

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	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none"> • 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
	<ul style="list-style-type: none"> • 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 1 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	<ul style="list-style-type: none"> • 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.

7.1.4 Challenges Addressed by Chorus 4

(Collaborative Development of Distinctive Promises)

This Chorus addresses 12 of the 16 challenges.

CHORUS	CHALLENGES
4. Collaborative development of distinctive promises	<ul style="list-style-type: none"> • 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

Clearly, translating needs and expectations into promises concerns packaging the needs and expectations, not only as enhanced products and services, but also wrapping them in relevant songs. Distinctive promises may be in the form of finance to small-scale farmers to upgrade peasant agriculture (FINANCE) or releasing pieces of land to the landless (CROP). Communication of such activities was through relevant local languages. In CROP, the provision of vetiver grass was aimed at achieving ecological harmony.

The four companies retrenched staff at different points and participated in creating employment and enhancing entrepreneurship.

The highlights show how Chorus 4 addresses the 12 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	<ul style="list-style-type: none"> • 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

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	<ul style="list-style-type: none"> • 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

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	<ul style="list-style-type: none"> • 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

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	<ul style="list-style-type: none"> • 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
2. Collaborative listening to business stakeholders	<ul style="list-style-type: none"> • 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
3. Collaborative expression of all stakeholder needs & expectations	<ul style="list-style-type: none"> • 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

Figure 7.1: Integrated Links between Choruses and Challenges Addressed (continued from previous page)

CHORUS	CHALLENGES
4. Collaborative development of distinctive promises	<ul style="list-style-type: none"> • 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
	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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
	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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
	<ul style="list-style-type: none"> • Culture of non performance • Privatisation • Consensus based systems • Ecological harmony • Economic reform and poverty reduction
CHORUS	CHALLENGES
7. Collaborative capacity & capability enhancement	<ul style="list-style-type: none"> • 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
	<ul style="list-style-type: none"> • Institutional capacity building • Boosting investor confidence • Culture of non-performance • Privatisation • Consensus based systems • Ecological harmony • Land redistribution

7.2 MaCoTra Challenges and Enfolded 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 own 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

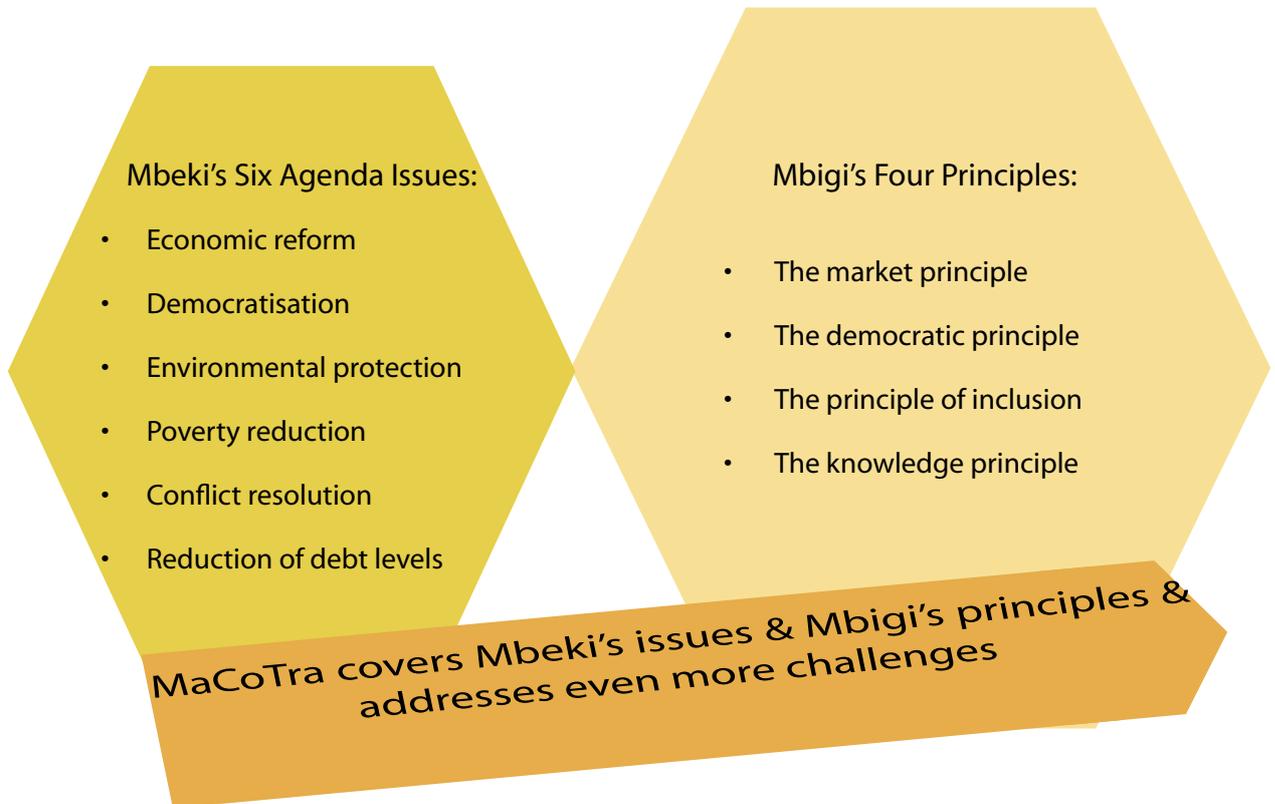
of collaboration, which is the underlying principle of the MaCoTra Model. However, Section 7.3 highlights further insights around power and politics in organisations given the significance of informal background lobbying.

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.

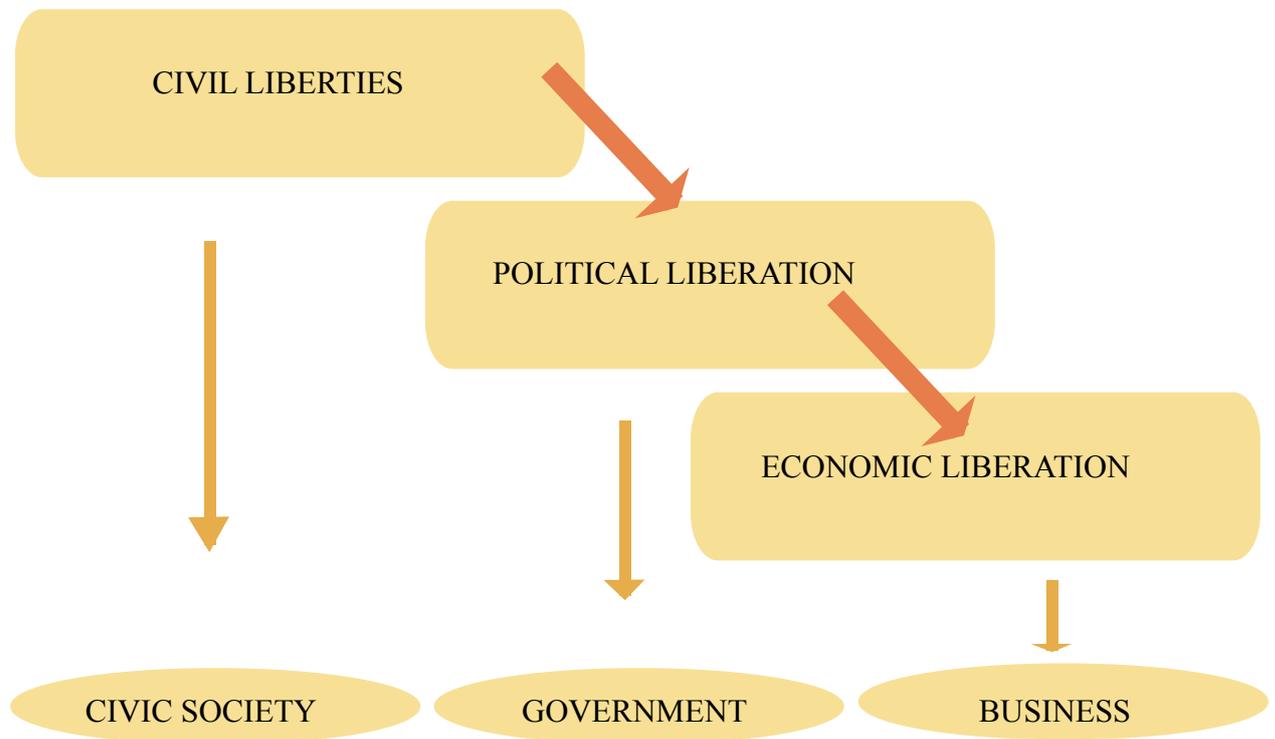
7.3 Generalising the MaCoTra Model

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.

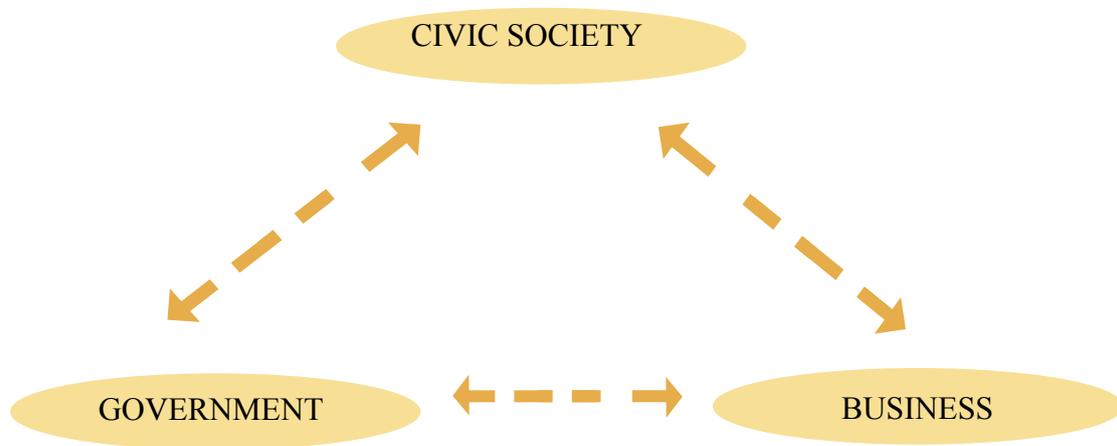
Mbigi's three phases of revolution, reflected in Chapter 2, suggests a linear movement from phase to phase as in Figure 7.3.

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.

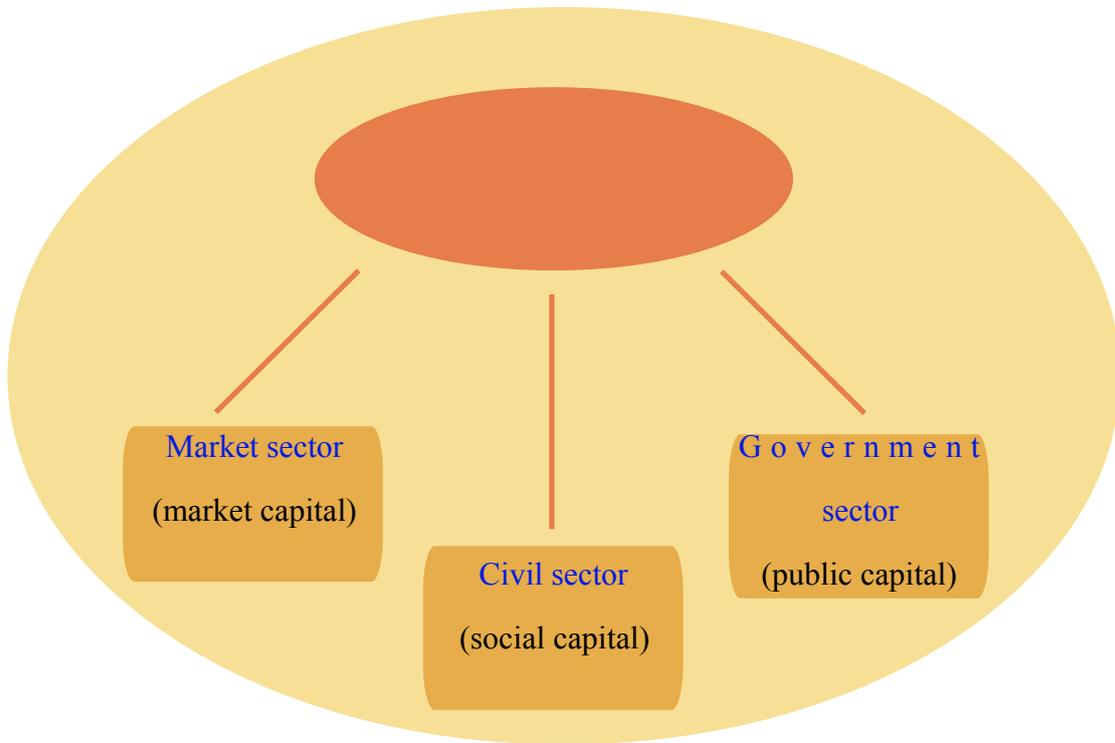
I had to go beyond Mbigi's ideas to Rifkin (2000) and Melnyk & Denzler (1996) to come up with what the nature of interaction between the sectors looked like.

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.

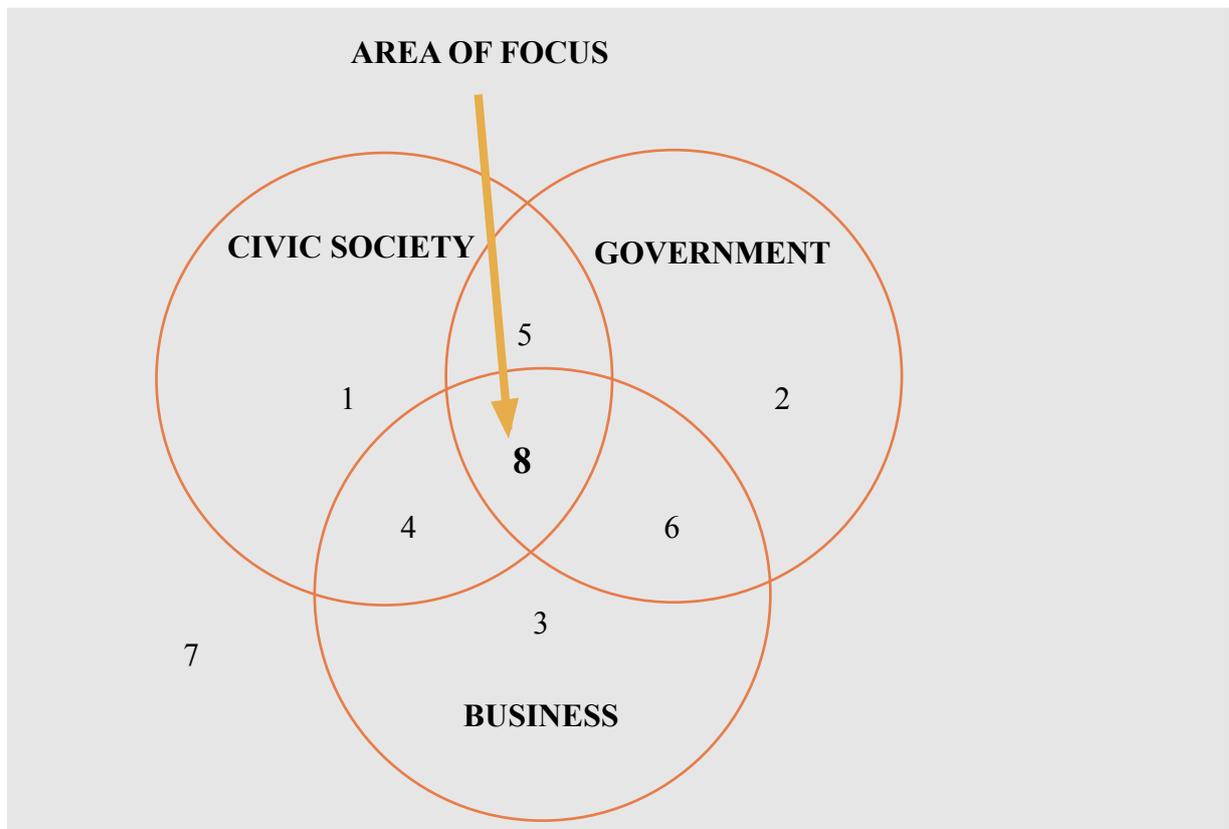
Contrary to Rifkin's views, the four cases have strongly reflected government as a significant looming factor on the other two factors. Government, through its actions and inactions, has affected the success rate of organisational transformation. There is a strong case for other researchers to investigate 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.