns over the mismatch between jobs and skills. The blacks appointed to senior positions were generally considered highly educated but lacking administrative and technical experience for the new positions.

Part of the Report of the Public Service Review Commission of Zimbabwe of 1989 (also known as the Kavran Report), cited in ZHDR 2000, details the capacity issues. It reads:

> The commission received frightening evidence particularly from the private sector about bureaucratic delays - some measured in years - in processing a variety of applications to government, varying from project approval to price increases. There is a widespread view in the private sector that these have had a detrimental effect upon the general development of the country.

Source: Kavran Report 1989:10, cited in ZHDR 2000

The reward system and conditions of service in the public service have been associated with poor performance and corruption of civil servants. There has been a drift of staff from the public service to the private sector and non-governmental organisations in search of better compensation.

Challenge 14 Refined: Culture of non-performance

There is need to attract and retain capable staff to arrest movement of non-performing staff across the public sector, non-governmental organisations and the private sector in emerging nations.

4.E.1.2b Key Local Governance Dimensions

Zimbabwe inherited a racially divided local government system. On one hand were Rural Councils and Urban Councils for whites and on the other African Councils. The two were managed under different ministries. The new government sought to reorganise local government through key legislation as shown below (Exhibit 4.E.2).

Exhibit 4.E.2: Key Legislation in Local Government

Year	Legislation	Intentions
1980	Amendments to the Urban Councils Act	Included African townships, now known as High Density Areas, under the Act; Extended the vote in local elections to lodgers.
1980	District Councils Act	Brought together the much small African Councils into 55 large and more viable District Councils; Although they lacked autonomy and resources of the 57 rural councils (which were serving commercial farming areas), they were given a wide range of functions and brought under the Ministry of Local Government.
1984	The Prime Minister's Directive	Outlined decentralised co-ordinating development structures from village to provincial levels {6 000 Village development committees (VIDCOS) & 1 000 Ward development committees (WADCOS) with elected members}; VIDCOS & WADCOS were formalised under the Provincial Councils an Administrative Act in 1985.
1988	The Rural District Councils Act	Combined the Rural District Councils and District Councils into one local government structure with a wide range of 64 functions including development, education, health, water and sanitation, roads, housing, natural resources and development of district centres.
1997	Urban Councils Act Amendments	Included the introduction of Executive Mayors.
1998	Traditional Leadership Act	Restored power to traditional leaders and reduced power of elected leaders; Implementation of Act started in 2000.

Source: ZHDR 2000

An important feature is the Ministry of Local Government Public Works and National Housing providing the policy framework for local government. There is also a six-member Local Government Board appointed by central government to oversee the operations of local authorities and approve the appointment or dismissal of senior council employees.

Another structure, the District Development Fund (DDF), is one key source of public finance and services for the development of rural areas. Additionally, the Association of Rural District Councils (ARDC) and the Urban Councils' Association of Zimbabwe (UCAZ) have played important roles in research, training and advocacy to strengthen local governance.

Political parties, NGO's, residents' associations and community-based organisations continue to influence the behaviour of players in local governance. Conflicts between the various stakeholders occur as there is perceived insufficient collaboration, transparency and accountability.

Clarke (1999), cited in ZHDR 2000, suggests what is needed are new forms of leadership, partnership relationships, culture of tolerance and mutual trust, support for civil society, institutional learning and developing organisational cultures which match requirements of collaborative governance.

4.E.1. 3 Key Social Dimensions

The legislative reforms highlighted below (Exhibit 4.E.3) reflect a strategy of inclusion and integration as a recurring theme. Explicitly, there is an emphasis of including women in areas where they had been previously excluded since both men and women have generally internalised partriarchial values which exclude women both in principle and in practice.

Exhibit 4.E.3: Legal Reforms 1980 - 1997

Legal Instrument	Main provisions
Minimum wages Act 1980 Equal Pay Regulations Act 1980	Provided for minimum wages for various unskilled occupations; Seasonal workers (tobacco, tea and cotton pickers) were categorised as permanent workers for purposes of pension benefits.
Customary Law and Primary Courts Act 1981	Provided for equal pay for equal work & half an hour's time before and after lunchtime for breast-feeding.
Legal Age of Majority Act 1982	Established & empowered community courts to administer maintenance laws; Provided for maintenance claims for women in unregistered marriages.
Labour Relations Act 1985	Conferred full legal capacity on every Zimbabwean aged 18 years and above; Gave daughters the capacity to inherit their fathers' estates & women (including widows) the capacity to qualify as guardians of minors and administer deceased estates.
Matrimonial Cause Act No 33 of 1985	Provided for three months maternity leave with some reduction in salary; Outlawed discrimination against any employee on the ground of race, tribe, place of origin, political opinion, colour, creed or sex in respect of wages, promotion, recruitment, training and retrenchment. Provided for equitable distribution of matrimonial assets on divorce; Removed the "fault principle" as grounds for divorce.
Public Service Pensions (Amendments Regulations 1985)	Women can now contribute to medical aid schemes in their own right; Female contributors in the Public Service now contribute to their Pension at the same rate (7.5%) of pension emoluments as men.
Deceased Persons Family Maintenance (Amendment) Act of 1987	Surviving spouse and children have a right to continue occupying the matrimonial house: to use the household goods and effects they were using before the deceased's death; to use and enjoy the crops and animals; Property grabbing by relatives of the deceased became illegal.
Tax Regulations Act 1988	Spouses are now taxed separately; Husbands claim tax exemptions on their children.
Maintenance Amendment Acts	Requires non-custodian parent to contribute regularly to the maintenance of minor children in the custody of the other parent; An appeal against maintenance order no longer results in suspension order; The courts are empowered to attach terminal benefits (e.g. pension) accruing to the person who is ordered to pay maintenance if he/she subsequently leaves employment; A woman can file maintenance claims from court nearest to her. The man is legally obliged to travel to that court. A woman can claim maintenance from an ex-spouse any time after divorce if there is need for it; A woman, in an unregistered customary law union is entitled to maintenance from the man after dissolution of the union.
Infanticide Act 1991	The crime of infanticide replaced the murder charge out of consideration of the mother's post natal depression, rejection by boy friend husband, parents and or relatives.
Deed Registry Amendment Act 1991	Women can now register immovable property in their own name (applies to urban and rural commercial land where title deeds are obtainable)
Constitutional Amendment Act 1996	Puts male and female spouse of Zimbabwean citizens on a similar basis in terms of right to entry into Zimbabwe based on the marital relationship.
Administration of Estates Amendment Act 1997	Provides for the rights of surviving spouse/s in an intestate estate, over the matrimonial home, and also for them to receive a share in the deceased spouse's intestate estate.

Source: ZHDR 2000

Challenge 11 Refined: Gender consciousness

Companies that transform in emerging nations need to move to a higher level of consciousness in gender relations by engaging in gender analysis in order to empower women.

4.E.1.2b Key Civil Society Dimensions

The economic, political and social developments after independence brought with them growth and activism of civil society organisations (CSOs). Speth (1997), cited in ZHDR 2000, aptly summarises the catalytic role of CSOs in Zimbabwe saying:

> They are able to channel and mobilise people's participation in economic and social activities and organise them in ways that can influence public policies and access public resources, particularly for the poor. Together with independent and professional journalism, citizen's groups, universities and others, they can provide checks and balances on government power and monitor social abuses. They can make valuable contributions to policy formulation...

The development of non-governmental organisations (NGOs) was in phases closely linked to the various reforms outlined above. This development is summarised in Exhibit 4.E.4 below.

Exhibit 4.E.4: Phased Development of NGOs in Zimbabwe

Phase	Activities	Types of NGOs in Zimbabwe
First Phase (1979 - 1981)	Nutrition, etiquette, sewing & child care.	Women's groups: Association of Women's Clubs, Zimbabwe Women's Bureau, YWCA.
Second Phase (1882 - 1986)	Income generating activities.	Second generation NGOs: ORAP, OCCZIM.
Third Phase (1987 - 1990)	Policy & Human Rights, Environment, AIDS, Gender.	Service organisations: ZERO, IRED, WILSA, Legal Resources Foundation, Africa 2000.
Fourth Phase (1991 - 1994)	Poverty, environment.	Post-ESAP organisations: Poverty Reduction Forum, Environment 2000, Southern Centre, Development Dialogue, Environmental Law.
Fifth Phase (1997 - 2000)	Governance, Policy issues constitutionalism, democracy.	NCA, SARIPS, Bureau of Strategic Management, Evangelical Fellowship of Zimbabwe.

Source: ZHDR 2000

Notably, NGOs mobilised women and had close ties with the ruling ZANU-PF party in the early 1980's. At the time when the government set its first five-year plan in the mid 1980s, the NGOs shifted their focus to income generating projects, relying on a strategy of donor assistance. The projects were affected by weak distribution systems, depressed local purchasing power, competition from large industries and demands on women labour.

The era of economic reform created an environment calling for NGOs to provide welfare services to the poor and question the basis of poverty. During this era, organisations were formed to deal with concerns of aspirant entrepreneurs perceived as neglected when the government was focusing on socialism.

Quite conspicuous was the manner in which indigenous groups built close relationship with the state and ruling party. This alliance helped them strategise around demanding cheaper credit facilities, legislative backing for affirmative action, preference in the government tender system and the use of the state to source donor funding.

NGOs have supported economic activities including crafts, sewing and knitting, agro-processing, brick-making and building, carpentry, irrigation schemes, livestock schemes, transport and marketing schemes, wild-life management schemes, soap making and financial mobilisation.

A CSO that attracted significant attention is the Zimbabwe National War Veterans Association founded in the 1990s. In 1997, government granted gratuities, pension and other benefits to war veterans. Economic analysts argued that this cost the economy and resulted in the Zimbabwe dollar depreciating significantly.

Challenge 16 Refined: Transfer of positive lessons from political to economic liberation

Companies in emerging economies are to harness positive methodologies used during struggles for political liberation to foster economic liberation.

4.E.2 Key Regional Dimensions

Zimbabwe was part to the Southern African Development Co-ordinating Conference (SADCC) that was transformed into the Southern African Development Community (SADC) in 1992 through the Windhoek Treaty. According to SADC HDR 2000, the purpose of the transformation was to promote deeper integration to address the following:

- Armed conflicts which make it imperative to create a regional mechanism to prevent and resolve conflicts.
- The pressures of contemporary globalisation and concomitant trend towards regional trading blocs which mean that SADC member countries need to urgently transform and restructure their economies to become more competitive.
- Historic dependence on exporting primary commodities and lack of industrialisation.
- The limited market size of the economies of most SADC member countries which makes them individually unattractive to investors.
  Regional integration would increase market size and make it easier to attract and sustain the necessary investment for development, growth and restructuring at higher levels of efficiency and productivity.
- The small size of most SADC member countries in terms of population implying that the per capita cost of providing infrastructure is high. This cost could be reduced if these countries cooperated in the development of infrastructure.
- The spread of HIV/AIDS, TB, malaria and other infectious diseases across SADC member countries which they need to combat through cooperation.

Source: SADC HDR 2000

The Windhoek Treaty defined the objectives of the community as to:

- Achieve development and economic growth, alleviate poverty, enhance the standard and quality of life of the peoples of Southern Africa and support the socially disadvantaged through regional integration.
- Evolve common political values, systems and institutions.
- Promote and defend peace and security.
- Promote self-sustaining development on the basis of collective self- reliance and the interdependence of member states.
- Achieve complementarity between national and regional strategies and programmes.
- Promote and maximise productive employment and use of natural resources of the region.
- Achieve sustainable use of natural resources and effective protection of the environment.
- Strengthen and consolidate the long-standing historical, social and cultural affinities and links among the peoples of the region.

Source: SADC HDR 2000

The Treaty also outlined that the above objectives would be achieved by:

- Harmonising political and socio-economic policies and plans of member states.
- Creating appropriate institutions and mechanisms to mobilise required resources to implement the programmes and operations of SADC and its institutions.
- Developing policies aimed at the progressive elimination of obstacles to free movement of capital and labour, goods and services, and of the peoples of the region generally among member states.
- Promoting the development of human resources.
- Promoting the development, transfer and mastery of technology.
- Improving economic management and performance through regional co-operation.
- Promoting the co-ordination and harmonisation of the international relations of member states.
- Developing such other activities as member states may decide to further the objectives of SADC.

Source: SADC HDR 2000

In order to gain deeper insights into the nature of rates of economic growth in SADC member states, selected rates are shown in Exhibit 4.E.5 below.

Exhibit 4.E.5: Selected Economic Growth Rates in SADC

Country	Average Annual 1991/94	Growth Rates 1995/98	1991/98
Angola	-7.0	7.9	0.5
Botswana	3.7	6.4	5.0
DR Congo	-9.0	-3.0	-6.0
Lesotho	5.1	4.2	4.7
Malawi	0.2	8.5	4.3
Mauritius	5.4	5.7	5.5
Mozambique	7.0	8.3	7.6
Namibia	5.1	2.7	3.9
Seychelles	3.7	2.8	3.3
South Africa	0.2	2.1	2.3
Swaziland	2.7	3.3	3.0
Tanzania	3.2	3.7	3.4
Zambia	0.2	1.4	1.6
Zimbabwe	0.9	2.4	3.3
SADC	**-0.03**	**2.6**	**2.2**

Source: SADC Finance & Investment Sector Co-ordinating Unit, cited in SADC HDR 2000

From Exhibit 4.E.5, the average annual growth rate in the Region was 2.2 per cent between 1991 and 1998. According to SADC HDR 2000, this rate was below the average population growth rate. Thus, on average, output per capita decreased.

A number of reasons are advanced for the variation of rates from -6.0 per cent for the Democratic Republic of Congo (DRC) to 7.6 per cent for Mozambique. For example, low or negative growth rates have been attributed to factors such as droughts and war. On the other hand, Mozambique's low-income base is considered to be responsible for the high economic growth rate in that country.

For Zimbabwe, there was a reasonably steady increase in growth rates although the 1995/98 rate was slightly below the SADC rate. Interestingly, the three rates for Zimbabwe were higher than those for South Africa.

The figures indicate SADC has generally been facing an unstable macroeconomic environment. The instability is characterised by:

- Unsustainable budget deficits, the financing of which crowds the private sector out of the domestic financial market;
- High inflation and interest rates which discourage investment;
- Unsustainable balance of payments deficits, which have to be financed by foreign borrowing;
- High levels of external public debt, the servicing of which has a major impact on the capacity of governments to invest in human development;
- Exchange rate instability which discourages trade and investment.

Source: SADC HDR 2000

Exhibits 4.E.6 through 4.E.8, highlighting some of these aspects, suggest that restoration of macroeconomic stability is a must for SADC.

Exhibit 4.E.6: Overall Budget Deficits as a Percentage of GDP, 1990/98

Country	Average 1990/94	Average 1995/98	Average 1990/98
Angola	-16.3	-17.6	-16.9
Botswana	8.2	4.6	6.6
DR Congo	-16.5	-11.0	-14.0
Lesotho	2.5	1.7	2.2
Malawi	-8.7	-5.5	-7.3
Mauritius	-2.1	-5.2	-3.5
Mozambique	-4.6	-2.8	-3.8
Namibia	-2.5	-4.0	-3.2
Seychelles	-5.8	-11.7	-3.4
South Africa	-6.3	-4.2	-5.4
Swaziland	1.6	-1.2	-1.4
Tanzania	-1.9	-0.3	-1.2
Zambia	-5.8	-1.3	-3.8
Zimbabwe	-6.3	-7.0	-6.6
SADC	**-6.6**	**-4.6**	**-5.7**

Source: FISCU, 'Macroeconomic Convergence in SADC' cited in SADC HDR 2000

Notably, Botswana and Lesotho recorded surpluses in both periods. Zimbabwe, however recorded a higher deficit figure in 1995/98 as compared to 1990/94. The Zimbabwean and

South African deficit figures were the same for 1990/94.

SADC HDR 2000 uses changes in consumer prices to measure inflation. Exhibit 4.E.7 below reflects inflation rates in SADC countries for the 1990s.

Exhibit 4.E.7: Inflation Rates: Change in Consumer Prices, 1990/98

Country	Average 1990/94	Average 1995/98	Average 1990/98
Angola	543	1 750	1 079
Botswana	13	9	11
DR Congo	6 403	347	3 711
Lesotho	12	9	11
Malawi	20	40	29
Mauritius	9	6	8
Mozambique	46	27	37
Namibia	11	8	10
Seychelles	2	0.1	1
South Africa	12	8	10
Swaziland	12	9	10
Tanzania	24	19	22
Zambia	122	32	82
Zimbabwe	27	24	25
SADC	**12**	**9**	**10**

Source: FISCU, 'Macroeconomic Convergence in SADC' cited in SADC HDR 2000

The statistics, ranging from 1 per cent for Seychelles to 3 711 per cent for the DRC, show that inflation was generally very high in SADC throughout the 1990's. SADC HDR 2000 points out that the rapidity of the inflation is more scaring. On one extreme, such rapidity distorts and discourages investments since a rapid trend is associated with price instability around the trend. In environments like these, short-term speculation creeps in leading to stockpiling, scarcity and further price increases. On the other extreme, high and unpredictable inflation leads to investors' reluctance to commit long-term.

Rapid inflation affects the distribution of income, erodes purchasing power and is associated with an increase in labour unrest. There is strong evidence that countries caught up in a vicious circle of large inflationary pressures end up depreciating the currency like Zimbabwe did in the late 1990's.

Exhibit 4.E.8: External Current Account as a Percentage of GDP, 1990/98

Country	Average 1990/94	Average 1995/98	Average 1990/98
Angola	-9.5	-14.7	-11.8
Botswana	5.5	7.9	6.6
DR Congo	-4.5	-1.9	-3.4
Lesotho	-30.9	-30.0	-30.5
Malawi	-10.0	-8.7	-9.4
Mauritius	-2.3	1.6	0.8
Mozambique	-20.9	-16.8	-19.1
Namibia	3.2	4.8	3.9
Seychelles	-1.1	-2.3	-1.6
South Africa	0.7	-1.5	-0.2
Swaziland	0.7	-0.6	0.1
Tanzania	-6.2	-14.7	-9.9
Zambia	-1.4	-5.6	-3.2
Zimbabwe	-4.0	-2.8	-3.4
SADC	**-0.8**	**-2.6**	**-1.5**

Source: FISCU, 'Macroeconomic Convergence in SADC,' cited in SADC HDR 2000

The current account deficit figures above (Exhibit 4.E.8) show that there was an increase in Angola, Malawi, South Africa, Tanzania, Zambia and Seychelles, a decrease in Mauritius, Mozambique and Zimbabwe and a surplus in Botswana and Namibia. Swaziland experienced both surpluses and deficits in some years.

SADC HDR 2000 concludes devaluation of currencies was consequently used as a policy tool to balance payments in most SADC countries.

Exhibit 4.E.9: External Public Debt as a Percentage of Exports of Goods and Non-factor Services, 1990/98

Country	Average 1990/94	Average 1995/98	Average 1990/98
Angola	285.6	205.9	248.5
Botswana	29.9	20.5	25.7
DR Congo	747.3	920.5	824.3
Lesotho	330.7	216.5	279.9
Malawi	454.6	440.9	448.2
Mauritius	41.9	41.5	41.7
Mozambique	1902.8	1139.4	563.5
Namibia	23.3	12.8	18.6
Seychelles	57.9	59.2	58.5
South Africa	18.3	31.2	24.0
Swaziland	28.3	20.3	24.7
Tanzania	596.2	618.2	606.0
Zambia	566.9	598.3	581.8
Zimbabwe	170.6	146.2	159.7
SADC	**129.3**	**123.0**	**127.3**

Source: FISCU, 'Macroeconomic Convergence in SADC,' cited in SADC HDR 2000

The figures above (Exhibit 4.E.9) show a high external debt burden for the region although it was lower in 1995/98. Critiques reflected that such a burden creates policy credibility problems resulting in domestic and foreign investors fearing that returns on their investment will be taxed to service external debt.

The state of the economy in SADC countries painted above present a number of challenges for companies in these states.

As AIR (2003) points out, close to 80% of people in the region are peasants deriving their livelihood from small-scale agriculture. In this regard, land should be available and economic growth agriculture led. Two challenges highlighted through the company cases immediately follow this realisation and are refined below:

Challenge 3 Refined: Land redistribution

Companies that transform in emerging nations will have to promote an equitable pattern of land redistribution.

Challenge 4 Refined: Economic reform and poverty reduction

Companies that transform in emerging nations are to conduct business aimed at sustaining long-term high rates of economic growth driven by agriculture in order to reduce poverty.

From the cases and the context, the refined employment creation challenge is:

Challenge 5 Refined: Employment creation and entrepreneurship

Companies that transform in emerging nations are to create employment and upscale entrepreneurship to enable the states to restructure their economies and compete globally.

Organisational transformation has to improve the quality of life of people. The refined challenge in this area is:

Challenge 6 Refined: Ecological harmony

Companies that transform in emerging nations are to engage in safety, health and environmental programmes to enhance the quality-of-life of employees and the communities.

Crime, including corruption, should be eliminated.

Challenge 7 Refined: Boosting investor confidence

Companies that transform in emerging nations are to contribute towards the reduction/elimination of (trans)national conflicts, crime (including corruption) in order to boost investor confidence.

The context evidence confirms that companies in emerging nations need to compete globally.

Challenge 8 Refined: Value-enhanced products and services for global markets

Companies that transform in emerging nations are to (re)brand value-enhanced products and services for the global market .

4.E.3 Key Globalisation Dimensions

Other than national and regional factors, global issues also shape, facilitate or constrain economic activities and company operations particularly. There is evidence that most emerging economies have little, if any, instruments or regulatory capacity to ensure that transnational firms have satisfactory standards of accountability and transparency in their operations.

For example, while discussing global governance, particularly the intervention in economic and social policy by the WB and IMF in Zimbabwe, ZHDR 2000 concedes:

> Essentially, it is the host government which bears the responsibility of the outcomes. Such outcomes vary from "food riots" to government loss of popularity and legitimacy. The global institutions do not account for their specific interventions through the adjustment programmes, nor do they bear responsibility for the subsequent social and political fall-out. It has been observed that these institutions have leaned hard on national governments to adopt their preferred systems of social protection, and that most experiences would suggest that the WB and IMF should incorporate principles of democratic and equitable governance into their policies and programmes. The same may be said of the programmes of these institutions in Zimbabwe.

It would appear profit making, market expansion and lower production costs are key considerations that guide operations of companies. However, pressures are mounting globally for firms to be accountable in areas like environmental protection, job security for employees and general welfare of the society. In particular, expectations regarding social responsibility of companies in Zimbabwe are growing.

Human Development Report Zimbabwe (ZHDR) 1999 quotes Chitauro saying:

> Increasing globalisation and its intricate linkages with modern technology permits the interests and powers of other nations, as well those of the economically powerful multinational corporations, to penetrate deeply into the lives and decisions at local level. Those developments have made action and initiatives by local communities increasingly difficult. As all economies, both large and small, increasingly depend on international trade, national economies have become less amenable to direction by domestic policy.

Such sentiments have been expressed in a quest for the strengthening of regional economic blocks of developing countries to improve their bargaining power in the global arena.

These insights are consonant with Ali Mazrui's sharp assessment of cultural dependence of African economies:

> Africa may have retained some level of political independence, but the struggle for economic autonomy and cultural authenticity has only begun. The economies of Africa are still penetrated by foreign capital, and members of the new black bourgeoisie are mainly allies of external foreign interests. The cultural penetration includes the prevalence of a consumer, the persistence of a colonial educational structure ... The continuing domination of the elite culture in Africa by foreign languages becomes symptomatic of this deep-seated cultural dependency.

Source: AIR 2003

AIR (2003) present that the celebration of an African cultural identity and civilisation would narrow the divide between developed and emerging nations. In this regard,
AIR (2003) quote Ali Mazrui and two other African futurists: Ngugi wa Thiongo and Amilcar Cabral.

While Ali Mazrui is quoted observing:

> But in the final analysis, the shallowness of the imported institutions is due to that culture gap between the new structures and ancient values, between alien institutions and ancestral traditions. Africa can never go back completely to this pre-colonial starting point but there may be a case for at least a partial retreat, a case for reestablishing contacts with familiar landmarks of yesteryear and restarting the journey of modernisation under indigenous impetus.

Ngugi wa Thiongo is quoted suggesting:

> Similarly ... a nation that loses faith and belief in itself, in its history, in its capacity to change the scheme of things, becomes weakened in its political and economic struggles for survival.

and Amilcar Cabral's quoted position is:

> A people who free themselves from foreign domination will not be free unless, without underestimating the importance of positive contributions from the oppressor's culture and other cultures, they return to the upward paths of their own culture.

What is significant is that AIR (2003) proceed to give a holistic link between psychological, emotional, spiritual, social, cultural, political and intellectual roots through Okumu who argues:

> This is because of my firm belief in the African tradition; that without a knowledge of history or his links to the past, man is a social amnesiac, both intellectually and therefore to some extent emotionally rootless.

The evidence above provides confirmation of the challenge that emerged in the company cases around the role of national cultures in transformation.

Challenge 1 Refined: Role of national cultures in transformation

Organisations that transform in emerging nations have to anchor such change on national culture to narrow global inequities between developed and emerging nations.

From the Mazrui quote above, language plays a critical role in the creation of wealth and transmission of culture.

Therefore, organisations that transform in emerging economies are faced with a language challenge.

Challenge 2 Refined: Use of relevant national languages

Organisations that transform in emerging nations have to use relevant national languages to convey and embed the new/different ways of doing business to all relevant stakeholders.

Two propositions have also surfaced from the intensive literature search:

Proposition 6: Key stakeholder blocks

The role of state institutions, political parties and civil society is a major determining factor in the shaping of organised business in a society.

Proposition 7: Lack of consultation and polarisation

The lack of consultation on major economic issues and governance often leads to polarisation of positions between states, civil society and the private sector.

4.F Chapter summary

From the within case data analysis and change literature (Senge 1999 & Chowdhury 2000), I made tentative definitions of the fourteen possible constructs (Figure 4.F.1). I will refine these definitions on the basis of the cross-case analysis to follow in Chapter 5.

Figure 4.F.1: Tentative Construct Definition from Within-case Analysis

CONSTRUCT	TENTATIVE DEFINITION
Triggers of transformation.	Critical incidents that the organization has to respond to for its survival.
Best practices of transformation	Tried & tested ideas & ways of conducting business that can be migrated within & across organizations & environments.
Key players	Those actors influencing others through their credibility, capability & commitment.
Time	Pilot group's flexibility & control over its own energy & priorities.
Help	Coherent, consistent, knowledgeable coaching, guidance & support.
Relevance	Presence of a clear, compelling business case for learning.
Walking the talk	The match between espoused values & actions.
Fear & anxiety	Concerns about exposure, vulnerability & inadequacy triggered by the conflict between increasing levels of candor & openness among members of the pilot group.
Assessment & measurement	Establishing the degree of success of the transformation effort.
Belief in the transformation effort	The extent of polarization in belief about the transformation effort.
Governance	The legitimate autonomy of a pilot group to act in tune with existing power & accountability structures.
Diffusion	The ability to transfer knowledge across organizational boundaries, making it possible for people around the system to build upon each other's success.
Strategy & purpose	Where the business is going & what the business is there for.
Success	The achievement of desired results/outcomes.

Figure 4.F.2 summarises the findings on challenges and the refinements of these challenges given the context evidence.

Figure 4.F.2: Emerging & Refined Challenges (continued on next page)

CHALLENGE	EMERGING CHALLENGE	REFINED CHALLENGE
1. Role of national culture in transformation	Organisations that transform in Zimbabwe have to anchor such change on national culture.	Organisations that transform in emerging nations have to anchor such change on national culture to narrow global inequities between developed and emerging nations.
2. Use of relevant national languages	Organisations that transform in Zimbabwe have to use relevant national languages to convey and embed the new different ways of doing business to all relevant stakeholders.	Organisations that transform in emerging nations have to use relevant national languages to convey and embed the new different ways of doing business to all relevant stakeholders.
3. Land redistribution	Organisations that transform in Zimbabwe will have to promote an equitable pattern of land redistribution.	Organisations that transform in emerging nations will have to promote an equitable pattern of land redistribution.
4. Economic reform and poverty reduction	Organisations that transform in Zimbabwe have to conduct business aimed at sustaining long-term high rates of economic growth driven by agriculture in order to alleviate poverty.	Organisations that transform in emerging nations have to conduct business aimed at sustaining long-term high rates of economic growth driven by agriculture in order to alleviate poverty.
5. Employment creation and entrepreneurship.	Organisations that transform in Zimbabwe have to create employment and upscale entrepreneurship to enable the state restructure its economy and compete globally.	Organisations that transform in emerging nations have to create employment and upscale entrepreneurship to enable the states restructure their economies and compete globally.
6. Ecological harmony	Organisations that transform in Zimbabwe have to engage in safety, health and environmental programmes to enhance the quality-of-life of employees and communities.	Organisations that transform in emerging nations have to engage in safety, health and environmental programmes to enhance the quality-of-life of employees and communities.
7. Boosting investor confidence	Organisations that transform in Zimbabwe have to contribute towards the reduction/elimination of (trans)national conflicts, crime, including corruption, in order to boost investor confidence.	Organisations that transform in emerging nations have to contribute towards the reduction/elimination of (trans)national conflicts, crime (including corruption) in order to boost investor confidence.
8. Value-enhanced products and services.	Organisations that transform in Zimbabwe have to (re)brand value-enhanced products and services for the global market.	Organisations that transform in emerging nations have to (re)brand value-enhanced products and services for the global market.

Figure 4.F.2: Emerging & Refined Challenges (continued from previous page)

CHALLENGE	EMERGING CHALLENGE	REFINED CHALLENGE
9. Consensus building amongst stakeholders.	To succeed in leading change in their companies in Zimbabwe, managers need to forge an institutional framework and process for consultation and consensus building amongst stakeholders on the make up of reform programmes.	To succeed in leading change in their companies in emerging nations, managers need to forge an institutional framework and process for consultation and consensus building amongst stakeholders on the make up of reform programmes.
10. Institutional capacity building.	Organisations in Zimbabwe need to build institutional capacity to minimise/eliminate the gap between designed plans and their implementation.	Organisations in emerging nations need to build institutional capacity to minimise/eliminate the gap between designed plans and their implementation.
11. Gender consciousness	Organisations in Zimbabwe need to move to a higher level of consciousness in gender relations by engaging in gender analysis in order to empower women.	Organisations in emerging nations need to move to a higher level of consciousness in gender relations by engaging in gender analysis in order to empower women.
12. Role of international lending institutions.	In the design and implementation of reform programmes in Zimbabwe, non-state actors will have to assist government assess the role of international lending institutions.	In the design and implementation of reform programmes in emerging nations, non-state actors will have to assist governments assess the role of international lending institutions. Business leaders will have to play a pivotal role.
13. Privatisation	Managers of companies to be privatised in Zimbabwe are to undertake the privatisation process transparently, informed by a stakeholder driven team. Such privatisation is to be an effective role for the of indigenisation of the economy.	Managers of companies to be privatised in emerging economies are to undertake the privatisation process transparently, informed by a stakeholder driven team. Such privatisation is to be an effective role for the indigenisation of the economies.
14. Culture of non-performance	There is need to attract and retain capable staff to arrest the movement of non-performing staff across Zimbabwean companies.	There is need to attract and retain capable staff to arrest the movement of non-performing staff across the public sector, non-governmental organisations and the private sector in emerging nations.
15. Consensus based systems.	The cultivation of trust and credibility between key stakeholders in the constitution making process is critical. Business leaders in Zimbabwe have to play a critical role.	The cultivation of trust and credibility between key stakeholders in the constitution making process is critical. Business leaders in emerging nations have to play a critical role.
16. Transfer of positive lessons from political to economic liberation.	Companies in Zimbabwe have to harness positive methodologies used during the struggle for political liberation to foster economic liberation.	Companies in emerging nations have to harness positive methodologies used during the struggles for political liberation to foster economic liberation.

Figure 4.F.3 captures the emerging themes and possible theme statements.

Figure 4.F.3: Emerging Themes & Possible Theme Statements

EMERGING THEME	POSSIBLE EMERGING THEME STATEMENTS
1. Consensus building amongst stakeholders	Intense collaboration with key stakeholders leads to success of transformation.
2. Stakeholder needs & expectations	Organisational transformation revolves around changing stakeholder needs and expectations.
3. Stakeholder promises	Organisational transformation revolves around changing promises to address changing stakeholder needs and expectations.
4. Delivery processes.	Organisational transformation revolves around changing processes to deliver changing promises.
5. Structures and systems	Organisational transformation revolves around changing structures and systems to align with changing processes.
6. Capacity and capability	Organisational transformation revolves around changing capacity and capability to sustain the momentum of the change.
7. Capturing changing needs and expectations	Formal and informal promise delivery forums with staff need to be held to prepare staff capture changing needs and expectations of key business stakeholders.
8. Active listening.	Staff need to listen to business stakeholders' needs and expectations.
9. People care	Hands-on leaders who exhibit a high level of appreciation of the contribution of staff, customers and suppliers to business survival leave a legacy of people care in the businesses they are responsible over.

Figure 4.F.4 captures possible areas for further study from the within case analysis.

Figure 4.F.4: Possible Areas of Further Study as Propositions

POSSIBLE AREA	PROPOSITION
1. Contextualisation of business issues.	Contextualisation of business issues is a prerequisite for success of transformation efforts.
2. Natural disasters.	Natural disasters like drought trigger major change. There appears to be a 10-year drought cycle for Zimbabwe.
3. Interface between government, business and civic society	Transformational business leaders need to thoroughly understand the interface between business, government and civic society.
4. Managing the interface between key power blocks processes.	Success in business transformation is dependent on the ability to manage the interface between key power blocks.
5. Effective management of conversations.	Successful organisational transformation is a function of the effective management of conversations.
6. Key stakeholder blocks.	The role of state institutions, political parties and civic society is a major determining factor in the shaping of organised business in a society.
7. Lack of consultation and polarisation.	The lack of consultation on major economic issues and governance often leads to polarisation of positions between states, civil society and the private sector.

CHAPTER 5: CROSS CASE ANALYSIS

5.0 Introduction

This chapter focuses on the refinement of the fourteen constructs, amplification of points of convergence and points of divergence in experiences of organisational transformation.

To enhance the analysis, Exhibit 5.1 has been constructed to highlight the salient features of the evidence across cases. This way of presenting the evidence permits not only paired comparisons but also a comprehensive, quick and thorough search for cross case patterns and differences.

Case evidence in Chapter 4 and the summarised version (Exhibit 5.1) have been assessed further to check for any reflections of cross case challenges and themes (Figure 5.1 and 5.2). Presenting the evidence this way allows for a helicopter view and deeper appreciation of the points of convergence and divergence in the challenges and themes.

The cross case data has also sharpened the redefinition of constructs which have been summarised in Figure 5.9.

The points of convergence and divergence have been distilled to show integrated links between themes and challenges (Figure 5.10)

Exhibit 5.1: Summary of Cross-case Evidence (continued on next page)

CONSTRUCT	CROP	FINANCE	LEISURE	PLEASURE
Triggers	Government (promises to electorate); Environmental (natural disasters); Globalization (world-class best practices); Technological advances (computerization); Economic climate (work process best practices); Heightened competition.	Government; The need for good corporate governance based on openness, integrity & accountability.	Government (turnaround, growth, privatization & retarded growth); Economic climate (retarded growth); Globalization (e-commerce capability demands).	Government; Profitability; Potential to attract tourists; Quality of leadership; Death of a leader.
Best practices	Benchmarking in & outside Africa (Swaziland & Australia); Shanduko; SHE 5-minute daily documented inclusive forums; Land redistribution; Community engagement in SHE; Winning Safety awards on environmental management systems.	High levels of transparency; Vision 2000 achieved 1 year earlier, Vision 2003 overlapping with Vision 2000; Voted Best Bank in Zimbabwe by world-wide Euromoney annual surveys and awards for banking excellence in 1999 & 2000; Integrated strategic planning & implementation; Bank-wide committees created around challenge areas, Departments restructured as informed by stakeholder expectations; Forging strategic alliances with key stakeholders; supporting small-scale business.	Previously subsidized by Government, LEISURE was profitable in 1992 - Its first year of operation.	Theme dinners; Ethnic promotions; PLEASURE vehicle/street promotions; World-class Action Programme for capability creation; Servant leadership; Supplier product-driven training by supplier at supplier's cost & premises; Bill of Rights for staff, Bill of Rights for customers.
Key players	Government; All employees; Management; Business Unit leaders; External & Internal consultants; Steering committee; Change champions & Community members.	All Bank clients; Government; RBZ; Chairman & Board; Local & International financial institutions & Correspondents; Prospective new shareholders; Public in general.	Government (particularly Minister of Mines, Environment & Tourism); Board; CEO; Management Staff; Customers & Strategic partners.	Government; PL1 & PL2; GMs; Top leadership; Staff; New shareholder; 3 different Group Chairmen.
Time	SHE (immediate); Shanduko (one year time window, 4-6 months training to kick-start process); computerization (immediate with 8 month parallel run).	Very little time for turnaround, 1 year to find CEO, 6 months for privatisation.	Very little time.	Very little time for franchise; No time after shareholder take-over; 6 months to replace PL1.

Exhibit 5.1: Summary of Cross-case Evidence (continued on next page)

CONSTRUCT	CROP	FINANCE	LEISURE	PLEASURE
Help	Employee sensitization & inculcation of a sense of inclusivity (lower level employees not aware of quality & kind of help required); Saturated communication required; Capability creation (all changes); Relocation of employees with health problems.	Help organized around challenge areas (External consultants for image-building, human resources, treasury systems, IT, strategic planning; External & internal consultants for systems & procedures; International NGO for new community-based lending; Moral support from CEOs & staff of correspondent banks; 1997 RBZ audit.	Help was around 3 strategy areas (marketing & branding, skills development & operational excellence) - External consultants assisted.	Consultants {1 high quality trained internal change agents for WAP & 2 poor (1 recommended poor quality franchise, another introduced & failed to contextualise JIT); Suppliers provided quality training on their products at own sites & own costs.
Relevance	Changes benefited key stakeholders (staff, government, community); Improved quality of life of employees; Employment creation; Code of conduct brought sense of common purpose; Business was value-based (e.g. we want to make money but not bloody money).	Business turnaround & growth; Bank tries to employ, empower & develop people (a human resource balance sheet approach used).	4 hotels in 1992 to 14 in 1999; A handful of dilapidated safari vehicles to 100 safari-related vehicles in same period. Privatization saw a cash injection of $120 million. Interviewees had mixed reactions on relevance to personal goals.	Changes during PL1 except franchise & JIT were relevant to business goals, PL1 had people care at heart - employees, suppliers, community & customers; PL2 reversed all the gains from the past - both business & personal goals suffered.
Walking-the-talk	Mixed evidence (where initiative directed from Group/ top management, advocates walked the talk e.g. SHE, Shanduko, Haulage system); One HR manager walked the talk & the other did partially	Chairman, MD & CEO's team walked the talk & led by example (e.g. Chairman resigned from Board after making contribution to the turnaround; MD & CEO cautioned habitual defaulters on behalf of Bank).	CEO walked the talk initially. Respondents claim CEO is increasingly invisible with the growth of the business.	PL1 & team walked the talk; PL2 & team had a different agenda.
Fear & anxiety	Views were polarized (focus groups generally said there was acknowledgment, within mixed focus groups a sense of fear was expressed, individual respondents had mixed answers); A new language emerged when things were not working.	Fear & anxiety were acknowledged (CEO said turnaround journey involved tests of staff's character & calculation, courage & determination in the face of adversity & uncertainty).	Fear & anxiety were acknowledged & often stepped up.	PL1 & team fostered trust. New shareholder; PL2 & team created fear & anxiety; There was perceived nepotism & victimization; Trust between management & shareholder was low.

Exhibit 5.1: Summary of Cross-case Evidence (continued on next page)

CONSTRUCT	CROP	FINANCE	LEISURE	PLEASURE
Assessment & measurement	Informal & formal: Black advancement was informally assessed; Shanduko & SHE had rigorous reporting procedures; Mill performance measures documented in annual reports.	Various teams assessed progress on challenge areas under them & assessments featured in annual reports; 1997 RBZ audit; Rewards linked to performance.	6 areas of assessment (revenue growth, cost containment, skills retention & turnover, competitive analysis, product rationalization and refurbishment) were foci.	Targets were used to assess progress during PL1's time. Assessment during PL2 was unclear - appeared as if intention was to contract PLEASURE business to be in line with contraction at Group level.
Belief	Three groups of people {the committed, doubters (became disciples once convinced) & pretenders (moved back to old ways)}.	Some ex-employees considered turnaround too tough; Those who believed in the change stayed on until opportunity arose for retrenchment packages - 1999 staff retention rate was 94.2%.	Some senior managers tasked to champion change left when their view points were not accepted.	Staff got clear communication on changes & believed leaders who delivered to promise during PL1's time. Camps were created when new shareholder appointed an outsider PL2 ahead of internal candidates resulting in mass resignations at senior levels.
Governance	Each change had defined power & accountability structures (e.g. Haulage system changes under Agriculture Director resulted in structural changes in shifts, SHE & Code of conduct had committees, HR system changes directed by steering committee, Shanduko & Resultant outsourcing under CEO had executives as steering committee).	New Board chairmen led restructuring; MD & CEO brains behind the success of FINANCE. Turnaround committees set up. New directors appointed on privatization increasing number from 5 to 14 (Vision 2003 committees established, Governance enhanced through worker participation, Bank organized functionally to reflect new focus).	First 1992 Board dissolved & replaced in 1999 to usher in another representing the new equity partners after privatisation.	PL1 had clear reporting lines. Power was in camps when PL2 took over & changed structures; Accountability was unheard of.

Exhibit 5.1: Summary of Cross-case Evidence (continued from previous page)

CONSTRUCT	CROP	FINANCE	LEISURE	PLEASURE
Diffusion	Learning included SHE inclusive forums; Shanduko continuous improvement cycle model about diffusing; Communication networks during development of code of conduct (520 workers committee members cascaded messages to all after training). Haulage system changes communicated selectively.	1995 & 1998 strategy workshops were followed by diffusion of challenges & supporting structures through a total involvement programme. Privatization provided learning to FINANCE & other organizations intending to go that route.	One-to-one interview respondents generally agreed there was insufficient learning that took place.	Hands-on management style during PL1's era encouraged live communication across the organization. There was communication blackout afterwards - grapevine & rumour mongering were rampant.
Strategy & purpose	SHE influenced ecological harmony & corporate citizenship focus in running business. Link of other changes to strategy & purpose not clear to lower level employees.	Vision 2000 & Vision 2003 guided the operations; A department in charge of corporate planning, change management & staff training was created.	Forging strategic alliances was considered critical early in the history of LEISURE. Strategy formulation was driven by tourism's key value drivers (marketing & branding, skills development & operational excellence).	PL1 was a visionary & indicated intention to have PLEASURE expand & listed as a separate entity out of the Group. After PL2, each leader brought in their own ideas & disregarded anything that had been planned for before them.
Success	Shanduko incentives could have been paid earlier. Shanduko & resultant outsourcing, SHE, Haulage system changes, Development of code of conduct considered huge success stories. Mixed reactions expressed over Computerization.	Turnaround, Privatization & Growth were successful	LEISURE turned around, was privatized & listed simultaneously & successfully, grew & then went into retarded growth.	Bill of Rights for staff & Bill of Rights for customers propped all changes initiated by PL1. After PL1, the strategic alliance was cancelled & business contracted, morale of staff fell. Business performance was achieved through a bruised staff compliment after what the staff call a ruthless retrenchment process aimed at those who were critical of the new team leaders.

5.1 Construct Refinement Based on Cross-ase Evidence

A cross-case analysis of evidence under each construct is followed by the redefinition of each construct.

5.1.1 Triggers of Organisational Transformation

The four cases highlight that government is a key trigger of organisational transformation. Particularly, government promises to the electorate and accompanying legislature triggered changes related to the quality-of-work-life of employees in all cases under study.

For FINANCE and LEISURE, government appointed chairmen and mandated them with turning around the two entities. Both had to deal with image clean-up. FINANCE specifically focused on good corporate governance based on openness, integrity and accountability. Government also played a significant role in the privatisation and listing of these two companies.

The actions and inactions of government resulted in negative publicity that caused the decline of the economy, significantly impacting the operations of the four organisations. LEISURE and PLEASURE, in the tourist industry, had to grapple with retarded growth after a period of growth.

Globalisation, particularly technological advances, led the four companies searching for e-commerce capability. This was closely linked to benchmarking work process best practices and establishing global strategic alliances and networks to enhance more global operations in the face of heightened competition.

Only PLEASURE had quality of leadership as a trigger. Of significance is the importance respondents placed on servant leadership as a critical success factor of change efforts. This was reinforced through the constant cross-referencing of the manner in which PL1 and PL2 handled changes.

Natural disasters like drought and fire come out clearly as triggers, more so for companies like CROP in an industry that is agro-based.

From the cross case data, the definition of 'triggers of organisational transformation' from the within-case analysis in Chapter 4 may be refined as below.

> **Refined Definition: Triggers of organisational transformation**
>
> *Clusters of forces that create motion in and around an organisation.*

5.1.2 Best-Practices in Organisational Transformation

The best-practices in organisational transformation that are relevant for the shaping of new theory are discussed under local and global best practices.

5.1.2a Local Best Practices

Each of the four cases exhibited local best practices.

The most outstanding CROP best practices were around the Shanduko, SHE and land redistribution initiatives.

Under SHE, ecological harmony was achieved through collaboration with all key stakeholders (government, business and community) resulting in CROP winning awards on environmental management systems.

Shanduko and land redistribution initiatives also reflected total collaboration with key stakeholders.

CROP was at the forefront in establishing linkages with government to address land redistribution. Its scheme became a model. CROP also demonstrates how a small organisation can benchmark in and outside Africa for best practice and then contextualise business issues.

FINANCE provides best practices in forging strategic alliances with key stakeholders, running strategic planning parallel to strategic implementation and establishing ultra transparency. The collaboration with key stakeholders enabled FINANCE achieve its vision one year ahead of time and overlap Vision 2003 with Vision 2000 using what was called 'A Process Approach Model'. Relevant elements of this approach will be discussed under the emerging theory in Chapter 6.

Ultra transparency was further enhanced by the engagement of joint auditors.

As a result of the best practices in multiple, simultaneous interventions to turnaround a near collapse bank, privatise and list the organisation, FINANCE was voted best bank in Zimbabwe in 1999 and 2000.

LEISURE's turnaround in its first year of operation is another best practice that involved collaboration with key stakeholders.

PLEASURE prides itself of its intuitive focus on servant leadership principles during PL1's time. All respondents want the current leadership to restore this focus. In this regard, there was a 'Bill of Rights' for staff and another for customers. The 'Bill of Rights' for customers included culture enhancement through theme dinners, ethnic promotions and vehicle/

street product/services promotions. The 'Bill of Rights' for staff extended beyond the traditional HR practices to supplier-product driven training by supplier at supplier's cost and premises.

Significantly, WAP, as a part of the PLEASURE capability creation process, included multi-level cross functional groups as a burning platform. WAP was conceptualised by Mbigi as a process integrating Afrocentric and Eurocentric methodologies. In particular, WAP integrated the Tichy & Sherman Model with the Mbigi Ubuntu Transformation Model discussed in Chapter 2. WAP also used the African Religion metaphor as a diagnostic tool to identify the dominant spirits to be dealt with in an organisation.

The local best practices from the four cases indicate that organisations can effectively and efficiently determine their destinies through the integration of ideas from key stakeholders.

Of the 6 techniques (SPC, JIT, TQM, GT/OPT, TPM, Core Competencies) mentioned in Chapter 2, only JIT and core competencies were explicitly mentioned in PLEASURE.

The Group of companies of which PLEASURE is part went the way of core business, reflecting attention to core competencies. PLEASURE remains as part of the Group. However, JIT was tried and failed in PLEASURE.

Interestingly, continuous improvement was attempted by all four with the CROP Shanduko and SHE initiatives standing out as local best practices.

Annual reports evidence in terms of mill performance ratios indicates that CROP was applying TPM although no respondent explicitly mentioned it. The application of TPM concepts were confirmed through observations in the mill during the 1-week visit.

5.1.2b Global Best Practices

As mentioned in Chapter 4, the Group of companies of which PLEASURE is part adopted TQM and the GE model in its unbundling. PLEASURE talked about focusing on total quality that was not reflected on the ground. The consultant who brought JIT to PLEASURE failed to contextualise JIT as highlighted in the within case analysis. The WAP intervention linked the GE, EHTE and SAPO approaches discussed in Chapter 2. WAP was considered by respondents a best practice intervention because, according to them, it contextualised Eurocentric methodologies to the African environment.

The 'Bill of rights' for staff and another for customers by PL1 in PLEASURE reflected principles of servant leadership and the representative global best practice case highlighted in Chapter 2 is Mount Carmel.

The summary on organisational cases strongly suggests that best practices in organisational transformation are a function of the ability to integrate and contextualise theories and practices.

The major global best practices relevant for theory development in this study are drawn from GE, Mount Carmel, EHTE and SAPO cases discussed in Chapter 2.

From the cross case data, the definition of 'best practices of organisational transformation' from the within-case analysis in Chapter 2 may be refined as below.

Refined Definition: Best practices of organisational transformation

Tried & tested ideas & ways of conducting business that can be benchmarked against.

5.1.3 Key Players

Government, CEOs, management, staff, strategic partners, suppliers, customers, internal and external consultants are highlighted across the four cases as influential carriers of ideas related to change.

Other key role players were steering committees, change champions and community members (CROP and FINANCE); Chairman and Board (FINANCE and LEISURE); business unit leaders and community members (CROP); RBZ and prospective new shareholders (FINANCE); general managers, new shareholder and 3 different group chairmen (PLEASURE).

From the cross case data, the definition of 'key players' from the within-case analysis in Chapter 4 may be refined as below.

Refined Definition: Key players

Any stakeholders operating as the 'seed carriers' of new ideas & new practices.

5.1.4 Time

In cases where there was need to create a sense of urgency {SHE (CROP), turnaround (FINANCE and LEISURE), shareholder take-over (PLEASURE)}, change was immediate and little/no time was given for reflection and practice in the initial stages of changes. Very little time was devoted to bedding the franchise in PLEASURE.

There was time for reflection as far as computerisation was concerned with periods for parallel runs (for example in CROP). Shanduko was immediate with a 4-6 months training and one-year time window for practice.

Whereas there was 6 months for privatising FINANCE, privatisation and listing was simultaneous for LEISURE.

From the cross case data, the definition of 'time' from the within-case analysis in Chapter 4 may be refined as below.

Refined Definition: Time

Enough flexibility and control of events allowing people involved in change to devote energy towards reflection & practice.

5.1.5 Help

Generally, all four cases highlight that external consultants helped build capacity and capability for sustaining the changes.

Other forms of help given/needed were saturated communication and capability to deal with identified challenge areas, employee sensitisation and inculcation of a sense of inclusivity (all four cases), relocation of employees with health problems (CROP), moral support from CEOs and staff of correspondent banks (FINANCE), supplier-driven training and upskilling internal change agents (PLEASURE).

From the cross case data, the definition of 'help' from the within-case analysis in Chapter 4 may be refined as below.

Refined Definition: Help

Coherent, consistent, knowledgeable coaching, guidance and support to develop internal resources needed to build capacity for ongoing transformation.

5.1.6 Relevance

Relevance of changes was discussed in terms of benefits to be derived by key stakeholders (government, business and community) from the changes.

Value-based business grew and employment was created in all four cases (although at different points in time). Code of conduct for staff brought a sense of common purpose in all four cases.

For FINANCE and LEISURE, business was turned around and privatisation was a vehicle towards indigenising the economy.

In particular, a strong element of people care was expressed in CROP (ecological harmony), FINANCE (had human resource balance sheet installed) and PLEASURE (had 'Bill of Rights' for staff as well as customers and valued being of service to the community during PL1's time).

Although there was mixed evidence in terms of relevance to personal goals, the comments suggest the intention of the changes was to equip people with survival skills in a turbulent environment. The need for learning to build capable organisations was expressed strongly.

From the cross case data, the definition of 'relevance' from the within-case analysis in Chapter 4 may be refined as below.

Refined Definition: Relevance

Making a case for transformation, articulating an appropriate business focus & showing why new efforts, such as developing learning capabilities, are important for individuals & business.

5.1.7 Walking-the-talk

Some advocates fully lived up to the values espoused by the changes {where initiatives were directed from the GROUP (CROP and PL1's team in PLEASURE) and the FINANCE chairman appointed in 1983 and FINANCE team leaders}.

LEISURE CEO was considered to have walked the talk initially, becoming invisible with business growth.

In CROP, one HR manager is said to have walked the talk and another only partially.

For PLEASURE, the team that took over from PL1 is claimed to have failed to live to what they espoused.

From the cross case data, the definition of 'walking-the-talk' from the within-case analysis in Chapter 4 may be refined as below.

Refined Definition: Walking-the-talk

Fully living up to the new values espoused by the transformation.

5.1.8 Fear and Anxiety

Fear and anxiety were acknowledged in all the four cases. However, the manner in which fear and anxiety were dealt with was different.

The FINANCE CEO tolerated and dealt with these two issues positively. An example in the within case analysis is that this CEO said 'the turnaround journey involved tests of staff's character and calculation, courage and determination in the face of adversity and uncertainty'.

PL1, in PLEASURE, fostered trust across the organisation. After PL1, PLEASURE evidence strongly suggests the new shareholder, PL2 and team created fear and anxiety. There was perceived nepotism and victimisation resulting in very low trust between management and shareholder.

For CROP, a new language (including derogatory nicknames) emerged when things were not working. During some focus group discussions cutting across organisational levels, some respondents indicated even the provision of evidence in such groups could result in victimisation.

Respondents in LEISURE interviews said fear and anxiety were acknowledged and often stepped up.

From the cross case data, the definition of 'fear and anxiety' from the within-case analysis in Chapter 4 may be refined as below.

Refined Definition: Fear and anxiety

Concerns about exposure, vulnerability and inadequacy triggered by the conflict between increasing levels of candor and openness and low levels of trust among people involved in transformation.

5.1.9 Assessment and Measurement

A variety of assessments and measures were put up to establish whether the efforts were achieving the desired results/outcomes in each of the four cases. Examples were Shanduko and SHE reporting procedures and mill performance measures (CROP), performance measures against identified challenge areas (FINANCE and LEISURE) and target-based assessments during PL1's era in PLEASURE.

Focus group participants were unclear as to how assessments and measurements were done during PL2's time up to 2000.

From the cross case data, the definition of 'assessment and measurement' from within-case analysis in Chapter 4 may be refined as below.

Refined Definition: Assessment and measurement

Establishing whether the transformation effort has achieved the desired results/outcomes.

5.1.10 Belief in the Transformation Effort

Groups of believers and non-believers were identified with changes in FINANCE, LEISURE and PLEASURE. In cases where key staff disagreed with what was going on (FINANCE, LEISURE and PLEASURE), they left.

However, CROP evidence points in the direction of three groups - the committed, doubters (who became disciples once convinced) and the pretenders (who moved back to old ways).

Upon studying the evidence under this construct, one research assistant gave an even more telling description of the extent to which views about change may be polarised. She describes the groups as either composed of risktakers or undertakers or caretakers.

This research assistant characterised the three categories as follows:

- risktakers are those staff convinced that they can control their destiny in a change situation,
- undertakers are convinced time should be spent engaging in reflection over past successes and failures,
- caretakers are convinced the status quo has to be preserved.

From the cross case data, the definition of 'belief in the transformation effort' from within-case analysis in Chapter 4 may be refined as below.

Refined Definition: Belief in the transformation effort

The extent to which the convictions of organisational members over the transformation effort are polarized.

5.1.11 Governance

Evidently, changes were propped up by power and accountability structures in the four cases. However, these were unclear in PLEASURE during PL2's era which respondents described as having been characterised by a total lack of accountability.

From the cross case data, the definition of 'governance' from within-case analysis in Chapter 4 may be refined as below.

Refined Definition: Governance

Power & accountability structures set up to focus the transformation effort.

5.1.12 Diffusion

Although LEISURE one-on-one respondents, PLEASURE focus group and one-on-one respondents (for the PL2 era) argued that insufficient learning took place, CROP, FINANCE and PLEASURE evidence suggests that key stakeholders were informed about the nature of and experiences from changes.

From the cross case data, the definition of 'diffusion' from within-case analysis in Chapter 4 may be refined as below.

Refined Definition: Diffusion

The process by which an entire organisation and its external partners learn from the experiences of the transformation.

5.1.13 Strategy and Purpose

All four companies forged strategic alliances to sharpen their strategic focus and used specific change efforts to redefine their agenda.

CROP used the SHE initiative to focus its strategic agenda on both ecological harmony and corporate citizenship. FINANCE set up a department in charge of corporate planning, change management and training. Tourism's key strategic value drivers motivated the LEISURE strategy and PL1's visionary leadership positioned PLEASURE for possible listing as a separate entity (never to be realised after his death).

In PLEASURE, after PL1, each leader brought in a different strategy in a manner staff said was confusing the staff.

From the cross case data, the definition of 'strategy and purpose' from within-case analysis in Chapter 4 may be refined as below.

Refined Definition: Strategy and purpose

Revitalising and rethinking the organisation's intended business focus and its contribution to the community.

5.1.14 Success

Success of changes was defined in terms of whether change efforts met/exceeded key stakeholder needs and expectations or not.

For CROP, Shanduko, SHE, haulage system changes and the development of a code of conduct were considered successful although Shanduko incentives could have been paid earlier. There were mixed reactions over the success of computerisation in CROP.

The FINANCE turnaround, growth and privatisation were considered success stories.

Although LEISURE turned around and was subsequently privatised and listed successfully at the same time, retarded growth followed.

People care and growth in PLEASURE were success stories for PL1 although the franchise registered only renovation successes. Business succeeded after PL2 with a supposedly bruised workforce.

From the cross case data, the definition of 'success of organisational transformation' from within-case analysis in Chapter 4 may be refined as below.

Refined Definition: Success of organisational transformation

Meeting, and better still, exceeding stakeholder needs and expectations.

5.2 Points of Convergence in Experiences of Organisational Transformation

As mentioned in the introduction to this Chapter, points of convergence are best illustrated through Figures 5.1 and 5.2.

Figure 5.1: Cross-case Reflection of Challenges

CHALLENGE	CROP EVIDENCE	FINANCE EVIDENCE	LEISURE EVIDENCE	PLEASURE EVIDENCE	CONTEXT EVIDENCE
1. Role of national culture in transformation	*			*	*
2. Use of relevant national languages	*			*	*
3. Land redistribution	*				*
4. Economic reform and poverty reduction	*	*			*
5. Employment creation and entrepreneurship.	*	*	*	*	*
6. Ecological harmony.	*			*	*
7. Boosting investor confidence.	*	*		*	*
8. Value-enhanced products & services.	*	*	*	*	*
9. Consensus building amongst stakeholders.	*	*	*	*	*
10. Institutional capacity building.	*	*	*	*	*
11. Gender consciousness.	*	*		*	*
12. Role of international lending institutions.		*	*	*	*
13. Privatisation		*	*	*	*
14. Culture of non-performance		*	*	*	*
15. Consensus based systems.			*		*
16. Transfer of positive lessons from political to economic liberation.				*	*

Figure 5.2: Cross-case Reflection of Themes

THEME	CROP EVIDENCE	FINANCE EVIDENCE	LEISURE EVIDENCE	PLEASURE EVIDENCE
1. Consensus building amongst stakeholders.	*	*	*	*
2. Stakeholder needs & expectations.	*	*	*	*
3. Stakeholder promises	*	*	*	
4. Delivery processes.	*	*	*	*
5. Structures & systems	*	*	*	*
6. Capacity & capability	*	*	*	*
7. Capturing changing needs & expectations			*	*
8. Active listening.		*		*
9. People care	*	*		*

5.3.1 Challenge-based Points of Convergence

From Figure 5.1, there are 4 challenges common across the four cases.

The 4 challenges common across the 4 cases are:
- employment creation and entrepreneurship;
- value-enhanced products and services;
- consensus building amongst stakeholders;
- institutional capacity building.

However, all challenges are reflected in the context evidence. This suggests that any organisational transformation model to be developed has to address all the challenges if it has to be useful to emerging nations.

5.3.2 Theme-based Points of Convergence

From Figure 5.2, there are 6 themes common across the four cases.

The 6 themes common across the four cases are:
- consensus building amongst stakeholders;
- stakeholder needs and expectations;
- stakeholder promises;
- delivery processes;
- structures and systems;
- capacity and capability.

Linking challenge-based to theme-based points of convergence provides a deeper appreciation of the direction in which the theory development should go. Figure 5.3 provides a schematic representation of the points of convergence in challenges and themes.

Figure 5.3: Theme-based and Challenge-based Points of Convergence

THEME-BASED CONVERGENCE	CHALLENGE-BASED CONVERGENCE
1. Consensus building amongst stakeholders.	• Consensus building amongst stakeholders
2. Stakeholder needs & expectations.	• Value-enhanced products and services
3. Stakeholder promises	• Value-enhanced products and services • Employment creation and entrepreneurship
4. Delivery processes.	• Employment creation and entrepreneurship
5. Structures & systems	• Employment creation and entrepreneurship
6. Capacity & capability	• Employment creation and entrepreneurship • Institutional capacity building

These six points of convergence in the themes will therefore have to be the basis upon which the new theory is developed.

5.4 Points of Divergence in Experiences of Organisational Transformation

5.4.1 Challenge-based Points of Divergence

From Figure 5.1, there are 5 challenges common across 3 cases, 3 common across 2 cases and 4 challenges under only one of the cases.

The 5 challenges common across 3 of the four cases are:

- boosting investor confidence;
- gender consciousness;
- role of international lending institutions;
- privatisation;
- culture of non-performance.

The fact that the 5 challenges are common to 3 out of 4 (75% of) cases suggests it may be logical to link these challenges to the themes in Figure 5.3. Figure 5.4 paints a picture that expands Figure 5.3 to incorporate the 5 challenges common to 3 of the 4 cases.

Figure 5.4: Theme-based and Challenge-based Points of Convergence and Divergence

THEME-BASED CONVERGENCE	CHALLENGE-BASED CONVERGENCE & DIVERGENCE
1. Consensus building amongst stakeholders.	• Consensus building amongst stakeholders • Gender consciousness • Role of international lending institutions • Privatisation
2. Stakeholder needs & expectations.	• Value-enhanced products and services • Boosting investor confidence • Gender consciousness • Privatisation
3. Stakeholder promises	• Value-enhanced products and services • Employment creation and entrepreneurship • Boosting investor confidence • Culture of non-performance • Privatisation
4. Delivery processes.	• Employment creation and entrepreneurship • Boosting investor confidence • Culture of non-performance • Privatisation
5. Structures & systems	• Employment creation and entrepreneurship • Boosting investor confidence • Culture of non performance • Privatisation
6. Capacity & capability	• Employment creation and entrepreneurship • Institutional capacity building • Boosting investor confidence • Role of international lending institutions • Culture of non-performance • Privatisation

From Figure 5.1, the 4 challenges common across 2 of the four cases are:

- role of national culture in transformation;
- use of relevant national languages;
- economic reform and poverty reduction;
- ecological harmony.

The 3 challenges under only 1 of the 4 cases:

- land redistribution;
- consensus based systems;
- transfer of positive lessons from political to economic liberation.

5.4.2 Theme-based Points of Divergence

From Figure 5.2, there is 1 theme common across 3 cases and 2 common across 2 cases.

The 1 theme common across 3 cases is:

- People care.

The 2 themes common across 2 cases are:

- capturing changing needs and expectations;
- active listening.

The three themes forming points of divergence will be used to strengthen the new theory.

One way of deepening insights between the 7 remaining points of divergence in challenges is to see which of the 3 diverging themes would most likely address the diverging challenges.

Figure 5.5: Theme-based and Challenge-based Points of Divergence

THEME-BASED DIVERGENCE	CHALLENGE-BASED DIVERGENCE
Capturing changing needs & expectations.	• Consensus based systems • Use of relevant national languages • Role of national culture in transformation • Transfer of positive lessons from political to economic liberation • Land redistribution • Ecological harmony
Active listening.	• Use of relevant national languages • Role of national culture in transformation • Consensus based systems • Transfer of positive lessons from political to economic liberation • Ecological harmony
People care.	• Use of relevant national languages • Role of national culture in transformation • Consensus based systems • Economic reform and poverty reduction • Transfer of positive lessons from political to economic liberation • Land redistribution • Ecological harmony

Combining Figures 5.4 and 5.5 provides a synthetic framework (Figure 5.6) from which further integration of themes and challenges is suggested.

Figure 5.6: Resultant Links between Emerging Themes and Challenges

THEME	CHALLENGES	
1. Consensus building amongst stakeholders	• Consensus building amongst stakeholders • Role of international lending institutions	• Privatisation • Gender consciousness
2. Stakeholder needs & expectations	• Value-enhanced products & services • Boosting investor confidence	• Gender consciousness • Privatisation
3. Stakeholder promises	• Value-enhanced products & services • Employment creation & entrepreneurship • Boosting investor confidence	• Culture of non-performance • Privatisation
4. Delivery processes	• Employment creation & entrepreneurship • Boosting investor confidence	• Culture of non-performance • Privatisation
5. Structures & systems	• Employment creation & entrepreneurship • Boosting investor confidence	• Culture of non-performance • Privatisation
6. Capacity & capability	• Employment creation & entrepreneurship • Institutional capacity building • Boosting investor confidence	• Role of international lending institutions • Culture of non-performance • Privatisation
7. Capturing changing needs and expectations	• Use of relevant national languages • Role of national culture in transformation • Transfer of positive lessons from political to economic liberation	• Land redistribution • Ecological harmony • Consensus - based systems
8. Active listening.	• Use of relevant national languages • Role of national culture in transformation • Transfer of positive lessons from political to economic liberation	• Consensus - based systems • Ecological harmony
9. People care.	• Use of relevant national languages • Role of national culture in transformation • Transfer of positive lessons from political to economic liberation • Land redistribution	• Ecological harmony • Consensus - based systems • Economic reform and poverty reduction

Given that stakeholders may be broadly categorised as either internal or external to the organisation, the emerging themes may be refined. Such refinement should integrate the three diverging themes (changing needs and expectations, active listening and people care) into refined theme areas including internal and external stakeholders (Figure 5.7).

Figure 5.7: Refined Emerging Theme Areas

REFINED THEME AREA	ORIGINAL EMERGING THEME AREAS CATERED FOR
1. Internal stakeholders.	• Active listening • People care • Consensus building amongst stakeholders • Capturing changing needs & expectations.
2. External stakeholders.	• Active listening • People care • Consensus building amongst stakeholders Capturing changing needs & expectations
3. Needs & expectations.	• Active listening • People care • Capturing changing needs & expectations
4. Promises.	• Active listening • People care • Stakeholder promises
5. Processes.	• Active listening • People care • Delivery processes
6. Structures & systems.	• Active listening; • People care • Structures & systems
7. Capacity & capability	• Active listening; • People care • Capacity & capability

The refinement yields an opportunity to refine emerging theme statements. This is reflected in Figure 5.8 below.

Figure 5.8: Refined Emerging Themes

REFINED THEME AREA	REFINED EMERGING THEME STATEMENTS
1. Internal business stake-holders.	Intense collaboration with key stakeholders leads to success of transformation.
2. External business stake-holders.	Intense collaboration with key stakeholders leads to success of transformation.
3. Needs & expectations.	Organizational transformation revolves around changing stakeholder needs and expectations.
4. Promises.	Organizational transformation revolves around changing promises to address changing stakeholder needs and expectations.
5. Processes.	Organizational transformation revolves around changing processes to deliver changing promises.
6. Structures & systems.	Organizational transformation revolves around changing structures and systems to align with changing processes.
7. Capacity & capability	Organizational transformation revolves around changing capacity and capability to sustain the momentum of the change.

5.5 Chapter summary

The cross case analysis in this Chapter has resulted in the redefinition of the fourteen constructs as reflected in Figure 5.9 below. All the constructs and the related evidence will be used to build up the theory in Chapter 6.

Points of convergence and divergence in the challenges and themes have been used to come up with a crystallisation of 7 themes for theory building. Figure 5.10 shows the links between these themes and the challenges addressed.

Figure 5.9: Redefinition of Constructs Based on Cross-case Evidence

CONSTRUCT	DEFINITION	REFINED DEFINITION
Triggers of transformation	Critical incidents that the organization has to respond to for its survival.	Clusters of forces that create motion in & around an organization.
Best practices of transformation	Tried & tested ideas & ways of conducting business that can be migrated within & across organizations & environments.	Tried & tested ideas & ways of conducting business that can be benchmarked against.
Key players	Those actors influencing others through their credibility, capability & commitment.	Any stakeholders operating as the 'seed carriers' of new ideas & new practices.
Time	Pilot group's flexibility & control over its own energy & priorities.	Enough flexibility & control of events allowing people involved in change to devote energy towards reflection & practice.
Help	Coherent, consistent, knowledgeable coaching, guidance & support.	Coherent, consistent, knowledgeable coaching, guidance & support to develop internal resources needed to build capacity for ongoing transformation.
Relevance	Presence of a clear, compelling business case for learning.	Making a case for transformation, articulating an appropriate business focus & showing why new efforts, such as developing learning capabilities, are important for individuals & business.
Walking the talk	The match between espoused values & actions.	Fully living up to the new values espoused by the transformation.
Fear & anxiety	Concerns about exposure, vulnerability & inadequacy triggered by the conflict between increasing levels of candor & openness among members of the pilot group.	Concerns about exposure, vulnerability & inadequacy triggered by the conflict between increasing levels of candor & openness and low levels of trust among people involved in transformation.
Assessment & measurement	Establishing the degree of success of the transformation effort.	Establishing whether the transformation effort has achieved the desired results/outcomes.
Belief in the transformation effort	The extent of polarization in belief about the transformation effort.	The extent to which the convictions of organizational members over the transformation effort are polarized.
Governance	The legitimate autonomy of a pilot group to act in tune with existing power & accountability structures.	Power & accountability structures set up to focus the transformation effort.
Diffusion	The ability to transfer knowledge across organizational boundaries, making it possible for people around the system to build upon each other's success.	The process by which an entire organization & its external partners learn from the experiences of the transformation.
Strategy & purpose	Where the business is going & what the business is there for.	Revitalizing & rethinking the organization's intended business focus, its contribution to the community & its identity.
Success	The achievement of desired results/outcomes.	Meeting, and better still, exceeding stakeholder needs & expectations.

Figure 5.10: Integrated Links between Themes and Challenges Addressed

THEME	CHALLENGES	
1 Collaboration with internal business stakeholders	• Consensus building amongst stakeholders • Role of international lending institutions • Use of relevant national languages • Role of national culture in transformation • Transfer of positive lessons from political to economic liberation • Land redistribution	• Privatisation • Gender consciousness • Consensus - based systems • Ecological harmony • Economic reform and poverty reduction
2 Collaboration with external business stakeholders	• Consensus building amongst stakeholders • Role of international lending institutions • Use of relevant national languages • Role of national culture in transformation • Transfer of positive lessons from political to economic liberation • Land redistribution	• Privatisation • Gender consciousness • Consensus - based systems • Ecological harmony • Economic reform and poverty reduction
3 Changing needs and expectations	• Value-enhanced products & services • Use of relevant national languages • Role of national culture in transformation • Transfer of positive lessons from political to economic liberation • Economic reform and poverty reduction	• Gender consciousness • Privatisation • Land redistribution • Ecological harmony • Consensus - based systems • Boosting investor confidence
4 Changing promises	• Value-enhanced products & services • Employment creation & entrepreneurship • Boosting investor confidence • Use of relevant national languages • Role of national culture in transformation • Transfer of positive lessons from political to economic liberation	• Culture of non-performance • Privatisation • Consensus - based systems • Ecological harmony • Economic reform and poverty reduction • Land redistribution
5 Changing processes	• Employment creation & entrepreneurship • Boosting investor confidence • Use of relevant national languages • Role of national culture in transformation • Transfer of positive lessons from political to economic liberation • Land redistribution	• Culture of non-performance • Privatisation • Consensus - based systems • Ecological harmony • Economic reform and poverty reduction
6 Changing structures & systems	• Employment creation & entrepreneurship • Boosting investor confidence • Use of relevant national languages • Role of national culture in transformation • Transfer of positive lessons from political to economic liberation • Land redistribution	• Culture of non-performance • Privatisation • Consensus - based systems • Ecological harmony • Economic reform and poverty reduction
7 Changing capacity & capability	• Employment creation & entrepreneurship • Role of international lending institutions • Use of relevant national languages • Role of national culture in transformation • Transfer of positive lessons from political to economic liberation • Economic reform and poverty reduction	• Institutional capacity building • Boosting investor confidence • Culture of non-performance • Privatisation • Consensus - based systems • Ecological harmony • Land redistribution

CHAPTER 6: THE ROAD TO ORGANISATIONAL TRANSFORMATION FOR COMPANIES IN ZIMBABWE

6.0 Introduction

This chapter seeks to lay out a roadmap towards organisational transformation for companies in Zimbabwe.

Relevant evidence from the within and cross case analysis will be used to develop the theory.

An emerging model based on the 7 themes from Chapter 5 will be used to come up with an elaborated model. Each component of the emerging theory/model and elaborated theory/ model will be explained to reflect what it is and why it is important.

Enfolding literature will be used to sharpen the theory/model.

6.1 The Theory Building Platform

From the evidence, lessons from both success stories and failures experienced form the basis of theory/model construction. In particular, two models surfaced as part of the evidence from PLEASURE and FINANCE. Whereas the model for PLEASURE suggested for future use in PLEASURE by the former FD was based on lessons from failures, the FINANCE model was used successfully.

6.1.1 Lessons from PLEASURE Failures

Asked to draw lessons from what he had experienced in PLEASURE, the former FD responded by proposing a diamond model comprising measurement, positioning strategy, investment management processes, operational processes and organisational alignment.

He detailed the model:

> **Measurement**
> Measurements that capture the commonality between shareholder and customer should be devised and implemented if this value exchange optimisation is to work.
>
> PLEASURE's measurements, for example, should be supplemented by items like profitability per customer, capital employed per customer, shareholder equity employed per customer, cost per customer or group of customers.
>
> These measurements focus on areas where there is a commonality of interest between shareholder and the customer. It would therefore be easier to track and communicate the value the shareholder has invested into each customer. Measurement would thus guide effort, investment, process design. and resource allocation decisions.
>
> **Positioning strategy**
> PLEASURE should have started by getting a clear understanding of who its customers are, what they need/want, what should its target customer universe be and profit potential of each target customer universe and profit potential of each customer. How large is the full potential gap? Does PLEASURE have the elements of the core offerings necessary to achieve that full potential?
>
> **Investment management processes**
> Management should identify and understand the value/return required by its investors and match that value to the need identified under positioning above.
>
> Once the core value exchange elements are in place, the net challenge is to design investment processes for optimising the value exchanges.
>
> The focus should be to eliminate waste i.e. investment that is not needed by the target customer or investment the customer will not pay a premium for now or in the future. This can be done effectively and efficiently with operational processes below

Operational processes

To optimise the value exchange requires efficiency and effectiveness. The company should define and have clarity of the overall configuration of processes needed to deliver optimal value exchanges. The company should be clear on how it can manage the trade-off between adding value exchange and costs of operational complexity.

PLEASURE, for example, must begin 'by identifying the optimal value exchanges and work backwards to design the kinds of processes needed to deliver them'.

By allocating investment/costs carefully, companies can ensure that any additional cost of increased complexity is justified by increased relationship profitability.

PLEASURE, for example, should put its key processes and standards of quality and service to be achieved by those processes. ... It is through this scientific and systematic approach that managers can efficiently and effectively focus investment or disinvestments on areas that optimise or fail to optimise the value exchange.

Organisational alignment

Lastly, it is necessary to foster appropriate attitudes and behaviours in the people who are necessary to make them work.

It is necessary to align the rewards of the value exchange i.e. to both shareholder return (profitability) and customer value (quality and service).

Management should also have a good appreciation of their role. The role to be a manager of the value optimisations and not either a shareholder or a customer.

A synthesis of the suggested model reflects that PLEASURE should have used staff to identify customers, define customer needs, develop products and services to satisfy customer segments, look at delivery processes suited to each segment and mechanisms required to support delivery of products and services.

6.1.2 Lessons from FINANCE Successes

Given that FINANCE is one of the cases that has registered consistent successes in its transformation efforts, there is need to highlight the home-grown model that was used.

The document containing the strategy and business plans for the period January 1999 to December 2003 highlights the salient features of the model used:

- Having selected FOCUS as our strategic springboard, management has a business model known as Process Approach.
- This model puts the customer at the pinnacle of everything the Bank and its people do. The South African based strategic partner has also adopted the same strategic approach and has so far applied it with good results.
- The Process Approach model was first presented to the FINANCE Board in September 1998 as an indicative strategy for the Bank and the board gave a nod to its further development and use in the new FINANCE.
- Starting off with customers, the model forces management to dissect their customers and fit them into segments with common characteristics, followed by an understanding of the types of products and services which satisfy the needs of each customer segment.
- With the customer and his/her needs defined, the model looks at what delivery channels suit which segment taking into account the geographical distribution of the customer segments and the feasibility of such a distribution channel.
- Last but not least, support mechanisms are then determined and both human and material resources allocated within given structures.

A synthesis of the FINANCE Process Approach suggests that FINANCE used staff to identify customers, define customer needs, developed products and services to satisfy customer segments, looked at delivery channels suited to each segment and mechanisms required to support delivery of products and services.

The FINANCE approach is supported by Bishop's (2001:138) assertion that:

> One way or another, customers are the external focus of change strategies. Whether the change effort involves bringing in new technology, becoming a stronger global company, or creating new products and services, the ultimate goal is to serve the customer better, faster, and cheaper. While the initial goal might seem like its purely internal — creating a new manufacturing process that will improve production efficiency — the end goal is to manufacture products in ways that allow savings to be passed on to customers.

Whereas the FINANCE **Process Approach** is centred around paying customers, the within case and cross case analysis has already reflected the existence of other key players in transformation over and above paying customers.

For the purposes of this theory/model development, I define a customer as anyone who comes to someone expressing a need or expectation for something. This definition covers internal as well as external stakeholders. It therefore makes sense to frame questions to guide the theory development process in a manner that caters for internal as well as external business stakeholders.

A closer examination of the FINANCE **Process Approach** and the model suggested for PLEASURE given both the within case analysis and cross case analysis leads to the design of seven questions for theory development.

The seven questions to be addressed are:

Question 1: How are internal business stakeholders mobilized to participate in the transformation of an organisation?

Question 2: How does the organisation capture the needs and expectations of external business stakeholders?

Question 3: How does the organisation confirm the needs and expectations with internal and external business stakeholders?

Question 4: How are the promises to internal and external business stakeholders developed?

Question 5: How are the promises to be delivered to internal and business stakeholders?

Question 6: How are organisational systems and structures aligned to promise delivery processes?

Question 7: How are organisational capacity and capability created to sustain the change?

Linking the questions to the emerging themes in Chapters 4 and refined emerging theme statements in Chapter 5 presents an opportunity to refine the theme statements as in Figure 6.1 below.

Figure 6.1: Refined Themes

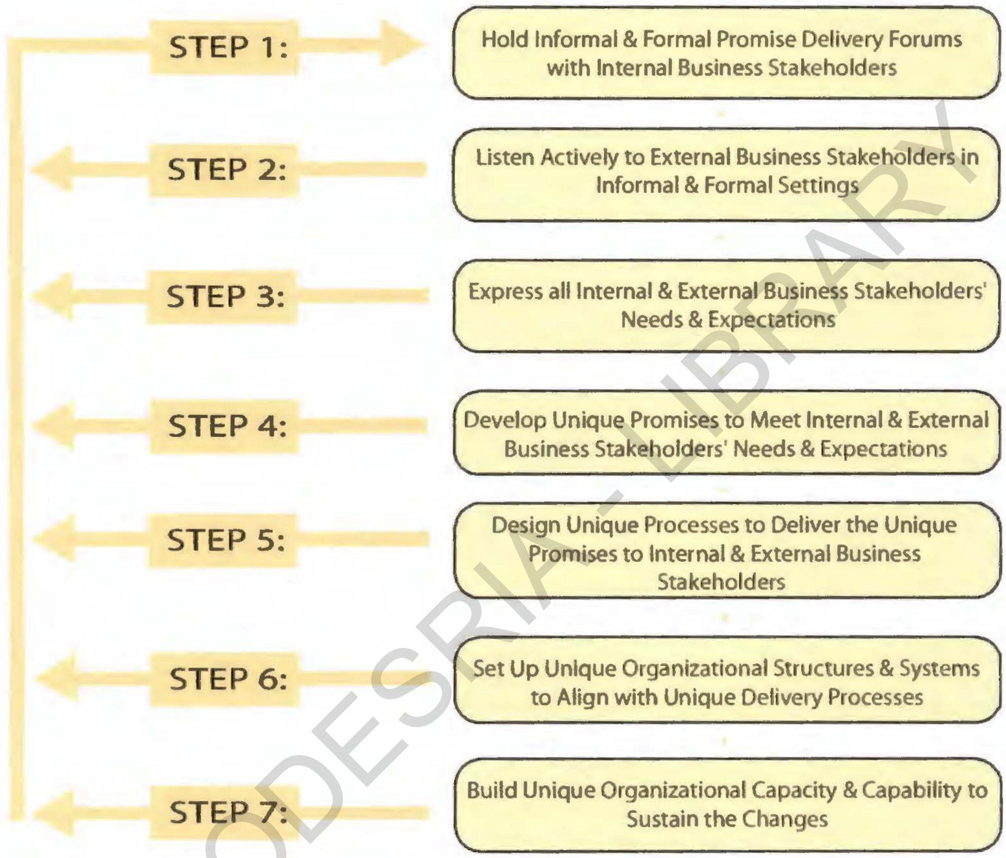
REFINED THEME	ORIGINAL EMERGING THEME STATEMENTS	REFINED THEME STATEMENTS
1. Internal business stakeholders.	Intense collaboration with key stakeholders leads to success of transformation.	Hold informal & formal promise delivery forums with internal business stakeholders.
2. External business stakeholders.	Intense collaboration with key stakeholders leads to success of transformation.	Listen actively to external business stakeholders in informal & formal settings.
3. Needs & expectations.	Organizational transformation revolves around changing stakeholder needs and expectations.	Express all internal & external business stakeholders' needs and expectations.
4. Promises.	Organizational transformation revolves around changing promises to address changing stakeholder needs and expectations.	Develop unique promises to meet internal & external business stakeholders' needs and expectations.
5. Processes.	Organizational transformation revolves around changing processes to deliver changing promises.	Design unique processes to deliver the unique promises to internal & external business stakeholders
6. Structures & systems.	Organizational transformation revolves around changing structures and systems to align with changing processes.	Set up unique organizational structures & systems to align with unique delivery processes.
7. Capacity & capability	Organizational transformation revolves around changing capacity and capability to sustain the momentum of the change.	Build unique organizational capacity & capability to sustain the change.

It would appear an integrated seven-step model

{The Madzivire Transformation (MaTra) Model} has emerged!

6.3 Emerging Model of Organizational Transformation

Figure 6.2: The Madzivire Transformation (MaTra) Model



A discussion of each of the seven steps follows. Relevant case evidence is provided to show how the theory/model is built from the bottom up as suggested by the Eisenhardt (1989) process of building theory from case studies discussed in Chapter 3.

Enfolding literature is used to sharpen the theory/model.

6.3.1 Hold informal and formal promise delivery forums with internal business stakeholders

FINANCE leaders decided to close off all their operations for one day to sensitize internal business stakeholders on the need for a turnaround. All internal business stakeholders came to Harare for the one-day forum. For some internal business stakeholders it was a first time experience to stay in a Harare hotel, raising high expectations and hope. Through this forum, a consistent message about the direction FINANCE had to go was delivered to all internal business stakeholders. Concerns raised were addressed.

The lunch organized provided FINANCE internal business stakeholders an opportunity to informally capture how the organization was going to deliver value internally and externally. From the LEISURE case, one GM used informal sessions similarly.

Before the forum, FINANCE had to flight media advertisements indicating they had to close all offices to map a way forward that would benefit all business stakeholders. This also raised the expectations of external business stakeholders.

The FINANCE experience highlights that engaging staff in an open discussion concerning how their work affects those they serve creates an environment in which change is accepted. In particular, evidence from the 4 cases strongly suggests that customer contact employees are a critical source of information about customers.

Three simple questions that were used in PLEASURE during WAP sessions to provide information for uniqueness were:

- What should the organization stop doing to enable internal business stakeholders serve customers better?
- What should the organization start doing to enable internal business stakeholders serve customers better?
- What should the organization continue doing to enable internal business stakeholders serve customers better?

The information helped PLEASURE appreciate internal business stakeholders' needs and expectations.

Lovelock (1996:107) points out researchers like Parasuraman, Berry & Zeithal 1990; Zeithal, Berry & Parasuraman 1988 "have theorized and found some evidence that open communication between frontline personnel and managers is important for achieving service quality". Further, Lovelock (1996:107) indicates "Schneider & Bowen (1984) argue that firms should use information gathered from contact personnel in making strategic decisions regarding new service development and service modifications".

Bishop (2001:138) suggests such discussions should focus on how a particular work group affects customers in four ways: "why customers consider the company, why they choose the company, why they stay with the company, and why they leave the company". Bishop (2001:138) proceeds to indicate "help your key people explore what the group might do to attract, retain, and grow customers".

Consonant with Bishop's view, during the capacity building in preparation for WAP in PLEASURE, Mbigi said the PLEASURE focus should be on 'order qualifiers', 'order winners' and 'order retainers'.

Since these forums are meant to convey a sense of common purpose to employees, simple language should be used, translated where necessary into vernacular. The forums are an opportunity for sharing deeply held values and beliefs, visions, missions and strategic plans of the organization.

The intention is to position each internal business stakeholder to be personally responsible over understanding who their business stakeholders are. This includes appreciating how their work impacts on the operation of other departments or units.

Heskett, Jones, Loveman, Sasser, Jr., & Schlesinger (1994) say "identifying internal customers requires mapping and communicating characteristics of work flow, organizing periodic cross-departmental meetings between 'customers' and 'servers,' and recognizing good internal service performance".

6.3.2 Listen actively to external business stakeholders in informal and formal settings

There is evidence across the 4 cases that internal business stakeholders listened to external business stakeholders. Other than the formal meetings held by sales and marketing, there was a remarkable shift towards listening to external business stakeholders actively in informal sessions. Some staff pointed out orders were won or lost on golf courses, lunches or casual encounters with potential external business stakeholders.

It is therefore critically important that internal business stakeholders be prepared to provide a unique customer experience with each service encounter. The forums in Step 1 above should lay the necessary ground for internal business stakeholders to actively listen to all external business stakeholders.

Besides collecting evidence informally on the needs and expectations of business stakeholders, formal sessions should be organized to allow business stakeholders an opportunity to provide further evidence.

Three simple questions that may be used to provide information for uniqueness are:

- What should the organization stop doing to serve you as an external business stakeholder better?
- What should the organization start doing to serve you as an external business stakeholder better?
- What should the organization continue doing to serve you as an external stakeholder better?

The information should help organizations appreciate external business stakeholder needs and expectations better.

6.3.3 Express all internal and external stakeholders' needs and expectations

According to the cited 1999-2003 strategy document, FINANCE's "chosen business model demands that focused attention be given to those vision and mission critical support services and facilities support services and facilities which will enable the Bank to meet the expectations of its key stakeholders as identified" in Exhibit 6.1

Exhibit 6.1: Key Expectations of FINANCE Stakeholders

Stakeholder	Key Expectations
Shareholder	• A decent return on their investment through dividends payouts and/or growth in funds in the balance sheet. A 2% per annum real return on capital shall at all times be the minimum target for the manager • That the bank meets the Y2K challenge
Customers	• Efficient service given with appreciation for their business patronage • Security of funds entrusted with the Bank • Y2K challenge • Competitive terms & conditions for their deposits & loans • Stability in the organization • Regular innovations - product & service • Regular contact/communication innovations • Speedy responses to requests
Board of Directors	• Preservation of shareholder interests & expectations • Efficiency in the organization • Effectiveness of management • A stable, well-to-do institution which can be counted among others • Meeting the Y2K challenge • Decent fees for their efforts
Management & Staff	• Competitive rewards for their service • Meeting the Y2K challenge • Stability & necessary continuity in the organization • Job security & career progression • A responsive board of directors
Regulatory Authorities (Reserve Bank of Zimbabwe & Ministry of Finance)	• Stability in the organization • Safety of depositors funds • Efficiency & cost effectiveness in service/product delivery • That the Bank meets its Y2K challenges • Adequate capitalization • Transparency & professionalism in all dealings • Strict compliance with statutes & regulations
Correspondent Banks & Financial markets in general	• Quality balance sheet growth & financial performance • Security of funds • Efficiency & effectiveness in service/product delivery • Stability in organization • Acceptable industry-type transparency in dealings
Government & the General Public	• A fair corporate player in the market in terms of employment, ethics & social responsibility & awareness • A steady contributor to the fiscus in terms of taxes paid (PAYE, Corporate & Withholding Taxes) • Support in terms of general & specific policy initiatives/directives • Compliance with the country's laws
Suppliers of Goods & Services	• Prompt payment for supplies • Sound corporate culture in all dealings • Efficient & effective procurement system

Source: Strategic & Business Plans for the Period 1999 to December 2003

Evidently, FINANCE identified shareholders, customers, board of directors, management and staff, regulatory authorities, correspondent banks and financial markets in general, suppliers of goods and services and the Government and the General Public as its key stakeholders.

Exhibit 6.1 clearly demonstrates that FINANCE managed to crystallize and express internal and external business stakeholders' needs and expectations.

Feedback sessions should always be organized for the two categories of business stakeholders for validation.

These sessions are for expressing the needs and expectations so that internal business stakeholders confirm that what was heard is what was said. Similarly, external business stakeholders have to confirm their needs and expectations as played back by internal business stakeholders. This is critically important as the real needs and expectations have to be addressed in the next Step (promise development). *Failing to do so often results in delivering what the organisation thinks the business stakeholder wants instead of what the customer will be excited by.*

The reason for expressing needs and expectations to both internal and external business stakeholders is to energise and excite them about their role in win-win relationships.

The idea is to provide feedback that facilitates the change agenda.

6.3.4 Develop unique promises to meet internal and external business stakeholders' needs and expectations

Paying a lot of attention to needs and expectations permits all business stakeholders become the guides to the organisation. It allows the organisation come up with what internal as well as external business stakeholders value - promise delivery.

I held discussions with a number of people to unpack what 'promise' means to an African. From these discussions, I concluded that to an African, a 'promise' represents 'one's word in the form of a service package that one is committed to deliver to someone else. It is an establishment of the beginning of a spiritual connection which will be the basis of bonding upon delivery'.

The closest description of a promise in marketing literature would be the concepts of 'augmented product', 'extended product' or 'product package' which describe the supplementary elements that add value to manufactured goods (Lovelock 1996).

In developing unique promises, organisations may adopt the following steps as conceptualized by Lovelock (1996:338):

- Determine what actions and reactions customers expect from the firm
- Group these activities into core and supplementary service elements
- Evaluate how well the organisation is performing on each one - if, indeed, management even responds to each of the customer's requirements
- Redesign existing service 'packages' in order to offer customers in each target market segment a product offering and delivery system that meets their expectations for performance and value within the constraints of a price that will allow the provider to obtain a reasonable profit.

FINANCE evidence provides a good example of how to approach unique promise development.

Arguing that segmentation allows for FOCUS and facilitates a better understanding of one's business and its demands, FINANCE came up with '5 market mission critical segments' to concentrate on. These were: corporate customers, public sector segments, individual/ personal market segment, non-governmental organisation (NGOs) and embassies segment, and the informal sector market segment.

The segments were further analysed to come up with sub-categories. FINANCE made a clear description of each segment and sub-categories, followed by specific areas of focus and strategic thrust in promise development. A comprehensive statement (with few details missing) of FINANCE promises in the 1999-2003 strategy document is reproduced and reflected in Exhibit 6.2.

Exhibit 6.2: FINANCE Promises to Various Stakeholders (continued on next page)

	PRODUCT/SERVICE	EXISTING (E) / NEW (N)	PRIMARY BENEFITS	TARGET SEGMENTS
(a)	Current Accounts (High Priority)	(E) - Review to broaden range & deepen quality	• Low-cost deposits • Fees	All segments except informal sector segment
(b)	Savings Accounts (High Priority)	(E) - Review to broaden range & deepen quality	• Low-cost deposits	All 5 segments
(c)	Trade & Structured Finance (High Priority)	(E) - Review to broaden range & deepen quality	• Interest • Fees/Commission	Corporates; Government & Parastatal
(d)	Treasury Products (High Priority)	(E) - Review to broaden range & improve quality	• Interest • Forex Gains • Commission • Fees	All 5 segments
(e)	Card Services/ Products (High Priority)	(E) - Review to broaden range & improve quality	• Low-cost deposits • Interest • Fees/Commission	All segments except informal sector segment
(f)	International Banking Products (High Priority)	(E) - Review to broaden range & improve quality	• Low-cost deposits • Interest • Fees/Commission	All segments except informal sector segment
(g)	Relationship Banking (High Priority)	(N) - Introduce	• Stable & reliable source of deposits	All segments except informal sector segment
(h)	Advisory Services (privatizations, mergers & acquisitions etc) (High Priority)	(N) - Introduce	• Fees/Commission	All segments
(i)	Demand Deposits (High Priority)	(E) - Review to improve on quality		All segments
(j)	Loans/Overdrafts (Moderate Priority)	(E) - Review to broaden range & deepen quality	• Low-cost deposits	All 5 segments
(k)	Insurance Products	(N) - Establish	• Fees/Commission	All 5 segments
(l)	Guarantees	(E) - Review to broaden range & deepen quality	• Fees	All 5 segments

Exhibit 6.2: FINANCE Promises to Various Stakeholders (continued from previous page)

	PRODUCT/SERVICE	EXISTING (E) / NEW (N)	PRIMARY BENEFITS	TARGET SEGMENTS
(m)	Safe Custody	(E) - Review to broaden & modernize service	• Fees	All 5 segments
(n)	Telephone/Internet Banking/Bill	(N) - Introduce	• Low-cost deposits • Fees/Commission	All 5 segments except Informal sector segment
(o)	Priority Banking	(N) - Introduce	• Low-cost deposits • Fees/Commission	All 5 segments except Informal sector segment
(p)	Kiosk & Mobile Banking	(N) - Review existing new & introduce	• Low cost deposits	All 5 segments
(q)	Village Banking	(N) - Introduce	• Low-cost deposits	NGO's, Individual & Informal Sector segments
(r)	Time Deposits	(E) - Review to improve quality		All 5 segments
(s)	NCD's	(E) - Review to introduce		All 5 segments except informal sector segment

Source: Strategic & Business Plans for the Period 1999 to December 2003

Unique promises have to be developed for internal business stakeholders. These should focus on what the organisation has to do in order 'to most effectively attract, develop and retain a diverse group of the best and brightest human talent in the marketplace' (Hesselbein, Goldsmith & Beckhard 1997:200). More importantly, the promises should clearly reflect the capacity and capability creation provisions to sustain the changes around the seven steps of the model.

The challenge for organisations is to continue improving promises, including converting supplementary elements into core products.

The promises to internal and external business stakeholders should be tested for uniqueness with selected internal as well as external business stakeholders respectively.

6.3.5 Design unique processes to deliver the unique promises to internal and external business stakeholders

In order to deliver the unique promises developed in Step 4, there is need to map out unique processes for such delivery.

Lovelock (1996:49-50) identifies four types of core service processes:

- *People processing* takes place when customers seek some service in which the process consists of tangible actions directed at their physical person and therefore requires their physical presence.
- *Possession processing* occurs when customers ask a service organisation to provide tangible actions not to themselves but rather to some physical possession. In this instance, customers need not themselves be involved throughout the service delivery, but the item in question must.
- *Mental stimulus processing* embraces a group of services that consist of intangible actions directed at customers' minds and thus require their mental (but not necessarily physical) participation throughout service delivery. Such services can be delivered at arms length through electronic channels.
- *Information processing* consists of intangible actions to customers' possessions (or to their intangible assets). Customers can, in theory, deal with the service provider almost entirely at arm's length.

These four types reflect that customers (be they internal or external) are involved, though in different degrees, in the service production process.

Lovelock (1996:64) provides a simple but useful guideline that may be adopted under Step 5 for flowcharting the customer (internal/external) experience:

- Define the purpose of the flowchart clearly: What do you wish to learn (and why) about what types of service, involving what sorts of customers and under what types of usage conditions?
- Compile a list of the activities that constitute the experience of relevant customers. Initially, keep these activities aggregated.
- Chart each step in the customer's experience in the sequence in which it is normally encountered (alternative charts may be needed if sharply different sequences are encountered, - they may be evidence of segments with differing needs or of alternative versions of the service).
- For every front-stage activity, chart backstage supporting activities. (This task is of particular value in examining service quality problems and in developing internal marketing programs designed to reach backstage personnel).
- Validate your description - solicit inputs from customers and be sure to involve relevant service personnel. (Each may have his/her understanding of the process - an open discussion may help to achieve consensus).
- Supplement the flowchart by a brief narrative describing the activities and their interrelationships. Be sure to identify the different players clearly.

Engaging internal and external customers affords the organisation opportunities to hear out complaints concerning problems with any part of the process. Such problems should be taken as clues on areas requiring further improvements.

6.3.6 Set up unique organisational structures and systems to align with unique delivery processes

Each of the 4 cases had structures and systems set up to support the change efforts. FINANCE explicitly stated that the structures were driven by customer needs and expectations as reflected in Chapter 4.

The argument in this MaTra model is that customer needs and expectations should be the basis of promise development. Delivery processes should naturally follow. It is the delivery processes that should determine the structures and systems.

Unique organisational structures and systems set up to sustain change efforts should be relevant and dynamic. All four cases provide ample evidence that there was a desire to realign the structures and systems to delivery process changes.

An organisation capable of delivery in a changing environment should be a flattened and flexible organisation in which effectiveness and speed are essential elements. What is required is the ability to give employees a sense of ownership of entire processes to inspire them to want to improve service levels and deliver the finest service the customer is looking for.

Byrne (1993), in Lovelock 1996:573-574, suggests that "... the trend is toward flatter organisations in which managing across has become more critical than managing up and down in a top heavy hierarchy". He asserts "Forget the pyramid. Smash the hierarchy, break the company into key processes, and create teams from different departments to run them".

Organisational theorists have attempted to replace the vertical structure. Byrne (1993), in Lovelock 1996:581, aptly summarized some of these:

> Some have been as wild as the shamrock image promoted by Charles Handy, a lecturer at the London Business School. Its three leaves symbolize the joining forces of core employees, external contractors, and part-time staffers. James Brian Quinn, a Dartmouth B-school prof, thought up the starburst to reflect the company that splits off units like shooting stars.
>
> But these experimental designs are really just metaphors for the 21st century corporation, not pragmatic structures that any company has actually adopted. And, for every upside down pyramid, you'll still find thousands of conventional charts.

The approach that is prescribed in this step of the MaTra model is a modification of what Byrne (1993), in Lovelock 1996:578, suggests on how to create a horizontal organisation, Exhibit 6.3.

Exhibit 6.3: How to Create a Horizontal Organisation

Source: Byrne (1993), in Lovelock 1996:578

6.3.7 Build unique organisational capacity and capability to sustain the change

As mentioned earlier, a key feature of building unique organisational capacity and capability should be the ability to attract, develop and retain competent staff.

FINANCE and CROP, for example, managed to sustain their change efforts through this strategy. On the other hand, PLEASURE struggled to maintain its growth after the death of PL1 and mass resignations at senior levels. In the late 1990's, both PLEASURE and LEISURE were perceived as 'uncaring' resulting in some of their key leaders becoming leaders of their former competitors.

A good summary on the intricacies around building a highly loyal customer base to inform the sustenance of the momentum of change is by Reichheld (1993), in Lovelock 1996:245. He writes:

> The better economics mean the company can pay workers better, which sets off a whole chain of events. Increased pay boosts employee morale and commitment as employees stay longer, their productivity rises and training costs fall; employees overall job satisfaction, combined with their knowledge and experience, leads to better service to customers; customers are then more inclined to stay loyal to the company; and as the best customers and employees become part of the loyalty-based system, competitors are inevitably left to survive with less desirable customers and less talented employees.

Building organisational capacity and capability rests on the ability to harness the different energies of employees. Although Senge (1999) describes change respondents under 'true believers' and 'nonbelievers', the cross case analysis has surfaced 3 categories: 'risktakers', 'undertakers' and 'caretakers'.

However, Bishop (2001) provides a sharper description that is prescribed for Step 7 because of its simplicity and clarity. (Bishop 2001:xv) suggests:

> To bring about effective change, you must help your group or organisation through the following steps:
>
> - Assess the personal change capacity of your key people
> - Create development plans in line with personal change capacity assessments
> - Determine organisational change capacity and its impact on personal change capacity.

Bishop (2001:xv-xviii) indicates there are four individual assessment categories:

> **A-players**
> These people not only respond positively to change but they drive it. They may be relative newcomers to the organisations or veterans, junior or top executives, but what unites them is the way in which they greet change as a friend rather than as an enemy.
>
> **B-players**
> This label describes individuals who are generally receptive to change but lack the perspective, enthusiasm, and change leadership abilities of A-players or are only willing to embrace certain types of change. ... B-players often have excellent performance records and hold key jobs in the organisation, but only perform well if the conditions are right.
>
> **C-players**
> In a sense, these are the silent majority in many organisations. Frequently technically proficient, the C-player's competence often gets confused with change responsiveness.
>
> **D-players**
> These are the change resistors of the first rank. ... Like C-players, they may be technically competent. But even in these areas, they are rigid and conservative ... Their resistance to change may be active as well as passive. They may sabotage a new process or policy through their actions or in their conversations with peers or direct reports.

Clearly, the 'risktakers' may be classified as A-players. Broadly, B-players and some C-players would constitute 'caretakers' and other C-players and D-players would be the 'undertakers'. It appears Bishop's classifications are neater and most appropriate for use under this Step.

Taking the general descriptions of A, B, C, and D-players, the organisation should engage employees in coming up with criteria to assess individual capacity for change and agree a development framework for each individual.

As Ghoshal & Barlett (1997) aptly put it, there is need to create and leverage knowledge from individual expertise to organisational learning for change to be sustained. Each employee has to take personal responsibility for his/her performance and undertake to engage in the continuous process of learning that is necessary to support such performance amid constant change. The role of top leaders will have to be supporting employees' entrepreneurial initiatives and ensuring their employability.

Evidently, FINANCE took advantage of A-players (risktakers) in setting up the various teams to lead the turnaround and had A-players in key positions to stimulate organisational learning.

For the 1999-2003 strategic planning process, FINANCE used scenario planning.

FINANCE engaged the services of local Zimbabwean experts who specialize in the collection, research, extrapolation, projection, interpretation and dissemination of economic data about Zimbabwe and the region.

These experts provided views and assumptions clustered under two scenarios - the Base Case and the Worst Case scenarios.

The Base Case "assumes a somewhat less optimistic outlook than ZIMPREST which forecasts growth of around 6% per annum" (1999-2003 Strategy Document).

The Worst Case scenario "makes weaker assumptions than the Base Case as far as the performance of the international economy is concerned and also assumes a significantly less favourable domestic environment" (1999-2003 Strategy Document).

On the basis of expert opinion, FINANCE proceeded to use the Base Case scenario in the 1999-2003 strategy planning process.

Clearly, organisations that transform need the help of external experts/consultants who have great ability in contextualising issues. External experts/consultants were available across the four cases.

GE got help from Tichy & Sherman, Mount Carmel from Secretan, SAPO from Mbigi. Where individuals in the organisation have the competence to build capability, the individuals have to lead the transformation. This was the case for EHTE where Mbigi provided the leadership as an internal person.

The intention should always be the downloading of capacity and capability to internal change facilitators to sustain the momentum after the departure of the external partners.

Arguing that continual transformation demands a transformable infrastructure, Ghoshal & Bartlett (1997:77) call for the continuous reinvention of human resources saying:

> Most important, a transformable infrastructure needs to include the kind of human resources management support, and other central services, that the business units need to bring about lasting behavioral change.
>
> ...
>
> Motorola Semiconductor has redefined the role of the human resource professional - from hiring and firing to partnering with the business units and facilitating breakthrough change.

6.4 The Common Thread - Collaboration

Across the 4 cases, for those change efforts that succeeded, there was strong evidence of consensus building amongst stakeholders - signaling presence of collaboration. This necessitated a search for an African definition of collaboration

The simplistic definition of collaboration is 'working together'. From an African perspective, informal circles are more powerful in fostering collaboration than formal circles. A turn to tribal leadership was revealing.

Boon (1996:46) has this to say about tribal leadership:

> Traditional African leadership includes several features, some of which are indicated below:
>
> - The chief personifies the unity of the tribe. He must 'live' the values of his community and be an exemplary model to his people.
> - The chief is not an autocrat, and must rely on councilors representing the people to assist him.
> - The chief must be guided by consensus. If he is not, the people will ignore his decision or his 'law'.
> - The people must always be strongly represented and the entire (adult) community should attend court or 'hearings'.
> - The people have a responsibility to each other, and collectively, to ensure the laws (values) are upheld.
> - Because of the collective responsibility, everyone has the right to question in an open court.

The concept of openness is an important value, recognizing that retribution is not possible for something said in a correct and open 'court' forum.

Having gone through the evidence, one research assistant gave some insights from her own experience useful for understanding an African's view of collaboration:

> Collaboration involves working together towards a common objective. It involves two or more people cooperating to produce the same end product. It implies that no member of the group exercises command over the others, hence that there is equality in their relationship.
>
> At village level, we are talking of the headman in charge of mobilizing the people to work together whether it be harvesting, tilling, building schools or clinics, and conflict resolving. Together with family heads, the headman could call for a day in a week to solve problems and to work together as a village, sharing ideas for development. Every family has to have a representative to make sure every family is involved in whatever is done in the village.
>
> Consensus is reached through discussions and sharing ideas. When decisions are made every family or person has to comply. There is a protocol of disciplinary measures if a person or family has not adhered to the decision made.
>
> The extended family plays a very important part when events like weddings, marriage, death and sickness strike a family. Each family member plays his/her role. For example the aunt (tete) plays a major role when there is a marriage in the family. A father (baba) plays a major role as breadwinner and forges ahead with the day to day well being of the family. By consultation and consensus, the family is run by a cultural urge to cooperate, plan and protect the family.
>
> In an African set up, there is no difference between my sister's children and mine. The same applies to me and the children to my father's brother.
>
> Collaboration entails a lot of caring, trust and sense of belonging. Collaboration is more felt, experienced, than defined.

From the above African cultural perspectives, I argue that collaboration *is demonstrated, not defined, through positive contribution towards a common good resulting in the coexistence of independence and interdependence and spiritual bonding. There is a high sense of belonging, of community. It is not the size of the contribution that matters BUT the spirit behind the contribution. One takes pride in having participated in whatever positive form. There is no expectation of a return favour. The benefit accruing is for the community.*

The underpinning philosophy is Ubuntu - 'I am because we are'.

Boon (1996:31-32) aptly summarises the key elements of the philosophy of the Abantu people saying:

> The heritage of the philosophy that comes to us through our traditional African roots is ubuntu: morality, humanness, compassion, care, understanding and empathy. ...
>
> It is believed the group is as important as the individual, and a person's most effective behaviour is in the group. All efforts working towards this common good are lauded and encouraged, as are all acts of kindness, compassion and care, and the great need for human dignity, self respect and integrity.

6.5 Refining Terms Used to Construct the Emerging MaTra Model

The terms used to construct the emerging MaTra model were tested out through repeat discussions with selected employees in PLEASURE, TEST 1 and TEST 2. The suggestions from the selected employees were supported by the 2 research assistants.

The term **'staff'** was considered more appealing and uplifting as compared to 'internal customers' or 'internal stakeholders' or 'employees'. Theme 1 was therefore refined to reflect 'staff'. The staff suggested **'business stakeholders'** replace 'external business stakeholders' in Theme 2 as the later gave an impression of separate existence. There was agreement that 'stakeholder' be inclusive of 'Staff and business **'stakeholders'** in Theme 3.

Since the study is about 'organisational transformation' **the use of the word 'organisational' in Themes 6 and 7 was taken as adding no value.**

The term **'distinctive'** was preferred over 'unique' as the former was considered to embrace uniqueness with the added element of dynamism. In this regard **'distinctive'** is **'being unique and always one step ahead'.**

The words **'build capacity and capability'** were considered threatening as they implied the capacity and capability had not been in place. The term **'enhancement'** had the **'Ubuntu caring'** with it so said the research assistants.

The refinements are reflected in the sections below.

6.6 Towards an Elaborated Model of Organisational Transformation

Turning first to enfolding literature reveals Mbigi (2000:145) developed another model, the Mbigi African Transformation model, to the right of Exhibit 6.4, with a cross-cutting theme of 'cooperation' - again pointing towards 'collaboration', and 'competitiveness'. In this regard, Mbigi is tapping into the power of organisational paradoxes as suggested by Thurbin (1998).

The Mbigi African Transformation model focuses on developing and transforming eight organisational areas: people, spirit, best operating practices, core competencies, policies, products, services, and procedures. Of interest is that this model appears to be multi-disciplinary and places the highest priority area as people, with spirit next in line.

It would appear, by having people and spirit close together at the top of this model, Mbigi is stressing the inseparability of person and soul. This is also Secretan's conceptualization of the connection between person and soul.

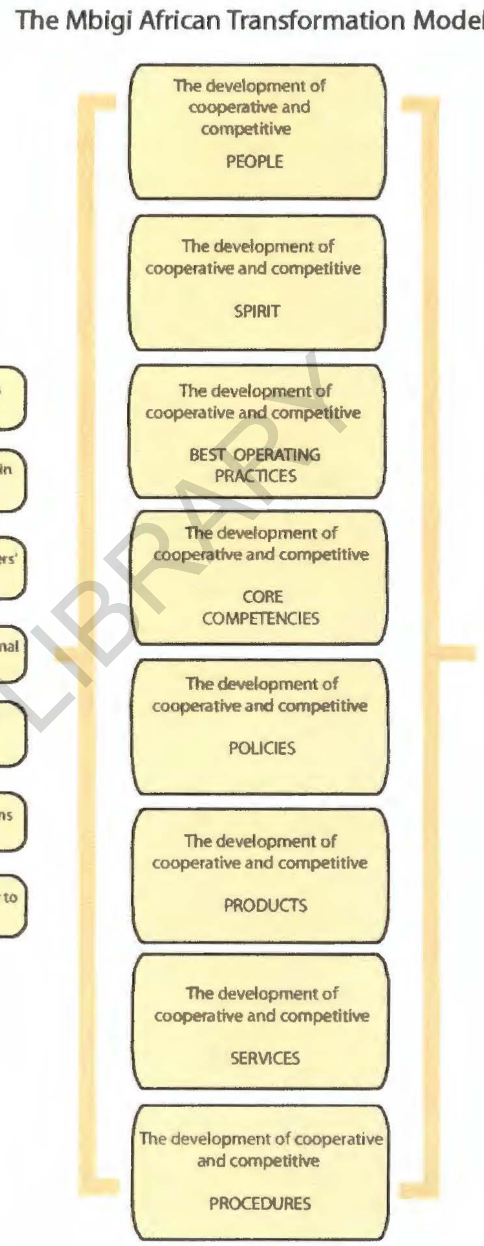
On the one hand from African oral tradition, as reflected in Chapter 2, the spirit is the total being which includes the depth of the soul. On the other hand, Secretan (1997:246) conceives the soul as 'an entity that is regarded as being immortal or spiritual part of the person; the life force; the vital essence of a human; innermost being or nature, nobleness of spirit or its desired expression'.

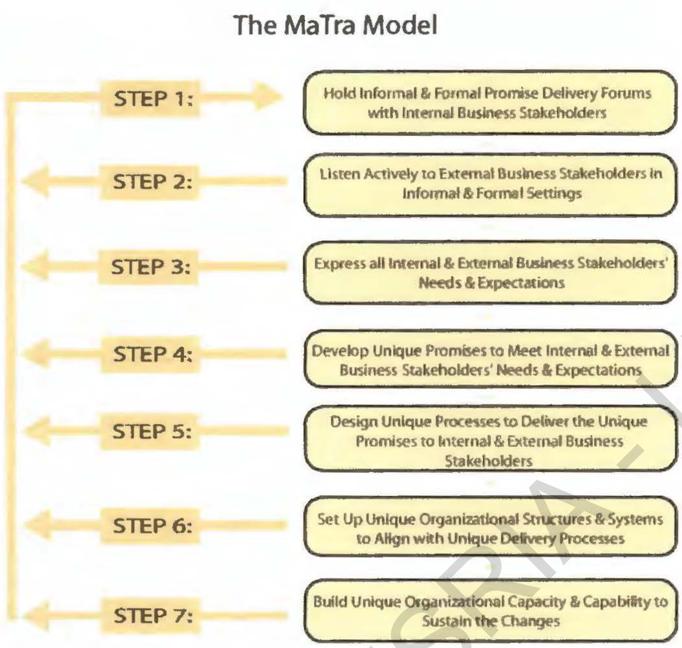
Given these viewpoints, the African Transformation model should have had the 'spirit' at the top, followed by 'people'. However, features of the African Transformation model confirm the need to infuse Mbigi's and Secretan's spirit/soul-based ideas into the MaTra model to elaborate it.

Mbigi (2000) suggests that the 'African genius in management lies in people management'. He proposes that the model be used by human resources practitioners to meet the challenges created by the global competitive environment.

Of interest is that Mbigi (1997) calls this model the 'Ubuntu Inclusive Development Model' whereas Mbigi (2000) renames it the 'African Transformation Model'. This is a reflection of a futurist who continues to refine ideas to relate to the situation under discussion. It also implies that this model may be further developed.

Exhibit 6.4: Juxtaposition of The MaTra Model and The Mbigi African Transformation Model





Source: Thesis Emerging Model, Madzivire 2003

Source: Mbigi 2000:145

Juxtaposing the emerging MaTra model and the Mbigi African Transformation model to compare and contrast reveals the following:

- The MaTra model Steps 1 through 7 are meant to develop 'cooperative and competitive people' as well as 'cooperative and competitive spirits'. All the Steps should also aim for 'the development of cooperative and competitive best operating practices'.
- Evidently Step 4, covering 'unique promises', links with 'the development of cooperative and competitive products' and the development of cooperative and competitive services'.
- Step 5, 'unique delivery processes', matches with 'the development of cooperative and competitive procedures'
- Part of Step 6, 'unique systems' would cover 'the development of cooperative and competitive policies' and 'the development of cooperative and competitive procedures'.
- Step 7, 'unique organisational capacity and capability matches closely with 'the development of cooperative and competitive core competencies'.
- The Mbigi African Transformation model is silent about Step 3, 'stakeholders needs and expectations' and part of Step 6, 'unique organisational structures'.
- The internal and external business stakeholders in Steps 1 and 2 of necessity are to be developed as 'cooperative and competitive people' as well as cooperative and competitive spirits'. Hence, Steps 1 and 2 may be linked back to Step 7.
- The MaTra model has seven steps whereas Mbigi's African Transformation model has eight areas to focus on.
- 'Development' featuring across the eight areas in the Mbigi African Transformation model reinforces that the organisation has to build capacity and capability to perform any/all of the seven steps of the emerging model

The similarities and differences between the seven theme areas under the MaTra model and the eight from the African Transformation model presents an opportunity to elaborate the themes on which the MaTra model has been constructed. The outcome is Figure 6.3.

Figure 6.3: Elaborated Themes

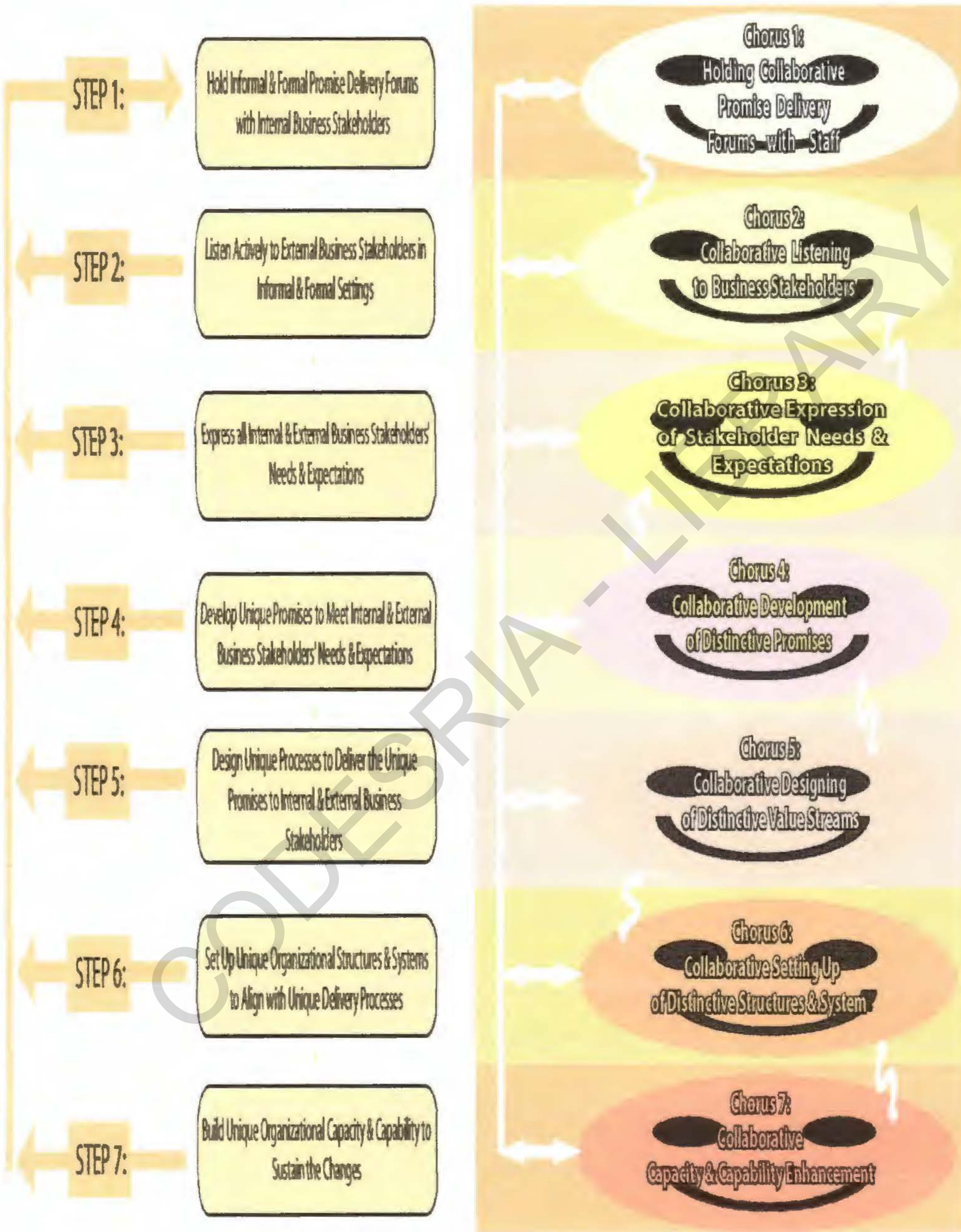
ELABORATED THEME	REFINED THEME STATEMENTS	ELABORATED THEME STATEMENTS
1. Staff.	Hold informal & formal promise delivery forums with internal business stakeholders.	Holding collaborative promise delivery forums with staff.
2. Business stakeholders.	Listen actively to external business stakeholders in informal & formal settings.	Collaborative listening to business stakeholders.
3. Needs & expectations.	Express all internal & external stakeholders' needs and expectations.	Collaborative expression of stakeholder needs and expectations.
4. Promises.	Develop unique promises to meet all internal & external business stakeholders' needs & expectations.	Collaborative development of distinctive promises.
5. Processes.	Design unique processes to deliver the unique promises to internal & external business stakeholders	Collaborative designing of distinctive Value Streams.
6. Structures & systems.	Set up unique organizational structures & systems to align with unique delivery processes.	Collaborative setting up of distinctive structures & systems.
7. Capacity & capability	Build unique organizational capacity & capability to sustain the changes.	Collaborative capacity & capability enhancement.

Since 'collaboration' has emerged as a common thread across the four cases under study 'collaboration' is going to be integrated into the elaborated model. This also covers Mbigi's (2000:145) recurring theme of 'cooperation and competition' which confirms the need for collaboration in organisations that transform in Africa.

Ahah!!! The MaTra Model has been transformed into an elaborated model:

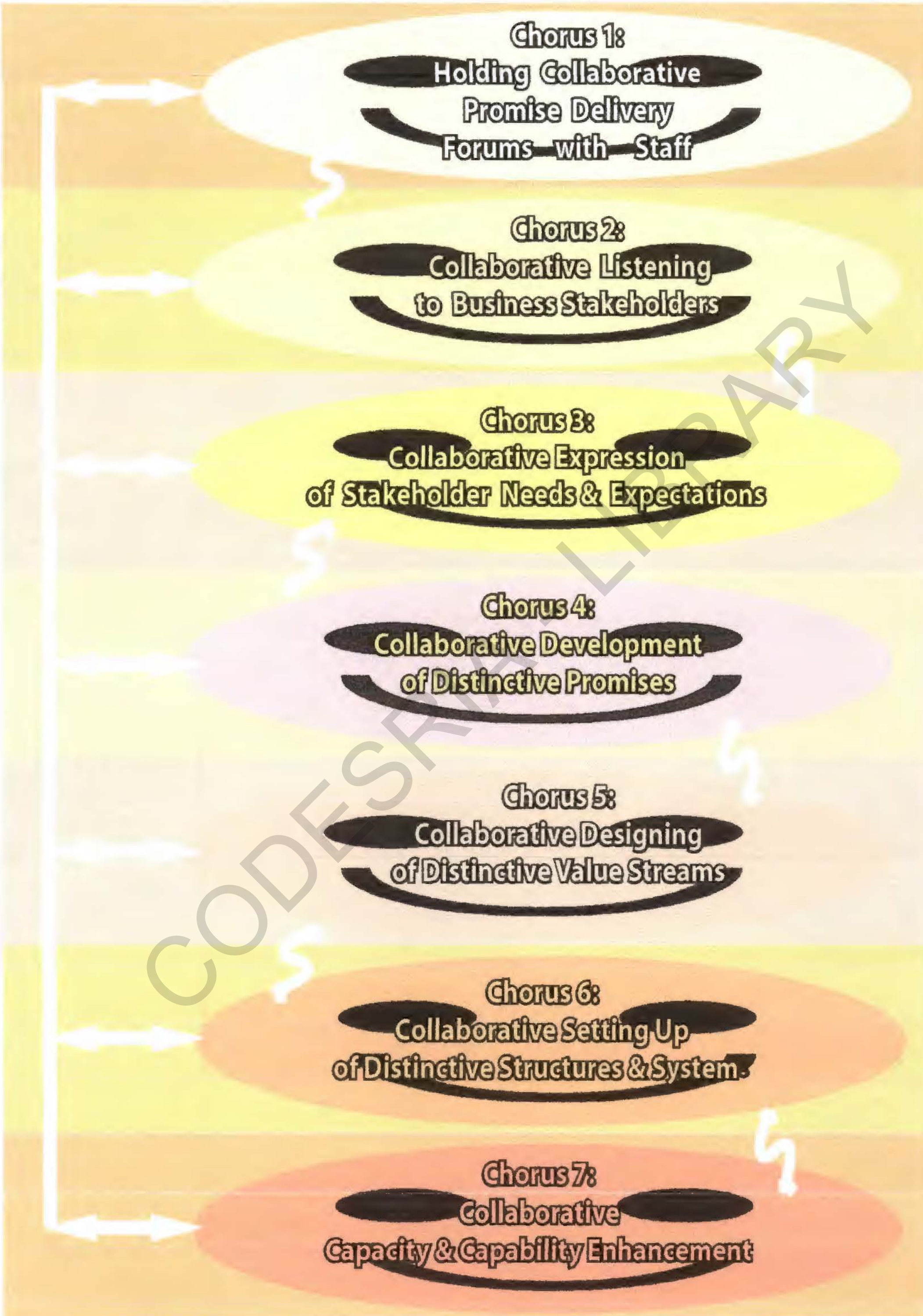
The Madzivire Collaborative Transformation (MaCoTra) Model

Figure 6.4: From MaTra to MaCoTra



6.6 The Elaborated Model of Organisational Transformation

Figure 6.5: The Madzivire Collaborative Transformation (MaCoTra) Model



6.6.1 MaCoTra Differentiating Features

Mbigi (1997) and Boon (1996) agree on the significance of dancing and singing at work. The EHTE and SAPO cases in Chapter 2 highlighted how Mbigi took advantage of these two elements to institutionalize change in EHTE and SAPO. Boon's (1996:72) words are relevant for the elaborated MaCoTra model:

> Good teams mostly express their unity in a physical and demonstrative way. In many instances, this expression is through dance and song. Singing gives the team an opportunity to share in the expression of a single vision, emotion or belief, both verbally and passionately....
>
> Autocrats very seldom create excellent teams. People usually work very hard and do what they should out of fear of such leaders. In teams led by autocrats there will be a corresponding lack of trust because of that fear....
>
> Team spirit will very seldom be evident in such groups. There certainly will not be spontaneous singing, or sharing of pride in the organisation. Singing may occur, but this will most probably be in rebellion against the autocratic leaders.

This assessment confirms that spiritual bonding in collaborative set ups is achieved through song and dance. The metaphor of a 'chorus' is therefore adopted for the elaborated MaCoTra model. This is more telling to an African than 'steps'. Steps suggest a linear relationship consistent with what Boon discusses under the Western view of time.

Boon (1996:17) argues:

> The Western view of time is diametrically opposed to the African view. ... The general Western experience and view of time is based on a linear concept of time. Time is infinite. For our purposes, let's simply say it started 'in year dot' and it progresses through the present, into a distant and potentially infinite future....
>
> The African takes a circular view of time, in which the past is more important than the future. The African circles into the past, then the future, and back through the present to the past.

The elaborated MaCoTra model, therefore links the choruses in both linear and non-linear fashions reflecting the integration of Western and African views. This is consonant with how Clem Sunter of Anglo American Corporation of South Africa Limited comments on Boon's (1996) contribution:

> He (Boon) writes: 'We are both African and Western and sometimes bits of both. More importantly we have life philosophies, uniquely our own on which our views of the world are founded'. Those words really sum up how a winning company here should go about business. It will search for and arrive at the best combination of management principles to mix with the cultural beliefs and backgrounds of its employees.

Source: Boon 1996

Both the emerging MaTra and the elaborated MaCoTra models are representative of such integration.

The MaCoTra model encapsulates the transformation song composed of seven choruses for the organisational choir.

Each chorus may be sung on its own and also in combination with any one or more of the other choruses. This means an organisation may transform as a result of work on one or more choruses.

Further, from a systems perspective, each chorus is a subsystem of suprasystem - the total MaCoTra model. In this regard, whatever is done to any one of the chorus subsystems affects the other subsystems and has an effect on the suprasystem.

What the MaCoTra model advocates is for each organisational member to go beyond singing individual choruses. MaCoTra invites all organisational members to synchronize the choruses resulting in a melodious overarching organisational choir - the transformation itself.

The MaCoTra colour coding stresses that diversity has to be celebrated as part of organisational transformation.

What a way to celebrate it through any combination of the seven MaCoTra song choruses, and dance!

6.7 Explaining the Seven MaCoTra Model Choruses

Each of the seven MaCoTra model choruses rides on the detail that has been given under the seven MaTra steps. Only the relevant refinements will be explained below to avoid repeating what has been covered under the MaTra model.

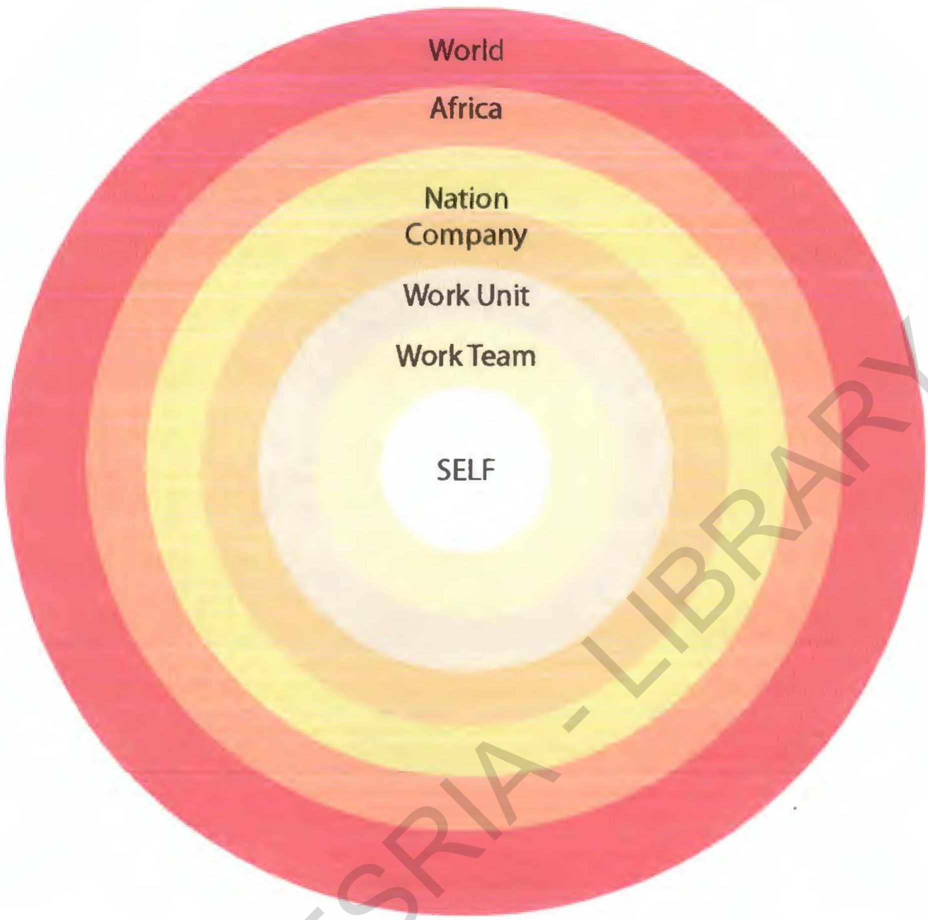
A key feature of African hospitality is the sharing of food and drinks. Therefore, engaging in each chorus should be punctuated by the sharing of food and drinks. Doing this sanctions the collaboration.

6.7.1 Holding collaborative promise delivery forums with staff

A practical framework (Figure 6.6) that may be used is based on the assumption that change happens one person at a time. This implies personal leadership.

Each member of staff has to clarify personal values from an African perspective. Typical African values already highlighted under the Ubuntu philosophy are: morality, humanness, compassion, care, understanding and empathy.

Figure 6.6: Changing Business in the World One Person at a Time



The values then form the basis of personal visioning.

Each staff member should share their personal values and personal vision with the forum. This exercise helped staff in TEST 1 and TEST 2 appreciate who they were at a personal level and prepared them for collaboration at work team level.

Work teams then align on a common set of team values from all the individual values. This will give an indication of the start of alignment, collaboration and team visioning.

The process is repeated at the unit level and the organisational level and so on as reflected in Figure 6.5. The intention is to sensitise each person so that they realize change at a personal level impacts on each of the subsystems and the suprasystem - the world. This reinforces the notion of independence and interdependence that fosters further collaboration.

Staff need to create songs linking values to visions and strategies to embed a culture of collective learning. PLEASURE, TEST 1 and TEST 2 staff participated in these exercises as part of theory testing and confirmed this process definitely enhances living the values and visions.

Through the collaborative forums, there is a shift from sharing organisational values and an organisational vision to sharing values and visions. This lays a solid platform for exploring the burning business issues as fear and anxiety will have been eliminated through the process. Staff are prepared to participate in the next choruses as sacred contributors

What is critically important is that staff be given an opportunity to indicate what they would wish to be given by the company for them to call it the best company. Each time a competitor catches up in terms of compensation packages, the company draws one item from the wish list and creates more value in its compensation system. The wish list affords the company an opportunity to be distinctive by being one step ahead of competitors in terms of people care.

6.7.2 Collaborative listening to business stakeholders

Collaborative listening to staff in forums leaves staff feeling they no longer work for a company but belong to the company. With this new mindset, they go out of their way to serve each other and serve the business stakeholders. Informal and formal settings should be used to listen to the business stakeholders using an adapted version of what the staff experienced in Chorus 1.

The challenge is to allow each business stakeholder talk about their business. The business stakeholder should give detail regarding issues such as their conversion processes, nature of competition in their business, how the competition in their business might change, and promises the company could make to enhance value in the business stakeholder's type of business.

Understanding the business of the stakeholders places the company in a position to provide promises that create win-win and lasting relationships. This also reinforces the notion of independence and interdependence that fosters further collaboration with business stakeholders.

Staff need to create songs linking company values, visions and strategies to the business stakeholders' kind of work to embed a culture of collective learning with the business stakeholders. PLEASURE staff participated in these exercises as part of theory testing. The business stakeholders the staff entertained in the restaurants indicated that they loved being served not only meals but also through song and dance.

Through collaborative listening, business stakeholders get emotionally and spiritually attached to the organisation that serves. Business stakeholders are prepared to participate in the next choruses as sacred contributors to the transformation of the organisation.

What is critically important is that business stakeholders be given an opportunity to indicate what they would wish to be provided by the company for them to call it the best company. Each time a competitor catches up in terms of what they promise the business stakeholder, the company draws one item from the wish list and creates more value in packaging the new promise. The wish list affords the company an opportunity to be distinctive by being one step ahead of competitors in terms of business stakeholder (people) care.

6.7.3 Collaborative expression of all stakeholder needs and expectations

It is important to allow staff time to express what they heard from staff in Chorus1 and from business stakeholders in Chorus 2. The confirmation sessions should be like in Step 3 with added elements of singing and dancing to celebrate understanding of staff needs and expectations as well as business stakeholder needs and expectations.

Staff representatives should hear out the expression of the needs and expectations. Similarly, segment representatives of business stakeholders should be called back to experience the Chorus developed around their needs and expectations.

In this Chorus, a commitment to engage staff in the development of staff promises is made. Similar commitments have to be made with the segment representatives of business stakeholders.

6.7.4 Collaborative development of distinctive promises

As highlighted under 6.7.1 and 6.7.2, the idea of distinctiveness in promises revolves around being one step ahead of competitors through the use of one aspect from the staff/ business stakeholder wish list each time a competitor catches up.

Staff need to participate fully in translating needs and expectations from staff into distinctive promises to staff. The same would apply for the development of business stakeholder promises.

Each promise should also have an accompanying song highlighting its distinctiveness.

It is critically important that selected staff and business stakeholders validate the distinctiveness of the respective promises. Staff and business stakeholders always relate to what they helped create.

6.7.5 Collaborative designing of distinctive value streams

Chorus 5 elaborates the MaTra model Step 5 by elevating flowcharts into blueprints and processes into value streams. In Step 5, I talked of flowcharting the promise delivery process to understand the nature of the customer's experience. Lovelock (1995:331) argues:

> To design a service requires a more sophisticated version of flowcharting known as 'blueprinting', which considers every activity needed to create and deliver a service, as well as specifying the linkages between these activities. Services can be reverse engineered by documenting existing service procedures in flowchart form.

Lovelock (1995:331) proceeds to indicate:

> A blueprint of an existing service may also suggest new product development opportunities, resulting from reconfiguring delivery systems, adding or deleting specific elements, and repositioning the resulting service product to appeal to other segments.

Martin's (1995:104) conceptualization of a value stream is "an end to end collection of activities that creates a result for a 'customer', who may be the ultimate customer or an internal 'end user' of the value stream. The value stream has a clear goal: to satisfy or better to delight the customer".

My suggestion is that organisations that transform need to go beyond flowcharting processes to blueprinting value streams.

A typical example of a value stream would be order fulfillment. In this case, the order is input and the result is the delivery of the ordered good. There is a collection of activities (one being order entry) that constitute order fulfillment.

From this example, it is evident that if one has to clarify what a value stream is, its start and finish activities can be named. In the example of order fulfillment the start is 'customer order' and the finish is 'delivery'. The 'delivery' in a 'win-win' situation concerns the receipt of the order on one hand and receipt of payment on the other. This is popularly called 'cash-on-delivery'.

Organisational leaders are reminded to remember the difference between Michael Porter's value chain (Grant 1995) and the concept of a value stream. As Martin (1995:106) points out:

> A value stream is much simpler than Porter's value chain. Porter's value chain relates to the enterprise as a whole, whereas value streams relate to a set of activities that satisfy a particular type of customer (internal or external). The value chain perspective is driven by a functional business view evaluating costs and margins as a basis for competitive comparisons. The value stream perspective is based on streams of activities in every enterprise that deliver a particular result for a particular type of customer or user.

The implication is that redesigning value streams is relatively straightforward since each value stream should have a clear customer and the goal is to satisfy this customer in the simplest and most direct way.

Simple questions that may be asked to integrate the different choruses in the elaborated model are:

- What are the value streams for the organisation?
- Who are the customers of each of the value streams?
- What are the needs and expectations of the customers?
- What would delight the customer?
- How can the value stream be reinvented to meet and exceed the needs and expectations of the customers as simply and directly as possible?
- What are the most appropriate technology and information systems to minimizing the costs of doing business and costs to the customer?

A selected few of the value stream customers need to give feedback on the designed value streams to foster ongoing co-creation of value.

6.7.6 Collaborative setting up of distinctive structures and systems

Distinctive organisational structures and systems in the elaborated MaCoTra model are around value streams not hierarchies. Someone or a team is responsible for each end-to-end value stream.

Designing value streams should be cross-functional. This means the human changes resulting out of the developed value streams must be coordinated and not developed in isolation by the different functional areas. Martin (1995:115) suggests, "the functional areas must participate in joint workshops for the planning and design of the systems required".

This confirms that the designing of value streams and setting up of distinctive organisational structures and systems based on value streams has to be collaborative. A selected few of the value stream customers need to give feedback on the organisational structure and systems as the customers continue to co-create value with the organisation.

6.7.7 Collaborative capacity and capability enhancement

The seventh MaCoTra model chorus - collaborative capacity and capability enhancement, prescribes a combination of the Mbigi 'spirits hierarchy' and the Secretan Values-Centred leadership model.

As mentioned in Chapter 5, Mbigi's ideas were used successfully as a basis for running WAP sessions in PLEASURE.

Mbigi's (1997 & 2000) guidelines for organisational transformation are derived from Africa. The framework used is the African Spirit Religion metaphor (Exhibit 6.5.) for managing spiritual, emotional, and cultural resources in order to catalyze the optimum development of human talent in an organisation.

The deliberate focus is spiritual, consonant with Secretan's soul focus discussed in Chapter 2 above.

Exhibit 6.5: Creative Energies of African Spirits

GENERIC AFRICAN SPIRIT	CREATIVE ATTRIBUTES
Rainmaker (God's Representative)	Morality, truth, dignity, and welfare.
Hunter	Risk taking, enterprise, opportunity seizing, action, and performance.
Wandering	Creativity, particularistic obsession, special ability, innovation.
Divination	Authority to know the truth, divination powers.
Clan	Survival of self and one's group.
War	Power, competition, conflict and control.
Avenging	Bitterness, anger, revenge, and vindictiveness.
Witch	Cynicism, negativity, destruction, sorrow, pain and suffering.

Source: Mbigi, 2000:33

Mbigi suggests that transformation agents use burning platforms to diagnose the dominant spirit of an organisation by identifying the creative attributes listed in Exhibit 6.5. Bishop (2001:134) says "In the change communication process … the burning platform provides the 'push' while the destination is the pull".

The starting point in creating capacity is to help all employees understand the destination of the organisation. There is need to allow employees appreciate, for example, that the changes will benefit the organisation by making it a great company to do business with, a great place to work and a great long-term investment.

Whereas the first benefit presents the business case, the other two benefits will steer employees into supporting the change as they are benefits at a personal level. From a self-interest viewpoint, employees always ask "What's in it for me?". The change should be positioned to allow each employee relate to the following questions:

- How is the change going to affect my career opportunities, help me become more employable and create a workplace that's both fun and meaningful?
- What work benefits (like having a financial stake in the future of the company) will result as part of the change?
- Will it become easier to obtain the needed resources?
- Are employees going to be given more opportunities to make decisions and get their ideas heard?

Finding out what the dominant spirit is enables employees to agree the spirit they want to create.

Thus, depending on the situation or organisation, some spirits may be dominant over others. For example an organisation aiming for global reach as a business may express creative attributes of the rainmaker, the hunter, and the wanderer taking precedence over the parochial clanship and dogmatic divination spirits.

Burning platforms are similar to the sensitisation programmes that Jack Welch of GE held in 'the pit'. In the GE case, there was boundarylessness engagement of staff - akin to collaboration.

In African culture, positive and negative spirits do not live in isolation just as dialectics positions nature. In this regard, it is important to collectively and ritualistically upgrade the positive spirits and downgrade the negative spirits. Secretan (1997) calls this moving from weaknesses to strengths.

A second tool prescribed for building capacity and capability is the Secretan (1997) Vector (Exhibit 6.6).

Exhibit 6.6: The Values Cycle: The Vector

The Primary Values	Rating 0 - 10)	The Accelerators	Rating (0 - 10)
MASTERY *Undertaking whatever you do in both your personal and professional life to the highest standards of which you are capable.*	9	**LEARNING** *Placing a high value on the importance of knowledge, learning and wisdom.*	6
CHEMISTRY *Relating so well with others on a personal and professional level that they actively seek to associate themselves with you.*	4	**EMPATHIZING** *Identifying with the thoughts, feelings and perspectives of others.*	7
DELIVERY *Finding customers, both internal and external, identifying their needs and meeting them.*	7	**LISTENING** *Possessing a high level of attentiveness devoted to understanding the communications of others.*	7
TOTAL	20	**TOTAL**	20

Source: Secretan 1997:54

The Vector (Exhibit 6.6) is a tool that helps in measuring the relationship between *The Primary Values* and the *Accelerators* in the Value-Centred leadership model discussed in Chapter 2. Secretan (1997:54-55) explains the above example this way:

> *The Vector* is determined by subtracting the number value of the *Primary Value* from the number value of the *Accelerator*. The rule is that the number ranking of the *Accelerator* must always exceed the number ranking of the *Primary Value*, if the *Primary Value* is to grow.
>
> The exhibit above illustrates how *The Vector* works. In the example, the rating for *Mastery* is an impressive 9, whereas the rating for *learning* (the *Accelerator* that provides growth in *Mastery*) is a more modest 6. This suggests that the current high level of Mastery cannot be sustained indefinitely because there is insufficient learning present to maintain this pace.
>
> In the case of *Chemistry*, the position is reversed. At 4, the level of *Chemistry* present is weak, but this is likely to improve because there is a significant level of *empathizing* (7) present.
>
> Finally, *Delivery* is rated at a respectable level of 7 and is matched by a similar level for listening. This suggests that *Delivery* can be maintained at current levels, although no significant improvement is likely, because *listening* (the *Accelerator* for *Delivery*) is being maintained at a correspondingly similar level.
>
> Used this way, the *Accelerators* are predictors of future change in *The Primary Values*. A review of the totals of *The Vector* in the figure suggests that the person or situation, to which it was applied, is in relative balance. However, as the analysis of the individual vector components indicates, it can be misleading to look at totals alone since this may obscure the variances within each *Primary Value* and *Accelerator*.

From my experience using the vector in PLEASURE, TEST 1 and TEST 2, employees in these organisations are beginning to apply Values-centered Leadership to their everyday life. Applying personal values and the vector, friendships have developed and championship performance is being witnessed. Customer service is being developed; effective meetings and negotiations are guided by these values. Some employees are reporting that their marriages have grown stronger through their daily use.

I have recommended other uses (in capability development) of the Vector to the same organisations and the willingness to adopt them has been overwhelming. Three examples of the uses drawn from Secretan (1997) that gained popularity in TEST 1 are highlighted below.

One team leader in TEST 1 said about part application of the Vector:

> We have changed the way we run our meetings.
>
> For example, we adopted the ideas you gave us from Lance Secretan to assess our effectiveness in running meetings.
>
> At concluding any of our meetings, we now consider the decisions made by asking three questions:
>
> ***Mastery:*** Was it the best we could do?
>
> ***Chemistry:*** Will it be good for people?
>
> ***Delivery:*** Will it meet the needs of customers?
>
> We call these three questions our gateways to success. Each person in the meeting needs to pass through each gateway with a "yes" for the meeting to be called successful. If any answer is a 'no', we draw lessons on how to improve in the next meeting. This has significantly reduced the time for our meetings.
>
> And this deadly disease, any other business, A. O. B! A. O. B. is now a thing of the past.. We have replaced it by 'learnings' and use the Secretan Vector to assess effectiveness before we close the meeting.

A few TEST 1 employees were keen to share their experiences on the use of the Vector both at home and work. One said:

> Life is an indivisible whole. In a changing environment, there is no separation between home and work life. I want to feel when I am at home I am at work and when I am at work I am at home.
>
> I have tried to improve my interpersonal relationships with my spouse and teammates. We rated each other at work with my work mates and at home with my spouse on a scale of 0 - 10. We discussed the scores and agreed plans to strengthen our relationships:
>
> ***We adopted the questions you gave us from Lance Secretan:***
>
> - ***Mastery:*** How would you rate my skills and competencies? And my learning? What learning must I do to increase my *Mastery* in your eyes?
> - ***Chemistry:*** How would you rate my relationship and interpersonal effectiveness with you? And my empathy level? How can I empathize better (and with whom?) in order to increase my *Chemistry* with you?
> - ***Delivery:*** How well do I meet your needs? How well do I Listen? How can I listen more effectively so that I increase my *Delivery* with you?
>
> The interrelationship change process is quite effective.

One team leader in TEST 1 also recounted what he is now working on regarding employee development:

> My team agreed that we try out the Vector for employee development programmes. We divided responsibilities and personal development objectives into three sections as suggested by the questions from Lance Secretan you gave us:
>
> - ***Mastery:*** What are the main tasks, skills and competencies for which I am responsible? What continuous learning is required in order to achieve desired levels of *Mastery*?
> - ***Chemistry:*** With whom must strong relationships be built and maintained? What are the opportunities for enhancing communications through empathy (truthfulness, trust, accountability, energy, honesty, integrity, respect, compassion and love)?
> - ***Delivery:*** Who are the customers for this function? What are their needs? How will listening be most effectively undertaken in order to hear those needs?
>
> My team is happy that we have something simple, different and effective to help us develop our capability to deliver service in a caring way.

Secretan (1997) proposes that many other work-related processes can be designed using the Values-centered Leadership model. These include designing job descriptions, business plans, customer feedback, service and quality standards, compensation plans, performance assessment, consensus building, and leadership feedback and project management.

My experience using the Values-Centred Leadership model confirms Secretan's (1997) argument that one of the greatest benefits of Values-Centred Leadership is that it is a life-model, not just a work-model, transferable to any situation and usable in any context.

The call for servant leadership by staff in PLEASURE during the fieldwork and particularly the uses in TEST 1 highlighted above creates an opportunity for the application of Secretan's ideas in organisational transformation.

As mentioned earlier, the premise of Secretan ideas is spiritual, just like Mbigi's.

The marriage of the two futurists' ideas enables a transforming organisation to build capacity and capability to serve diverse stakeholders from a deep cultural root.

6.8 Chapter Summary

The MaCoTra Model is a contribution towards addressing the sixteen challenges explored through this study.

CHAPTER 7: TOWARDS A GENERAL THEORY OF TRANSFORMATION

7.0 Introduction

The ultimate purpose of the study was to come up with a theory/model of organisational transformation to address the identified challenges.

In this Chapter, I indicate the challenges addressed by each chorus and also draw from enfolding literature, to suggest how the MaCoTra Model may be generalized.

7.1 Linking the MaCoTra Model Choruses to the Challenges

This section looks at the challenges addressed by each chorus. Relevant examples will be drawn from the four cases studied, as well as test results from PLEASURE, TEST 1 and TEST 2 where MaCoTra was tested.

7.1.1 Challenges Addressed by Chorus 1

(Holding Collaborative Promise Delivery Forums with Staff)

The Chorus addresses 11 of the 16 challenges as reflected below.

CHORUS	CHALLENGES	
1. Holding collaborative promise delivery forums with staff	• Consensus building amongst stakeholders • Role of international lending institutions • Use of relevant national languages • Role of national culture in transformation • Transfer of positive lessons from political to economic liberation • Land redistribution	• Privatisation • Gender consciousness • Consensus based systems • Ecological harmony • Economic reform and poverty reduction

Affording staff an opportunity to participate in a conversation around what promises to deliver, results in consensus being built around the transformation agenda.

For example in CROP, FINANCE and PLEASURE WAP sessions, burning issues that surfaced included the role of international lending institutions, economic reform and poverty reduction, ecological harmony, gender and land redistribution. Furthermore staff engaged in a conversation relating to how to participate in resolving these burning issues. Engaging staff in this chorus also sharpens their ability to assist with privatization (LEISURE and FINANCE). In addition, in all four cases, when the need to retrench staff arose, staff realized they could be self-employed or outsourced. The companies assisted.

Additionally, the testing of the MaCoTra Model reinforced how Chorus 1 addressed further challenges. For example, when PLEASURE, TEST 1 and TEST 2 staff were requested to come up with production songs in less than 10 minutes during the testing of the MaCoTra Model, most of the songs were in national languages. The time pressure was aimed at creating a sense of urgency since across the four cases very little time was available for the initial stages of the changes. The staff converted songs from the political liberation phase or church songs, into songs linked to economic development.

These examples broadly show how Chorus I addresses the 11 challenges.

7.1.2 Challenges Addressed by Chorus 2

(Collaborative Listening to Business Stakeholders)

The Chorus addresses 11 of the 16 challenges as reflected below.

CHORUS	CHALLENGES	
2. Collaborative listening to business stakeholders	• Consensus building amongst stakeholders • Role of international lending Institutions • Use of relevant national languages • Role of national culture in transformation • Transfer of positive lessons from political to economic liberation • Land redistribution	• Privatisation • Gender consciousness • Consensus based systems • Ecological harmony • Economic reform and poverty reduction

These are the same challenges under Chorus 1. The only difference is that whereas in Chorus I we were focusing on staff, Chorus 2 is focusing on stakeholders outside the organisation. The transformation agenda from a staff perspective, inadvertently churns out burning issues covering both staff and business stakeholders. Listening to business stakeholders provides an opportunity for confirming, disconfirming or adding more challenges under Chorus 1.

In informal discussions with selected customers for the four companies under study as well as TEST 1 and TEST 2, all 11 challenges were confirmed. There were no additional challenges raised.

7.1.3 Challenges Addressed by Chorus 3

(Collaborative Expression of Stakeholder Needs & Expectations)

Again, the Chorus addresses 11 of the 16 challenges as reflected below.

CHORUS	CHALLENGES	
3. Collaborative expression of all stakeholder needs and expectations	• Value-enhanced products & services • Use of relevant national languages • Role of national culture in transformation • Transfer of positive lessons from political to economic liberation • Economic reform and poverty reduction	• Gender consciousness • Privatisation • Land redistribution • Ecological harmony • Consensus based systems • Boosting investor confidence

Evidently, the expression of staff and business stakeholders' needs and expectations concerns validating the challenges in order for win-win relationships to be realized.

In particular, the organisation plays back the challenges in the form of needs and expectations from both staff and business stakeholders to the concerned stakeholders. The use of songs in relevant national languages to captivate the attention of the stakeholders was part of such play back in PLEASURE. A typical example of such songs is about the significance of land redistribution to alleviate poverty. In another example, an organisation like TEST 1 is in the process of coming up with a 'National Anthem' for branding purposes.

The critical issue across the four cases was to express those needs and expectations required to create value-enhanced products and boost investor confidence. In particular, government stakeholders supported changes where such changes addressed economic reform and poverty reduction, ecological harmony, privatization, gender consciousness and positive lessons from the liberation war.

The discussion above illustrates how Chorus 3 addresses the 11 challenges.

7.1.5 Challenges Addressed by Chorus 5

(Collaborative Designing of Distinctive Value Streams)

This Chorus addresses 11 of the 16 challenges.

CHORUS	CHALLENGES	
5. Collaborative designing of distinctive value streams	• Employment creation & entrepreneurship • Boosting investor confidence • Use of relevant national languages • Role of national culture in transformation • Transfer of positive lessons from political to economic liberation • Land redistribution	• Culture of non-performance • Privatisation • Consensus based systems • Ecological harmony • Economic reform and poverty reduction

To be relevant, the value streams have to be aligned to the promises to be delivered.

Whatever value stream is designed, it is aimed at eliminating waste and dealing with the culture of non-performance.

It follows that the collaborative designing of distinctive value streams addresses the 11 challenges.

7.1.6 Challenges Addressed by Chorus 6

(Collaborative Setting Up of Distinctive Structures & Systems)

This Chorus addresses 11 of the 16 challenges.

CHORUS	CHALLENGES	
6. Collaborative setting up of distinctive structures & systems	• Employment creation & entrepreneurship • Boosting investor confidence • Use of relevant national languages • Role of national culture in transformation • Transfer of positive lessons from political to economic liberation • Land redistribution	• Culture of non performance • Privatisation • Consensus based systems • Ecological harmony • Economic reform and poverty reduction

The chorus involves aligning structures and systems with value streams.

Hence the same 11 challenges addressed in Chorus 5 are also addressed in Chorus 6.

7.1.7 Challenges Addressed by Chorus 7

(Collaborative Capacity & Capability Enhancement)

Chorus 7 is the most intense as it addresses 13 out of the 16 challenges.

CHORUS	CHALLENGES	
7. Collaborative capacity & capability enhancement	• Employment creation & entrepreneurship • Role of international lending institutions • Use of relevant national languages • Role of national culture in transformation • Transfer of positive lessons from political to economic liberation • Economic reform and poverty reduction	• Institutional capacity building • Boosting investor confidence • Culture of non-performance • Privatisation • Consensus based systems • Ecological harmony • Land redistribution

What MaCoTra does is to provide organisational members with the competence to participate in each of the Choruses. This enhances their employability. Attraction to, compensation and retention of key talents in the organisation is enhanced. This sustains the momentum of the change.

In summary, Figure 7.1 reflects a helicopter view of the challenges addressed by each Chorus. This is a confirmation of Figure 5.10 that reflected links between themes and challenges from a convergence/divergence point of view

Figure 7.1: Integrated Links between Choruses and Challenges Addressed (continues to next page)

CHORUS	CHALLENGES	
1. Holding collaborative promise delivery forums with staff	• Consensus building amongst stakeholders • Role of international lending institutions • Use of relevant national languages • Role of national culture in transformation • Transfer of positive lessons from political to economic liberation • Land redistribution	• Privatisation • Gender consciousness • Consensus based systems • Ecological harmony • Economic reform and poverty reduction
CHORUS	**CHALLENGES**	
2. Collaborative listening to business stakeholders	• Consensus building amongst stakeholders • Role of international lending Institutions • Use of relevant national languages • Role of national culture in transformation • Transfer of positive lessons from political to economic liberation • Land redistribution	• Privatisation • Gender consciousness • Consensus based systems • Ecological harmony • Economic reform and poverty reduction
CHORUS	**CHALLENGES**	
3. Collaborative expression of all stakeholder needs & expectations	• Value-enhanced products & services • Use of relevant national languages • Role of national culture in transformation • Transfer of positive lessons from political to economic liberation • Economic reform and poverty reduction	• Gender consciousness • Privatisation • Land redistribution • Ecological harmony • Consensus based systems • Boosting investor confidence

Figure 7.1: Integrated Links between Choruses and Challenges Addressed (continued from previous page)

CHORUS	CHALLENGES	
4. Collaborative development of distinctive promises	• Value-enhanced products & services • Employment creation & entrepreneurship • Boosting investor confidence • Use of relevant national languages • Role of national culture in transformation • Transfer of positive lessons from political to economic liberation	• Culture of non- performance • Privatisation • Consensus based systems • Ecological harmony • Economic reform and poverty reduction • Land redistribution
CHORUS	**CHALLENGES**	
5. Collaborative designing of distinctive value streams	• Employment creation & entrepreneurship • Boosting investor confidence • Use of relevant national languages • Role of national culture in transformation • Transfer of positive lessons from political to economic liberation • Land redistribution	• Culture of non-performance • Privatisation • Consensus based systems • Ecological harmony • Economic reform and poverty reduction
CHORUS	**CHALLENGES**	
6. Collaborative setting up of distinctive structures & systems	• Employment creation & entrepreneurship • Boosting investor confidence • Use of relevant national languages • Role of national culture in transformation • Transfer of positive lessons from political to economic liberation • Land redistribution	• Culture of non performance • Privatisation • Consensus based systems • Ecological harmony • Economic reform and poverty reduction
CHORUS	**CHALLENGES**	
7. Collaborative capacity & capability enhancement	• Employment creation & entrepreneurship • Role of international lending institutions • Use of relevant national languages • Role of national culture in transformation • Transfer of positive lessons from political to economic liberation • Economic reform and poverty reduction	• Institutional capacity building • Boosting investor confidence • Culture of non-performance • Privatisation • Consensus based systems • Ecological harmony • Land redistribution

7.2 MaCoTra Challenges and Enfolding Literature Challenges

What is significant from Figure 7.1 for generalizing the MaCoTra theory/model and for further theory building is that there are 8 challenges that appear across each of the 7 choruses. The challenges are:

- Use of relevant national languages;
- Role of national culture in transformation;
- Transfer of positive lessons from political to economic liberation;
- Land redistribution;
- Privatization;
- Economic reform and poverty reduction;
- Ecological harmony; and
- Consensus based systems.

This reinforces my assertion that each Chorus may be sung on its on or in combination with others. The result of such singing, however, will have ripple effects across the whole organisation as it transforms.

Consistent with theory building from the bottom up, it is instructive to check whether any futurists, particularly politicians, have highlighted some of these challenges in relation to the African business renaissance. I cite here Mbeki and Mbigi as typical examples of such futurists.

Mbeki's (1998:239) contribution towards the future of organisations is around his conviction that '*ex Africa semper aliquid novi*! - something new always comes from Africa'.

Mbeki (1998) proposes six issues under the development agenda: economic reform, democratization, environmental protection, poverty reduction, conflict resolution and reduction of debt levels.

The first proposal is to rebuild and reconstruct the African economies, achieve high and sustained rates of growth, reduce unemployment and provide a better life for the people. This implies economic reform and poverty reduction, employment creation and entrepreneurship, and ecological harmony in the MaCoTra Model

From a socio-political angle, Mbeki proposes that democracy in African countries needs strengthening and further entrenchment while at the same time inculcating a culture of human rights among all the people. This resembles the challenge of consensus based systems in the MaCotra Model.

The third issue concerns Africa embarking on a journey to discharge responsibilities to itself, future generations and the world with regard the protection of the environment. This relates to ecological harmony in the MaCoTra Model.

The poverty reduction issue has to do with meeting the needs of the people through improving the quality of life by ensuring access to good education, adequate health care, decent homes, clean water and modern sanitation. This is consonant with ecological harmony and poverty reduction in the MaCoTra Model.

Conflict resolution has to do with the creation of a diverse society where similarities and differences are celebrated. For transforming companies, what features need to be put in place to maximize the benefits of functional conflict whilst creating opportunities out of dysfunctional conflict? The question is answered by collaboration in the MaCoTra Model.

Lastly, Mbeki predicts that there will be larger inflows of capital into the continent when political circumstances are improved. How, then, may transforming companies assist governments and civic communities in changing both the political and economic positions in the different emerging countries? The MaCoTra Model raises the same concerns and proceeds to suggest the way forward for other researchers in Section 7.3 below.

Mbeki's (1998:278) stance is:

> ... we must make the fairly obvious point that the untapped markets in the world economy are those of the developing world, ...
>
> Clearly, therefore, the further, qualitatively new expansion of the world economy must derive from the expansion of these markets or, in other words, the development of our economies such that we outgrow our designations both as developing countries and emerging economies.

What is clear from Mbeki's views of the future is that he is urging organisations to address the issues of setting a new agenda focused on the sustained and sustainable development of African countries.

Mbeki's analysis is restricted to four challenges and is pretty general.

On the other hand, Mbigi (2000:139) argues 'the African Business Renaissance has to shine through innovative approaches to human resource management'.

Mbigi (2000) also indicates that there are four principles of progress in Africa: the market principle, the democratic principle, the principle of inclusion, and the knowledge principle.

The market principle proposes that every economic activity be market based in order to maximise wealth creation. The argument for emerging economies is that wealth creation should be a high priority until material misery is banished from the earth. This resembles economic reform and poverty reduction covered in the MaCoTra Model.

Under the democratic principle Mbigi proposes that each person's happiness is as important as the next person's and therefore individuals are equally entitled to respect and autonomy. Thus power should always be given to individuals unless the market principle also demands attention to the common good, to community and fraternity, without infringing the dispersion of power in society. This reinforces the African's view of collaboration, which is the underlying principle of the MaCoTra Model. However, Section 7.3 highlights further insights around power and politics in organisations given the significance of informal background lobbying.

The inclusion principle proposes that all citizens feel included in society and have a reasonable share of society's resources. What is reasonable is defined according to what society can afford. Inclusion is the essence of the MaCoTra Model.

The fourth principle, the knowledge principle, proposes that the key to progress is the acquisition and use of knowledge. In this regard, the premise is that a society that values and multiplies knowledge and insists that it is universally distributed, will progress much faster than one that places a lower value on knowledge. Capacity and capability enhancement in the MaCoTra Model concerns the creation of knowledge assets capable of learning, relearning and unlearning.

The four areas covered by Mbigi above do not exhaust the sixteen challenges identified in the MaCoTra Model. However, there is very close similarity between Mbeki and Mbigi's rays of hope for the future of African organisations.

Figure 7.2 Comparison between MaCoTra Challenges and Enfolding Literature Challenges

Evidently, the study has unearthed more challenges than those provided by Mbeki and Mbigi. As the MaCoTra Model addresses a broader and more specific array of challenges than Mbeki and Mbigi, I assert that the MaCoTra Model may be generalised.

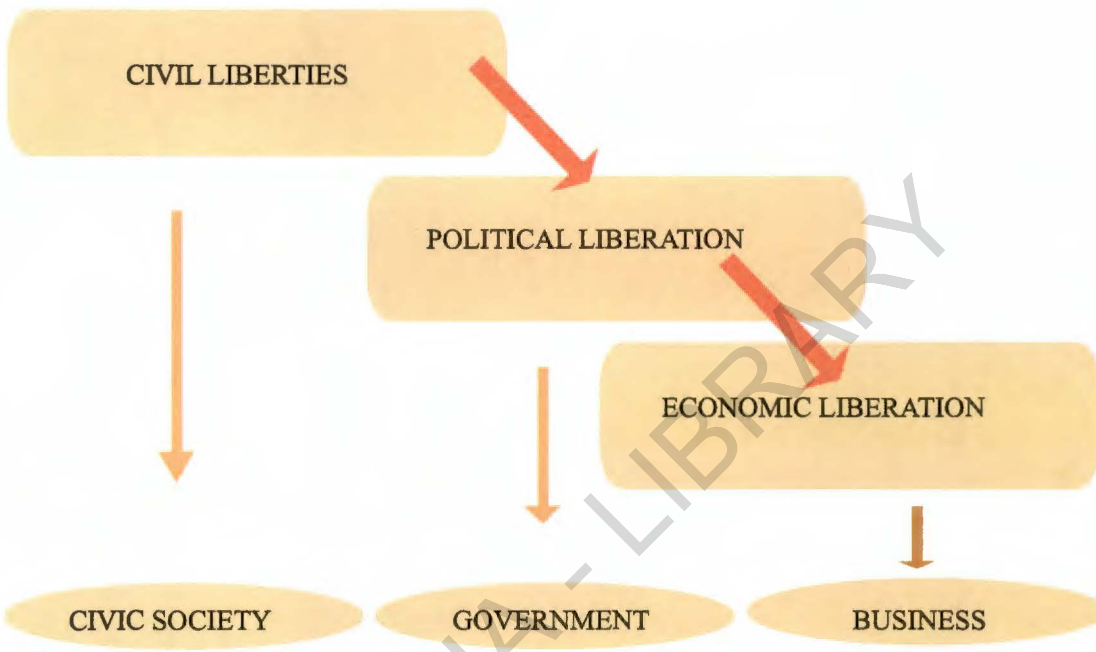
7.3 Generalising the MaCoTra Model

This study has highlighted three key power blocks that need to be managed for change efforts to succeed - government, business and civil society.

Since futurists like Mbigi, Rifkin and Melnyk & Denzler have provided insights in the same direction, I had to go back to that enfolding literature to search for any conflicting or supporting evidence.

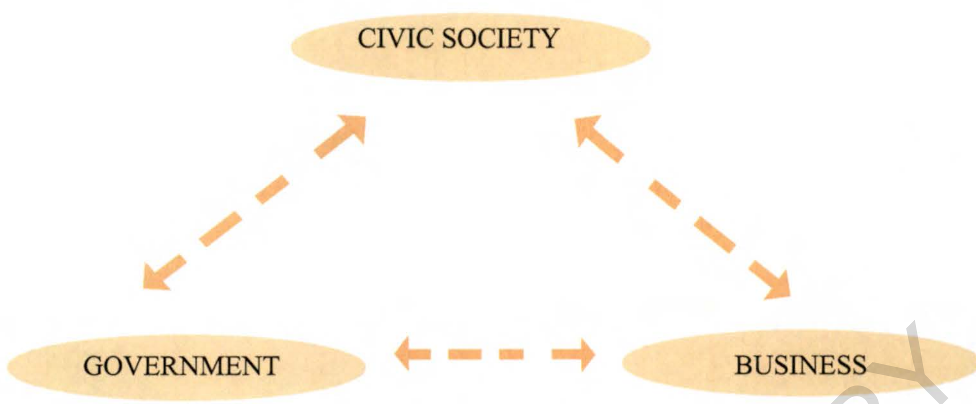
Mbigi's three phases of revolution, reflected in Chapter 2, suggests a linear movement from phase to phase as in Figure 7.3.

Figure 7.3: Mbigi's Phases of Revolution



Mbigi, however, has refined his thinking and now talks (in his lectures) about a 'Golden Triangle', Figure 7.4, to emphasize the interaction between the three sectors.

Exhibit 7.4: Mbigi's Golden Triangle



Convincingly, the phases and the 'Golden Triangle' confirm the existence of the three power blocks in this study.

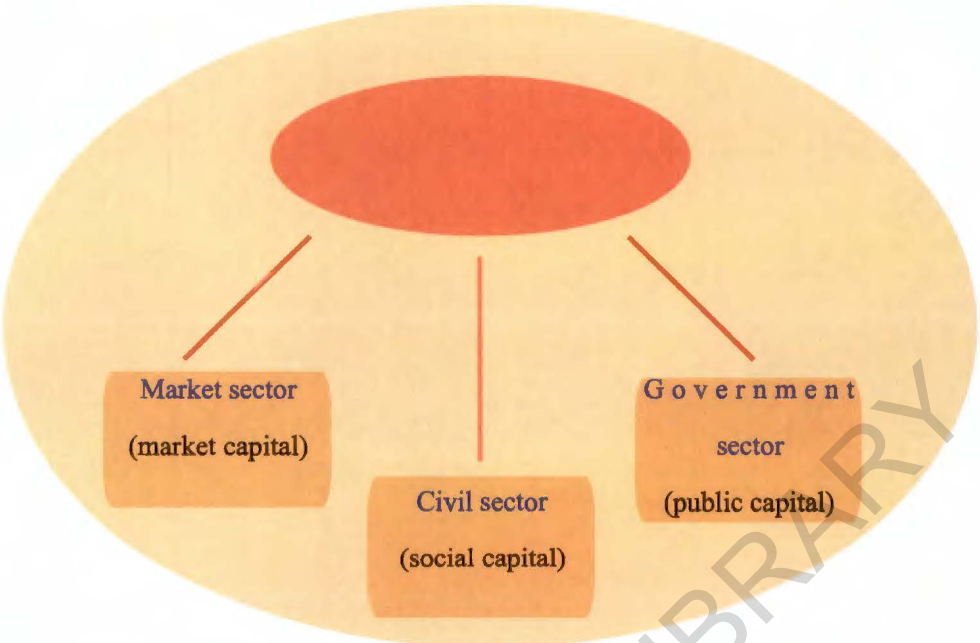
I had to go beyond Mbigi's ideas to Rifkin (2000) and Melnyk & Denzler (1996) to come up with what the nature of interaction between the sectors looked like.

The nature of interaction as conceptualized by Rifkin (2000:294) in connection with the United States is that:

> ... society is a three-legged stool made up of the market sector, the government sector, and the civil sector. The first leg creates market capital, the second leg creates public capital, and the third leg creates social capital.

I have come up with a diagrammatic illustration of this statement as reflected in Figure 7.5

Figure 7.5: Rifkin's Analysis



Rifkin proceeds to argue:

> Of the three legs, the oldest and most important, but least acknowledged, is the third sector - social capital.
>
> ... Thinking of society as creating three types of capital - market capital, public capital, and social capital - opens up new possibilities for conceptualizing both the social contract and the meaning of work.

Rifkin's prediction is that the landscape may change if the clout and profile of the civil society is elevated to a position where it is an equal player with both the marketplace and government. However, Rifkin (2000:295) is quick to warn:

> But since the Third Sector relies on the other two for its survival and well-being, its future will, to a great extent, depend on the creation of a new social force. This force can make demands on both the market and government sectors to pump some of the vast financial gains of the new Information Age economy into the creation of social capital and the restoration of the civil life of a country.

The trend now is that some people, besides working in either industry or government, also spend some hours serving in more than one non-profit organisation constituting civil society.

Melnyk & Denzler (1996) also make this observation when they discuss the knowledge factory concept. The two authors suggest that knowledge workers are a new type of employee interested in a job's contribution to personal learning and the strength of his or her resume rather than in security and short-term income gains. Such employees are considered temporary since they can work for more than one organisation at a time.

If more people become knowledge workers increasingly serving in the civil society, this society will become a powerful constituency. Rifkin predicts that this, coupled with globalization, will result in geographically bound nation-states becoming increasingly irrelevant and without a clearly defined mission.

Summarizing his contribution, Rifkin (2000:295) suggests:

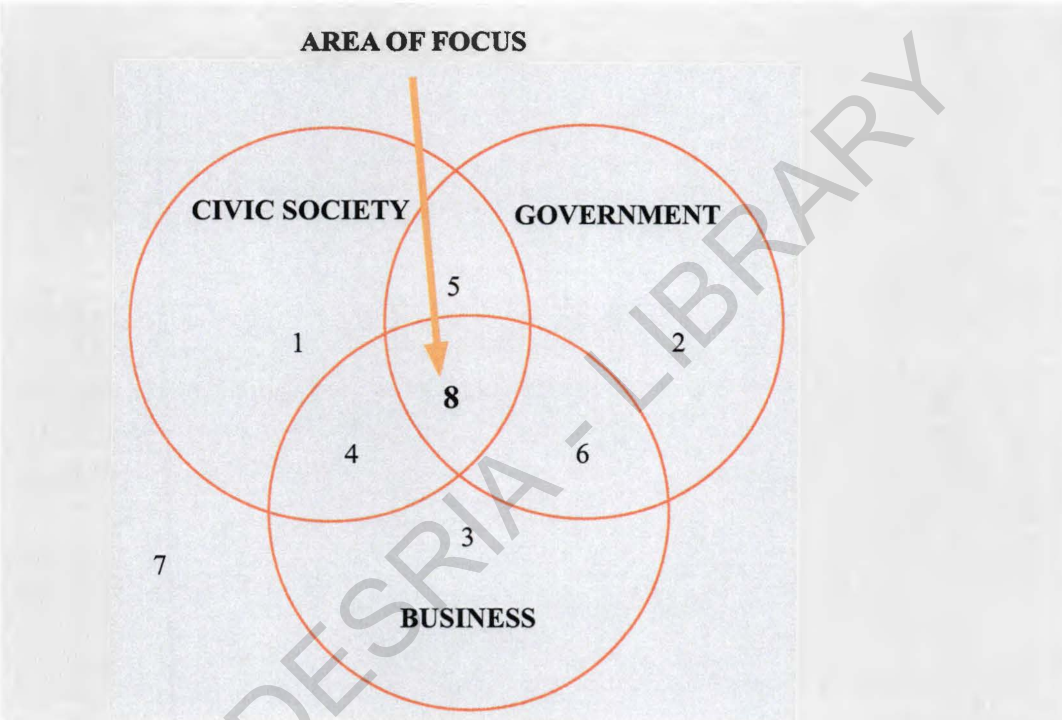
> In the new world emerging, the role of government in the affairs of commerce is going to be reduced but however government will find a greater role in the civil society. Rifkin envisages such a trend resulting in the government and civil society, which are geographically bound sectors, exerting tremendous political pressure on companies, forcing some of the gains of the new commerce into the communities.

Contrary to Rifkin's views, the four cases have strongly reflected government as a significant looming factor on the other two factors. Government, through its actions and inactions, has affected the success rate of organisational transformation. There is a strong case for other researchers to investigate how business leaders can assist both government and civic society to play a more significant role in organisational transformation.

Ideas like Rifkin's point in the direction of exploding opportunities opened up by the globalizing economy, the technological demands of shortening product life cycles and shifting technology platforms and the convergence of industry boundaries.

I have conducted an in-depth analysis of the perspectives of key stakeholders, and reflect that there are 8 possible subsets of stakeholders as I have shown in Figure 7.4.

Figure 7.6: The Madzivire New Business Leadership Challenge - The interface challenge



The operations of these subgroups of stakeholders need to be investigated further to come up with a generalised theory/model of transformation.This warrants an independent study.

However, I will explain briefly each of the subsets and recommend the nature of such an independent study.

There are stakeholders/individuals who have a conviction that their activities are restricted to civic issues only (subset 1), government only (subset 2) or business only (subset 3). More interestingly, there are other stakeholders/individuals whose view is that there is need to interface only two of the three: civic society with business (subset 4) or civic society with government only (subset 5) or government with business (subset 6). There are also those stakeholders/individuals outside their country (subset 7) whose activities have a strong bearing on the economy of their nation and need to be managed. Subset 8 includes a powerful constituency of stakeholders or individuals who have a deep appreciation of the interrelationships between the three sectors.

Having analyzed the different perspectives of key actors in a national economy like Zimbabwe, I suggest that change leaders focus on appreciating, operating from and enlarging the intersection (area of focus, 8) in figure 7.6. I suggest this because from the evidence in the four cases, it is only those business leaders who fostered collaboration from the intersection of the three sectors (the area of focus, subset 8) who succeeded in transforming their businesses.

I argue that a general theory of organisational transformation in emerging economies will emerge including findings on how to focus on the intersection of the three sectors, enlarge the number of key players with this perspective and collaborate with them.

CHAPTER 8:CONCLUSIONS AND CURIOSITIES

8.0 Introduction

The study managed to achieve the following:

- Examine the challenges of organisational transformation in emerging economies with special reference to Zimbabwe;

- Develop a theory/model (and elaborated it) to resolve the sixteen identified challenges.

This was done through:

- Examining the experiences of four Zimbabwean companies regarding organisational transformation;
- Identifying points of convergence of experiences of the chosen companies regarding organisational transformation;
- Identifying points of divergence of experiences of organisational transformation;
- Spotting those issues that trigger organisational transformation;
- Exploring the best practices in organisational transformation; and
- Ultimately developing a theory/model (and elaborating it) to resolve the transformation challenges of companies in emerging economies using the four Zimbabwean companies as anchors.

This Chapter summarises the major findings and conclusions as well as provides some curiosities, caveats and prospects for future research.

8.1 Summary of Major Findings and Conclusions

8.1.1 Constructs

Twelve tentative constructs were the basis of this case-based theory building study. After an initial entry into the field and analysis of resultant data, the tentative constructs increased to fourteen. Each of these was tentatively defined after within-case data analysis. The cross-case data analysis yielded the refined definitions. The fourteen contructs, tentative definitions and refined definitions are reflected in Figure 8.1.

I recommend that these fourteen constructs be a basis for replicating this study in other companies in Zimbabwe and other emerging economies.

Figure 8.1: The Fourteen Constructs

CONSTRUCT	DEFINITION	REFINED DEFINITION
Triggers of transformation	Critical incidents that the organization has to respond to for its survival.	Clusters of forces that create motion in & around an organization.
Best practices of transformation	Tried & tested ideas & ways of conducting business that can be migrated within & across organizations & environments.	Tried & tested ideas & ways of conducting business that can be benchmarked against.
Key players	Those actors influencing others through their credibility, capability & commitment.	Any stakeholders operating as the 'seed carriers' of new ideas & new practices.
Time	Pilot group's flexibility & control over its own energy & priorities.	Enough flexibility & control of events allowing people involved in change to devote energy towards reflection & practice.
Help	Coherent, consistent, knowledgeable coaching, guidance & support.	Coherent, consistent, knowledgeable coaching, guidance & support to develop internal resources needed to build capacity for ongoing transformation.
Relevance	Presence of a clear, compelling business case for learning.	Making a case for transformation, articulating an appropriate business focus & showing why new efforts, such as developing learning capabilities, are important for individuals & business.
Walking the talk	The match between espoused values & actions.	Fully living up to the new values espoused by the transformation.
Fear & anxiety	Concerns about exposure, vulnerability & inadequacy triggered by the conflict between increasing levels of candor & openness among members of the pilot group.	Concerns about exposure, vulnerability & inadequacy triggered by the conflict between increasing levels of candor & openness and low levels of trust among people involved in transformation.
Assessment & measurement	Establishing the degree of success of the transformation effort.	Establishing whether the transformation effort has achieved the desired results/outcomes.
Belief	The extent of polarization in belief about the transformation effort.	The extent to which the convictions of organizational members over the transformation effort are polarized.
Governance	The legitimate autonomy of a pilot group to act in tune with existing power & accountability structures.	Power & accountability structures set up to focus the transformation effort.
Diffusion	The ability to transfer knowledge across organizational boundaries, making it possible for people around the system to build upon each other's success.	The process by which an entire organization & its external partners learn from the experiences of the transformation.
Strategy & purpose	Where the business is going & what the business is there for.	Revitalizing & rethinking the organization's intended business focus, its contribution to the community & its identity.
Success	The achievement of desired results/outcomes.	Meeting, and better still, exceeding stakeholder needs & expectations.

8.1.2 The Sixteen Challenges

The use of fourteen constructs resulted in the unearthing of sixteen challenges faced by each of, some of or all the four companies in the study. The challenge areas, emerging challenges and refined challenges are reflected in Figure 8.2

Figure 8.2: The Sixteen Challenges (continued on next page)

CHALLENGE	EMERGING CHALLENGE	REFINED CHALLENGE
1. Role of national culture in transformation	Organisations that transform in Zimbabwe have to anchor such change on national culture.	Organisations that transform in emerging nations have to anchor such change on national culture to narrow global inequities between developed and emerging nations.
2. Use of relevant national languages	Organisations that transform in Zimbabwe have to use relevant national languages to convey and embed the new different ways of doing business to all relevant stakeholders.	Organisations that transform in emerging nations have to use relevant national languages to convey and embed the new different ways of doing business to all relevant stakeholders.
3. Land redistribution	Organisations that transform in Zimbabwe will have to promote an equitable pattern of land redistribution.	Organisations that transform in emerging nations will have to promote an equitable pattern of land redistribution.
4. Economic reform and poverty reduction	Organisations that transform in Zimbabwe have to conduct business aimed at sustaining long-term high rates of economic growth driven by agriculture in order to alleviate poverty.	Organisations that transform in emerging nations have to conduct business aimed at sustaining long-term high rates of economic growth driven by agriculture in order to alleviate poverty.
5. Employment creation and entrepreneurship.	Organisations that transform in Zimbabwe have to create employment and upscale entrepreneurship to enable the state restructure its economy and compete globally.	Organisations that transform in emerging nations have to create employment and upscale entrepreneurship to enable the states restructure their economies and compete globally.
6. Ecological harmony	Organisations that transform in Zimbabwe have to engage in safety, health and environmental programmes to enhance the quality-of-life of employees and communities.	Organisations that transform in emerging nations have to engage in safety, health and environmental programmes to enhance the quality-of-life of employees and communities.
7. Boosting investor confidence	Organisations that transform in Zimbabwe have to contribute towards the reduction/elimination of (trans)national conflicts, crime, including corruption, in order to boost investor confidence.	Organisations that transform in emerging nations have to contribute towards the reduction/elimination of (trans)national conflicts, crime (including corruption) in order to boost investor confidence.

Figure 8.2: The SixteenChallenges (continued from previous page)

8. Value-enhanced products and services.	Organisations that transform in Zimbabwe have to (re)brand value-enhanced products and services for the global market.	Organisations that transform in emerging nations have to (re)brand value-enhanced products and services for the global market.
9. Consensus building amongst stakeholders.	To succeed in leading change in their companies in Zimbabwe, managers need to forge an institutional framework and process for consultation and consensus building amongst stakeholders on the make up of reform programmes.	To succeed in leading change in their companies in emerging nations, managers need to forge an institutional framework and process for consultation and consensus building amongst stakeholders on the make up of reform programmes.
10. Institutional capacity building.	Organisations in Zimbabwe need to build institutional capacity to minimise/eliminate the gap between designed plans and their implementation.	Organisations in emerging nations need to build institutional capacity to minimise/ eliminate the gap between designed plans and their implementation.
11. Gender consciousness	Organisations in Zimbabwe need to move to a higher level of consciousness in gender relations by engaging in gender analysis in order to empower women.	Organisations in emerging nations need to move to a higher level of consciousness in gender relations by engaging in gender analysis in order to empower women.
12. Role of international lending institutions.	In the design and implementation of reform programmes in Zimbabwe, non-state actors will have to assist government assess the role of international lending institutions.	In the design and implementation of reform programmes in emerging nations, non-state actors will have to assist governments assess the role of international lending institutions. Business leaders will have to play a pivotal role.
13. Privatisation	Managers of companies to be privatised in Zimbabwe are to undertake the privatisation process transparently, informed by a stakeholder driven team. Such privatisation is to be an effective role for the indigenisation of the economy.	Managers of companies to be privatised in emerging economies are to undertake the privatisation process transparently, informed by a stakeholder driven team. Such privatisation is to be an effective role for the indigenisation of the economies.
14. Culture of non-performance	There is need to attract and retain capable staff to arrest the movement of non-performing staff across Zimbabwean companies.	There is need to attract and retain capable staff to arrest the movement of non-performing staff across the public sector, non-governmental organisations and the private sector in emerging nations.
15. Consensus based systems.	The cultivation of trust and credibility between key stakeholders in the constitution making process is critical. Business leaders in Zimbabwe have to play a critical role.	The cultivation of trust and credibility between key stakeholders in the constitution making process is critical. Business leaders in emerging nations have to play a critical role.
16. Transfer of positive lessons from political to economic liberation.	Companies in Zimbabwe have to harness positive methodologies used during the struggle for political liberation to foster economic liberation.	Companies in emerging nations have to harness positive methodologies used during the struggles for political liberation to foster economic liberation.

The sixteen challenges were confirmed through an intensive literature search of what obtained in Zimbabwe, regionally and globally that was relevant to organisational transformation.

I recommend that in the replication studies recommended in 8.1.1 above, checks for the recurrence of these challenges be made.

8.1.3 The Seven Themes

From the within-case and cross-case analysis, nine emerging themes were synthesized to seven. The seven themes and elaborated theme statements appear in Figure 8.3.

Figure 8.3: Elaborated Themes

ELABORATED THEME	ELABORATED THEME STATEMENTS
1. Staff.	Holding collaborative promise delivery forums with staff.
2. Business stakeholders.	Collaborative listening to business stakeholders.
3. Needs & expectations.	Collaborative expression of stakeholder needs and expectations.
4. Promises.	Collaborative development of distinctive promises.
5. Value Streams.	Collaborative designing of distinctive Value Streams.
6. Structures & systems.	Collaborative setting up of distinctive structures & systems.
7. Capacity & capability	Collaborative capacity & capability enhancement.

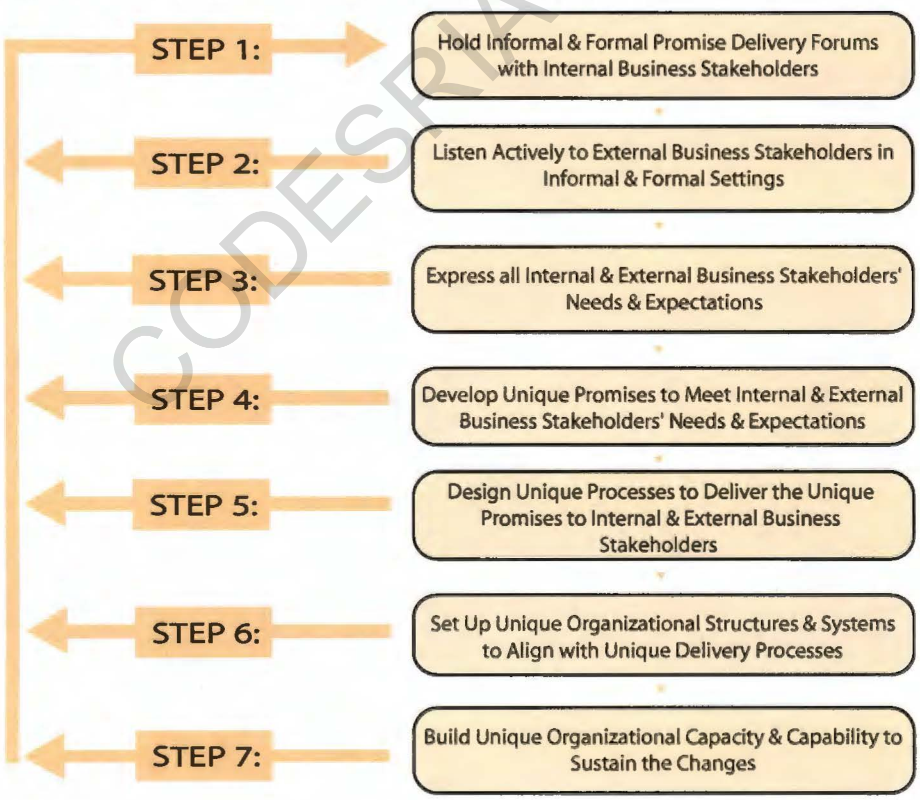
8.1.4 The Emerging Model: The Madzivire Transformation (MaTra) Model

The seven themes were used to come up with an emerging theory/model - the Madzivire Transformation Model (the MaTra model).

The MaTra model reflects that ***organisational transformation revolves around changing needs and expectations of (internal and external stakeholders), changing promises, changing delivery processes, changing structures and systems and changing capacity and capability to sustain the change.*** Two other critical elements of the emerging theory/ model are ***capturing the changing needs and expectations of internal and external stakeholders***.

Grippingly, none of the four cases in the study reflected an effort that catered for all the seven MaTra elements. The closest was the home-grown FINANCE process model.

Figure 8.4: The Madzivire Transformation (MaTra) Model



This MaTra model has more elements to change, compared to Newman & Nollen's (1998:207) findings based on a study of 6 Czechoslovak (one country only) companies from one industry (manufacturing). The two also came up with an elaborated model of radical change and say:

> We were able to develop a testable model that includes facilitators of radical change (starting resources and capabilities, competitive conditions, and leadership), the most important things to change (strategy and systems), and the effect of national culture on the change process.

Thus, Newman & Nollen only found two elements (strategy and systems) to change. Insights from Newman & Nollen's (1998:206) include:

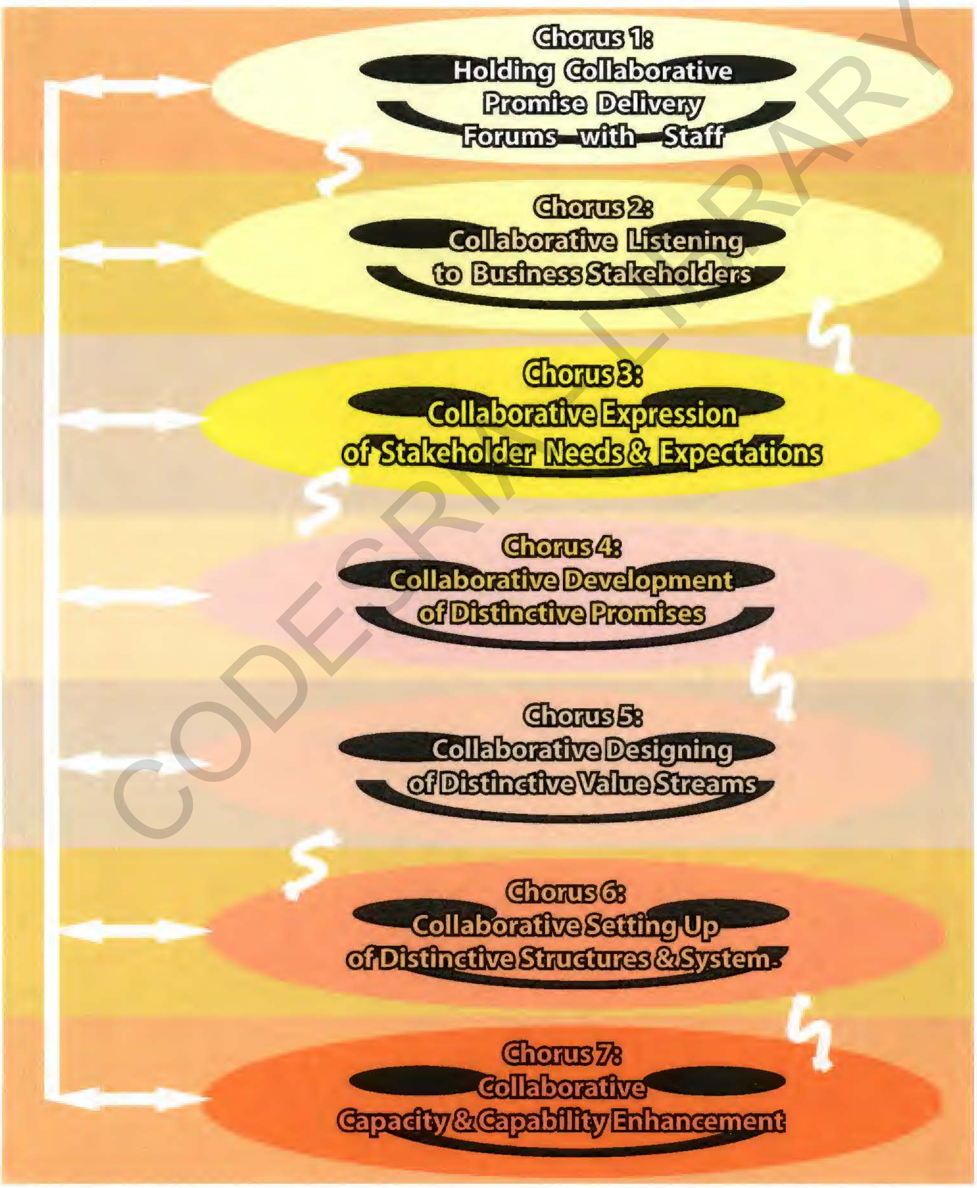
> We have also observed in the Czech Republic that changes in strategy and supporting systems are prerequisites for radical change. In particular, system change appears to play a larger role in these firms than previously hypothesized in Western firms. We suggest that this is so because new systems are necessary for new core values, which themselves are necessary for radical change.

Thus, there are more intricacies in the MaTra Model as compared to Newman & Nollen's.

8.1.5 The Elaborated Model: The Madzivire Collaborative Transformation (MaCoTra) Model

The MaTra model in this study was elaborated to include the common thread of 'collaboration' from an African perspective. The elaborated model (the Madzivire Collaborative Transformation model - MaCoTra) is shown in Figure 8.5.

Figure 8.5: The Madzivire Collaborative Transformation (MaCoTra) Model



The MaCoTra model integrates relevant Western and non-Western ideas producing a different and unique theory/model of organisational transformation that celebrates similarities and differences between cultures.

This is consonant with the pointers from Booysen & Beaty (1997) in connection with the South African context, Harvey, Carter & Mudimu (2000) comparing work values and motives among Zimbabwean and British managers, and Tidjani & Noorderhaven (2001) in an exploratory study with a special focus on Africa.

Booysen & Beaty (1997:15) say:

> The South African workplace reflects many diverse cultures including European, African, Asian, Middle Eastern, and others, and people from the same cultures in South Africa frequently differ along regional and ethnic lines, reflecting a workplace that Beaty describes as a cultural cocktail.

Whereas Harvey, Carter & Mudimu (2000:723) argue:

> There is increasing evidence showing that Western management theories, of motivation and work values in particular, need to be adapted to the local cultural features of independent African countries.

And Tidjani & Noorderhaven (2001) suggest:

> Existing studies show that national cultures influence governance and economic performance. Sub-Saharan Africa, however, is sparsely covered in international comparative culture studies, and the existing studies suffer from a Western bias.

With the opening up of the national borders, there is much mobility of workers from diverse groups to the extent that this statement may be applied to the whole of Southern Africa.

The MaCoTra model is based on the metaphor of choruses, reflecting both non-linear and linear linkages. The metaphor of a chorus is used to depict the significance of songs in African bonding. Indeed, a personal commitment to transform an organisation with others calls for bonding around values, visions, missions and strategies. This is a remarkable departure from the steps, phases, and stages espoused in most of the cited Western change literature. This also emphasizes the need to appreciate that the MaCoTra philosophical base has emerged to be Ubuntu - 'I am because we are' - focusing on both independence and interdependence.

Hence change interventions may be through individual or multiple MaCoTra choruses, with the organisational song connecting all organisational members in a choir of transformation.

Change leaders have to bear in mind that although extant change literature is mostly around steps, stages, acts and phases; change does not necessarily occur and cannot be implemented in a neat, clear-cut fashion. Booysen and Beaty (1997:12), for example point out:

> Instead of a controllable process, more often than not, change occurs rather haphazardly and chaotically, in spurts and not event by event.

What was startling to find was that leadership and/or the quality of leadership was more of a given. It was a significant issue only in PLEASURE where the death of PL1 (considered a servant leader) resulted in a variety of crises, including leadership crises and mass resignations. This necessitated the need to integrate servant leadership and African leadership in the MaCoTra model through the inclusion of relevant work from Secretan(1997;1999) and Mbigi (1997;2000). As indicated in Chapters 2 and 6, both these futurists have the spirit as a basis of transformation.

8.2 Curiosities, caveats and future research

8.2.1 Curiosities and caveats

I argue that case-based theory building research from Eisenhardt's (1989) 'Process Of Building Theory From Case Study Research' is ideal for situations like the ones faced by companies in Zimbabwe from 1980 to 2000.

In connection with case-based, theory building research in their study in the Czech Republic, Newman & Nollen (1998) assert:

> Events that had potentially tremendous effects on firms unfolded in unpredictable, and uncontrollable ways. Firms grappled with change in very unfamiliar territory with few guideposts and even fewer good role models. The exogenous changes that triggered company-level change were extraordinary and pervasive. These were ideal circumstances for case-based, theory-building on the process by which radical change was undertaken.

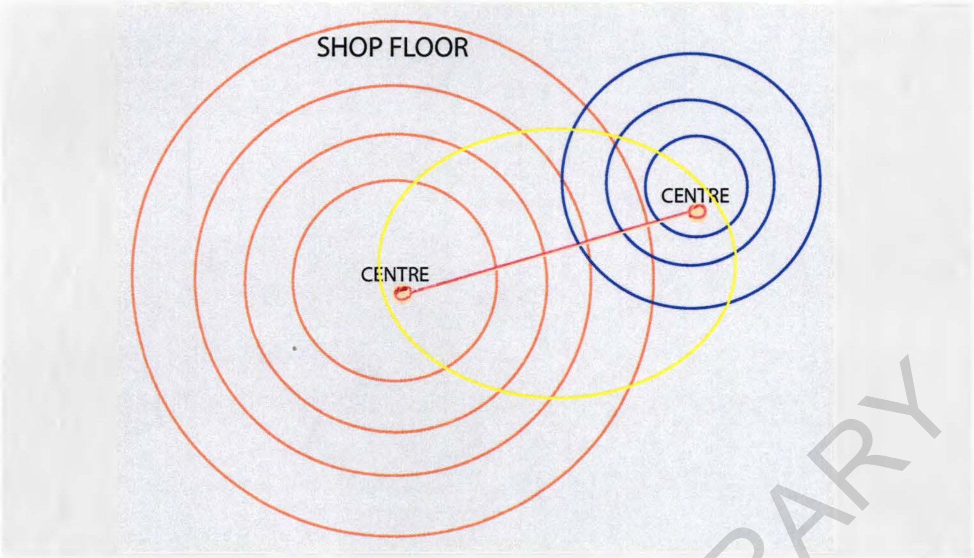
I also assert that these sentiments are applicable to my study in Zimbabwe.

From the cited literature, it is interesting to note that no researcher has applied Eisenhardt's process in the African context, which is a limitation in itself. There was therefore no enfolding literature on the Eisenhardt process to compare against, other than that available from the west and Eisenhardt herself.

An interesting feature around the African perspective of collaboration is that it is characterized by intense background lobbying. Opinion leaders play a critical role in the process. A quick assessment of the power and politics dynamics in the Zimbabwean companies studied reflected that, on the surface, power and politics reside in concentric circles from the top leadership down the hierarchies to the shop floor as shown in

Figure 8.6

Figure 8.6: The Madzivire Concentric Circles of Power and Politics in Organisations



Deeper analysis given the issue of background lobbying and the three sectors discussed above, however, revealed that a shop floor worker may be in the centre of power circles in either national politics or civic society. Other shop floor workers in similar positions may be connected to the top leadership and wield a lot of power through such relationships. Such shop floor workers, for example, may influence the direction of transformation efforts.

The unanswered question is: How may organisational leaders harness the energy of opinion leaders in different concentric circles to spearhead transformation?

8.2.2 Future research

The propositions put forward are representative of unanswered questions. The challenge is for other researchers to test the propositions.

Figure 8.7 captures possible areas for further study from the within case analysis.

Figure 8.7: Possible Areas of Further Study as Propositions

POSSIBLE AREA	PROPOSITION
1. Contextualisation of business issues.	Contextualisation of business issues is a prerequisite for success of transformation efforts.
2. Natural disasters.	Natural disasters like drought trigger major change. There appears to be a 10-year drought cycle for Zimbabwe.
3. Interface between Government, business and civic society	Transformational business leaders need to thoroughly understand the interface between business, government and civic society.
4. Managing the Interface between key power blocks.	Success in business transformation is dependent on the ability to manage the interface between key power blocks.
5. Effective management of conversations.	Successful organisational transformation is a function of the effective management of conversations.
6. Key stakeholder blocks.	The role of state institutions, political parties and civic society is a major determining factor in the shaping of organized business in a society.
7. Lack of consultation and polarisation.	The lack of consultation on major economic issues and governance often leads to polarisation of positions between states, civil society and the private sector.

8.3 Overall Conclusion

The Eisenhardt (1989) eight step process used in this study guaranteed both internal and external validity. This is because steps 3, 6 and 7 (selecting cases, shaping hypothesis and enfolding literature) have built-in features to ensure such validity.

The sample of companies is representative of four business sectors in Zimbabwe. I assert that the results of the study may be generalizable to theory and other companies in Zimbabwe.

Generalisability to African companies outside Zimbabwe may be lower given the diverse nature of cultures. Hence there is need to replicate the study in other sectors not covered in Zimbabwe, other African countries and emerging economies outside Africa.

As pointed out under findings and conclusions above, there is need to systematically test the elaborated theory in a larger sample of companies and to extend the research to other emerging economies outside Zimbabwe.

I am prescribing the MaCoTra model to those organisations in emerging economies that intend to embark on transformation.

APPENDIX 1: Semi-structured Interview and Focus Group Discussion Guide

Punctuated Equilibrium Paradigm

1. Describe the changes that have taken place in your company as from 1980 to 2000.

Initiation

2. What prompted the changes?

3. Who were the key players?

4. Indicate the time available for the initial stages of the change(s) in this company.

5. Highlight the kind and quality of help that was needed for the change.

6. Describe whether the change initiative was relevant for people's personal goals and business objectives.

7. Indicate whether those advocating the change were 'walking the talk'.

Sustenance

8. Highlight whether fear and anxiety were acknowledged as part of the change process.

9. Describe how progress was assessed.

10. Indicate whether the company was split into groups of those who believed in the change and those who did not believe in it.

Redesigning

11. Describe the power and accountability structures that were set up during the change.

12. Highlight how the entire organisation learnt from the experiences of the change initiative.

13. Describe how new ideas about purpose and strategy influenced thinking in the company.

14. How successful were the changes?

APPENDIX 2: Request to Study a Company

I am conducting a study on the challenges of organisational transformation in emerging economies with special reference to Zimbabwe. The purpose of the study is to come up with a theory/model of transformation that is suitable for Zimbabwean companies, in particular, and emerging nations in general.

Based on the experiences that your company has gone through since 1980, I have identified your company as one of the four that may contribute significantly to this study.

The study involves collecting data through interviews, focus group discussions, observations, and from company documentation as well as media reports.

All records relating to your company will be strictly confidential. Participants and the company will be referred to by pseudonyms.

At the end of the study, I will present the findings and recommendations to your leadership team and provide you with a copy of these findings and recommendations.

Your assistance is greatly appreciated in advance

Yours faithfully

Alex Benjamin Madzivire

APPENDIX 3: The "Case Method" Research Project

Interview/Focus Group Discussion Consent Form

In order to study organisational transformation in Zimbabwe, it is important to listen to employees' thoughts and feelings regarding changes that have taken place in their company.

Based on your invaluable experiences in your company, I have identified you as an individual who can add value to this study. I am inviting you to participate in a one-on-one interview or focus group discussion that I will conduct.

The interview or discussion should take approximately one and a half hours and will be scheduled at a place and time convenient to you this month.

Your decision to participate is completely voluntary.

All the records relating to the interview/discussion will be strictly confidential. Even though I am requesting that I tape record the sessions, participants will be referred to by pseudonyms.

I will hold all the raw data (tapes and transcripts) and will not distribute that data to any unauthorised person(s).

Further information on this study is obtainable from me on
Mobile number 263 - 11 606 433.

-- ---------------------------------------

Researcher's signature Participant's signature

Date----------------------------------- Date-------------------------------

APPENDIX 4: Request to be a Research Assistant

I am conducting a study on the challenges of organisational transformation in emerging economies with special reference to Zimbabwe. The purpose of the study is to come up with a theory/model of transformation that is suitable for Zimbabwean companies, in particular, and emerging nations in general.

The study involves collecting data through interviews, focus group discussions, observations, and from company documentation as well as media reports.

All records relating to the four companies will be strictly confidential. Participants and the company will be referred to by pseudonyms.

At the end of the study, I will present the relevant findings and recommendations to the leadership team of each company and provide them with a copy of these findings and recommendations.

Based on your experiences and your objectivity, I am requesting that you contribute significantly to this study as a research assistant.

Your role will be to bring a very different and possibly more objective eye to the evidence.

I will acknowledge your contribution in the final document.

Looking forward to your support

Yours sincerely

Alex Benjamin Madzivire

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CURRICULUM VITAE: ALEX BENJAMIN MADZIVIRE

Alex is a distinguished Zimbabwean inspirational and transformation leader. He serves the three main sectors of the economy, namely business, civic society and government. Having started his career as a secondary school mathematics teacher, Alex rose through the ranks, serving as Deputy Headmaster and Headmaster of several secondary schools. On leaving the Ministry of Education, Alex was the Education Officer in charge of policy planning, research and evaluation, and aid to disadvantaged schools.

In the private sector, Alex started off as a Training Officer at an insurance company, and as a result of his significant contributions, he was promoted to Training Manager. From insurance, Alex joined a conglomerate as Group Training Manager, with responsibility for employee capacity development. Alex moved on to a global energy company, assuming the role of Training and Development Manager. His impact resulted in his elevation to Regional Transformation Manager. In this role, Alex contributed towards the creation of global learning and development programmes for the company.

After nine years of crosscutting experience in different industries in the private sector, Alex founded a consulting company, P. & B. Madzivire Service Pac (Pvt) Ltd, which trades as Madzivire Centre of Transformation (MaCoTra). He contributes towards value creation at both individual and organizational levels with a network of clients across the Southern African region. In his work, Alex leaves a legacy of transformed individuals and organizations.

Alex holds a Secondary Teachers' Certificate, obtained with distinctions in Mathematics, Theory of Education, and Teaching Practice; and the Bachelor's Degree in Mathematics Education from the University of Zimbabwe (UZ). Alex obtained a Diploma in Personnel Management and the Higher Diploma in

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On 20 November 2003, Alex successfully defended his thesis towards a Doctorate in Business Leadership at the University of South Africa's SBL.